

# Grant Thornton Retail Excellence Irish Retail Industry Productivity Review **Q1 2017**



FOOTWEAR  
FURNITURE & FLOORING  
HOT BEVERAGE  
GIFT & HOME  
GROCERY  
LADIES FASHION  
PHARMACY  
GARDEN CENTRES  
MENSWEAR  
JEWELLERY  
CONSUMER ELECTRONICS  
HOME APPLIANCES  
PHOTO (CAMERAS)  
COMPUTING

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## INTRODUCTION:

The Grant Thornton Retail Excellence Retail Productivity Review provides the most in-depth retail industry and sectoral analysis available today. The Review monitors overall industry performance and sectoral performance. The Review aggregates and analyses data from over 4,500 retail stores in Ireland. Retail Excellence collated data through on-line survey. GfK collated data through “plug-in” to retailer Epos.

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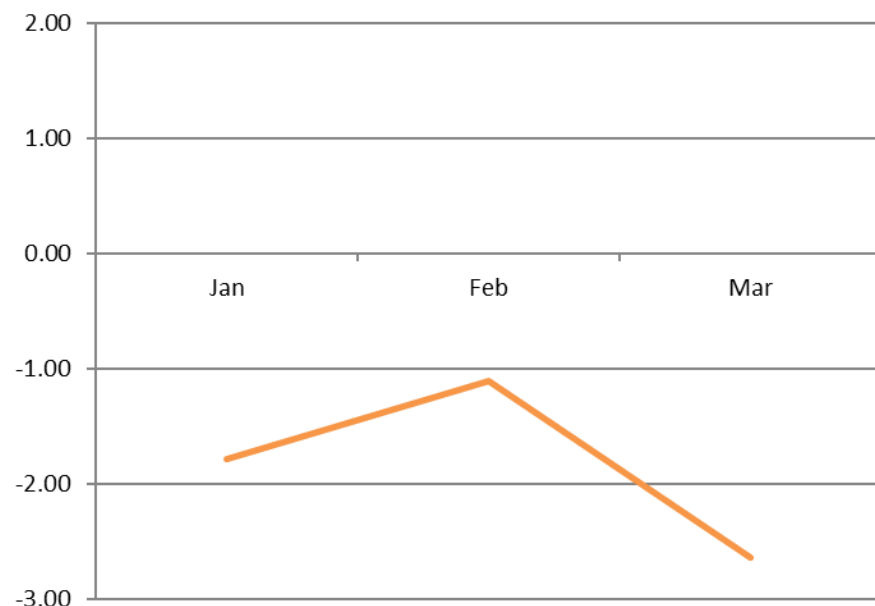
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# Retail Industry Like for Like Sales Q1 2017

**Retail Excellence CEO David Fitzsimons comments:** Easter 2017 fell in April when last year it was in March and this was always going to deliver a March 2016 figure that was hard to beat. That aside, the Irish Retail Industry is contracting and the trend is very concerning with Q1 2017 delivering the third consecutive quarter of decline. Sectors such as Footwear, Childrenswear and Jewellery all struggled over the period. The March 2017 like for like decline of -3.28% experienced in the Grocery sector is probably more a function of when Easter fell, however what is very clear is that the Irish Retail Industry is in recession. Brexit concerns and eroding consumer sentiment makes for distressed trading ahead.

Like for Like Sales Q1 2017 vs Q1 2016 (Industry Average)



LIKE FOR  
LIKE SALES Q1 2017  
(INDUSTRY AVERAGE)

Jan  
-1.79%

Feb  
-1.11%

Mar  
-2.64%

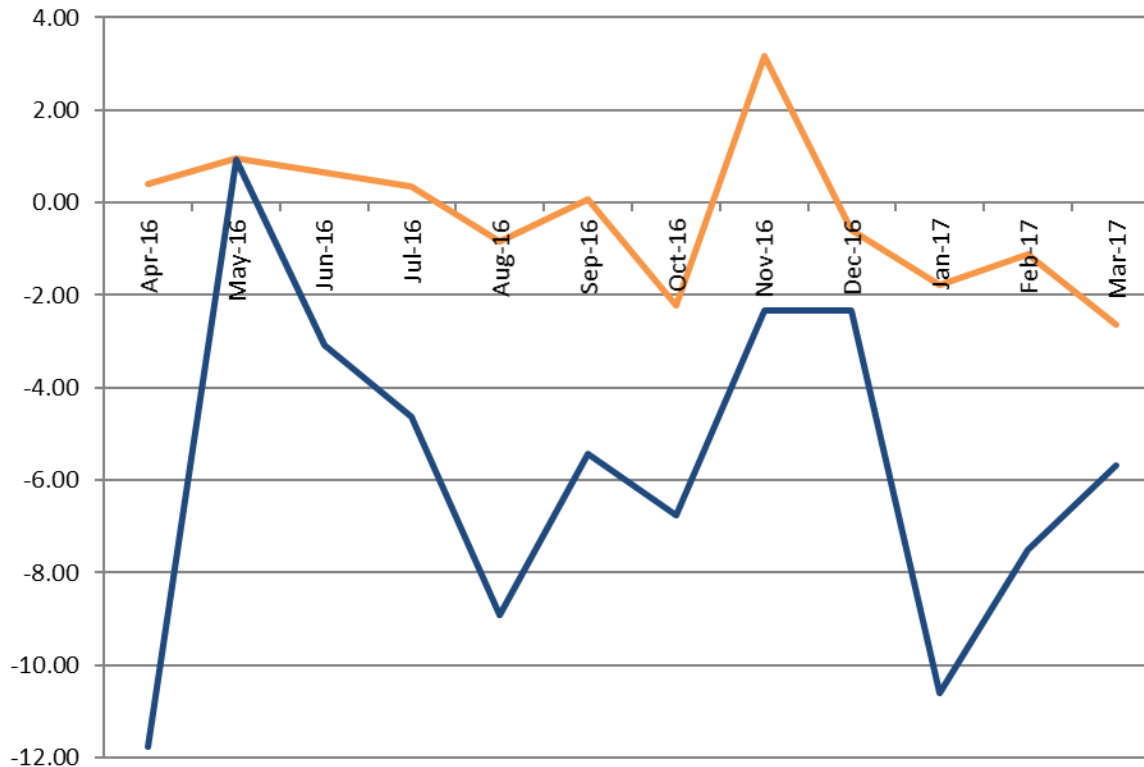
Q1  
-2.01%

LIKE FOR LIKE SALES Q1 2017 vs Q1 2016

Industry Average	-2.01%
Footwear	-8.83%
Furniture & Flooring	+3.71%
Garden Centres	+7.34%
Gift & Homeware	-0.53%
Grocery	-2.05%
Hot Beverage	+4.98%
Jewellery	-6.91%
Ladies Fashion	-0.22%
Menswear	-2.15%
Pharmacy	-0.93%
Childrenswear	-10.15%
Agri Retail	+0.78%
Health Stores	-3.14%
Lingerie	-1.97%
Consumer Electronics (Brown Goods)	-6.00%
Home Appliances (Small)	-0.30%
IT   Computing	-3.00%
Digital Camera	+5.00%
Home Appliances (Major)	-0.10%

# Footwear Sales - Q1 2017

Comparable with Retail Industry Average

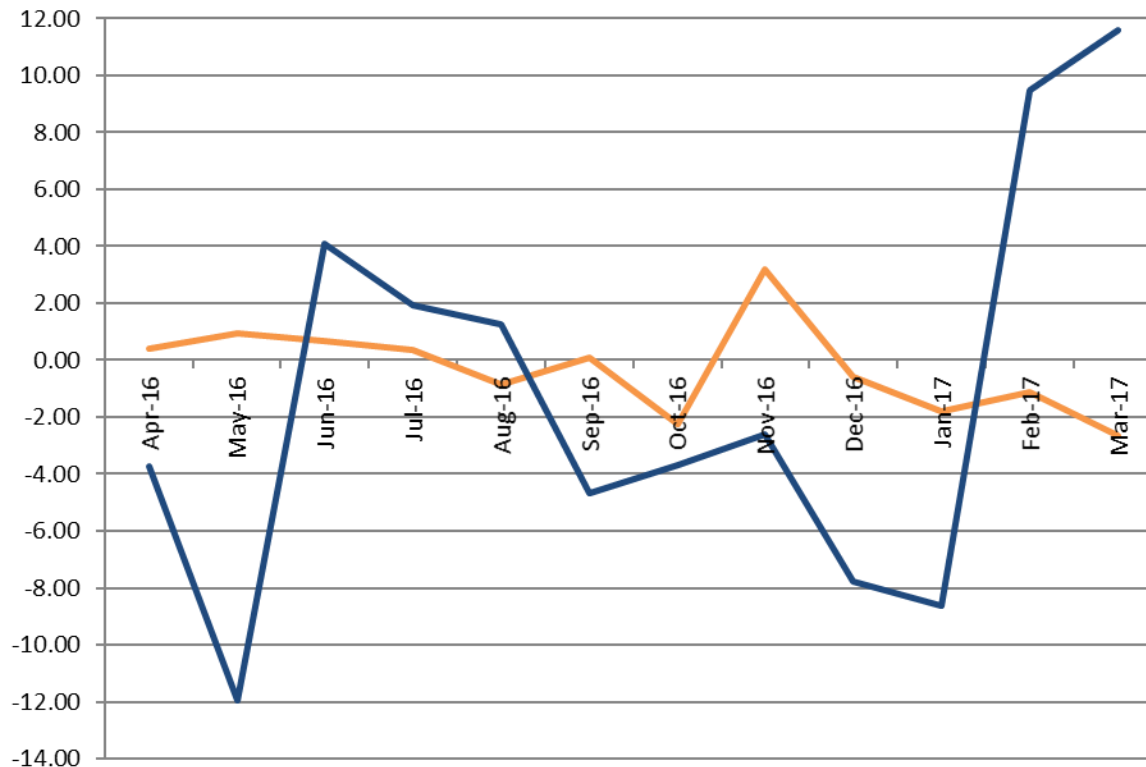


— Like For Like Sales Q1 2017 (Industry Average)  
— Footwear Sales

2017	FOOTWEAR SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-10.60%	-1.79%
Feb	-7.51%	-1.11%
Mar	-5.69%	-2.64%
Q1	-8.83%	-2.01%

# Furniture & Flooring Sales - Q1 2017

Comparable with Retail Industry Average

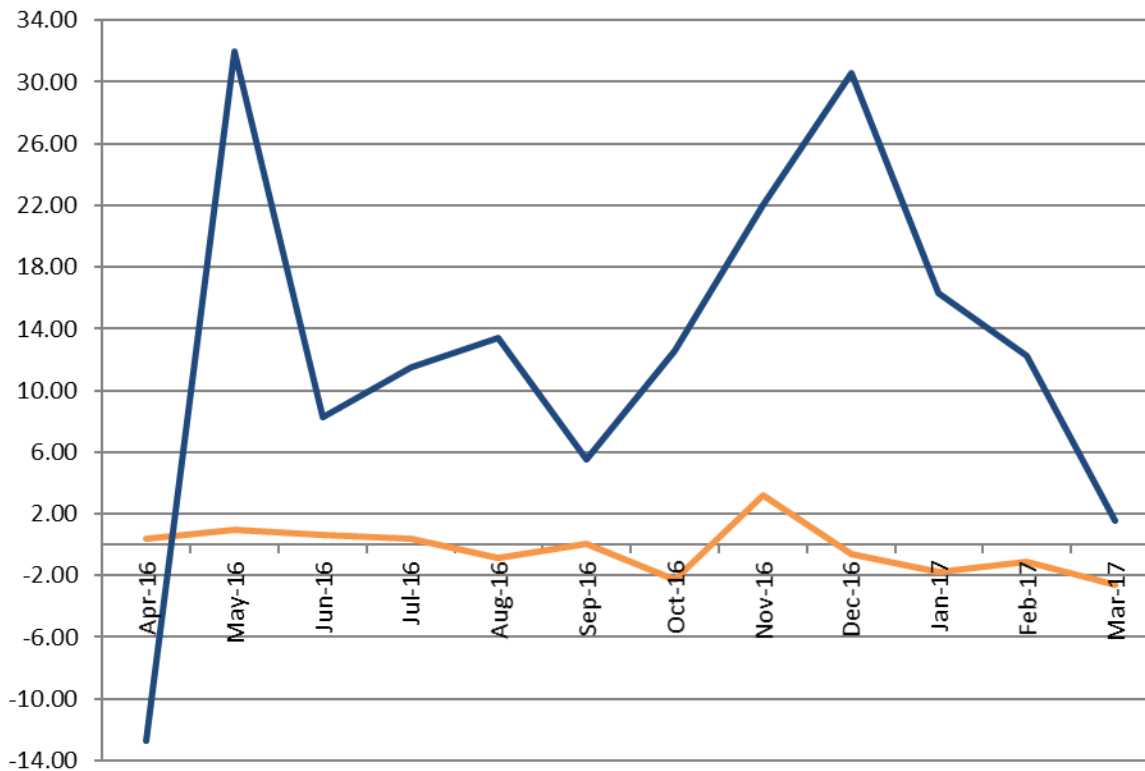


— Like For Like Sales Q1 2017 (Industry Average)  
— Furniture & Flooring Sales

2017	FURNITURE & FLOORING SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-8.61%	-1.79%
Feb	+9.48%	-1.11%
Mar	+11.61%	-2.64%
Q1	+3.71%	-2.01%

# Garden Centre Sales - Q1 2017

Comparable with Retail Industry Average

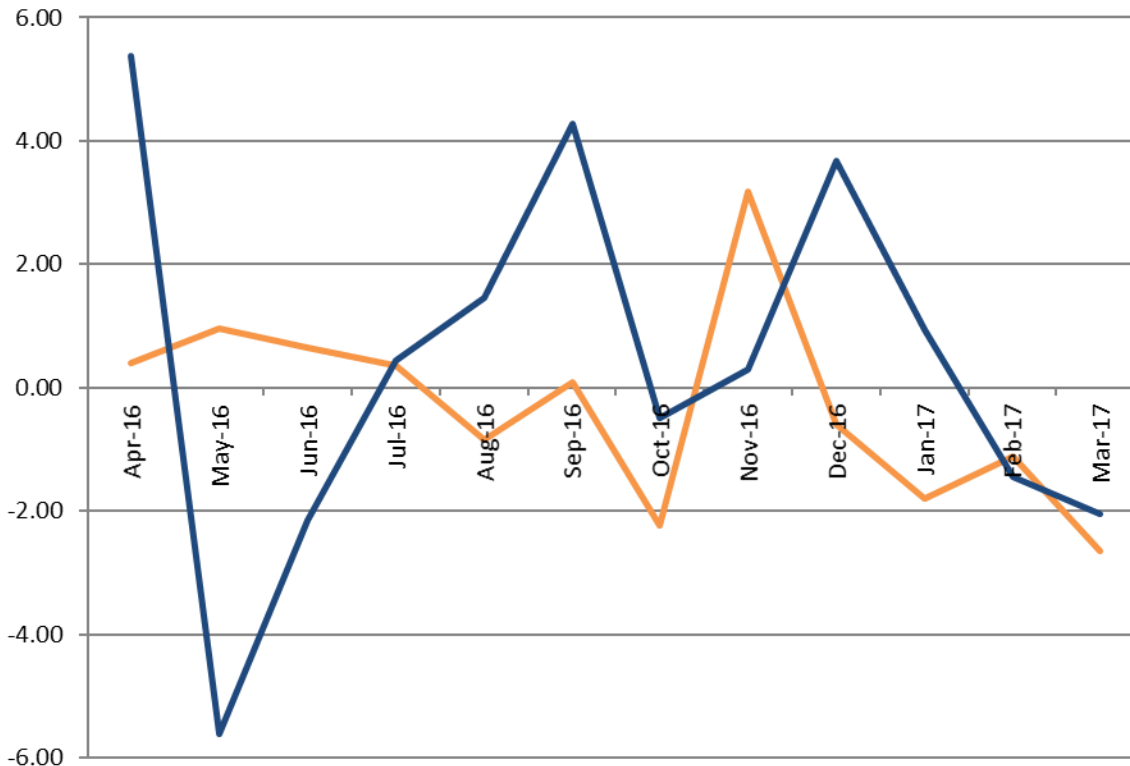


— Like For Like Sales Q1 2017 (Industry Average)  
— Garden Centre Sales

2017	GARDEN CENTRE SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	+16.35%	-1.79%
Feb	+12.28%	-1.11%
Mar	+1.52%	-2.64%
Q1	+7.34%	-2.01%

# Gift & Homeware Sales - Q1 2017

Comparable with Retail Industry Average



— Like For Like Sales Q1 2017 (Industry Average)  
— Gift & Homeware Sales

2017	GIFT & HOMEWARE SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	+0.93%	-1.79%
Feb	-1.44%	-1.11%
Mar	-2.04%	-2.64%
Q1	-0.53%	-2.01%

# Grocery Sales - Q1 2017

Comparable with Retail Industry Average



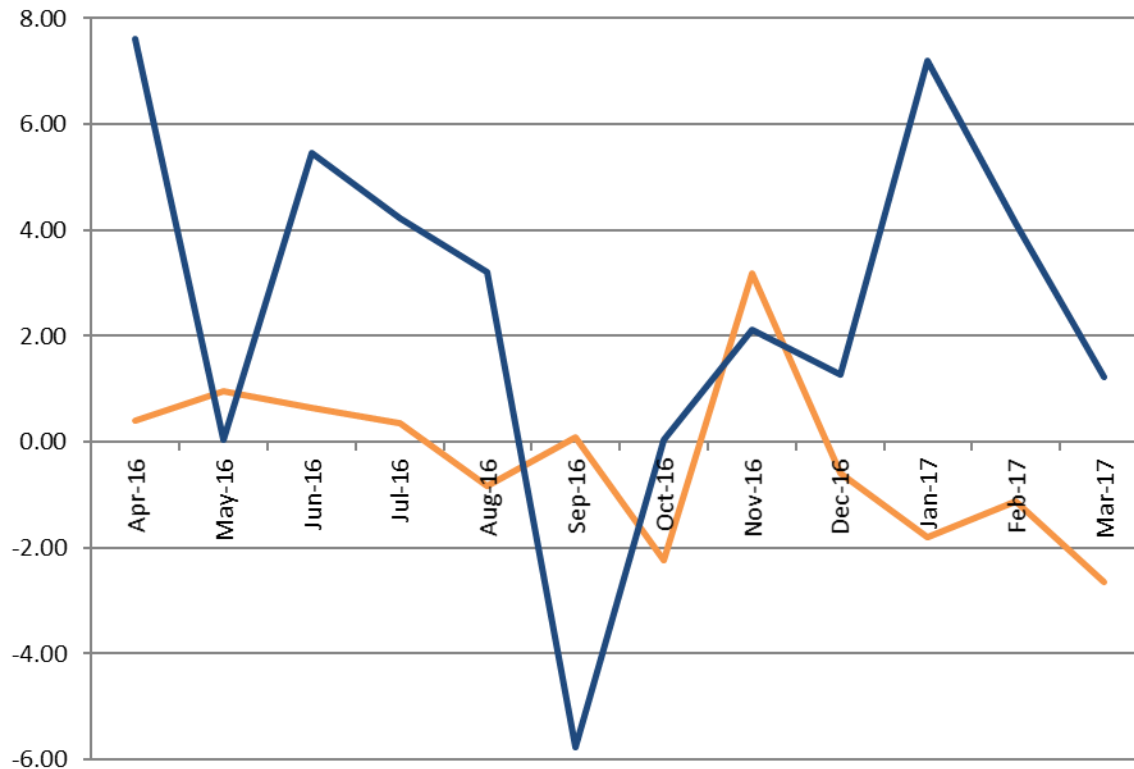
— Like For Like Sales Q1 2017 (Industry Average)  
— Grocery Sales

2017	GROCERY SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	+0.15%	-1.79%
Feb	-0.28%	-1.11%
Mar	-3.28%	-2.64%
Q1	-2.05%	-2.01%



# Hot Beverage Sales - Q1 2017

Comparable with Retail Industry Average

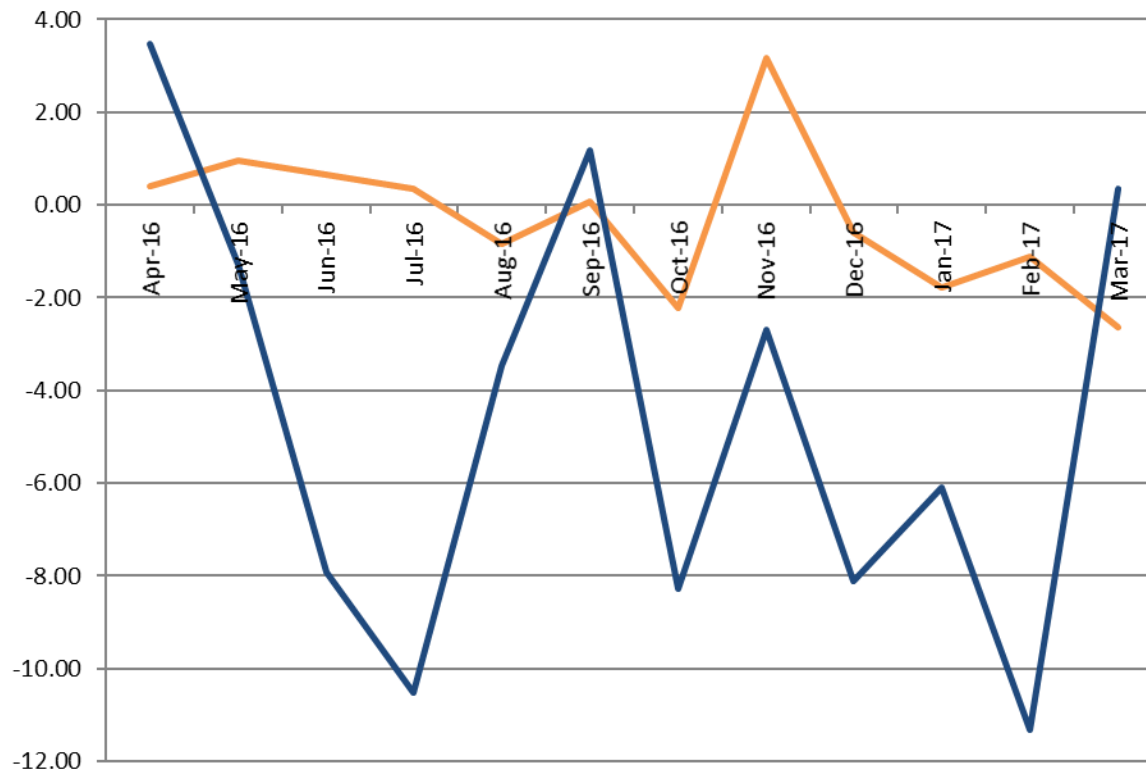


— Like For Like Sales Q1 2017 (Industry Average)  
— Hot Beverage Sales

2017	HOT BEVERAGE SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	+7.21%	-1.79%
Feb	+4.12%	-1.11%
Mar	+1.22%	-2.64%
Q1	+4.98%	-2.01%

# Jewellery Sales - Q1 2017

Comparable with Retail Industry Average

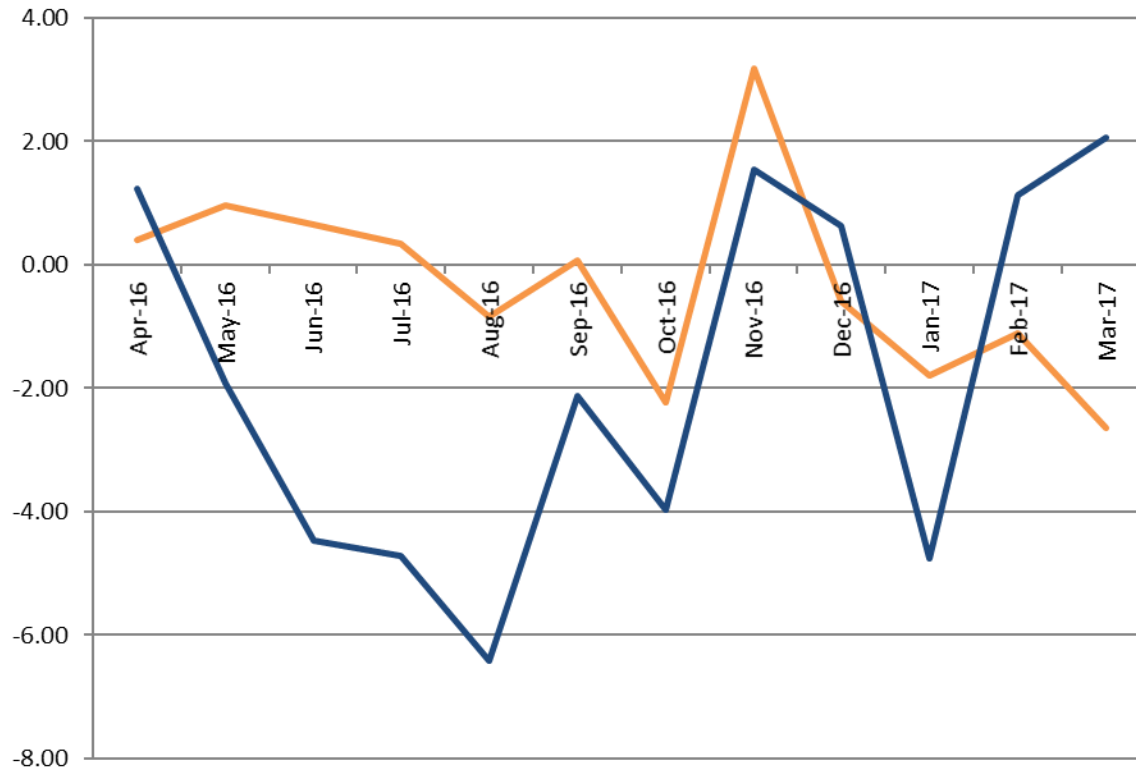


— Like For Like Sales Q1 2017 (Industry Average)  
— Jewellery Sales

2017	JEWELLERY SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-6.09%	-1.79%
Feb	-11.32%	-1.11%
Mar	+0.36%	-2.64%
Q1	-6.91%	-2.01%

# Ladies Fashion Sales - Q1 2017

Comparable with Retail Industry Average

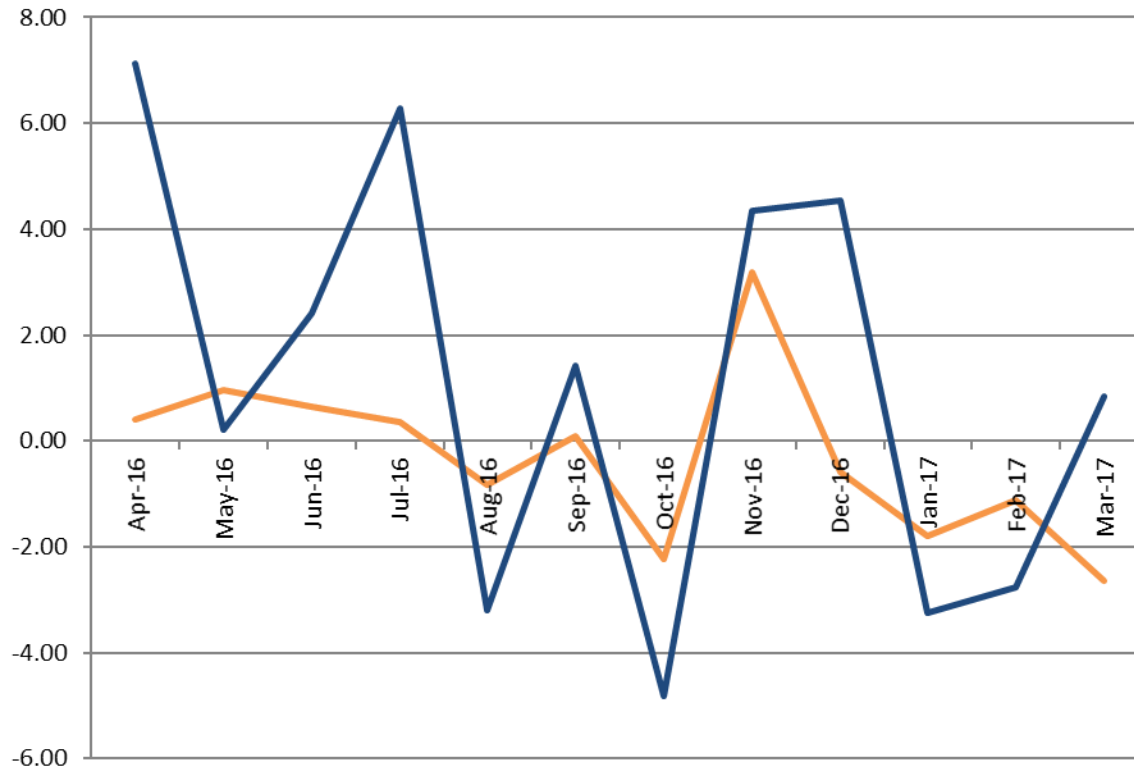


— Like For Like Sales Q1 2017 (Industry Average)  
— Ladies Fashion Sales

2017	LADIES FASHION SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-4.75%	-1.79%
Feb	+1.13%	-1.11%
Mar	+2.07%	-2.64%
Q1	-0.22%	-2.01%

# Menswear Sales - Q1 2017

Comparable with Retail Industry Average

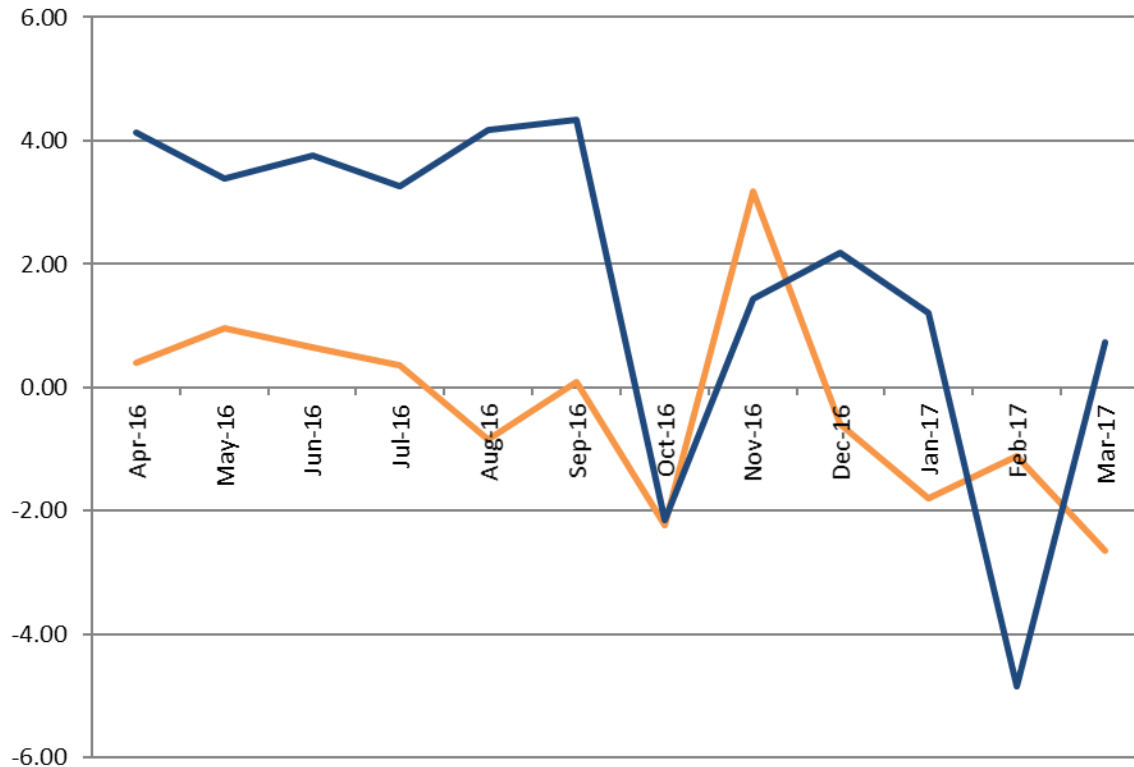


— Like For Like Sales Q1 2017 (Industry Average)  
— Menswear Sales

2017	MENSWEAR SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-3.25%	-1.79%
Feb	-2.76%	-1.11%
Mar	+0.84%	-2.64%
Q1	-2.15%	-2.01%

# Pharmacy Sales - Q1 2017

Comparable with Retail Industry Average

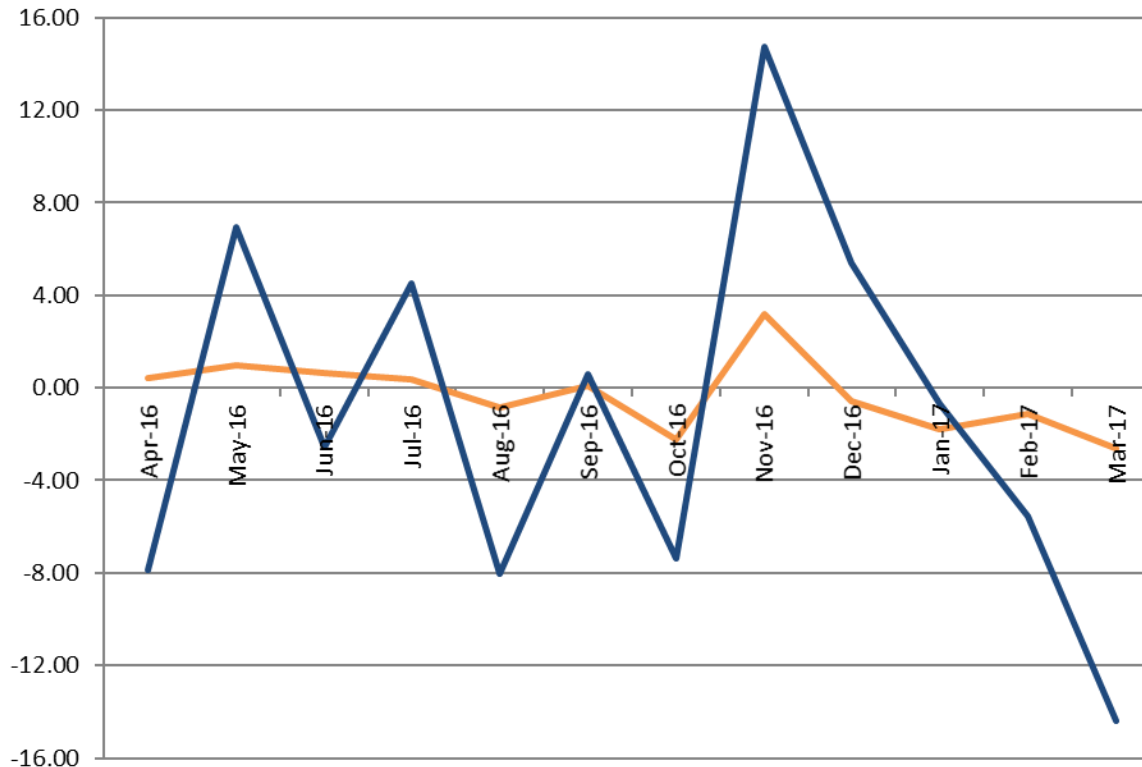


— Like For Like Sales Q1 2017 (Industry Average)  
— Pharmacy Sales

2017	PHARMACY SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	+1.20%	-1.79%
Feb	-4.84%	-1.11%
Mar	+0.74%	-2.64%
Q1	-0.93%	-2.01%

# Childrenswear Sales - Q1 2017

Comparable with Retail Industry Average

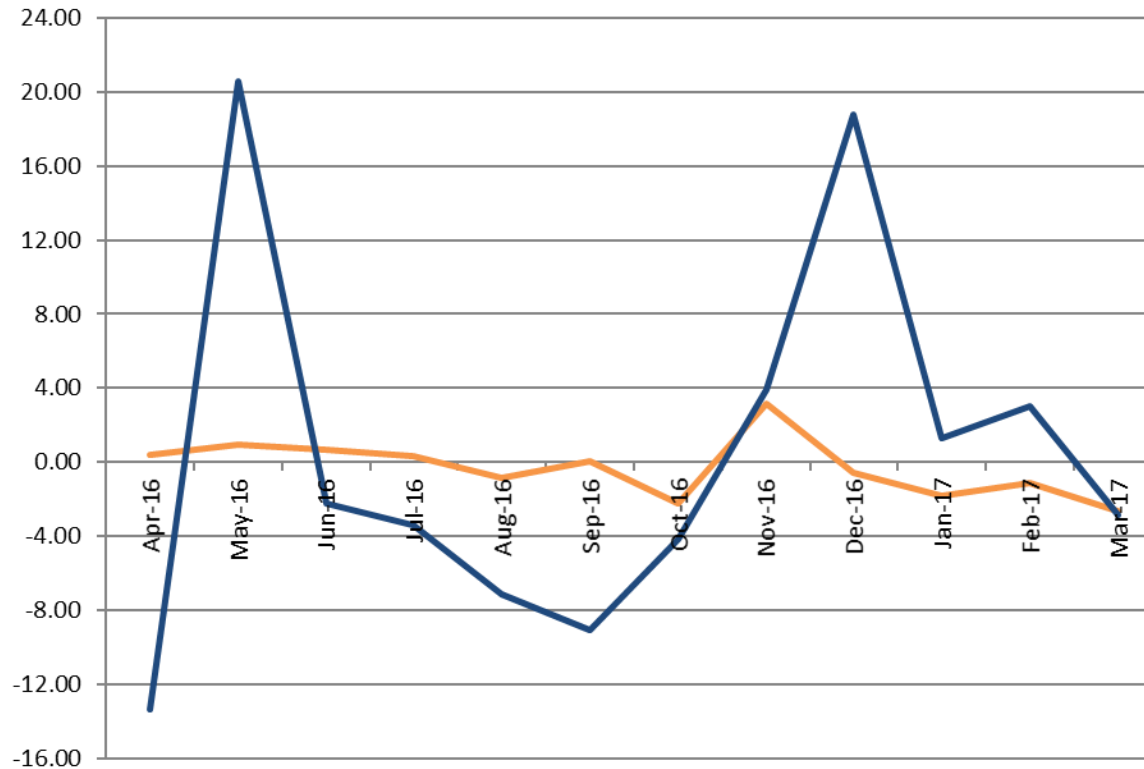


— Like For Like Sales Q1 2017 (Industry Average)  
— Childrenswear Sales

2017	CHILDRENSWEAR SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-0.66%	-1.79%
Feb	-5.54%	-1.11%
Mar	-14.37%	-2.64%
Q1	-10.15%	-2.01%

# Agri Retail Sales - Q1 2017

Comparable with Retail Industry Average

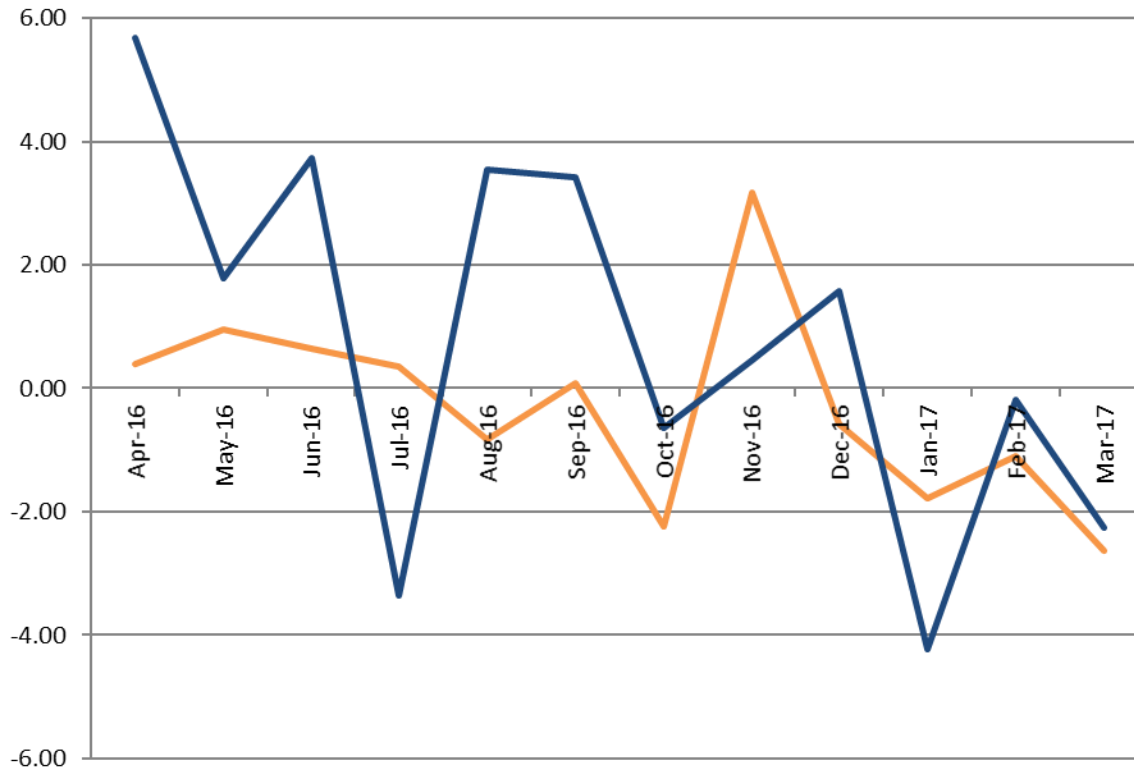


— Like For Like Sales Q1 2017 (Industry Average)  
— Agri RetailSales

2017	AGRI RETAIL SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	+1.28%	-1.79%
Feb	+2.99%	-1.11%
Mar	-2.87%	-2.64%
Q1	+0.78%	-2.01%

# Health Store Sales - Q1 2017

Comparable with Retail Industry Average



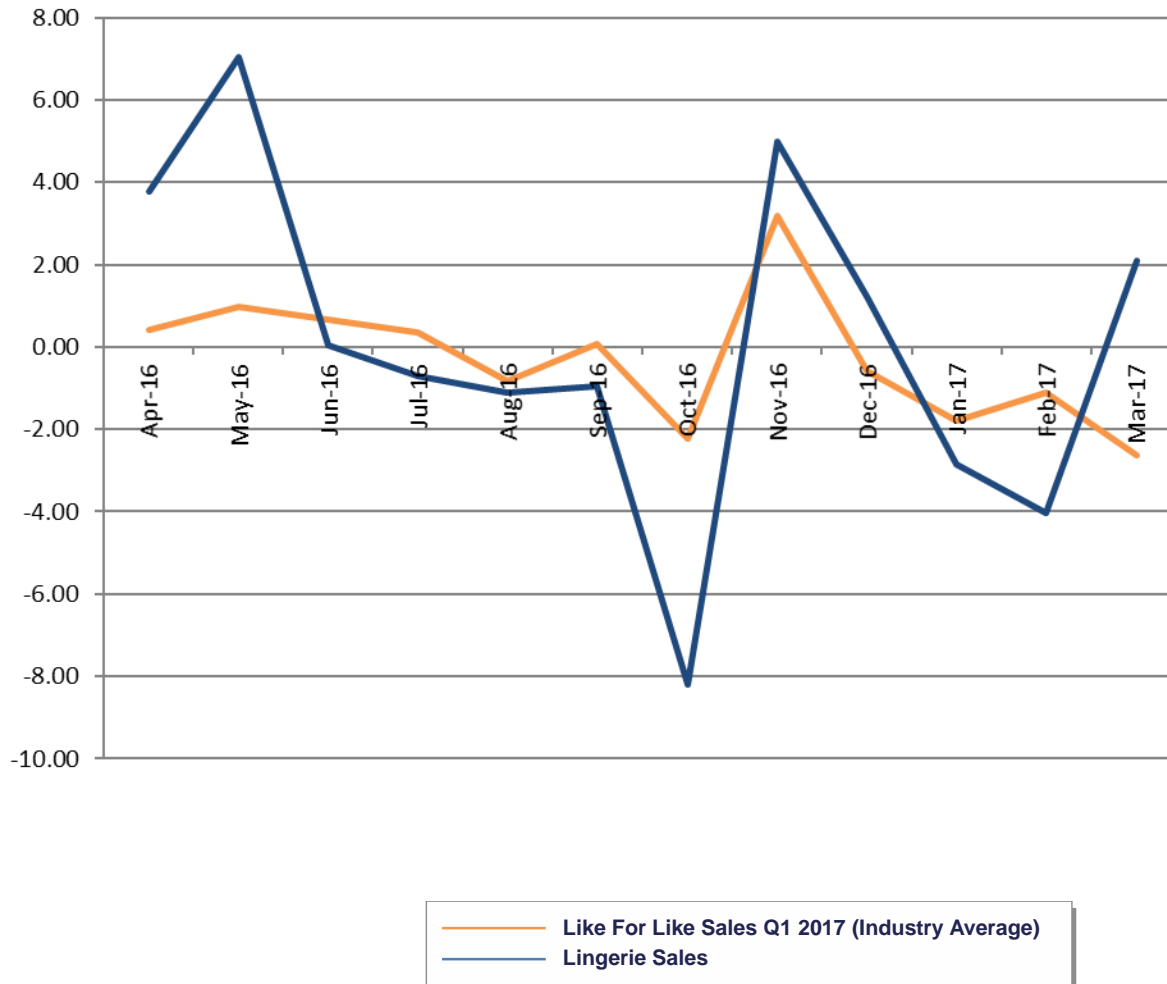
— Like For Like Sales Q1 2017 (Industry Average)  
— Health Store Sales

2017	HEALTH STORE SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-4.23%	-1.79%
Feb	-0.19%	-1.11%
Mar	-2.26%	-2.64%
Q1	-3.14%	-2.01%



# Lingerie Sales - Q1 2017

Comparable with Retail Industry Average



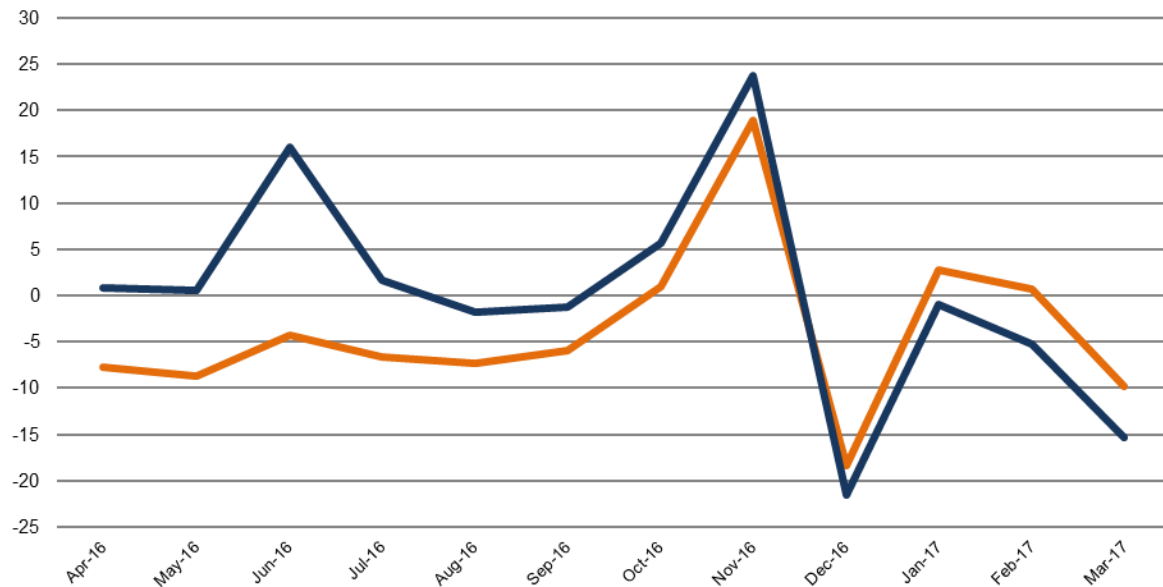
2017	LINGERIE SALES	LIKE FOR LIKE SALES Q1 2017 (INDUSTRY AVERAGE)
Jan	-2.84%	-1.79%
Feb	-4.04%	-1.11%
Mar	+2.10%	-2.64%
Q1	-1.97%	-2.01%

# Consumer Electronics (Brown Goods) Sales - Q1 2017

Value and Volume performance Year on Year - Figures include: Audio Systems, DVD Players, Portable Media Players (MP3/4), Flat TV & Radio Devices (Table Top), Headphones, Docking Speakers, Loudspeakers

Commentary from Nick Simon, CE Account Director, GfK:

For Q1 2017, the overall Consumer Electronics performance was slightly disappointing, particularly in March, when the comparison suffered against 2016's Easter trading. In any case, the year so far has shown similar ups and downs to those experienced last year, with a strong Q1 for Audio HIFI and wireless speakers, added to by an encouraging resurgence for Soundbars, and further progress made by high end Headphones. Once again, the only saving grace in the vision sector came from the 4K TV sector, as consumers are willing to invest in this newer technology.



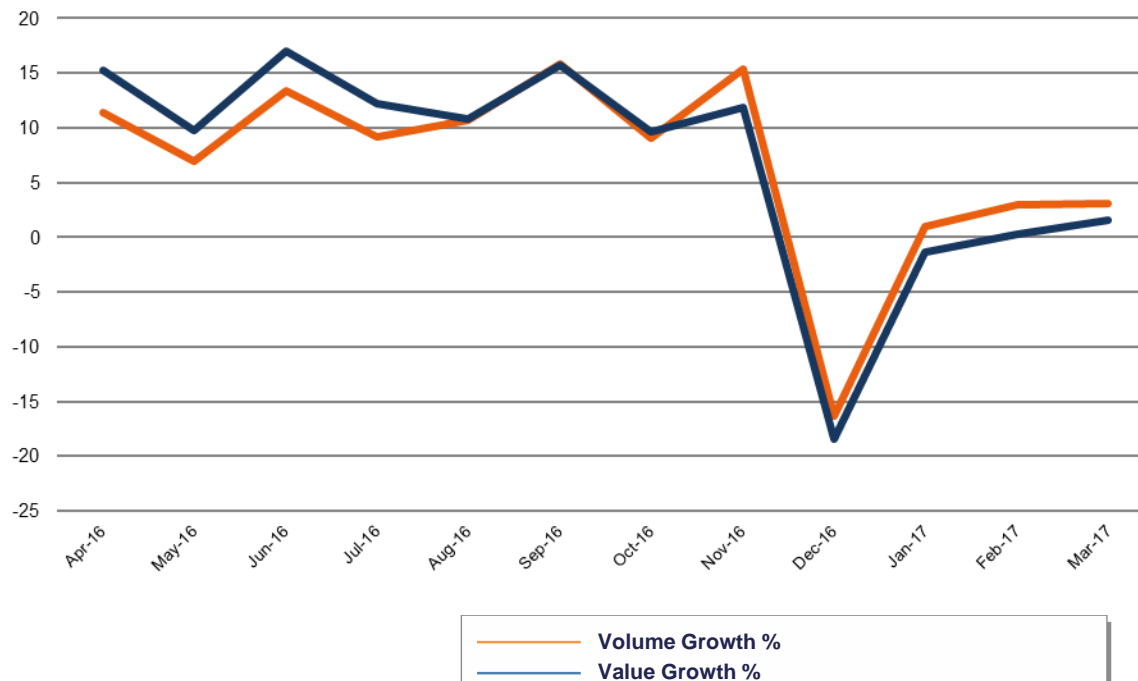
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
Jan	-1.00%	+3.00%
Feb	-5.00%	+1.00%
Mar	-15.00%	-10.00%
Q1	-6.00%	-2.00%

# Home Appliances (Major Appliances) Sales - Q1 2017

Value and Volume performance Year on Year (includes washing machines, tumble dryers, dishwashers, cooling, freezers, cooking, hobs, hoods and microwaves)

## Commentary from Richard Allen, Senior Account Manager GfK:

Major appliances enjoyed a positive year for the majority of 2016 but have struggled somewhat at the beginning of 2017 with value sales marginally down. Freestanding appliances have been the core contributor to this decline with sales value down 2.3% as a growing number of consumers are opting to spend on built in products – following a similar trend to that in the UK. Integrated sales are up 6% on Q1 2016 and they now account for just under 30% of the total market value, with cooking (+4%) and Dishwashers (+11%) in particular giving the market a lift. Premium appliances remain in growth. Side by side fridge freezers (+6%), 8kg+ washing machines (+9%) and self cleaning single ovens (+25%) are all far outperforming the other alternatives in their sectors. Whilst value has struggled over the first quarter of 2017, this development of key high end markets suggests value could recover over the coming months.



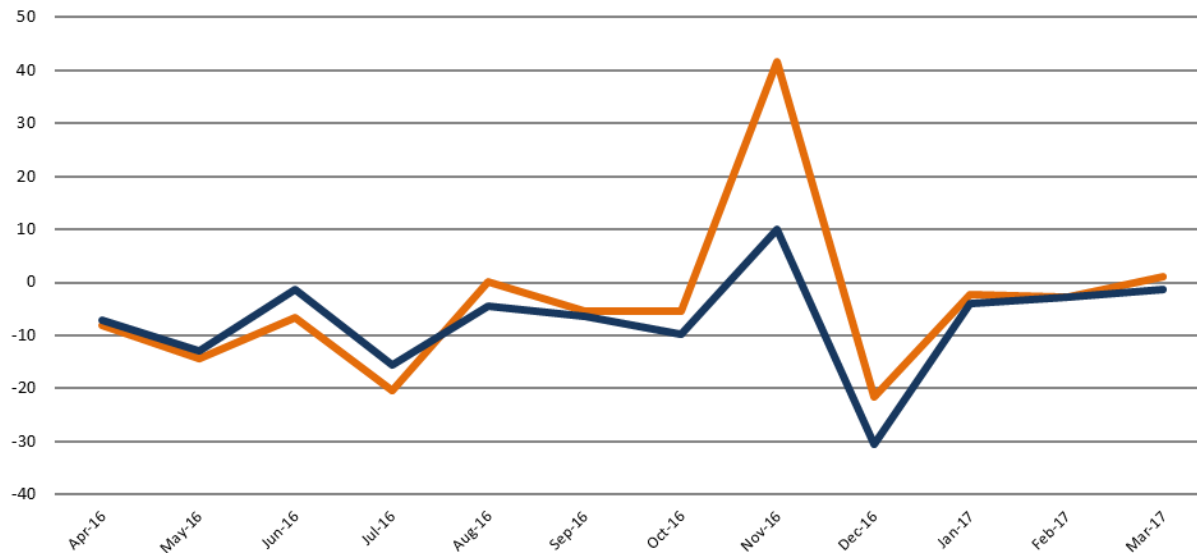
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
Jan	-1.40%	+1.00%
Feb	+0.20%	+3.00%
Mar	+1.50%	+3.10%
Q1	-0.10%	+2.20%

# Information Technology (IT) Sales - Q1 2017

Value and Volume performance Year on Year. Figures include Mobile Computing, Desk Computing, and Tablets

**Commentary from Sofia Whitaker, IT Account Manager, GfK:**

The first quarter of 2017 shows a relatively flat growth rate in the IT market, with both volume and value in marginal decline. This situation appears to be improving, with sales volume up +1.2% YoY in March. Despite the decline seen, this is a positive picture in comparison to the UK, where volume decline reached -19% in Q1. Media Tablets appear to be sustaining this flat growth rate, performing best in the market with value up +9% and volume up +13% YoY. The rest of the IT market is not so positive, with significant volume decline of Desktops (-16%), Computing Tablets (-49%), and Notebooks & Mediabooks (-11%).



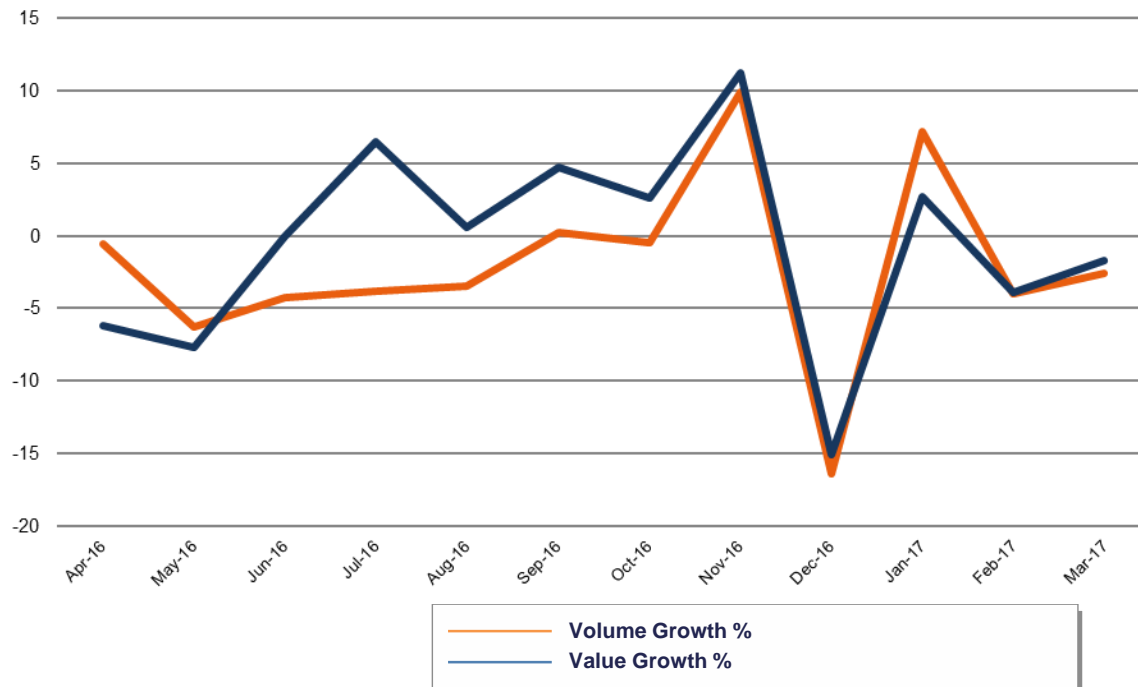
2017	Value Performance (Vs. 201)	Volume Performance (Vs. 2016)
Jan	-4.10%	-2.30%
Feb	-2.80%	-2.80%
Mar	-1.30%	+1.20%
Q1	-3.00%	-1.60%

# Home Appliances (Small Appliances) Sales - Q1 2017

Value and Volume performance Year on Year (includes irons, kettles, toasters, food preparation, shavers , hair dryers and hair stylers, hot beverage makers and vacuum cleaners)

Commentary from Helen Warner, Senior Account Manager, SDA, GfK:

The small appliances market was fairly flat over the first quarter of 2017, showing a slight decline in value, and a growth of 1.2% in volume. It was the January sales which drove volume to outperform value, particularly within the small kitchen appliances market, where all 4 product areas saw reduced average prices. The price of a hot beverage maker declined by 27% in January which in turn pushed up volume by a huge 72%. All product areas did grow in value in Q1 2017 with the exception of food preparation, which saw a downturn of 32% as the large sales of personal blenders in early 2016 weren't repeated. Hairdryers, although a smaller segment in absolute volumes, continues to be the standout performer with 52% value growth in Q1, driven by the development of premium product.



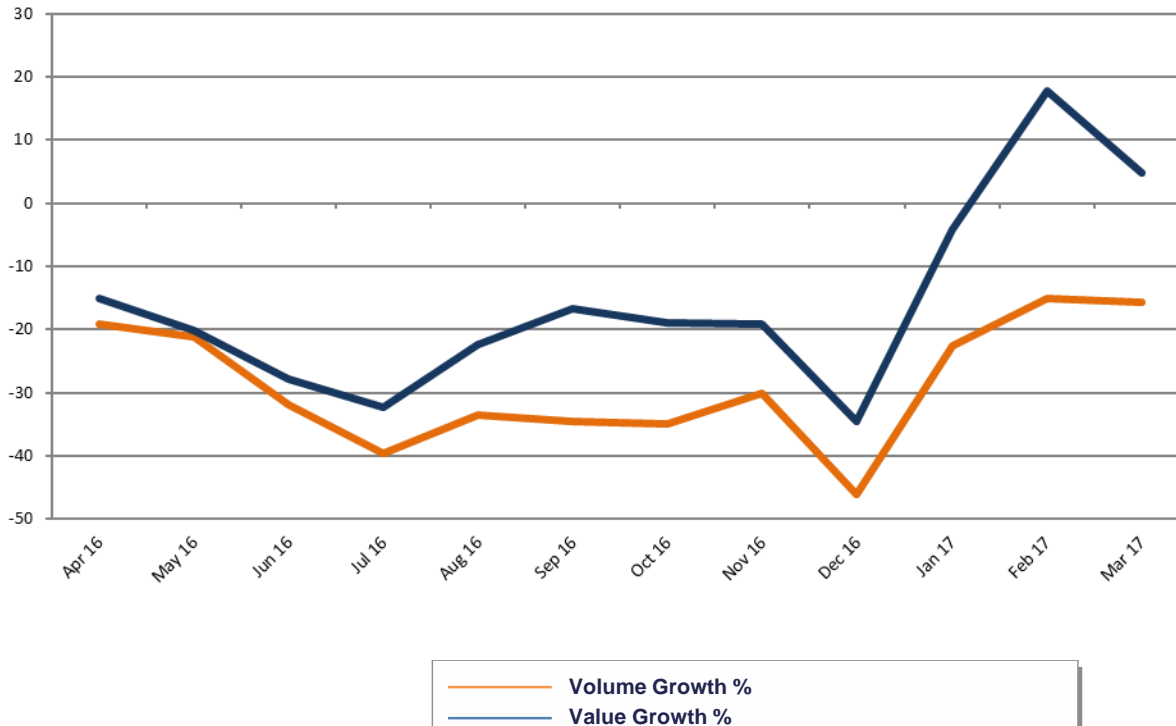
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
Jan	+2.70%	+7.20%
Feb	-3.90%	-4.00%
Mar	-1.70%	-2.60%
Q1	-0.30%	+1.20%

# Digital Camera Sales - Q1 2017

Value and Volume performance Year on Year - Figures include: Fixed Lens, Bridge, CSC and SLR

Commentary from Flavia Brenha, Photo, GfK:

With a value increase of 5% in Q1 of 2017, the Photo sector has seen better results than the last quarter. Although there is a drop of 16% in the volume department, driven by compact cameras, CSC and SLRs are thriving. The camera sector is becoming more niche, with the more premium segments gaining in importance. Compact Premium for example, that has helped the Fixed Lens segment, increased 24% in value and 15% in volume. Compact System Cameras (CSC) also helped to increase the market in value and volume terms with a growth rate of 93%. SLR, the largest segment in value terms, also improved 10% in value, helped by an increase of 3% in the average selling price.



2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
Jan	-4.00%	-23.00%
Feb	+18.00%	-15.00%
Mar	+5.00%	-16.00%
Q1	+5.00%	-18.00%

# About Retail Excellence, Grant Thornton & GfK

## ABOUT Retail Excellence

Retail Excellence is the largest retail industry trade body in Ireland. Retail Excellence aim to enhance the consumer's retail experience by developing top class retail standards and skills, and promoting a vibrant and competitive world class retail industry in Ireland.

Retail Excellence involves over 1,600 leading retail companies who operate over 13,000 stores in the Irish market.

Retail Excellence is a not for profit organisation which invests in innovative and exciting learning, market intelligence, HRM supports, Government representation and member networking initiatives.

Retail Excellence collected this data via on-line survey response.

## ABOUT GRANT THORNTON

Grant Thornton are leading Irish retail industry advisors and exclusive financial and accounting partners of Retail Excellence Ireland.

Grant Thornton is the fastest growing professional services firm in Ireland comprising over 1000 people operating from offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.

The firm's Retail team has the expertise and knowledge to provide specific solutions to their retail clients. By identifying the key drivers of value creation crucial to the success of any retail business Grant Thornton can work with clients to maximise their business potential. Services include annual audits, regular business reviews, quarterly management accounts, bank financing applications, independent business reviews, franchise/supplier agreement negotiations, benchmarking and projections.

## ABOUT GfK

GfK is one of the world's largest research companies. 11,500 GfK experts are working to discover new insights about the way people live, think and shop, in over 100 markets, every day.

GfK is constantly innovating to use the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. That knowledge empowers GfK's clients to make the right decisions, and position their businesses for the future.

### How do GfK gather this data?

- Data is collected via EPOS systems so minimal time commitment is involved in supplying data
- Sales data is gathered confidentially and no individual retailer's data is ever disclosed
- Exclusive lines/models are suppressed
- Reports are provided to participating retailers free of charge