UK Retailers Continue To Face Faltering Footfall

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The latest data from Synovate Retail Performance shows that retail footfall in March in the UK was significantly lower than the same month a year ago.

The Retail Traffic Index (RTI) for the month was 7.0% down compared to March 2010, but up 1.5% on February.

For the first quarter as a whole footfall finished 4.8% lower than quarter one 2010, somewhat better than the 5.6% deficit recorded for the final quarter of 2010.

"The start of 2011 has been challenging for retailers on a number of fronts," reflects Dr Tim Denison, Director of Retail Intelligence at Synovate.

"The loss of five shoppers in every hundred is certainly one of these, and it is hurting retailers up and down the country. March was another difficult month for footfall. Admittedly March 2010 benefitted from having Easter in it, so making this year's figure looks particularly weak. Nevertheless we cannot hide from the facts that, firstly, shoppers simply haven't come out of their winter retrenchment yet and, secondly, that consumer confidence is continuing on a downward trajectory."

"Retailers are doing what they can through heavy, on-going promotional activity, but that serves to secure market share rather than to stimulate market size and frequency of visit. The reasons for fewer trips to non-food stores are well documented, but one that we think is particularly telling at the moment is the lack of money in the shopper's pocket. According to Asda Income Tracker, family spending power fell by Â£11 per week in February, representing a 6% drop on the previous year. With essentials such as domestic energy bills, petrol and food prices all on the rise, living costs are escalating. Inflation is currently double the average annual wage increase. Inevitably it is our discretionary shopping behaviour which is impacted the most. And with many retailers faced with the prospect of passing higher supplier prices on to the shopper, the outlook for the rest of the year remains tough for both retailers and for their customers. UK retailing is in a state of managed nervousness."

"Over the next month or so though," continues Denison, "we can expect to see some respite. The long awaited arrival of Easter, the Royal Wedding and the accompanying bank holidays will boost footfall and retail sales. Visit London predicts that an extra 600,000 tourists will come to Britain over the wedding period alone. We can expect the royal event to have a halo effect, perking up footfall and cranking up confidence, just as the Queen's coronation did in 1953, her silver jubilee in 1977 and Prince Charles' wedding in 1981. The question is how long we can expect the uplift in the nation's spirit and shopping to last."

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