

The Retail Pulse

FSP RETAIL BUSINESS CONSULTANTS



RETAIL NEWS INDEX

ACCOUNTS BAROMETER

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RETAIL BURN

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Retail Burn

The **co-operative**

John Lewis
Waitrose
Morrisons
Boots The Chemist
Ikea
Everything Everywhere
Illamasqua
ASOS
Reiss

Hawkin's Bazar
d2
Thorntons
La Senza
Past Times
Edinburgh Woollen Mill
Peacocks Group
New Look
Carpentright

BARRATTS

This month, the most talked about retailers, according to SnapShop and the Retail Burn, include **The Co-operative Group**, **John Lewis**, **Waitrose**, **Morrisons**, **Boots The Chemist**, **Ikea**, **Everything Everywhere**, **Illamasqua**, **ASOS**, **Reiss**, **Hawkin's Bazaar**, **d2**, **Thorntons**, **La Senza**, **Past Times**, **Edinburgh Woollen Mill**, **Peacocks Group**, **New Look**, **Carpentright**, **Barratts**.

The retailer with the highest number of positive news articles in December was **The Co-operative Group**. The group announced a record-breaking interim dividend of £17.8m to its membership.

At the other end of the scale **Barratts** has made 1,610 employees redundant and plans to close 18 of its stores.

Other notable stories include the news that **Hawkin's Bazaar** has collapsed into administration and **Past Times** is set to be put into administration threatening around 1,000 jobs.

SNAP SHOP

REALTIME RETAILER RESEARCH

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Hot 100

The Hot 100 in December 2011 included;

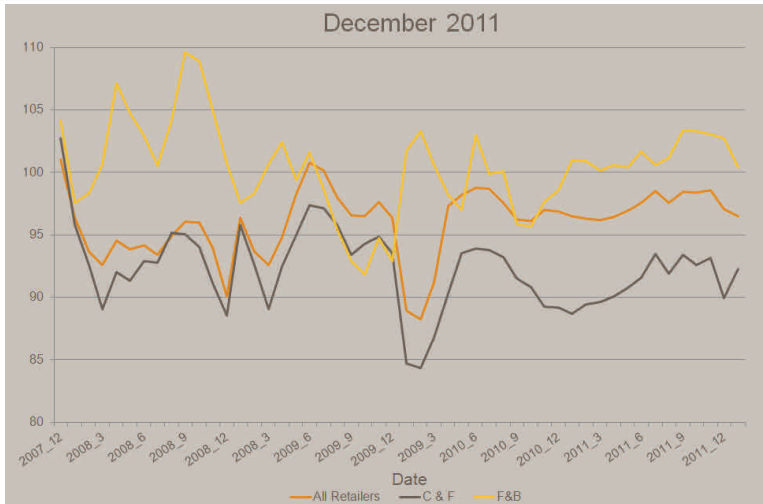
- Pizza delivery company, **Domino's Pizza**
- Luxury accessories brand, **Smythson of Bond Street**
- Fashion retailer, **Hobbs**
- **Timberland**
- **Optical Express**
- Swedish furniture store, **Ikea**
- Luxury department store, **Harrods**
- Supermarket retailer, **Iceland**

These highly sustainable businesses have consistently delighted their loyal customers, have prudently managed their finances and have cautiously expanded, maintaining their appeal.

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RNI



FSPs Retail News Index is a 3 month moving average measure of sentiment in reported retail news stories. The index for *All Retailers* went down slightly to 97 compared with 98 last month. The December 2010 and 2011 *All Retailer* indices were both 97. All indices went down in December, apart from *Food & Beverage* which remained the same at 103.

Leisure went down 1 to 101 and *Grocery* also went down 1 to 99 compared with November. *Personal* and *Household* both went down to 95. *Clothing and Footwear* saw the biggest decline going from 93 to 90. The lowest of all the indices.

Only *Food & Beverage* and *Leisure* now exceed the 2005 benchmark of 100. The dip in positive news is likely due to the reports regarding poor sales in the run up to Christmas. Over 2011 the different indices have fluctuated, however comparing December 2010 with December 2011 most have changed very little. Only *Household* showed a significant drop.

FSP on average review over 350 unique items of retailer news. Each article is then scored according to sentiment. RNI is the sum of these scores indexed against 2005 and averaged over a three month period. The RNI time series for all retailers starts from May 2002.

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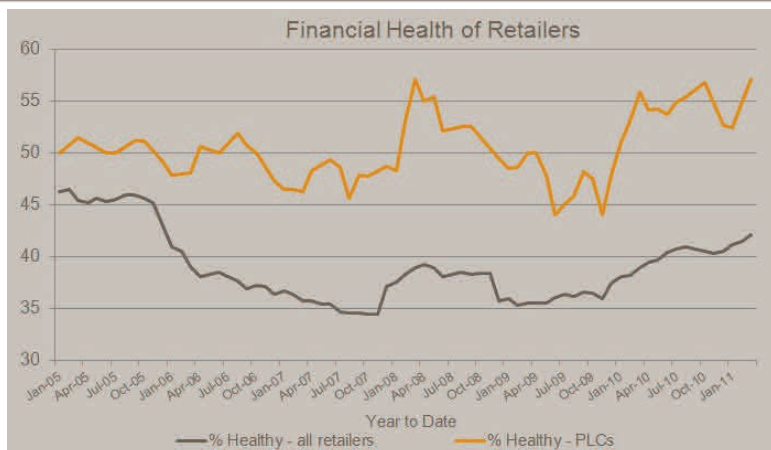
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FAB



The FSP Accounts Barometer monitors retailers' financial health using the Wealth Creation Index pioneered by the DTI, now Department for Business, Innovation and Skills.

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FAB

In the year to April 2011 (the latest date to which accounts have been filed), the percentage of all UK high street retailers deemed Healthy was 42%. PLCs are generally financially stronger, with 55% deemed Healthy.

Amongst all retailers the trend continues upwards, suggesting that the proportion of financially stronger retailers amongst the survivors has increased.

Most retailers which fail have been identified as being financially Vulnerable. The combination of Wealth Creation Index with a few other indicators is a good predictor of retailers likely to enter administration.

[SnapShop members](#) can be notified when retailers on their Favourites List file accounts

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Product Focus

NPS differences between Peak and Regular shoppers

In January, retail commentators turn their attention to the Christmas sales results and at FSP, we are no different - [Christmas Sales Report 2011](#).

However at FSP, it is not just the sales figures that we are interested in but also the perceptions and attitudes of those most vital to the Christmas sales - the shoppers.

One measure of customer satisfaction FSP employs The Net Promoter Score (NPS). This is a measure of customer loyalty, where respondents to a shopper survey are asked how likely they are to recommend a Shopping Destination to a friend on a scale of 0 to 10. The Net Promoter Score is the percentage of Promoters (scoring 9 or 10) minus the percentage of Detractors (scoring 0-6). Those scoring 7 or 8 are classed as Passive and are excluded from the calculation. The resultant score indicates the level of satisfaction a shopper has with a centre.

At a time of year on which many retailers and shopping centres depend, it is as vital as ever to understand not only the wants and needs of the core (Regular) shopper, but also those of the less frequent Christmas (Peak) shopper.

Analysis of shoppers at larger centres in Peak periods compared to Off Peak periods, throws up a few common trends; the average spend is higher, whilst visit frequency is lower. Shoppers are prepared to travel further to destination centres, whether for the big Christmas shopping celebration or more reluctant shoppers anxious to get the shopping over and done in one fell swoop.

However, not all trends are universal, most notably the levels of satisfaction amongst Peak shoppers. FSP has used the Net Promoter Score to analyse the satisfaction levels of Peak shoppers who live outside the Off Peak catchment area. In some Centres, levels of satisfaction amongst these Peak shoppers has gone through the roof, whilst in others it has sunk to new depths.

The opinions of Peak shoppers are as diverse as the shoppers themselves (and a lot more varied than the stereotypes outlined above). However, one trend is clear - a satisfied shopper at Christmas spends an average of 50% more than a dissatisfied shopper.

To read more visit the [Product Focus page](#).

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What is Retail Pulse?

Retail Pulse is a free monthly publication that highlights information available at www.fspretail.co.uk.

Helping clients make best use of their retail property is FSP's role, and although all property is location-specific, its best use is affected by industry-wide trends. FSP maintains unique measures of trends in UK retail property, and it's proven that monitoring existing trends improves the understanding of likely future ones.

FSP measures are focused on patterns in retail performance, and are therefore designed to supplement the standard property driven measures. Interpretation of all these data is the FSP business, [contact us](#) for information.


 **SNAP SHOP**


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