



Signs of retail stability in Q3 2017

Deputy CEO at Retail Excellence, Lorraine Higgins today said that “Stability has finally returned to the Irish retail industry after inconsistent sales patterns recorded by our member retailers earlier in 2017”.

Ms. Higgins was speaking following the release of the Grant Thornton Retail Excellence Q3 2017 Retail Productivity Review which highlights signs of recovery for the industry.

Ms. Higgins said “Overall Quarter 3 proved a reasonable trading period with an increase in sales of +1.94% compared to the same period in 2016 where 14 out of 20 sectors traded demonstrably stronger. Those sectors recording a negative sales pattern did so only marginally which indicates Irish retail is finally starting to recover lost ground”.

“Furniture & Flooring and Large Home Appliances had a very robust quarter recording like for like gains of +9.14% and +8.10% respectively, thus proving that some fluidity is returning to the residential housing market. Agri Retail and the Garden Centre sectors also enjoyed a good period of trade primarily as a result of clement weather. The new construction measures introduced in Budget 2018 will serve only to improve the aforementioned performances in future reports”.

“However, what is noticeable in this set of results is the widening trading disparity in each sector with some operators trading significantly up, whilst others have more muted increases”.

“Overall, the Irish Retail Industry has demonstrated its resilience in the face of external challenges like Brexit, sterling devaluation and the migration to online spend. With full employment within touching distance and measures implemented in Budget 2018 which will increase consumer spend the key to improving sales and thus exchequer returns is to ensure improved supports for omni-channel retailers” Lorraine Higgins concluded.

Damian Gleeson Partner, Grant Thornton said “The most recent REI Statistics for Quarter 3 2017 demonstrate a significantly improved performance in the retail industry. The most positive aspect is the improved performance in areas such as Furniture and Flooring and Large Home Appliances while Garden Centres and the Agri Retail sector continue to show strong performance”.

“All of this demonstrates that there is a significantly improved level of discretionary consumer spend. Effectively meaning that for the first time in many years there is finally cash in people’s pockets after paying for necessities! It must be said that the additional spend is still constricted to centres of population with rural areas lagging behind and while the housing market is improving it is still not fully functioning. With a glass half full perspective this means that there is still plenty of room for improvement!”

Colm Mallon Client Insight Director at GfK said “For the total electrical market, Q3 was a positive one when taken in isolation, showing growth of 4% against Q3 last year. However the year to date is actually back 1.5% in value, showing the market is battling to stay flat. Q4 with promotions for Black Friday and Christmas will ultimately determine how 2017 is viewed, but most likely will be flat at best”.

About Retail Excellence

Established in 1995, Retail Excellence is owned by the members, for the members. We are an organisation which invests in innovative and exciting learning, market intelligence, human resources services, Government representation and member networking initiatives. Retail Excellence has over 1,800 leading retail companies in Ireland. Our members are the most progressive and innovative retailers. Retail Excellence is by far the largest retail industry body in Ireland.