Office for National Statistics

Statistical bulletin

Retail sales, Great Britain: August 2019

A first estimate of retail sales in volume and value terms, seasonally and non-seasonally adjusted.

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1 . Main points

- In the three months to August 2019, moderate growth in the quantity bought continues at 0.6% when compared with the previous three months, with growth in non-store retailing being the main contributor to the increase.

- The monthly growth rate in the quantity bought in August 2019 fell by 0.2%; non-store retailing was the largest contributor to this fall, partially offsetting the strong growth reported last month for this sector.

- The year-on-year growth rate shows that the quantity bought in August 2019 increased by 2.7%; this is a slowdown compared to the stronger growth experienced earlier in the year which peaked at 6.7% in March 2019.

- Online sales as a proportion of all retailing fell to 19.7% in August 2019, from the 19.9% reported in July 2019.

2 . Things you need to know about this release

This bulletin presents estimates of the quantity bought (volume) and amount spent (value) in the retail industry for the four-week period 28 July 2019 to 24 August 2019.

Unless otherwise stated, the estimates in this release are seasonally adjusted.

Retail Sales collects turnover data from retailers, which is money through the till before any deductions, including refunded items. This provides us with the best indicator for consumer spending during the reference period.

The Retail Sales Index (RSI) measures the value and volume of retail sales in Great Britain on a monthly basis. Data are collected from businesses in the retail industry, and the survey's results are used to produce seasonally adjusted monthly, quarterly and annual estimates of output in the retail industry at current price and at chained volume measures (removing the effect of price changes).

The RSI is an important economic indicator and one of the earliest short-term measures of economic activity. It is used in the compilation of the national accounts, and is widely used by private and public sector institutions, particularly by the Bank of England and Her Majesty's Treasury to assist in informed decision- and policy-making.

Summary information can be found in the RSI Quality and Methodology Information report.

3 . Main figures for total retail sales

Table 1: Main figures, August 2019
Seasonally adjusted, percentage change, Great Britain

	Most recent month on a year earlier	**Most recent 3 months on a year earlier**	**Most recent month on previous month**	**Most recent 3 months on previous 3 months**
Value (amount spent)	3.4	3.9	0.1	1.1
Volume (quantity bought)	2.7	3.3	-0.2	0.6
Value (excluding automotive fuel)	2.9	3.6	0.0	1.0
Volume (excluding automotive fuel)	2.2	3.0	-0.3	0.6

Source: Office for National Statistics - Monthly Business Survey

In the three months to August 2019, the amount spent increased by 1.1% and the quantity bought increased by 0.6% when compared with the previous three months (Table 1).

When compared with a year earlier, both the amount spent and quantity bought showed strong growth of 3.4% and 2.7% respectively in August 2019; this growth is a slowdown to the strength experienced earlier in the year.

The monthly picture displays slight growth in the amount spent at 0.1%. The quantity bought fell on the month by 0.2%, the only decline across all measures.

Figure 1 shows the volatile monthly growth rate against the three-month on three-month trend for a longer-term picture.

Figure 1: Continued increase in total retail sales in the three months to August 2019, although a fall was reported on the month

Seasonally adjusted, Great Britain, August 2016 to August 2019

Source: Office for National Statistics - Monthly Business Survey

Figure 1 shows the quantity bought in retail sales over time for both the rolling three-month on three-month and the month-on-month movement. While both series show a general increase in retail sales, the monthly path shows more volatility than the smoother three-month on three-month series.

From August 2016, sales were increasing at a steady rate until late 2016, when a short period of contraction was seen in the three months to March 2017. From April 2017, sales began to recover and increase steadily, albeit at a slower rate. From January 2018, the quantity bought began to level for a short period until May 2018, when a faster rate of growth was seen during the summer of 2018. This was partly attributed to consecutive months of hot weather, as sales in the three months to June, July and August 2018 increased by 2.1%, 2.6% and 2.1% respectively. Slow growth followed for a period from October 2018 to February 2019 for the three-month on three-month growth rate.

The monthly growth rate of 1.2% in March 2019 resulted in a stronger rate of growth in the three-month on three-month movement for three consecutive months from March to May 2019. This slowed to 0.6% in June 2019 as the growth in March 2019 falls into the previous three months.

In three months to August 2019, a growth of 0.6% was reported when compared with the previous three months. In contrast, a fall of 0.2% was reported in August 2019 when compared to the previous month, displaying an opposite movement to the three-month picture.

4 . Year-on-year contributions to growth by sector

Figure 2: Non-store retailing reported the largest contribution to both the amount spent and quantity bought in August 2019

Contributions to year-on-year volume and value growth from the four main retail sectors; Seasonally adjusted; Great Britain (August 2019 compared with August 2018)

Source: Office for National Statistics - Monthly Business Survey

Notes:

1. Please note sector estimates may not sum to total due to rounding.

The contribution to year-on-year growth to August 2019, for both the amount spent at 3.4 percentage points and the quantity bought at 2.7 percentage points, can be seen in Figure 2.

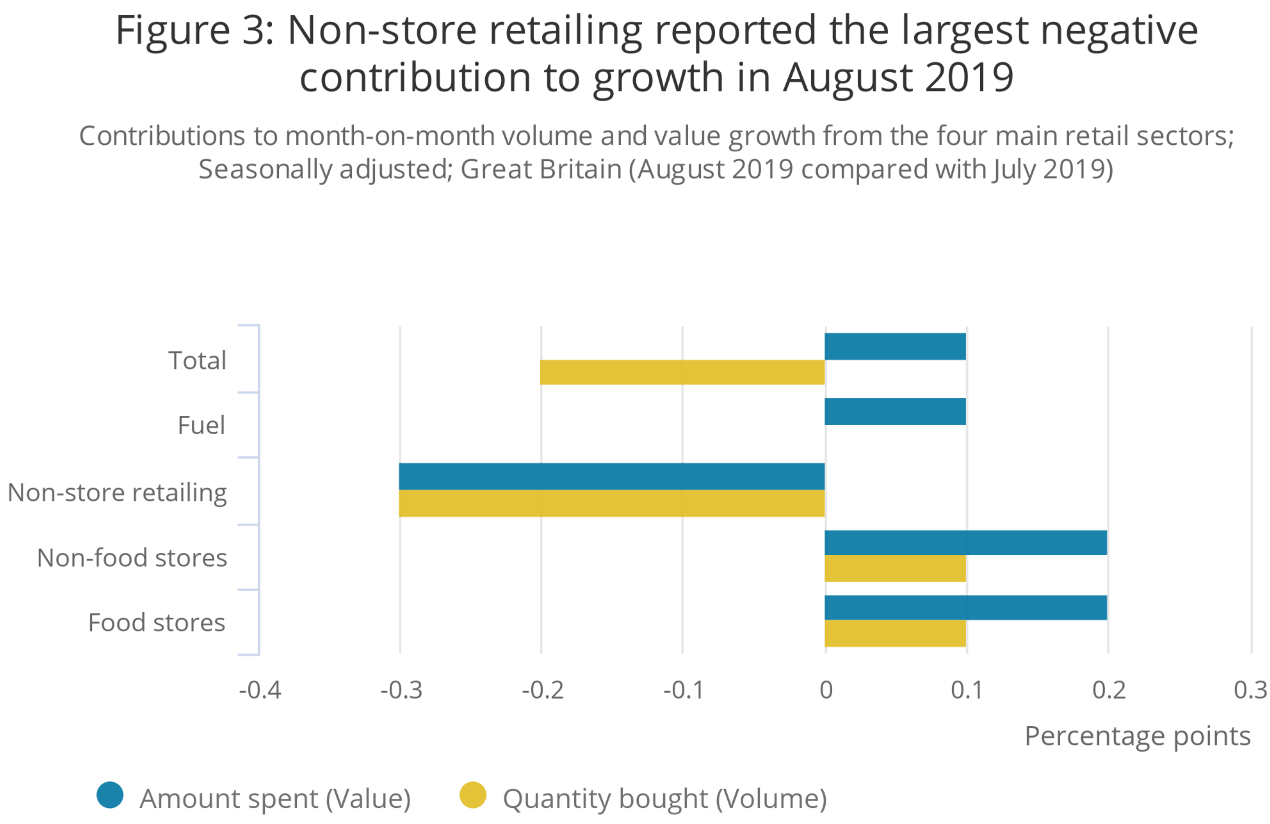
Non-store retailing provided the largest contribution to the year-on-year growth, with the amount spent and quantity bought at 1.7 and 1.6 percentage points respectively.

In contrast, non-food stores were the smallest contributor to growth in the amount spent at 0.1 percentage points, and remained flat for the quantity bought.

5 . Month-on-month contributions to growth by sector

Figure 3: Non-store retailing reported the largest negative contribution to growth in August 2019

Contributions to month-on-month volume and value growth from the four main retail sectors; Seasonally adjusted; Great Britain (August 2019 compared with July 2019)



Source: Office for National Statistics - Monthly Business Survey

Notes:

1. Please note sector estimates may not sum to total due to rounding.

Figure 3 displays the contribution by sector to month-on-month growth to August 2019, with the amount spent at 0.1 percentage points and the quantity bought at negative 0.2 percentage points.

Non-food stores and food stores were both the largest positive contributors on the month, with both the amount spent and quantity bought contributing 0.2 and 0.1 percentage points respectively.

Conversely, non-store retailing was the largest negative contributor on the month, with the amount spent and quantity bought both contributing negative 0.3 percentage points. This partly offsets the strong growth reported in July 2019 for this sector, and remains one of strong growth in the three months to August.

6 . A closer look at Retail Sales by sector

Table 2: Three-month on three-month, month-on-month and year-on-year sector summary, August 2019
Seasonally adjusted, Great Britain

	Quantity bought (volume)		
	Percentage change 3 months on previous 3 months	**Percentage change on previous month**	**Percentage change on a year earlier**
Total	0.6	-0.2	2.7
Predominantly food stores[1]	-0.2	0.2	0.6
Predominantly non-food stores[2]	0.2	0.2	0.1
Department stores	-0.3	-1.3	-2.5
Textile, clothing and footwear stores	-0.9	-0.1	3.8
Household goods stores	-0.2	2.0	-5.6
Other stores	1.7	0.2	2.2
Non-store retailing	4.8	-3.2	16.0
Fuel stores	0.8	0.3	7.3

Source: Office for National Statistics - Monthly Business Survey

Notes

1. Supermarkets Back to table

2. specialist food stores and sales of alcoholic drinks and tobacco. ,Non-specialised stores, textiles, clothing and footwear, household goods and other stores. Back to table

The three-month on three-month picture is one of moderate growth, reporting an increase of 0.6% when compared with the previous three months. Non-store retailing showed strong growth at 4.8%; this includes a strong monthly growth in July 2019 of 7.6%. Food stores showed a decline for the third consecutive month in the three-month on three-month movement at negative 0.2%. This was despite a monthly growth rate of 0.2% and can be explained by the strong growth in food sales in March 2019, which remains in the previous three months estimates and weakens the growth to the three months to August 2019.

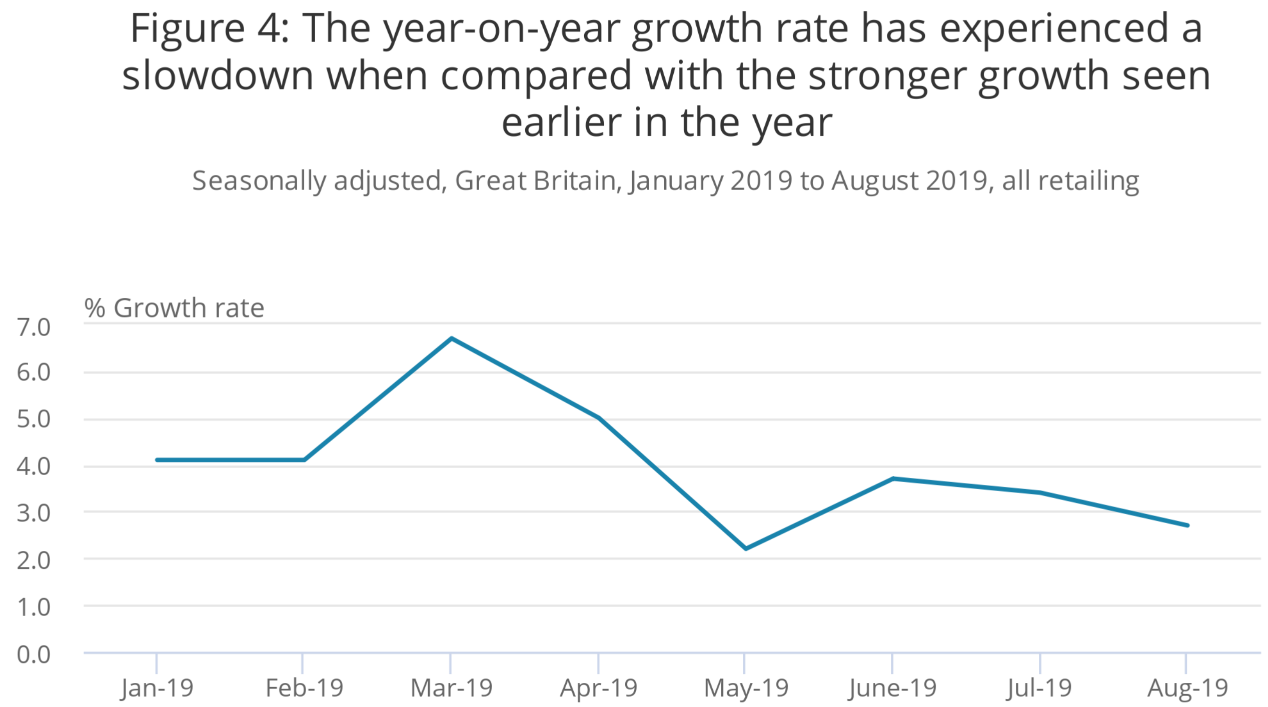
Department stores continue to decline on the three-month on three-month movement resulting in 12 consecutive months of no growth in this sector.

The month-on-month movement was one of decline, reporting a fall of 0.2%. Non-store retailing showed the largest fall on the month of negative 3.2%, partly caused by strong growth last month as promotional offers helped to boost sales in this sector. In contrast, household goods stores reported a growth of 2.0% on the month, partly recovering from a fall of 5.1% in July 2019.

For the year-on-year growth rate, household goods stores showed a strong decline at negative 5.6%. This decline was in comparison to the strong growth of 10.8% in August 2018 caused by a combination of good weather aiding garden furniture sales, and the World Cup boosting television sales (according to anecdotal evidence from retailers – see the August 2018 retail sales bulletin). While the year-on-year growth rate in the quantity bought increased by 2.7%, this was a slowdown when looking at the overall trend for the year (Figure 4).

Figure 4: The year-on-year growth rate has experienced a slowdown when compared with the stronger growth seen earlier in the year

Seasonally adjusted, Great Britain, January 2019 to August 2019, all retailing



Source: Office for National Statistics - Monthly Business Survey

Figure 4 shows a general downward trend in the year-on-year growth rates throughout 2019.

In January 2019, a year-on-year growth rate of 4.1% was reported, which peaked to 6.7% in March 2019. Strong growth was reported in all four main sectors in March 2019 when compared with March 2018, when snow resulted in many road closures (see the [March 2018 retail sales bulletin]).

April and May 2019 showed a slowdown to growth at 5.0% and 2.2% respectively. After an increase of 3.7% in June, August 2019 slowed to 2.7% when compared with the stronger growth experienced earlier in the year.

7 . What's the story in online sales?

Table 3: Sector summary for online sales, August 2019
Value seasonally adjusted, percentage rates, Great Britain

Category	Year-on-year growth	Month-on-month growth	Online sales as a proportion of retailing	Index categories and their percentage weights
All retailing*	11.6	-0.8	19.7	100.0
All food	8.0	5.1	5.8	13.3
All non-food	6.1	-1.8	15.2	36.0
Department stores	-2.8	-0.5	17.9	8.7
Textile, clothing and footwear stores	9.4	-2.3	18.8	12.6
Household goods stores	0.4	3.5	14.3	6.7
Other stores	16.3	-5.8	11.0	8.1
Non-store retailing	16.4	-1.5	79.3	50.7

Source: Office for National Statistics - Monthly Business Survey

Notes

1. *All retailing refers to sales as a proportion of total retail sales. Back to table

Table 3 shows the month-on-month and year-on-year growth rates for online retailing, by sector, in addition to the proportion of online sales to all retail sales. The percentage weights indicate where money is spent online.

Internet sales increased by 11.6% for the amount spent in August 2019 when compared with August 2018, with all sectors showing growth except department stores.

In contrast, internet sales fell on the month by 0.8% when compared with July 2019. Other stores reported the largest fall of 5.8% but non-store retailing was the largest contributor to the monthly fall because of its large weight of 50.7%.

Online sales as a proportion of all retailing fell to 19.7% in August 2019, from the 19.9% reported in July 2019.

8 . Links to related statistics

The most recent international estimate of retail sales available for July 2019 was published by the US Census Bureau on 15 August 2019. In its advanced monthly sales for retail and food services, July 2019 (PDF, 1662KB) they include the amount spent in the US retail industry, including motor vehicles and parts, and food services.

Eurostat also published their latest estimates of the Volume of retail trade (PDF, 502KB) across the European Union on 4 September 2019 for July 2019. This shows the seasonally adjusted volume of retail trade in both the euro area (EA19) and EU28 when compared with March 2019.

Data for Northern Ireland are published by the Northern Ireland Statistics and Research Agency (NISRA).

It should be noted that accurate comparisons cannot be made against these or other international statistics for a variety of reasons, including differences in methodology.

9 . Quality and methodology

Our Monthly Business Survey (MBS) for retail sales measures output from the retail industry in Great Britain. It samples 5,000 businesses, and all businesses employing over 100 people or with an annual turnover of more than £60 million receive an online questionnaire every month.

Further qualitative data or information and summary tables can be found in the attached datasets. This includes data on:

- response rates
- standard errors
- revision triangle
- distribution analysis

The Retail Sales Quality and Methodology Information report contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data