

## PressRelease

**For Immediate Release**

December 2011

### **Planet Retail's reaction to ONS November retail sales figures**

Planet Retail's Global Research Director, Natalie Berg commented:

*"On the face of it, these numbers look solid with volumes even edging up slightly on an annual basis. However, given the huge amount of promotional activity in the market, it's no surprise that shoppers are buying more this year compared to November 2010. Many high street retailers such as Debenhams and Gap have been forced to cut prices by up to 40% in a bid to drive shoppers into their stores. With all of this pre-Christmas discounting, there is no incentive for consumers to hold out as they have done in the past. This will certainly lead to retail margin erosion and dilute the appeal of the January sales for many shoppers. Combined with the fact that there will be no pending VAT rise to act as a stimulus to buy bigger-ticket items, it is looking like wallets will remain firmly shut once Christmas has ended.*

*It's also interesting to look at the ONS data on a month-on-month basis. In October, the ONS reported an unexpected rise in retail sales, an indication that shoppers started their Christmas purchasing early in a bid to spread the cost. However, sales have since tapered off in November, declining by -0.5% in value terms and -0.7% in volume terms. Retailers will be waiting with bated breath to see if December brings in the last-minute rush that, for some retailers, will be a matter of sink or swim."*

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**About Planet Retail:**

Planet Retail is the leading provider of intelligence on the global retail and foodservice industries, monitoring more than 10,000 retail operations as well as market developments in 211 markets. With over 15 years of industry insight, Planet Retail is a brand trusted by more than 3,000 organisations worldwide, delivering up-to-the-minute news, analysis, market research and digital media via [www.planetretail.net](http://www.planetretail.net). Planet Retail has offices in London, Frankfurt, Chicago, Qingdao and Tokyo.