UK Retail Briefing - January 2015

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Analyst Comment

Christmas 2014 – An interim report

Mintel will publish an in depth report on Christmas 2014 in February, based on bespoke consumer research, company announcements and published retail sales estimates. But here we can take stock of the figures published to date and look at the main lessons.

Interim conclusions

- **Demand held up. It wasn't a great Christmas, but retailers should be happy with the progress made overall.**
- **Black Friday was a significantly negative factor. It pulled sales forward into November at a considerable cost to margins.**
- **Food retailers had a better month, though the longer term trends are still very much in place.**
- **Department stores and some specialists were the winners in non-foods and those who held their nerve and didn't undermine their own pricing integrity by discounting outperformed those who did.**

Retail sales growth

So far we only have the BRC data – up 1.0% in total and down 0.4% on a like-for-like basis. The BRC blames sales brought forward into November by Black Friday promotions, but food retailers had a better month and so did clothing after the very warm Autumn had hit sales.

There have been differing views of Black Friday, but John Lewis' was the most interesting – clearly suggesting that in profits terms it had been, at best, neutral.

Food retailers

We have data in from all of the leading food retailers, apart from Asda, Aldi and Lidl.

- There was a return to the superstores over Christmas, presumably for the main Christmas shop and for present buying.

FIGURE 1: LEADING FOOD RETAILERS CHRISTMAS TRADING PERFORMANCE, 2014

Company	Period	Lfl sales growth (ex fuel)
Waitrose	30 Nov - 3 Jan	2.8
M&S (food)	13 weeks to 27 Dec	0.1
Sainsbury's	28 Sep - 3 Jan	-2.1
Tesco (Xmas)	23 Nov - 3 Jan	-0.3
Morrisons	23 Nov - 3 Jan	-3.1

SOURCE: COMPANIES/MINTEL

The biggest surprise came from Tesco where sales over the Christmas period fell by just 0.5%. Far from being one of the worst performers, it may even have been the best of the big 4, though as the data is not directly comparable it is hard to tell.

It looks as if Tesco's investment in higher service levels over Christmas has paid off and if that is the case then a turnaround at the business should be easier to effect than originally thought. But it would be wrong to read too much into such a short period and it does look as if people who have been shopping less at superstores went back for their big Christmas shop and for present buying.

Kantar data indicates that Aldi and Lidl continued to perform very strongly, though Asda's figures appear to have been disappointing.

The best performers were Waitrose and M&S, the only ones to achieve like-for-like sales growth (apart, of course, from Aldi and Lidl, for which we only have the report from Kantar). Waitrose was the stronger of the two and we wonder if the poor performance in General Merchandise at M&S pulled down its food business.

The underlying trends in food retailing were still in evidence – C-stores and online grew, superstores declined.

Clothing retailers and department stores

Next had gone out of its way to dampen down expectations after last year's exceptional performance and it succeeded to the extent that the market was pleased with a relatively low figure. We still find it hard to judge quite how good a performance it was, but it was definitely not bad.

M&S stands out as the worst performer. Its loss of market share accelerated and that cannot all have been down to problems online. The company discounted heavily in the run up to Christmas and yet still managed to report an increase in gross margin.

It would have been unreasonable to expect John Lewis to match the performance of the last couple of years, but given that the comparative figures were so strong, this was also an impressive performance. House of Fraser produced a better figure confirming that the recovery is well founded and is continuing. The pleasant surprise was from Debenhams which produced a good result in spite of pulling away from discounting so much. In fact restoring its pricing integrity has been highly successful.

FIGURE 2: LEADING NON-FOOD RETAILERS CHRISTMAS TRADING PERFORMANCE, 2014

	Dates covered	Like-for-like
Next Plc	28 Oct - 24 Dec	2.9*
John Lewis	23 Nov - 27 Dec	4.8
House of Fraser	23 Nov - 3 Jan	8.0
Boohoo	1 Sep - 31 Dec	25.0*
M&S GM	13 weeks to 27 Dec	-5.8
Ted Baker (Group)	9 Nov - 3 Jan	22.8
Matalan	30 Nov - 3 Jan	-1.7*
AO World	1 Oct - 31 Dec	26.0**
Debenhams	14 Dec - 10 Jan	4.9
SuperGroup	26 Oct - 10 Jan	12.4
Shop Direct	15 Nov - 26 Dec	4.0
Argos	18 weeks to 3 Jan	0.1
Primark (via ABF)	16 weeks to 3 Jan	12.0**

* total
** group: AO includes wholesaling; Primark includes international

SOURCE: COMPANIES/MINTEL

Online

The online bubble may not have burst, but it certainly seems to have developed a slow puncture. Boohoo had to issue a profits warning. Its performance hadn't been bad but 25% growth in sales was not enough to satisfy the inflated expectations of earlier in the year.

If there is one clear message of the consumer research we have carried out for the report on Christmas trading due to be published in February, it is that it is becoming increasingly artificial to make any distinction between online and in-store purchases. It is the same people doing it. Shopping online is just one of the repertoire of ways of shopping that are now open to people and they choose the one that suits them best at the time.

And online growth is slowing – according to the BRC it was up just 7% over Christmas.

Winners and losers

Perhaps picking winners and losers is a little invidious. So we'll stick with companies that produced pleasant surprises or disappointed.

Pleasant surprises:

- House of Fraser – better even than recent figures would have led us to expect
- Debenhams – the rewards for good retail disciplines
- Specialists with a clear identity – Ted Baker, Supergroup, Joules, Pretty Green, Radley, among others
- Tesco – a remarkable turnaround after the recent results

Disappointments

- Matalan – has it really proved that it offers enough to justify a position as a destination, out-of-town store.
- Argos – should have managed more than just 0.1% up.
- Marks & Spencer – a significant worsening in performance in clothing and disappointing figures from food.

Retail Sales – Background and Outlook

Key points

- **Early indications are that Christmas went as we expected, apart from the negative impact of Black Friday. It was good without being great.**

- **Inflation has fallen sharply, to the extent that the chancellor has been trying to put a positive gloss on the threat of deflation.**

- **The outlook for 2015 is uncertain, but at least with the threat of deflation it is highly unlikely that interest rates will be raised.**

Retail sales trends

The retail sales data for December is published too late to be included in this issue of UKRB. Data from the BRC was a little disappointing (see below). There was growth, but some was pulled forward into November by Black Friday.

We discuss the early results for Christmas in the analyst comment this month – food retailers had the best months since early in the year, clothing retailers were "mixed" and household retailers were hit by Black Friday.

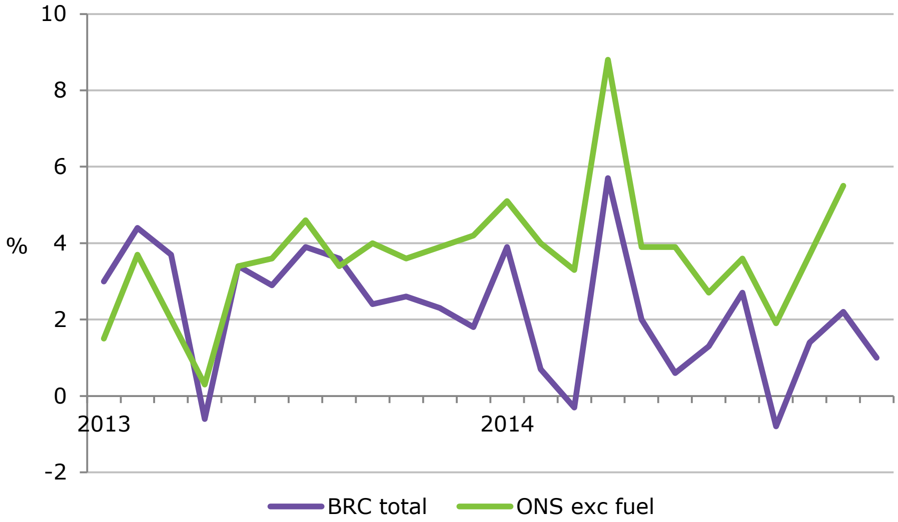
FIGURE 3: RETAIL SALES TRENDS, 2013-14

	Non-seasonally adjusted % value change on previous year	Seasonally adjusted % volume change on previous year	Seasonally adjusted % volume change on previous month
2013:			
Nov	+3.8	+2.2	+0.4
Dec	+4.8	+5.8	+2.5
2014:			
Jan	+5.1	+4.7	-2.0
Feb	+4.0	+4.0	+1.4
Mar	+3.3	+4.5	-0.3
Apr	+8.8	+7.2	+1.5
May	+3.9	+4.0	+0.2
Jun	+3.9	+4.0	-0.3
Jul	+2.7	+2.8	+0.5
Aug	+3.6	+3.8	+0.3
Sep	+1.9	+1.9	-0.2
Oct	+3.7	+3.7	+1.0
Nov	+5.5	+5.2	+1.7

Figures are for all retailers, excluding fuel

SOURCE: NATIONAL STATISTICS/MINTEL

FIGURE 4: UK RETAIL SALES Y/Y GROWTH, BRC VS ONS, 2013-14



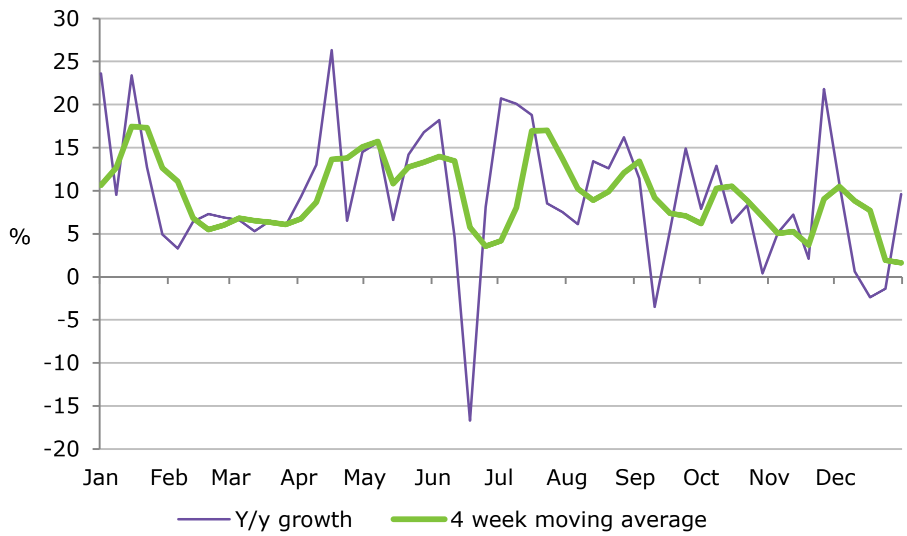
SOURCE: BRC/NATIONAL STATISTICS/MINTEL

John Lewis

The Black Friday spike is immediately obvious, as is the impact it had on December sales, though one needs to be a little wary of taking the numbers too literally – the timing of Christmas Day can have a significant impact on December sales progression.

There has been a steady downward trend in the John Lewis numbers through the second half. By any standards they are still impressive and the business is performing well, but we'd like to see it reversed now. One of the reasons for the fall is that there was a rising trend in the second half of 2013 so that comparison got progressively more demanding.

FIGURE 5: JOHN LEWIS: YEAR-ON-YEAR GROWTH, 2014

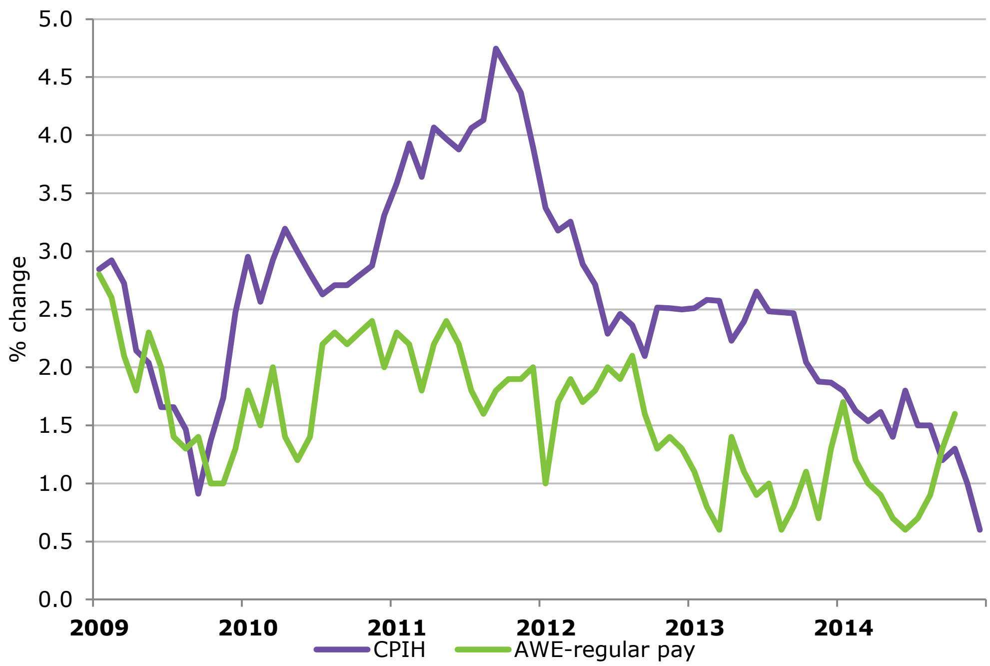


SOURCE: JOHN LEWIS PARTNERSHIP/MINTEL

Inflation and wages

Inflation has fallen sharply over the last quarter and while the latest data for wages growth is only from October, it looks as if the wages gap has opened up further. This is good news for consumers, though falling inflation could raise longer term problems. After all, with deflation earnings are likely to fall, but the value of debt in real terms rises. The Chancellor has tried to put a positive gloss on it and one positive factor is that with inflation falling it is highly unlikely that the Bank of England will think of putting up interest rates.

FIGURE 6: THE INCOME SQUEEZE: WAGES GROWTH VS INFLATION, 2009-14



Note: If inflation is higher than wages growth then real incomes are falling. If inflation is less than wages growth then real incomes are rising

SOURCE: OFFICE FOR NATIONAL STATISTICS/MINTEL

Inflation

The trend elsewhere in Europe is downwards at present. Fuel prices continue to fall – thanks in part to a warm winter, so far, and deflation in food continues.

FIGURE 7: ANNUAL PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR SELECTED PRODUCT GROUPS, 2014

	Food %	Alcohol & Tobacco %	Clothing & Footwear %	Household goods %	Recreation & culture %	Transport %	Misc goods & services %	CPI %	CPIH %
2014:									
Jan	+2.0	+4.5	+1.7	+0.6	+0.4	+0.5	+0.7	+1.9	+1.8
Feb	+1.8	+4.1	+0.8	+1.6	+0.7	-0.4	+0.8	+1.7	+1.6
Mar	+1.7	+5.0	+0.2	+1.1	+0.6	-1.0	+0.9	+1.6	+1.5
Apr	+0.5	+3.5	+1.2	+1.5	+0.5	+1.6	+0.3	+1.8	+1.6
May	-0.6	+4.6	-0.1	+0.9	+1.1	+0.4	+0.3	+1.5	+1.4
Jun	0.0	+5.0	+2.4	+1.6	+1.3	+0.9	0.0	+1.9	+1.8
Jul	-0.4	+3.6	-0.2	+1.1	+1.5	+1.3	-0.6	+1.6	+1.5
Aug	-1.1	+4.6	+0.4	+0.4	+1.4	+1.2	-0.4	+1.5	+1.5
Sep	-1.4	+4.9	+0.2	+0.8	+0.7	+0.1	-0.5	+1.2	+1.2
Oct	-1.4	+5.2	-0.2	+0.1	+1.0	+0.5	-0.3	+1.3	+1.3
Nov	-1.7	+4.0	-0.2	+0.3	+0.3	-0.2	-0.8	+1.0	+1.0
Dec	-1.7	+5.0	-0.3	+0.2	+0.6	-1.4	-0.6	+0.5	+0.6

Note: Household goods includes white goods
Recreation & culture includes brown goods, PCs, and Books as well as cultural events
Miscellaneous includes jewellery and financial services

SOURCE: NATIONAL STATISTICS/MINTEL

Looking forward

We have been warning for some time that there are considerable uncertainties about 2015. The timing of interest rate rises has been one for some time, now we have the threat of deflation as well. There's an election in May and the ever present problem of how to deal with the deficit. The opening salvos in the election have already been fired. It looks as if we are faced with electioneering for the next four months.

Sector Focus – Clothing Retailing

Each month, Mintel's UK Retail Briefing focuses on a particular sector or market. This month, we look at clothing retailing, with a focus on the specialists sector.

Executive summary

- The warm autumn hit sales ahead of Christmas 2014.
- We expect 2015 to be a strong year for clothing (weather permitting): grocery deflation and more subdued growth in big-ticket categories (as the housing market slows) will allow shoppers to spend more on clothing.
- So we think clothing will be one of retail's best performing categories in 2015.
- Falling cotton and oil prices will allow retailers to build margins, although some faltering retailers are likely to pass on saving to shoppers to stimulate demand.
- Christmas 2014 showed that throwing discounts at shoppers does not always generate sales success: Debenhams pulled back from discounting at Christmas 2014, and turned in strong growth for the period; meanwhile, Next did not discount ahead of Christmas at all and saw another robust year. More promotional M&S turned in very poor results, with general merchandise sales down 5.8% like-for-like.

Warm autumn hits sales

The clothing market is always vulnerable to unseasonal weather. And autumn 2014 was unusually warm.

This depressed spending on clothing a little for 2014 as a whole, we estimate. Major clothing specialists lined up to point to depressed sales in September, October and November.

But the remainder of the year was relatively strong, according to ONS data. So, even with a weak autumn, 2014 was another robust year.

FIGURE 8: CONSUMER SPENDING ON CLOTHING AND ACCESSORIES (INCLUDING VAT), 2009-15

	Total £m	Index	% annual change
2009	40,120	76	na
2010	42,146	80	5.0
2011	45,621	86	8.2
2012	47,710	90	4.6
2013	50,580	96	6.0
2014 (est)	52,900	100	4.6
2015 (fore)	55,048	104	4.1

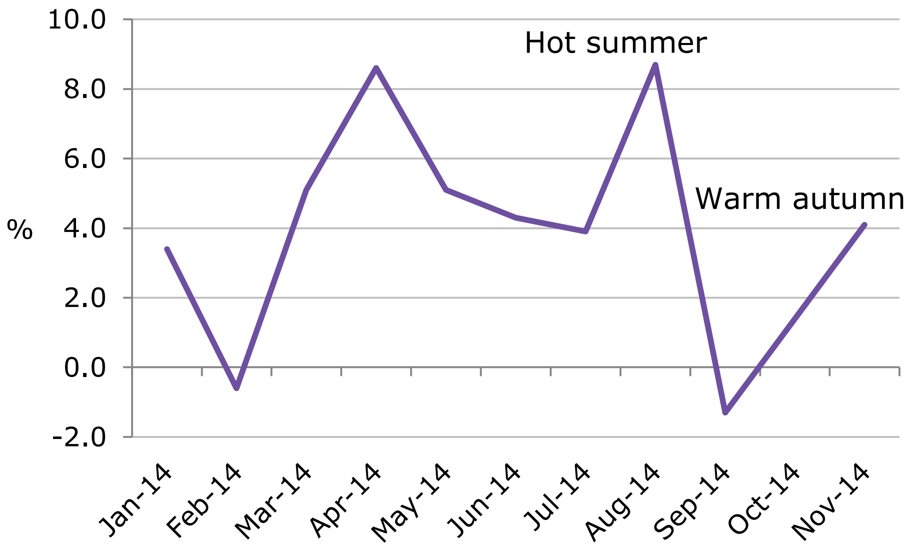
SOURCE: ONS/MINTEL

And the warm September and October hit clothing specialists' sales. A number of retailers – such as Next – also reported a hit to sales in November.

December was cold and, coupled with pent-up demand from the mild autumn, this should have prompted a surge in clothing sales. (ONS retail sales data for December is due out 23 January, after we go to press.)

Once caveat is that Black Friday discounting in late November (including discounting by retailers li8ke M&S around this time but not under the 'Black Friday' name) will have pulled forward some demand from December.

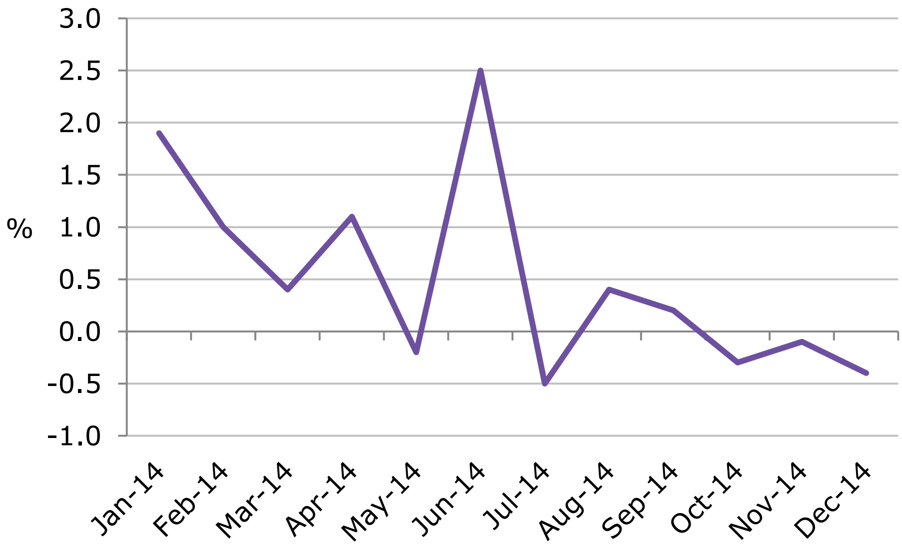
FIGURE 9: CLOTHING SPECIALISTS' RETAIL SALES: YEAR-ON-YEAR GROWTH, JANUARY – NOVEMBER 2014



SOURCE: ONS/MINTEL

Price competition –has contributed to the return of deflation to the category.

FIGURE 10: CONSUMER PRICES INDEX: YEAR-ON-YEAR INFLATION IN CLOTHING PRICES (INCLUDING ACCESSORIES), JANUARY – DECEMBER 2014



SOURCE: ONS/MINTEL

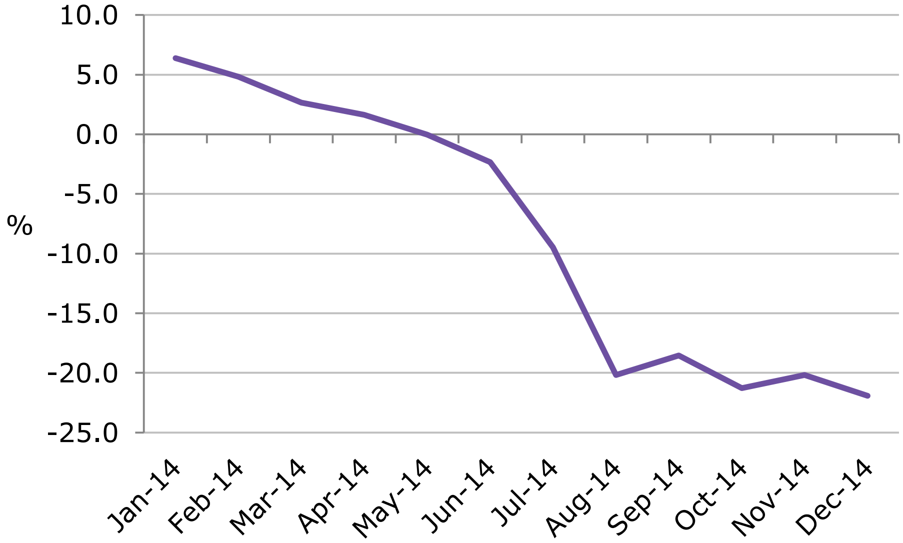
But a fall in cotton prices is a further factor.

The falling price of oil into 2015 is a further deflationary pressure for clothing – both in costs of transportation and manufacturing of man-made fibres.

Given these falling input costs, there is potential for clothing retailers to build margins in 2015.

Some faltering retailers are likely, however, to use the opportunity to discount further. Yet the message from Christmas trading results so far is that, heavy discounting does not prompt sales growth.

FIGURE 11: GLOBAL COTTON PRICES: YEAR-ON-YEAR % CHANGE, JANUARY – DECEMBER 2014



SOURCE: NCCA/MINTEL

Marks & Spencer's Christmas slump

Marks & Spencer had a very poor Christmas in general merchandise (which is mainly clothing but includes some homewares/furniture revenues). GM revenues were down 5.4% in total and 5.8% like-for-like. In contrast to recent results, M&S did not split out clothing from other GM, suggesting this category performed no better than the rest of M&S non-foods.

M&S has been pointing analysts to its increasing gross margin, a result, it says, of new sourcing efficiencies. But growing margins while shoppers are walking away looks risky to us: we think M&S should perhaps be passing savings on to shoppers, to help build sales momentum.

Trading statements from competitors give some indication of where M&S shoppers went over the 2014 festive period.

- Debenhams: for the four weeks to 10 January 2015, group like-for-like sales were up by a strong 4.9% year-on-year, with total gross transaction values up 5.9%. Debs grew online sales by 28.9%. This was in the context of Debenhams reducing the number of promotional days in the 2014 festive period. Last Christmas, when Debenhams discounted more heavily, this retailer had to issue a profit warning.

- House of Fraser: for the six weeks to 3 January 2015, like-for-like sales were up 8.0%. Online sales were up 31.2%.

- Next: for the 58 days to 24 December 2014, total sales were up 2.9%, composed of 0.5% in-store sales growth and 7.5% Directory sales growth (mainly online). Next did not discount at all in the run-up to Christmas.

- John Lewis: for the five weeks to 27 December 2014, total sales grew 5.8% year-on-year, with like-for-likes up 4.8%. John Lewis noted that Black Friday pulled forward some demand from December to late November – although most Black Friday promotions were in non-clothing categories, and particularly electricals/electronics.

Key analysis: The message is that throwing promotions at shoppers does not yield rewards in the clothing sector. Those who have outperformed are retailers who have either rowed back on discounting or who refrained from participating at all.

Young-fashion pureplays also saw a strong Christmas – although in the case of Boohoo.com, it was less strong than expected and this prompted a profit warning:

- Asos: for the six weeks to 9 January 2015, UK sales were up 27%.

- Boohoo.com: for the four months to 31 December 2014, UK sales rose 25%.

Prospects for 2015

If retailers pass on lower input costs to shoppers, then growth in value sales will be slightly muted in 2015. But, given clothing has been a strongly performing category, there's little reason for retailers to make across-the-board price cuts; more weakly-performing retailers may once again push the price button, however.

In 2015, the grocery market will be impacted by expected deflation. And, at the other end of the scale, bigger-ticket categories, like furniture, DIY and electricals, are likely to see more subdued demand than in 2014, as the residential property market slows. These trends will free up cash for shoppers to spend on other categories.

So we expect clothing to be one of the best-performing categories in 2015: reduced growth in other categories will allow shoppers to spend a little more on clothing – something recent years have shown us they are clearly happy to do.

Headlines for the Month

Grocers

- Asda pledges £300m on price cuts
- Sainsbury's like-for-like sales drop 1.7% in Q3
- Tesco like-for-like sales down 2.9%
- Waitrose enjoys pre-Christmas boost

Other food specialists

- Thorntons issues pre-Christmas profit warning

Clothing retailers

- Bank falls into administration
- Ted Baker posts strong Christmas sales

Multi-sector retailing

- Marks and Spencer reports mixed Christmas period
- Next posts 2.9% sales increase in run-up to Christmas 2014

Department stores

- House of Fraser Christmas like-for-likes up 8%

Electrical retailing

- Dixons Carphone like-for-like revenues up 5%

Home Shopping

- Boohoo posts profit warning
- Major supermarkets hit by online glitches

Book and toy retailers

- Foyles and Waterstones report strong book sales

Economy

- Grocery market sees marginal growth of 0.1%

- Retail sales up 5.5% in November

News Analysis - Food and Drink

Convenience stores

UK: Nisa

…appoints new chief executive

Nick Read will take charge of the convenience retailer.

Read was previously group customer service director at Thomas Cook and began his career in retail with Aldi holding various positions including purchasing director. Nisa said Read will lead the company's expansion and development of its own brand range.

Chairman Christopher Baker said: 'Nick's mix of strategic and operational experience and his strong focus on the customer set him apart. He impressed us as the ideal candidate and I believe his management style, commitment and enthusiasm for the Nisa model will enable him to engage with all stakeholders throughout the business.'

- Read will take up the position in February 2015.

…rolls out 'Store of the Future 2' format

According to the company, the new store format has driven double digit sales growth.

Nisa has converted a total of 50 stores to the new store format since launching the concept seven months ago. There are an additional 50 stores that are in the process of being converted. On average, converted stores have achieved double digit growth, according to the company.

- Raj Krishan, format and development director at Nisa, commented: 'The concept goes back to retailing fundamentals really – giving the customer what they want, where and when they want it.'

UK: Tesco-owned One Stop trials discount format

The trial is running at three of One Stop's convenience-sized stores in Solihull, Burntwood and Northern Moor in Manchester.

Although Tesco has owned One Stop since 2003, the chain is run by its own management and it is believed Tesco has had little or no involvement in the One Stop discount trial. Nonetheless, the move does suggest Tesco is looking at new ways of combating the threat posed by hard discounters.

- New Tesco boss Dave Lewis is due to reveal his new strategy for the supermarket chain on 8 January 2015.

Grocers

UK: Aldi's price comparison campaign banned in the UK

The campaign stated that 84 out of a sample of 98 people saved money when switching from their usual supermarket to shopping at Aldi. Tesco complained the eight week comparison period used in the commercials were 'out of date', adding weekly shops were not compared on a like-for-like basis and explanatory information was not prominent enough.

In response the Advertising Standards Authority said: "The overall message of the Swap & Save campaign, that consumers could save money by shopping at Aldi, was not misleading to consumers." However, it added that "Nonetheless, because we considered the way in which the comparison was presented in the ads implied more people had participated in the eight-week challenge than was the case, we concluded the ads were in breach of the Codes."

- Aldi's UK and Ireland turnover increased 35.7% to £5.27bn in the year to December 31 2013. Meanwhile pre-tax profit increased to £260.9m. Aldi attributed the strong performance to investments made in maintaining its price position and the price gap against its competition.

UK: Asda pledges £300m on price cuts

Asda is going to introduce price cuts on over 2,500 products in the first quarter of 2015.

The price reductions will be implemented on items including weekly basket essentials, household cleaning products and big brands. This forms part of Asda's commitment to invest £1bn in price and £250m in quality over the coming five years, in order to 'redefine value retailing'.

- In a statement, Asda said this will form its biggest ever rollback, 'further widening its price gap to the other big retailers and positioning Asda price even closer to the discounters.'

"Asda promised a further round of price cuts and here they are. But before talking about price wars it is worth putting the numbers in perspective. The major food retailers always launch price promotions at this time of year and we saw Sainsbury's talk about £150m worth today. This is rather more than usual, but that may be because food deflation has given them a little more leeway. Asda's price investment is double Sainsbury's when one would normally have expected it to be much the same (given that the two businesses are much the same size). So - why? Asda is already the cheapest superstore and experience suggests that having established a price advantage there is little to be gained by cutting prices further. Asda is targeting Aldi and Lidl which it wants to come closer to matching (not that it is easy to do a comparison because there are few like-for-like products in any basket) and it is probably also hoping to target some Tesco shoppers."

UK: Booths like-for-likes dip over the festive period

Like-for-likes dipped 0.8% in the six weeks to 3 January 2015.

Total sales at the food-and-drink retailer advanced 0.6% in the period in what Booths described as a 'challenging market.' Booths said online operations performed well, which includes home delivery and click-and-collect, with sales rising 34%.

Chairman Edwin Booth said ‘Against the backdrop of a challenging retail market coupled with food deflation, sales at Booths held up reasonably well. As a comparison our performance in Christmas 2013 was the best ever with sales up by over 6%, so we had a big sales target to hit in an increasingly volatile grocery market.’

- In 2014 Booths launched its ‘Deliver to the Nation’ initiative through which the company extended its delivery range to include London and the South of England.

UK: Sainsbury’s like-for-like sales drop 1.7% in Q3

Like-for-likes dropped 1.7% excluding fuel in the 14 weeks to 3 January 2015.

The company described trading conditions as challenging and reported that total retail sales fell 0.4%, excluding fuel, and 2.5% including fuel in the period. The grocery retailer said that food price deflation and falling fuel prices had contributed to the tough environment. The company also said that it continues to see a trend of more frequent and local shopping with growth of over 16% in the convenience arm. Sainsbury's opened 25 new convenience stores in the period.

Sainsbury’s said that customers had traded up during the Christmas period with the company’s own-brand Taste the Difference range growing 5% year-on-year. Clothing sales also performed well with sales up almost 10% year-on-year. The week prior to Christmas saw a record breaking 29.5m customer transactions across the businesses and Sainsbury’s said that online had its best Christmas yet with 111,000 orders completed in the three days to 23 December.

- As part of the company’s previously announced £150m investment into prices, Sainsbury’s will lower the prices of some 700 prices this week including reducing the price of 1.35kg chicken from £4.50 to £3.50.

“The City was pleased with these figures because they come after a declining trend in the first half - down 1.1% in the first quarter and down 2.8% in the second (like-for-like excluding fuel). And there are some good performances within the numbers as well - C-stores up 16% and clothing up 10%, but that just serves to highlight how poorly the core superstore estate is doing and that cannot be just down to deflation in food. In the short term the figures may be an encouraging pointer for the rest of the sector as they suggest that in the run-up to Christmas there was some return to superstore shopping. Note, when comparing these numbers with Tesco's which are due tomorrow, that Sainsbury's reports for a full quarter and Tesco's numbers will be just for 6 weeks.”

UK: Social supermarket opens in South London

Community Shop is designed to help those struggling to purchase food on income support.

The scheme has been developed by surplus specialists Company Shop Group and has been backed by the Mayor of London Boris Johnson and leading grocery retailers including Asda, Tesco, The Co-op, M&S and Morrisons. The Community Shop in West Norwood will allow its 750 members to purchase low-cost but high-quality surplus food, provided by retailers and brands, in a fully functioning supermarket.

The new store will also help its members to find work by running The Success Plan, a personalised professional development plan. The West Norwood store is the first official Community Shop to open following a pilot scheme in Goldthorpe, South Yorkshire in December 2013. A further 20 stores are already in development across the country.

- Chairman of Company Shop Group John Marren said: 'The support we've had from retailers and brands has been fantastic and demonstrates the real need and support for a project like this in London and beyond.'

UK: Tesco

…facing investigation from the FRC

The Financial Reporting Council (FRC) has announced an investigation into the grocer's accounting practices.

In particular the investigation will focus on the 'preparation, approval and audit of the financial statements' of Tesco for the past three financial years, the last of which ended in February 2014. Tesco accounts auditor PricewaterhouseCooper is also to be investigated.

Cases can be opened by the FRC in one of two ways, through a referral by a professional body or the FRC can decide to launch an investigation on its own accord. It is unclear under which conditions the investigation has been launched.

- The FRC is an independent investigative and disciplinary body for accountants and actuaries in the UK dealing with cases which raise important issues affecting the public interest.

…instructs auditor to scrutinise stock levels

Auditor Pricewaterhouse Coopers is to attend more stock takes as Tesco looks to cut wastage.

According to press reports, Tesco has asked Pricewaterhouse Coopers to scrutinise stock management across its stores, investigating products that are lost, stolen or spoiled.

Chief executive Dave Lewis is also reportedly ending the practise of offering reduced staff levels after Christmas in order to offer more consistency.

- Meanwhile, Tesco is reportedly looking to hire a senior property figure who will sell off non-core property assets. According to the company's latest accounts, its property, plant and equipment is worth £25bn.

…like-for-like sales down 2.9%

Tesco reported 'broad-based improvement' in the UK business with sales down 2.9% in the 19 weeks to 3 January 2015.

This was in comparison to a 5.4% decline in UK like-for-like sales in the second quarter. Group sales were down 2.7% during the 19 weeks. During the six week Christmas period, UK like-for-likes were down just 0.5%. Growth was achieved online, with grocery up 12.9% and clothing up 52.4%.

Dave Lewis, chief executive, commented: 'We are seeing the benefits of listening to our customers. The investments we are making in service, availability and selectively in price are already resulting in a better shopping experience.'

As part of the turnaround plan, Tesco announced it is to close 43 unprofitable stores, dispose of Tesco Broadband and Blinkbox to TalkTalk and appoint advisors regarding the sale of the Dunnhumby business. The grocery retailer confirmed it is in consultation to close the company defined benefit pension scheme.

- Today Tesco announced the appointment of Matt Davies, Group Chief Executive of Halfords, as the new CEO for the UK and Ireland business, effective from 1 June 2015. Davies will remain in his role at Halfords until the end of May 2015.

"There's an emphasis on cash generation at Tesco as well as M&S, but this seems much healthier. Tesco may be cutting the dividend but it is combined with a much better Christmas performance and some solid proposals to rebuild the company. The short term steps taken to improve customer service seem to have paid off. Apart from lowering prices on some core brands there is no major price cutting initiative, in fact there is a clear proposal to restore Tesco's pricing integrity. There are a couple of small disposals and the decision to look for a buyer for Dunnhumby – and that may signal bigger decisions over Clubcard. This is a solid, set of proposals. It is all about restoring the Tesco business for the longer term. There are no short term fixes."

…staffs up in preparation for Christmas rush

The grocery retailer has announced that it has upped its customer service efforts.

From today Tesco will have teams of 6 to 9 staff taking the role of dedicated bag packers across 400 stores. The bag packers will be available to help customers pack bags, run and collect forgotten items at the checkout and push customer's trollies to their car. The company has also said that all large stores will have a dedicated greeter at the store entrance.

- UK retail director Tony Hoggett said 'We all know how stressful the Christmas shop can be, but we also know it can be a lot of fun with the right colleague on hand, which is why we've invested in having bag packers and greeters.'

…suppliers to be interviewed as part of fraud investigation

The Serious Fraud Office (SFO) are to interview suppliers including Diageo as part of its investigation.

Reports have suggested that the SFO are to interview staff at various Tesco suppliers as part of their investigation into the overstating of profits by Tesco, which involved supplier revenue being reported in the wrong accounting period.

- New Tesco CEO Dave Lewis, who took the helm in September 2014, was previously global head of personal care at Unilever, one of the suppliers reported to have been questioned as part of the investigation.

UK: Waitrose enjoys pre-Christmas boost

Sales grew 6.5% in the two weeks to 27 December 2014.

Waitrose said sparkling wine and whiskey had performed particularly well with sales up 20% and 22% respectively compared to the same period a year earlier. Champagne sales grew 14% in the period. On the food side turkey sales grew 10.9% whilst lobster sales jumped 51%.

- Baubles and decoration sales jumped 143% in the period.

"Both sides of the John Lewis Partnership are performing well at the moment and these figures from Waitrose will prove to be much better than any of the big four manage. Waitrose has never pursued a policy of developing large stores and so is not affected to the same extent by the move towards more frequent shopping. But one of the themes of food retailing over the last year has been that the best performers have been the high quality retailers, Waitrose and M&S (figures on Thursday) on the one hand and Aldi and Lidl on the other."

Other food specialists

UK: Greggs like-for-likes rise 5.2% in the second half

The bakery chain witnessed a jump in like-for-likes in the 24 weeks to 13 December.

Greggs said that the strong second half performance means that year to date own-shop like-for-like sales have grown 4.2%, a marked improvement on the 1.1% fall in like-for-likes seen in the same period last year. Year to date total sales grew 3.6% compared to a 3.7% rise in 2013.

Chief executive Roger Whiteside said 'The strong performance that we reported in our September interim management statement has continued. Trading conditions have remained helpful but there is no doubt that customers are also responding to improvements in our product and service offer and to the investment we are making in the shop environment.'

- The company said it now expects that its full year profits for 53 weeks to 3 January 2015 will exceed analysts' expectations.

UK: Majestic Wine reports positive Christmas trading

Like-for-like sales grew 1.1% in the 10 weeks to 5 January 2015.

Majestic described the trading period as challenging with high levels of promotional activity from rivals, but reported that total UK store sales rose by 3.7% in the period. The positive third quarter results mean that total like-for-likes for the first 40 weeks of the year have grown 2%.

- Chief executive Steve Lewis said the company was now 'focused on delivering our final quarter's trading' and added: 'We anticipate this competitive pricing environment will continue throughout much of 2015.'

UK: Thorntons issues pre-Christmas profit warning

Thorntons, the chocolatier, has warned that full-year profits will be below those achieved in the last financial year, as sales have declined in the UK Commercial channel.

The company said that lower than expected orders from major grocers coupled with short-term disruption in its new centralised warehouse hit sales in the second quarter of its financial year.

Thorntons reported that some grocers have submitted significantly lower volume orders, with these retailers not repeating the prior year's orders of high-volume lines.

Thorntons said that it has maintained good control of costs and stocks and that 'no significant excess seasonal stock is anticipated'.

- The company will issue a further update on 19 January 2015.

"Last year we saw some major grocers left with Thorntons seasonal stock well into 2014, and some of this excess stock appeared to turn up in the mixed-goods discount stores (like B&M Bargains). Given the apparent difficulties shifting stock last year, it's no surprise to us that some grocers have pulled back on orders this year. A key question should be, why did Thorntons not foresee this?"

Home shopping

UK: Ocado posts sales growth of 18.6%

Sales reached £331.9m during the 16 week period to 30 November 2014.

Retail sales – which exclude Ocado's revenues made through Morrisons.com – increased 14.9% to £311.4m in the fourth quarter. Average orders per week were up 16.4%, but average order size fell 1.7% to £109.74. However this includes Fetch.co.uk and Sizzle.co.uk - Ocado.com average order size fell 0.5%.

Overall for the full year, group sales increased 20.4% to £1.0bn while retail sales grew by 15.3% to account for £972.4m.

- Tim Steiner, Ocado's Chief Executive Officer, said the company expects to 'continue growing sales slightly ahead of the online grocery market'.

"Impressive growth from the Ocado business. The fact that the average order basket is down by 0.5% mostly reflects deflation in food but it is a little surprising that the deflationary effect has not been offset by growth in sales from new customers. It tends to suggest that growth is coming by recruiting lower spending customers."

Economy

UK: Grocery market sees marginal growth of 0.1%

Data released from Kantar Worldpanel shows sales edged up 0.1% during the 12 weeks to 7 December 2014.

All the big four supermarkets declined in sales in the 12 weeks. Tesco sales fell 2.7%, Asda was down 1.0%, Sainsbury's declined 1.8% and Morrisons fell 3.2%. Aldi and Lidl achieved increases of 22.3% and 18.3% respectively. Waitrose grew sales by 6.0%.

- Fraser McKevitt, head of retail and consumer insight at Kantar Worldpanel, added: 'Retailers are selling more items on promotion, leading to like-for-like prices falling by 0.7% compared with this time last year. Cheaper groceries are an early Christmas present for shoppers, saving them £182 million in the past 12 weeks alone but this puts pressure on the supermarkets.'

"Overall, the Kantar figures are much as expected. Tesco said at the time of its last profit warning that trading had improved a bit and that is backed up by this data. The pecking order stays the same, with Asda leading the way for the big four and Morrisons trailing. Growth at Aldi and Lidl is still very impressive, but it is slowing down. What will be interesting now will be to see if people return to the superstores for their Christmas shopping."

UK: Retail sales up 5.5% in November

According to the ONS the value sold in the retail industry rose 5.5% year-on-year in November.

Electrical goods were up 21.7% while clothing sales grew by 4.1% in the month of Black Friday. Furniture and lighting sales were up 14.4%. Grocers increased sales by 0.6%.

Internet retail sales were up 12.9% year on year, with non-store retailers internet sales up 10.3%.

- The amount spent online accounted for 11.5% of all retail spending excluding automotive fuel, compared with 10.7% in November 2013.

"The figures are remarkably strong and backed up the BRC's interpretation of the impact of Black Friday. What we don't know yet is how much Black Friday was just pulling forward from December, but in some sectors that must surely be the case - electrical retailers are up 21.7%, against the last month that was affected by the Comet closure in the year before. Mail order had a good month and while internet sales were not especially strong, online sales of household goods were up 34%. All this backs up our analysis that Black Friday was disproportionately an electricals and online event. Elsewhere the month was less exciting. Food retailers were just ahead, but deflation in food meant that volume sales were actually 1.5% up. Clothing had a better month, probably more because the weather was a little more seasonal than because of any Black Friday effect. The underlying message of these results is that people are still feeling confident and are happy to carry on spending. It helps as well that for the second month running wages growth was higher than inflation. It looks as if Black Friday was more about bargain hunting rather than buying for Christmas, and if that was the case then any negative impact on December will be limited. So we are not changing our 3% forecast for the month."

UK: Retailers are optimistic for 2015

The snapshot survey carried out by the British Retail Consortium (BRC) conducted during November 2014 covered a range of sectors and represented around 18% of the retail industry by sales value.

76% of respondents reported that they expected their sales to improve in 2015 compared with 2014. 67% of retailers said that their investment levels were set to increase and 78% said they were likely to be employing more staff in 2015.

Helen Dickinson, BRC director general, said: "It's great to see British retailers optimistic about the coming twelve months. After a number of years battling against strong economic headwinds and shaky consumer confidence, it seems as though retailers are set for some cheer in 2015. However, given the tentative nature of the recovery in consumer confidence it's natural that retailers are cautious about the longevity of the upswing we've seen recently. It's also no surprise that the fundamental reform of business rates has come out as top priority for government action. It is an outdated and punitive tax."

When asked to list their top concerns for the year ahead, 68% cited weak consumer demand while 53% said continuing pressure of business rates. 47% of respondents were worried about weakness in the economy.

- Data from the BRC revealed retail sales in November 2014 were pushed up by Black Friday. On a total basis, retail sales grew 2.2% year-on-year in November, and 0.9% on a like-for-like basis. This was the best performance in three months.

UK: Shop prices fell 1.7% in December

Data from the British Retail Consortium shows year-on-year shop prices fell in every month in 2014.

UK food prices increased 0.1% in December 2014, while non-food fell 2.8%. Clothing and footwear prices fell by 9.7% compared to 2013, while electricals fell 5.4%. Health and beauty prices were up 1.8%.

- BRC Director General, Helen Dickinson, said: ‘This is the twentieth consecutive month that customers have been able to go to the shops, fill their baskets and pay less for their goods than the year before.’

News Analysis - Non-food

Clothing retailing

UK: Bank falls into administration

The young fashion chain had only recently been sold to investment firm Hilco Capital.

Bank has entered into administration, following its sale by JD Sports to a subsidiary of Hilco Capital in November 2014. The young fashion retailer, which made a pre-tax loss of £8.1m in the year to 1 February 2014, operates 84 stores and employs 1,555 people. Currently, all stores remain open and no redundancies have been made.

Bill Dawson, joint administrator from Deloitte, said: ‘Bank has struggled in a highly competitive segment of the retail industry and has been loss-making for a number of years. A review of the business has determined that a solvent turnaround would not be possible and so its director has sought the appointment of joint administrators.’

- According to Dawson, several parties have already expressed an interest in the business.

UK: Barbour deliveries could be affected by strikes

Workers at Barbour’s warehouse in Gateshead are planning to strike for four weeks starting today (5 January).

The four-week strike is expected to involve around 70 of its 130 employees in Barbour’s Gateshead distribution centre. The action is taking place due to disputes over new contracts that require staff to work until 11pm without payments for unsocial hours. However Barbour claims it is offering ‘substantial’ pay rises and that the changes are required to meet customer demand.

- The strike action could affect deliveries to stores such as Harvey Nichols, Selfridges and John Lewis during the January sales period.

UK: Boux Avenue like-for-likes up 31.7%

For the six weeks ending 24 December 2014 the lingerie retailer posted a 31.7% like-for-like sales rise.

Retail entrepreneur Theo Paphitis said Boux Avenue’s strong sales growth ‘came in well beyond our expectations’.

- In the latest full year, ending March 29 2014, Boux Avenue reduced its operating loss to £5.8m from £7.1m.

UK: Burberry offers Christmas gift advice on Twitter

The luxury fashion retailer is offering personalised gift buying help on the social media platform.

Burberry is encouraging individuals on Twitter to ask for gift advice using the hashtag #BurberryGifts. Requests for advice are then passed on to Burberry staff who suggest gift ideas from the Burberry range. The new service will be manned 24 hours a day in the run up to Christmas Day.

- In September 2014 Burberry unveiled an 'In-Tweet' purchasing service in America which allows customers to purchase goods through Twitter.

UK: Jaeger

…bid approach

Harold Tillman is believed to have made a bid approach to Better Capital to buy back the Jaeger store chain and fashion label.

Harold Tillman, who ran Jaeger for a decade until a takeover by Better Capital in 2012, did not reveal how much he had offered, but a Better Capital source said it was unlikely to consider bids other than 'a very substantial cash offer'.

- Jaeger posted a 12% growth in sales in the year to March 2014. On a like-for-like basis, sales increased 10%. Turnover grew to £79.4m in the year. Jaeger, which is a year into its five year turnaround plan, narrowed losses after tax to £9.9m, from £12.6m in 2013.

…celebrates successful Christmas

Like-for-like sales grew 8% in the 13 weeks to 3 January 2015.

Total sales in the same period grew by 8.3% whilst online sales jumped 78%. Click-and-collect had one of its most successful periods with sales from the service growing 82% compared to the previous year. Menswear sales saw the strongest growth with sales up 14% whilst womenswear sales grew 6%. However company margins suffered during the period due to higher levels of promotional activity.

Chief executive Colin Henry said: 'While we are still in the early stages of our five-year turnaround, the improved performance from Jaeger online and at our new concept stores shows our strategy is paying off. The consumer environment remains challenging, and there is still a lot of work to do in transforming our store portfolio, building the brand and refining our online and in-store offer. However, this performance gives us confidence as we enter 2015 and continue to develop the Jaeger brand and progress with our strategy.'

- Jaeger plans to open a range of new stores in 'prime locations' in the next four years as well as closing a number of unprofitable stores.

UK: Jigsaw

…like-for-like sales up 9.5%

In the year to 27 September 2014, Jigsaw made group revenues of £91m including VAT.

This was an increase of 11% from the year before, with like-for-like growth of 9.5%. Revenues were boosted by Jigsaw's new Duke Street Emporium in Mayfair, as well as e-commerce improvements including next day click-and-collect and a function to enable checking store stock online. This led to web sales growing 34%. EBITDA surged 78.4% to £3.1m over the year.

International expansion continued with new stores opened in South Africa, Abu Dhabi and Los Angeles. Four more UK stores are planned for spring 2015.

- Peter Ruis, Jigsaw's chief executive, said he was 'delighted' with the brand's progress.

…achieves 'record' Christmas trading

The clothing retailer saw like-for-like sales grow 10% in the five weeks to 3 January 2015.

Total sales for Jigsaw grew 13% as it continued to follow its full price strategy. Margin edged up 140 basis points compared to the same period the previous year.

- Jigsaw chief executive, Peter Ruis, said: 'In many ways it was an old fashioned retail Christmas, gifts and accessories at the fore, last minute footfall driven by the cold snap and pent up demand for the first few days of the sale.'

UK: Joules grows sales by 8.2%

On a like-for-like basis, sales grew by 8.2% during the five weeks to 4 January.

Total sales increased 21.9% in the festive period, which Joules attributed to a 'hugely popular' gifting collection and a 'strong multichannel approach'.

- In the year to date, total sales are up 19.1% compared to last year, with the international business growing by 45%.

UK: Karen Millen boss steps down from Aurora Fashions board

Mike Shearwood has left the Aurora board leading to speculation that the company is looking to sell a number of its brands.

Karen Millen was spun off from Aurora in 2011 however Shearwood remained on the Aurora board. Aurora Fashions currently owns a number of fashion retailers including Oasis, Coast and Warehouse and reports have suggested Shearwood's departure may pave the way for Aurora to sell of these remaining fashion brands.

- Aurora Fashions is owned by Icelandic bank Kaupthing.

UK: McArthurGlen outlet sales climb 20%

The 20% growth was achieved on a like-for-like basis between 22 November and 4 January.

McArthurGlen's managing director for the UK, France, Belgium & Canada, Sven Gaede, attributed the growth to the 'vast variety of gifting options' and 'unbeatable savings' on offer.

- All the UK centres experienced their 'best ever trading days'.

UK: Monsoon introduces eReceipts

This enables Monsoon Accessorize to send customers personalised offers with their electronic receipts.

Customers can opt to receive their receipt via email, which allows Monsoon to target them with relevant product, and to target loyalty card customers more effectively, based on their previous purchases. The eReceipt was first trialled at Monsoon's Victoria Street store and has now been extended to 100 stores.

- The company claims stores that offered the eReceipt service posted a 5% to 10% lift in sales.

UK: Moss Bros like-for-like sales up 7.8%

Moss Bros posted the 7.8% comparable sales growth for the 19 weeks to 6 December 2014.

Online sales increased 81% to account for 7.4% of group revenue. Two new net stores were opened during the trading period, now totalling 131 outlets. For the year to date – 45 weeks – like-for-like sales were 7.0% ahead of last year.

- Retail sales benefited from new sub brands for Autumn; Moss London, Moss 1851 and Moss Esquire, and from the increasing number (56) of refitted stores.

UK: Mothercare appoints new chief finance officer

Richard Smothers has been appointed to the role.

Smothers will join Mothercare on 23 March 2015, replacing Matt Smith who leaves on 20 January to take up the same position at Debenhams.

- Smothers joins from beverage can maker Rexam Plc. He previously worked for Tesco for 14 years where his roles included finance director for Tesco UK and finance director for Asia.

UK: New Look and Matalan launch activewear

The retailers are both to launch women's sports ranges for spring 2015.

Matalan's range, named Papaya Active, includes clothing for running, training and yoga. It will be stocked in 217 Matalan stores and a selection of pieces will be available in its Sporting Pro stores, which are more focused on third-party brands.

- New Look Sport, which will be stocked in 150 stores, is a 20-piece range offering affordable gym wear with a 'fashionable edge'.

UK: Reiss doubles full year profits

Group EBITDA doubled to £9.2m in the year to 31 January 2014.

Reiss' sales increased by £10m to £116m, excluding franchise. UK EBITDA increased 42% to £10.2m during the period. Online sales grew 35% on a like-for-like basis.

During the year, Reiss rolled out a new store concept with more minimalist styling and geometric patterning to nine stores. The end of the year saw the launch of Reiss fragrances.

- Looking ahead, a new e-commerce platform is planned for 2015, as well as four stores in the Philippines, the first Canadian store, franchises in India and a flagship in New York.

UK: Sports Direct

…given £40m loan from owner Mike Ashley

The sporting goods retailer has taken the loan to increase stock levels prior to Christmas.

The loan is to be used to purchase a range of goods including jeans, hoodies and tracksuits. The loan was provided by Ashley in October and was seen as a cheaper alternative than taking a loan from the banks. Ashley is the largest shareholder in Sports Direct, holding 57% of shares.

- Sports Direct and Mike Ashley also hold stakes in a number of other retailers including JD Sports, House of Fraser and Mysale.

…sales grow 6.5% in first half

The company recorded revenues of £1.4bn in the 26 weeks to 26 October 2014.

Underlying EBITDA grew 10.8% to £203.1m and pre-tax profits advanced 9.8% to £160.6m. The company's best performing segment was Sports Retail which saw sales grow 8.3% to £1.2bn and Sports Direct said it had seen a 130 basis point increase in gross margin to 44.5% in Sports Retail. Both Premium Lifestyle, which includes USC, and Brands saw sales dip in the period by 2.8% and 3.9% respectively.

Chief executive Dave Forsey said 'The results for the six months were solid considering the adverse impact on performance during the period of England's early departure from the FIFA World Cup in Brazil and the unseasonably mild weather during Autumn reducing footfall.'

- During the period Sports Direct opened a further eight stores in Europe as well as launch gym-chain Sports Direct Fitness.

…to close USC stores

Reports suggest USC owner Sports Direct is planning on closing up to a third of its stores.

The retailer's directors filed a notice of intention to appoint receivers to USC at the High Court on Tuesday (6 January 2015), which usually gives a company ten days before it has to declare insolvency. This means stores may close as early as next week. Reports suggest that dozens of workers at a USC warehouse in Scotland have already been made redundant.

- Diesel, the fashion label, reportedly asked USC to pay unpaid debts, which the retailer was unable to do, leading to the decision to file at the High Court.

"JD Sports and Sports Direct don't have much in common, but they have both tried to expand into young men's fashion and both have encountered problems. JD pulled out of Bank and now Sports Direct has put USC into administration. It certainly tried having bought not only USC, but Republic and Cruise as well. It is not clear what is happening to the other businesses, but most of the Republic stores had been converted to USC. USC was an attempt to capitalise on the demand for branded fashion in the young men's market. But it never really worked either under Tom Hunter or Sports Direct after it bought Hunter's stake in 2011. Retailing branded fashion is much more difficult than just making the stock available. Sports Direct did not try the pile it high and sell it cheap approach of its sports stores, but nor did it develop an exciting environment in which to sell the goods. Compare, for example, the rather sterile USC store fit with the excitement of Ted Baker, Superdry or Hollister. The truth is that JD and Sports Direct are great at running their core businesses and they need to stick to that."

UK: Ted Baker posts strong Christmas sales

The British lifestyle brand reported an increase of 22.8% in retail sales, for the 8 week period to 3 January 2015.

Ted Baker reported that gross margins were ‘in line with expectations’ with the retailer holding ‘no significant promotional activity’ prior to Christmas. Online sales grew by 65.7% which the company attributed to a strong performance in the UK and the US, where a new platform was launched in July 2014.

- Commenting on trading, Ray Kelvin CBE, Founder and Chief Executive said: Further underlying growth and brand momentum has been delivered as a result of our unswerving focus on product quality and the passion and dedication of our skilled team.

“Another strong set of results from Ted Baker, with sales up 22.8%. The retailer has managed to perform well despite a challenging October and November for the clothing sector. By holding off from going into sale before Christmas, Ted Baker has clearly demonstrated that the customer is willing to pay full price when the product and branding is right. The online sales growth of 65.7% is particularly strong, however this includes sales from the new US platform, so it is unclear how much growth has been driven from the UK.”

UK: The White Company appoints clothing director

Barbara Horspool has left her role as product director for Jigsaw.

Horspool joined The White Company as clothing director on Monday, having left her position as product director for Jigsaw last week. She was previously creative director at New Look.

- The White Company’s chief executive Will Kernan said: ‘Barbara is a highly regarded product and creative director with a strong background in business leadership, coaching and developing individuals’.

UK: Wolford announces new chief executive

Ashish Sensarma will take up the role.

Sensarma has worked in the clothing sector for over 30 years, having previously grown retail brand Mexx from its inception and been employed as CEO of luxury swimwear brand Vilebrequin. Sensarma will be responsible for corporate strategy, marketing and sales in the new role.

Company chairman Antonella Mei-Pochtler said ‘We are very pleased that Ashish Sensarma, a world-class fashion expert with strong retail credentials, will join the board in January.’ His proficiency in driving profitable growth and passion for creating consumer satisfaction are exactly what we need.’

- Wolford has also announced that in the period between May and October 2014 the company recorded its first positive pre-tax earnings growth of €1.4m since 2011/12. Group sales fell 2.9% in the period to €72.6m due to the closure of unprofitable stores.

Footwear and accessories retailing

UK: Office unveils new social media game

The footwear retailer has unveiled a ‘tinder-style’ game to help customers find their Shoe Love.

The Sole Mate game asks customers to view a selection of 10 pictures and swipe left or right if they like the image. After they have made a decision on all 10 pictures they are then matched with their 'Shoe Love' from the Office collection. Customers can partake in the game via solemate.office.co.uk.

Kathryn Kenny head of social media and content at Office said 'For our first ever social media-focused campaign, we wanted to cut through the competitor noise and create a fun and easy-to-use game to effectively engage our online and social audience.'

- Office said that so far 17,150 people have played the game and it has helped the retailer to capture 5,000 email addresses.

UK: Radley like-for-likes jump 11% over the Christmas period

Like-for-likes jumped in the two months to 31 December 2014.

The premium handbag retailer said sales had been helped by a strong performance from its online arm, with sales spiking during the Black Friday weekend, as well as the launch of a handbag personalisation service. The 11% growth in like-for-like sales represents a slowing from the 16% like-for-like growth seen in the same period last year.

Chief executive Xavier Simonet said: 'I am pleased to announce another strong Christmas trading performance at Radley despite an increasingly challenging and competitive retail environment.'

- Simonet added that international growth will be a key focus for the Radley in 2015.

UK: Russell & Bromley sales rose 9.5% in 2013

The family-owned shoe retailer increased sales to £117.6m in the year to 31 December 2013.

Pre-tax profits were up 12.5% to £21.9m for Russell & Bromley. An online store was launched in November 2012.

- The rising sales and profits led the company to pay £11.2m to its family owners.

Multi-sector retailing

UK: Marks and Spencer reports mixed Christmas period

The company saw a positive performance from its food division but general merchandise suffered.

In the 13 weeks to 27 December 2014 food sales grew by 2.8%, and like-for-likes by 0.1%, whilst general merchandise saw sales dip 5.4%, and by 5.8% on a like-for-like basis. Group sales fell 1.6%. Marks and Spencer said its food division had reported a record Christmas week with sales up 17% whilst general merchandise had suffered due to lacklustre clothing sales, affected by unseasonal conditions in October and November and distribution issues at the company's Castle Donington distribution centre.

'M&S had a very good Christmas in Food. We delivered record Christmas sales, strongly outperforming the market. We had a difficult quarter in General Merchandise, dominated by unseasonal conditions and an unsatisfactory performance in our e-commerce distribution centre. We maintained our focus on General Merchandise gross margin, with guidance unchanged.'

- International sales, on a constant currency basis, fell 5.8% in the period impacted by the economic issues across the Middle East and Russia.

"Results from two major retailers this morning and they have a number of things in common. But while Tesco's figures were better than expected M&S's were worse. The general merchandise sales figure of 5.8% is very disappointing. Further declines in online sales dragged down this figure - despite M&S previously saying that it was on track for a return of positive online growth in this peak period. There is no clothing - home split, but clothing dominates and must have seen sales down substantially. We have commented often enough on how we think that the main sub brands need to be more clearly differentiated, but there is an emphasis here on raising gross margins which cannot be helping. In fact it is hard to square the discounting at M&S over the last quarter with raising gross margins at all. The food figures are better, but even these are disappointing with minimal like for like growth, especially when compared alongside Waitrose's recent results. Overall, there is an emphasis on profits and cash generation behind this statement while the loss of market share in the core general merchandise businesses has worsened."

UK: Next posts 2.9% sales increase in run-up to Christmas 2014

The fashion and homewares retailer said Full Price Sales in the 58 days from Tuesday 28 October to Wednesday 24 December were up 2.9%. Total sales for the year to 24 December were up 7.7%.

In a statement Next said that although the economic outlook for the UK consumer looks "relatively benign", it remains "very cautious" in its sales budgets for the year ahead.

Next is budgeting for full price sales growth in 2015/16 to be between +2.5% and +7.5%, with the first half expected to perform at the lower end of the range.

- In December 2014 Next launched an own-brand coffee concept in-store called Eighty-Two Coffee Co at its Plymouth store, replacing a cafe previously operated by Compass. Next has around 35 cafes/coffee shops across its estate, including some operated by Costa Coffee, Starbucks, Caffe Nero and Patisserie Valerie.

"Next has been working hard to keep expectations down for its Christmas trading period and justifiably so, after its 11% plus performance last year. That was always a tough figure to beat. In the event it lowered expectations sufficiently to come up with a figure that pleased the City. It was also good to see that for the period reported store sales were up on last year, even though most of the growth came from Directory. There are no shocks in these figures and they are likely to prove a good indicator that the outcome of the Christmas period as a whole will also be much as we expected."

UK: Poundstretcher festive sales up 14.8%

An increase in food sales drove growth during the five weeks to 30 December 2014.

Over the festive period, Poundstretcher's food sales increased 47.7% and clothing sales were up 25.8% leading to a total sales increase of 14.8%. On a like-for-like basis, revenues increased 10.4% compared to the previous year.

- Over seven million shoppers visited Poundstretcher during the five week period, up 10% on 2013.

Department stores

UK: Fortnum & Mason reports Christmas sales surge

Upmarket department store Fortnum & Mason posted a 22.8% surge in sales in the five weeks to 4 January 2015.

On a like-for-like basis, sales rose 18.3% in the five-week period. Online revenues jumped 31%.

The flagship Piccadilly store saw a "double-digit" sales increase while the newer St Pancras store saw sales rise 47.7%.

- The company sales hamper sales rose 21% and caviar sales increased 42% in the five-week Christmas period.

UK: House of Fraser

…like-for-like sales up 5.5%

The department store has posted a trading update for the 13 weeks to 25 October 2014.

During the third quarter, like-for-like sales increased 5.5% while year to date like-for-likes were up 4.6%. Online sales grew 37.7%. House Brands had a 'strong performance' with sales up 11.8%. Cumulative adjusted EBITDA increased to £10.0m, up from £9.2m in 2013.

John King, CEO of House of Fraser said: 'We are very pleased with our performance year to date, which has been driven by the continued success of our leading multichannel offering and the strength of our premium branded proposition.'

- During the quarter, House of Fraser opened its Buy & Collect store with Caffé Nero and refurbished its Bath store.

…Christmas like-for-likes up 8%

The department store achieved record sales during the six week trading period to 3 January 2015.

House of Fraser delivered sales growth in all categories, with House Brands up 11.2% during the festive period. Total sales were up 8.0% on a like-for-like basis. Online sales increased 31.2% during the six weeks trading, while stores were up 4.2% on a like-for-like basis. Black Friday drove online sales up over 125% compared to the year before.

John King, chief executive of House of Fraser, said: 'This year we saw a very strong start to the key Christmas season with Black Friday being particularly successful. This positive momentum continued over the entire critical selling period with a record sales level during the final week before Christmas.'

- House of Fraser expects to report further growth in the full year.

"These are superb results. They look better than John Lewis' and, to some extent they are. Both figures include Black Friday, though for House of Fraser, with its much smaller electricals business that was a much smaller affair. And when John Lewis was commenting on the profitability of Black Friday, House of Fraser actually increased gross margins over the period. The big difference is that John Lewis is coming from a much higher base - it has been highly successful for much longer. The most encouraging feature for HoF is that the business seems to be building real momentum. The investment in stores and improved own brands is now really paying off and the fact that it is prepared to give so much detail about its results suggests that it maybe looking to a stock market flotation sooner, rather than later."

UK: John Lewis

…reports pre-Christmas sales decline

In its last weekly trading update before Christmas, John Lewis reported sales fell 2.4% year on year in the week ending Saturday 20 December.

The company attributed the sales decline to the 'changing shape of Christmas trade,' following an early peak in late November. Online sales in the week were up 5.5% year on year, with John Lewis saying the focus 'firmly shifted' to its stores.

The company's Fashion segment reported record sales, with premium beauty (which is included within Fashion) up 5% year on year.

John Lewis said its Home segment also saw record sales, helped by strong growth in its own-brand ranges.

- John Lewis will issue its five-week Christmas trading update on 5 January 2015.

…sales up 5.8%

For the five weeks to 27 December 2014, total sales reached £777m.

John Lewis' like-for-like sales increased 4.8% during the Christmas trading period, while total sales increased 5.8% to £777m. Online sales were up 19% on the year, representing 36% of total sales, while click-and-collect accounted for 56% of all online orders. Shop sales remained level, although the 'At Home' and new format stores grew their business.

According to the company, Black Friday 'yielded an early sales peak' driving the biggest sales week in John Lewis' 150 year history, with revenues up 22% on 2013.

- Andy Street, Managing Director of John Lewis, said: 'This year confirmed the new shape of trade for Christmas, with an early peak at the end of November driven by Black Friday and last minute gift buying.'

"These are excellent results and likely to be among the better ones of the results season. The highlights are all online, but to concentrate just on that is to miss the point. It does not matter to John Lewis whether the sale comes online or in-store, the point is that the business is geared up to sell to customers however they want to buy. A great example of that is the new click and collect branch at St Pancras where a small range of key merchandise complements a click and collect counter. Another important feature of Xmas 2014 was the impact of Black Friday. In an interview with the BBC, Andy Street (John Lewis MD) implies the day was profitable at best. He is saying that discounting so heavily at the end of November is counterproductive. The trouble is that the promotions were led by two major US retailers (ASDA and Amazon) and UK retailers, such as John Lewis, had no option but to follow."

Electrical retailing

UK: Dixons Carphone like-for-like revenues up 5%

The company made revenues of £3.3bn in the first half of the year, to 1 November 2014.

Dixons Carphone reported market share gains in the UK & Ireland, Nordics and Greece but said the Netherlands and Germany remained challenging, leading to a restructure of the business in these markets.

Profit before tax rose 30% to £78m in the 31 week period, although changes to the year-end following the merger with Carphone Warehouse meant the trading period is in comparison to 26 weeks trading in 2013/14 for Carphone Warehouse.

- Sebastian James, Group Chief Executive, said: 'We have seen a barnstorming performance from our UK & Ireland division with like-for-like sales growth of 6% in the first half and 11% in Q2. This has been driven by continued improvements in price and service, competitive changes, technology launches and some recovery in the economy.'

"It is hard to assess these numbers because they are based on the whole merged business and there is no indication of how the former Currys and Carphone Warehouse businesses fared in any more than general terms. But the year has started well. Like for-like sales were up on both sides - 6% in the UK and 5% in Northern Europe. The UK is said to be driven by improvements in price and service, in other words everything that Currys has been driving over the last few years. Sebastian James is very upbeat about the progress of the merger. There are some problems - the smaller European phone businesses are "strategically less able to be robust in the face of market changes" and they are being restructured and reviewed. So although it is hard to get a real handle on what has been going on, these do look to be excellent results and very promising for the future of the merged business."

UK: Maplin reports strong Christmas trading

Maplin has reported its best ever Christmas Day online sales as well as strong trading over the entire Christmas period with store and online sales up 11% year-on-year.

John Cleland, chief executive of Maplin, said: "We've seen an unprecedented demand for drones this year, as customers look for new and innovative gadgets as Christmas presents. The sales have been across all Maplin shopping channels, with an impressive 40% growth in people shopping online, but choosing to collect in one of our 218 stores for added convenience and in-store help and advice."

- During the past 12 months Maplin has increased its product range to more than 30,000 SKUs with a focus on innovative and new products.

Furniture retailing

Denmark: JYSK turnover grows 10%

The Danish furniture retailer made €2.8bn in the year ending 31 August 2014.

Pre-tax profit grew 31% to €392.3m during the financial year. JRSK attributed the growth in sales to four key areas: internal training programmes; customer-orientations activities in store; increased marketing and investment in online activities.

JYSK Group owner Lars Larsen said: ‘It has been a fantastic year, and I would like to thank all our dedicated employees for their efforts. Naturally, customers have always been what's most important to us here at JYSK, and this past year's development is an expression of that attitude.’

- Over the year JYSK opened over 100 stores, taking the total to 2,200 in 36 countries. Click and collect was launched in April 2014 in six countries.

UK: DFS sales grow 15.3% in first quarter

The furniture retailer’s sales grew to £170.8m in the 13 weeks to 1 November 2014.

Underlying group EBITDA surged 53.7% in the period to £10.3m. Chief executive Ian Filby said that the aggregated results of the past four quarters represent a record 12 months for DFS.

Filby added ‘We have continued to make very good progress in the implementation of our strategy, which is to broaden our appeal, enhance our service and make our products more accessible to our customers than ever before through measured store expansion, continued development of our multichannel proposition and constant enhancement of our product range.’

- DFS reached a milestone during the period when it opened its 100th store in the UK and Ireland.

UK: Oak Furniture Land posts growth in sales period

Oak Furniture Land’s like-for-like sales were up 25% between Boxing Day and 6 January.

Total sales during the period were up 40% year-on-year for Oak Furniture Land, following the launch of the new SofaStore brand on Boxing Day – which already comprises a quarter of the retailer’s sales.

- Meanwhile, bed retailer Dreams said sales were strong during the first full week of trade after Christmas, when it recorded double-digit year-on-year sales growth.

UK: Oak Furniture Land to launch SofaStore showrooms

The furniture retailer is looking to open 57 SofaStore showrooms by Boxing Day.

Four of the showrooms will be dedicated stores located in Rotherham, Croydon, Glasgow and Farnham. The remainder will be located within existing Oak Furniture Land stores. The launch will be supported by a national TV campaign as well as a standalone website. The brand had been previously trialled in a number of Oak Furniture Land stores.

- SofaStore will offer around 90 sofa ranges with 4,000 different variations and between five and 12 different colours available for each range.

Homeware and DIY retailing

UK: Carpetright UK sales increase 5%

UK revenues reached £194.2m in the 26 weeks to 25 October 2014.

Like-for-like sales in the UK grew 6.5% which the company attributed to its ‘market beating’ promotions and increased consumer spending. 63% of Carpetright’s UK stores have now been modernised. Sales from the rest of the world - which fell 9.4% - were affected by depreciation of Sterling.

Commenting on the results, Wilf Walsh, Chief Executive, said: ‘I am pleased to report that the Group grew profits during the first half, with an encouraging increase in UK like-for-like sales, a return to underlying profit in the Rest of Europe and a net cash position at the end of the period.’

- Group underlying profit increased 80.5% to £7.4m during the first half period.

“Two quarters of strong growth has seen Carpetright finally gain from the strong housing market. But growth in the property market now looks to be weakening so it will likely be tougher from here on in.”

UK: Dunelm like-for-like sales jump 6.2% in first half

The homewares retailer reported a jump in like-for-like sales in the 26 weeks to 27 December.

Like-for-likes advanced 6.2% compared to a 0.9% like-for-like decline seen in same period last year. Total sales grew by 14.0% to £406.4m, and improvement on the 4.8% growth reported in the first half last year. Store like-for-likes grew by 3.5% whilst the company said it had seen significant growth from its online business with home delivery sales jumping 70%. The largest single growth category was furniture with sales up 60%.

Chief executive Will Adderley said ‘My priority going forward is to achieve growth consistently from each of our channels, including our core superstore format. We are excited by the opportunities available to us both from stores and online and we will continue to make the capital and revenue investments necessary to seize them.’

- Dunelm finance director David Stead has also announced that he is to retire in Autumn 2015, after serving as a director since 2003. Non-executive director Matt Davies has also stood down from his position.

"Whilst against weaker comparable figures, this set of results continues the momentum that Dunelm has enjoyed in the past five years, a period in which turnover has grown 48%. The company's decision to switch to direct sourcing has ensured strong margins, although gross margins have suffered due to exchange rates in the first half, and the ability to refresh ranges at a high rate, 30% per year, ensures the business is flexible to market demands. Online has also been growing, accounting for 6% of sales in the year to June 2014, and it is encouraging that this momentum has also continued, with home delivery jumping 60% in the period, as the company had lagged behind many of its competitors in the online space. For more information on Dunelm see our upcoming Homewares – UK, January 2015 report."

UK: Tiger sales up 6.5%

The Danish homeware retailer posted a like-for-like sales increase of 6.5% in the month of December 2014.

Tiger's UK sales grew to £7.7m in December, compared to £5.2m in December 2013. Tiger's store portfolio has grown by six to 30 stores, within London and the South East.

Philip Bier, managing director of Tiger Retail, said: 'We have experienced a very robust Christmas trading period this year. It has been particularly rewarding to see an increase of 7% per average spend this Christmas period.'

- Planned new stores in 2015 include St Albans, Milton Keynes and North London.

UK: Topps Tiles like-for-likes up 6%

The tiling retailer has posted a trading update for the 13 weeks ending 27 December 2014.

Topps Tiles increased like-for-like revenues by 6.0% in the first quarter. The quarter ended with a total of 336 stores.

- Matthew Williams, Chief Executive Officer, said: 'We are confident that our plan for 2015 will see us further extend the appeal of the Topps brand and move closer to our strategic goal of taking a one third share of the domestic tile market.'

UK: United Carpets revenues down 11.7%

During the six months to 30 September 2014, revenues declined to £9.1m from £10.3m last year.

Like-for-like sales increased 0.3%. Operating profit increased 17.5% to £531,000. During the half year, United Carpets closed one store and relocated another, ending the period with a total of 58 stores, of which 11 are company owned and 47 are franchised.

- Peter Cowgill, Chairman, said: 'We remain focused on developing the business through the addition of a successful new store format, improving the volume of bed sales and continued focus on improving the customer experience.'

"So Carpetright recovers and United reports a sharp fall. But that decline is because of a slimming down of its portfolio by more than a quarter and the continuing businesses managed to edge their sales up. The business is mainly a franchise operation and to its credit United Carpets itself actually increased profits in the half year. The underperforming stores have now gone and hopefully United can now move forward again."

Home shopping

UK: Boohoo posts profit warning

Following 'prevailing sales momentum' Boohoo has announced profits will be below market expectations.

For the four months to 31 December 2014, Boohoo's sales increased 25% to £50.8m. The company reported this growth as 'less than anticipated' and attributed this to heavy promotional activity on the UK high street. Boohoo reported that full year results will be below market expectations, with sales growth of 25% and EBITDA margin at 10%.

- Despite the overall performance being below expectations, Boohoo achieved a record week over Black Friday and strong growth in France.

"In any objective assessment these figures from Boohoo would be considered excellent, but it is a measure of the inflated expectations of pure players this time last year that they are seen as disappointing."

UK: Ebuyer launches first major TV campaign

The online retailer of computer and electrical goods is launching a £2.8 million TV sponsorship campaign on Freeview channel Dave.

The Big on Tech campaign, which will run for a full year with Ebuyer sponsoring the Weekends on Dave slot, will feature miniature toy character models interacting with a range of full-sized electronic technology devices.

- The online computer and electrical retailer's sponsorship with Dave is part of Ebuyer's bigger plan to become more involved with national events, advertising and TV.

UK: Major supermarkets hit by online glitches

Some shoppers at Sainsbury's, Asda and Waitrose have seen their pre-Christmas online grocery orders disrupted by technical difficulties.

Some Sainsbury's customers reported that orders were wrongly cancelled, following a computer failure on Sunday evening. Sainsbury's said its website went down for half an hour.

Asda said that 'a handful of customers' had experienced technical difficulties, with some shoppers reported to be losing delivery slots booked in advance when they tried to amend their online orders. Asda said it reassured these customers that they would receive their orders.

Waitrose was reported to have had technical problems that led to a series of failed deliveries on Sunday and Monday. Waitrose said that it had experienced a temporary IT problem and that it had apologised to customers affected and offered alternative delivery times.

- These problems follow courier firm Yodel warning of delivery delays following a surge in sales on Black Friday in November.

UK: N Brown

…chief financial officer steps down

Dean Moore, who has been in the role for 11 years, is to leave in April 2015.

Moore is leaving N Brown at the start of the new financial year in April, to pursue other interests.

- He is being replaced by Craig Lovelace, who is currently group chief financial officer for General Healthcare Group (BMI Healthcare).

…Q3 sales down 2.3%

The mild weather in September resulted in a sales decline for the 13 weeks to 29 November 2014.

According to N Brown, the unseasonably mild weather in September meant sales declined 10.8% during the month. The company returned to growth in October where turnover grew 1.5% and in November, by 3.0%. This resulted in a decline of 2.3% for the third quarter. Year to date, sales are down 1.2%.

During the quarter, a new Simply Be and Jacamo store was opened on Oxford Street. The re-launch of the JD Williams brand led to a 30% increase in new customers.

- Angela Spindler, Chief Executive, commented: 'We are pleased with the strength in our customer activity levels and sales during November. We have seen an excellent response from both existing and new customers to planned higher profile brand activity on our JD Williams, Simply Be and Jacamo power brands.'

"Encouraging figures from a very tough period. We know how bad September was for fashion retailers and we know that October was better, but the recovery at N Brown is much more than the market movement would have suggested and that is the first indication that the new strategy is working."

UK: N Brown to discontinue Gray & Osbourn

N Brown has announced it is to close the Gray & Osbourn catalogue and website from June 2015.

The Gray & Osbourn business had been bought by N Brown in 2006, however N Brown said it is to discontinue trading from the fascia in order to focus on the core business, including JD Williams, Simply Be and Jacamo.

- A 'limited long term strategic fit and ongoing market conditions' drove the decision.

UK: Net-a-Porter buys My-Wardrobe.com

My-Wardrobe.com is no longer trading online, having sold its domain name to its competitor.

A statement on My-Wardrobe.com says the website is no longer trading and provides links to Net-a-Porter sites including Net-a-Porter.com, The Outnet.com and Mr Porter. According to reports, the company will still carry out returns over the next few weeks.

- My-Wardrobe.com entered administration in November 2013, but was shortly bought out in a pre-pack deal.

"My-Wardobe's efforts to clear stock have looked ever more frantic over the last few weeks - culminating in a 70% off everything offer. But now it has ceased trading altogether and any remaining stock will have to be cleared through the one remaining shop or jobbed out by the administrator. Net-a-Porter has bought the brand, though it has not said yet what it plans to do with it. The My-Wardrobe site has some value in the remaining customers that may come to it, but it seems more likely that Net-a-Porter sees an opportunity for another brand, perhaps a little closer to the mass market than its core business."

Sports goods retailers

UK: Decathlon ramps up UK expansion

The French sports retailer announced plans to open 40 to 50 stores in the next three years.

Decathlon opened its 18th UK store in Croydon yesterday (18 December) in a former Kiddicare store. Decathlon's UK chief executive, Thibaut Peeters, said there is potential for up to 100 stores in the UK, with another store already in the pipeline for 2015.

- This year also saw the opening of outlets in Braehead, Oxford and Harlow.

Book and toy retailers

UK: Foyles and Waterstones report strong book sales

Foyles reported December like-for-like sales up 8.1% helped by store improvements.

Sam Husain, chief executive of Foyles, said physical book sales 'seem to be holding steady' and remained confident for 2015.

Meanwhile Waterstones reported a 5% increase in physical book sales, on the back of falling Kindle sales. James Daunt, chief executive, said sales of Amazon's Kindle had 'disappeared to all intents and purposes'.

- Waterstones' growth in book sales was attributed to store refurbishments and efforts to tailor each store's product ranges to the local market.

UK: The Entertainer sales up 5.5%

The 5.5% like-for-like sales increase was achieved during the five weeks to 27 December 2014.

During the five-week period in-store sales for the toy retailer grew by 4.9%, on a like-for-like basis, while online sales surged 60%. The Entertainer said sales were driven by the 30-minute click-and-collect service, a new mobile site and the opening of nine new stores.

- The biggest day of trading for the toy retailer was 23 December.

UK: The Works Christmas sales up 6%

Like-for-like sales increased 6% during the six weeks to 28 December 2014.

The book and stationary retailer posted strong online sales, which were up 140%, helped by the launch of click and collect in October 2014.

- Kevin Keaney, chief executive of The Works, said: ‘By offering great value to our customers as the norm, we’ve also been able to maintain our margins throughout December rather than being forced into heavy discounting before our planned Boxing Day sale kick-off.’

UK: Waterstones launches campaign to promote click-and-collect

The social media focused marketing campaign is designed to raise awareness of the booksellers service.

The campaign encourages customers to say if they are ‘planners’ or ‘wingers’ in their Christmas shopping preparation and has reimagined classic literary characters as either type of shopper. The White Rabbit from Alice in Wonderland for example has been turned into a winger.

- Online marketing manager Emma Grinter said ‘Ordering online and opting for a shop delivery or click-and-collect are simple and easy solutions to getting your book quickly from your local shop while still paying the online price’

Jewellers

UK: Signet UK sales up 9.7%

The owner of H.Samuel and Ernest Jones said sales of diamond jewellery and watches boosted sales.

Over the eight weeks to 27 December 2014, H.Samuel posted a like-for-like sales increase of 8.1% while Ernest Jones grew same store sales by 11.9%.

- The overall 9.7% increase for Signet was in comparison to a 5.2% rise in 2013.

Economy

UK: Mintel's Christmas message

“The Christmas season has got off to a bad start with a profit warning from Thorntons, but it is not because of the retail side - that is actually doing quite well. The business is making a major strategic shift to manufacturing and wholesaling and it is that side where the problems have arisen. And on top of that, just as a major spat is developing between the US and North Korea over the cyber attack on Sony and North Korea itself suffers a 9 hour Internet outage, we find both Sainsbury's and Waitrose suffering website crashes. But the truth is that these are small events and we are still very much in the dark about what is happening this Christmas. The John Lewis weekly figures are not a good indicator, even though they look dreadful, because the fact that Christmas comes a day later each year severely distorts the comparisons. We think that the actual outturn for the Christmas period will be OK - we've been saying 3% up for December for a long time and are happy to stay with that.

It's been an eventful year for retailing. Overall, demand has held up well, though the warm Autumn weather certainly caused problems for clothing retailers.

The problems at Tesco have overshadowed the food retail sector and distracted attention from a major change that is taking place there. By the end of the year all of the majors were seeing sales declines in their superstores as shoppers shopped more online, more in Aldi and Lidl and more from C-stores. John Lewis has had another great year, but M&S continued to lose market share in clothing while being a top performer in food. Next was the star performer in clothing, better even than Primark, though it faces a challenging comparative figure over Christmas.

Consumers were happy to go out and spend and towards the end of the year we had two months when wages growth was higher than inflation - for the first time since 2009. The housing market was strong and consumer confidence high.

But we have to be cautious about 2015. The Bank of England has clearly signalled that interest rates will begin to go up and that cannot be good news for the housing market. The government will not want to do anything to affect the recovery before the election, but who knows what new measures could be in place by the Autumn? There is also the ever present threat of another Euro crisis. It is hard to see 2015 being as good as 2014, but that is not to say that it will be a bad year."

UK: Oxford Street West rents to soar

Rents for stores in Oxford Street West Zone A are expected to reach £1,000 per sq ft this year.

According to property agency Savills, the plans to expand Selfridges are likely to have a significant impact on rents on Oxford Street West, widening the existing price gap - of £250m per sq ft - between the West and East side of Oxford Street.

- The record for rents was set by Dubai retailer Toystore in 2014, at £928 per sq ft.