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EUROPEAN SHOPPER TRENDS REPORT



Q3 2017

Bringing you the latest consumer behaviour trends from across the globe



European Shopper Trends Report Q3 2017

Welcome to our latest Global Shopper Trends report, which offers key statistical insight into international shopper behaviour during the third quarter of 2017 across Europe.

European Overall Q3: +0.5% YOY

Italy: +2.6%

Poland: +2.1%

Spain: +1.0%

France: +0.7%

Portugal: +0.5%

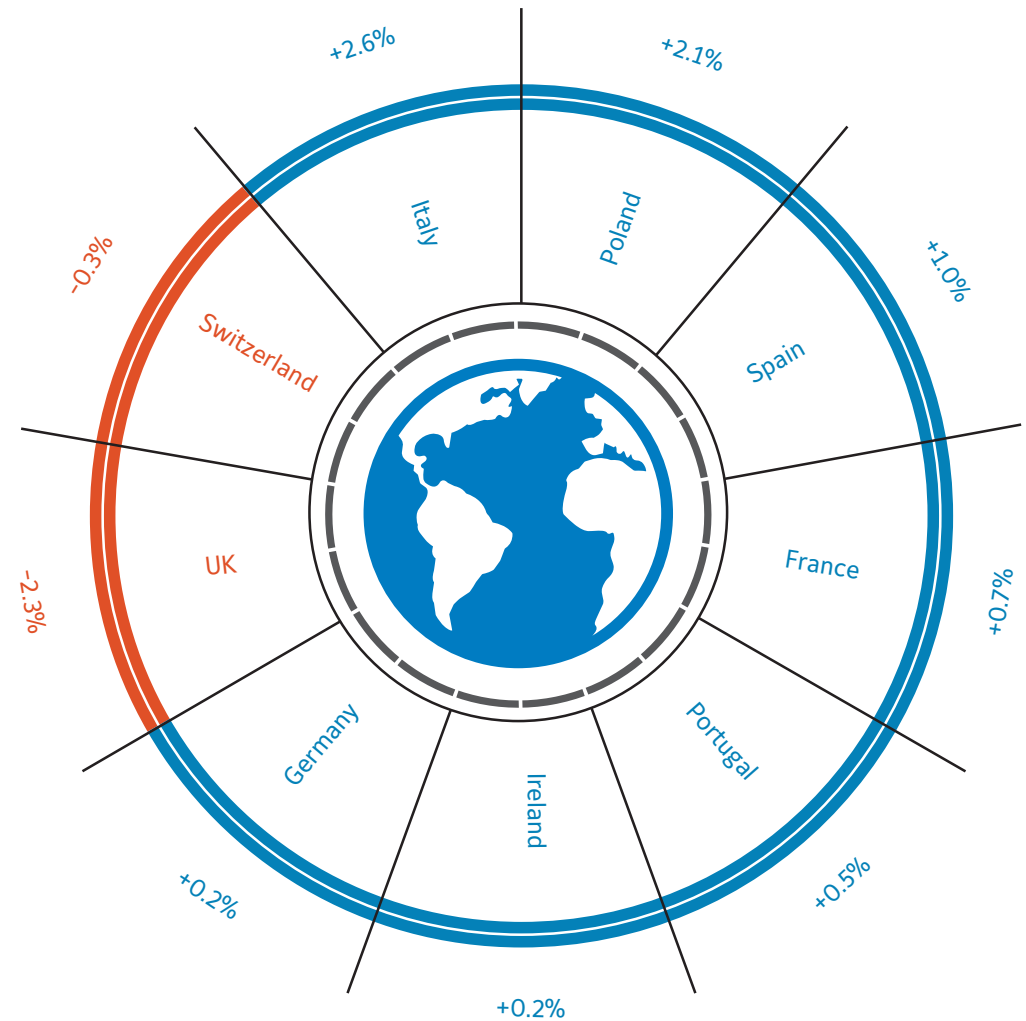
Republic of Ireland: +0.2%

Germany: +0.2%

UK: -2.3%

Switzerland: -0.3%

Read on to discover some of the reasons behind these developments in shopper footfall in each country.





European Review

Retail traffic increases fuelled by tourism and retailing best practice

Politically, it's been a turbulent quarter in the European region: Spain suffering terrorist attacks in Barcelona's busiest shopping area in August and new governments reviewing economic policy in Italy, Ireland and France. The spectre of Brexit is also looming large across these economies.

In light of this climate, retailers did very well to achieve an overall +0.5% uplift in traffic into stores and shopping centres. Only two countries – the UK and Switzerland – didn't see Year-on-Year growth.

The winners this quarter (Q3) were Italy (+2.6% YOY), Poland (+2.1% YOY) and Spain (+1% YOY), where consumer confidence, falling unemployment figures and visitor traffic numbers delivered good results for retailers. It's certainly been a busy summer of tourism spending with many countries in the region reporting positive retail sales growth as a result, notably Portugal and Spain.

The winners this quarter were Italy, Poland and Spain where consumer confidence, falling unemployment figures and visitor traffic numbers delivered good results for retailers

ITALY

Welcome traffic and tourist spending uplifts

Italy's economic challenges may be ongoing, but the market experienced an encouraging increase in Year-on-Year shopper visits during Q3 2017.

YOY traffic was up +2.6%, buoyed by healthy numbers of tourists during the summer, and big interest in autumn/winter fashion ranges in September.

Additionally, Italy's inflation rate slowed to 1.1% in September, according to Trading Economics, while September also saw the National Institute of Statistics' (Istat) report a rise in consumer confidence – with the index at its highest since January 2016 – which is great news for the retail community.

Third party data source: Trading Economics, Focus Economics



Healthy numbers of tourists during the **summer**, and big interest in **autumn/winter fashion** ranges in **September**

POLAND

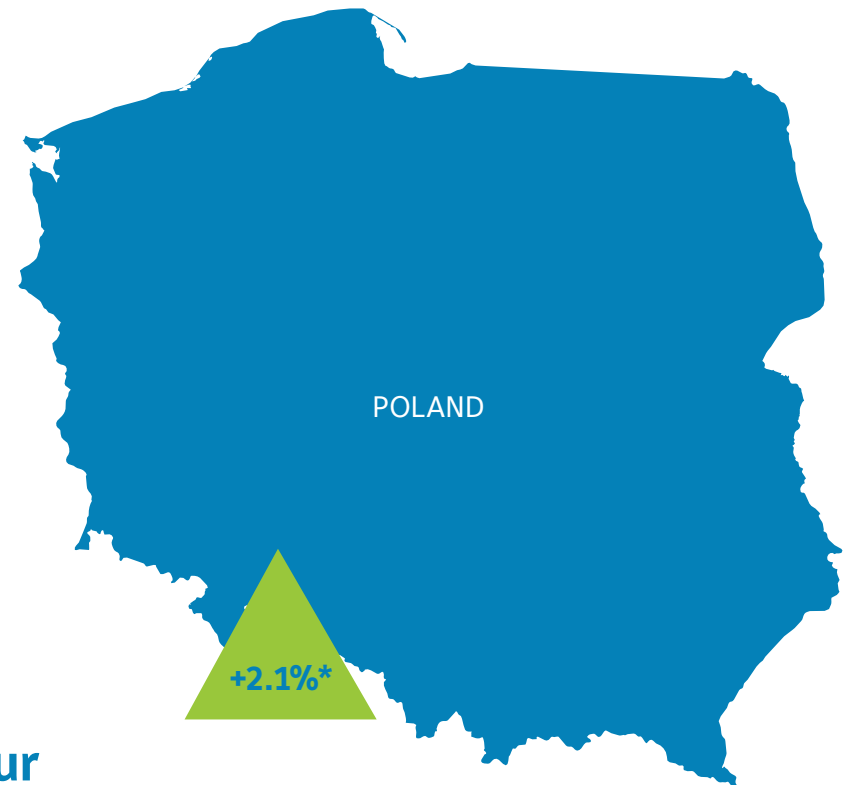
Excellent quarter for Polish retailers

Bricks-and-mortar retail is performing well in Poland this year, with a +2.1% traffic increase Year-on-Year for Q3.

Traffic grew YOY in July, August and September, with July the busiest month. There has been steady retail sales growth since January this year, with a 7.1% YOY increase achieved in July, and an even bigger jump of 7.6% achieved in August, according to official figures.

A trend of improvement in the labour market is also boosting consumer and business confidence, which will benefit retailers in the country in the coming months.

Third party data source: Trading Economics



A trend of **improvement** in the **labour market** is also **boosting consumer and business confidence**

SPAIN

Healthy Q3 growth welcomed

Q3 can be judged as successful for Spanish retailers, with +1% Year-on-Year growth achieved.

July and September proved to be busy in stores across Spain, while traffic for August was flat. Very hot weather can be considered a factor for the mid-quarter drop-off. Sadly terrorist atrocities in Barcelona and Cambrils in mid-August may also have had an impact.

But despite these setbacks, Spanish retail sales grew 1.7% Year-on-Year in August, following a 1.0% increase in July. However analysts say this growth is at a slower pace than Q2 and with major political change on the horizon, Spain's economy could come under pressure.

Third party data source: Trading Economics, The Morning Star



Spanish **retail** sales **grew 1.7%** Year-on-Year in August, following a **1.0% increase** in **July**

FRANCE

September traffic uplift counters quiet August

In Q3 of 2017, retail footfall rose by +0.7% Year-on-Year in France.

August was quiet, but in September the French returned from their vacations and ensured stores were busy; this year September retail traffic was up +2.7% YOY.

However retail sales in France increased just 0.2% MOM in August of 2017, and September numbers are expected to be similar. Despite this, France is considered to be in good shape economically, with GDP growth steady and consumer confidence high.

Sources: Trading Economics, The Guardian



PORTUGAL

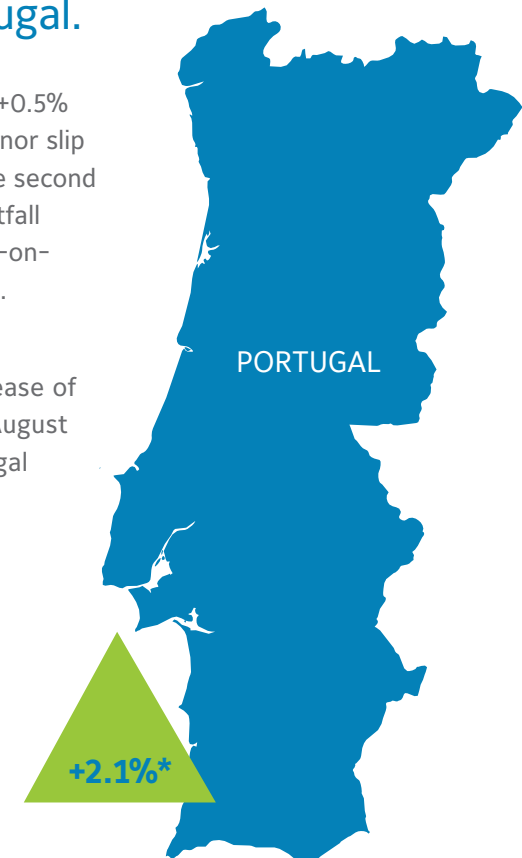
Consumer traffic growing well in Q3

Retail traffic grew +2.1% Year-on-Year in Portugal.

September retail activity achieved +0.5% Year-on-Year, and August saw a minor slip into negative territory. This was the second consecutive quarter of positive footfall growth for Portugal, at +0.5% Year-on-Year for Q3, following a bumper Q2.

Portuguese traffic growth was accompanied by a retail sales increase of 4% YOY in July, and 3.2% YOY in August 2017, according to Statistics Portugal and Trading Economics.

Third party data source: Trading Economics



REPUBLIC OF IRELAND

Back-to-school drives retail traffic

Irish retailers achieved a +0.2% Year-on-Year increase in Q3 with September as the busiest month, at +1.3%.

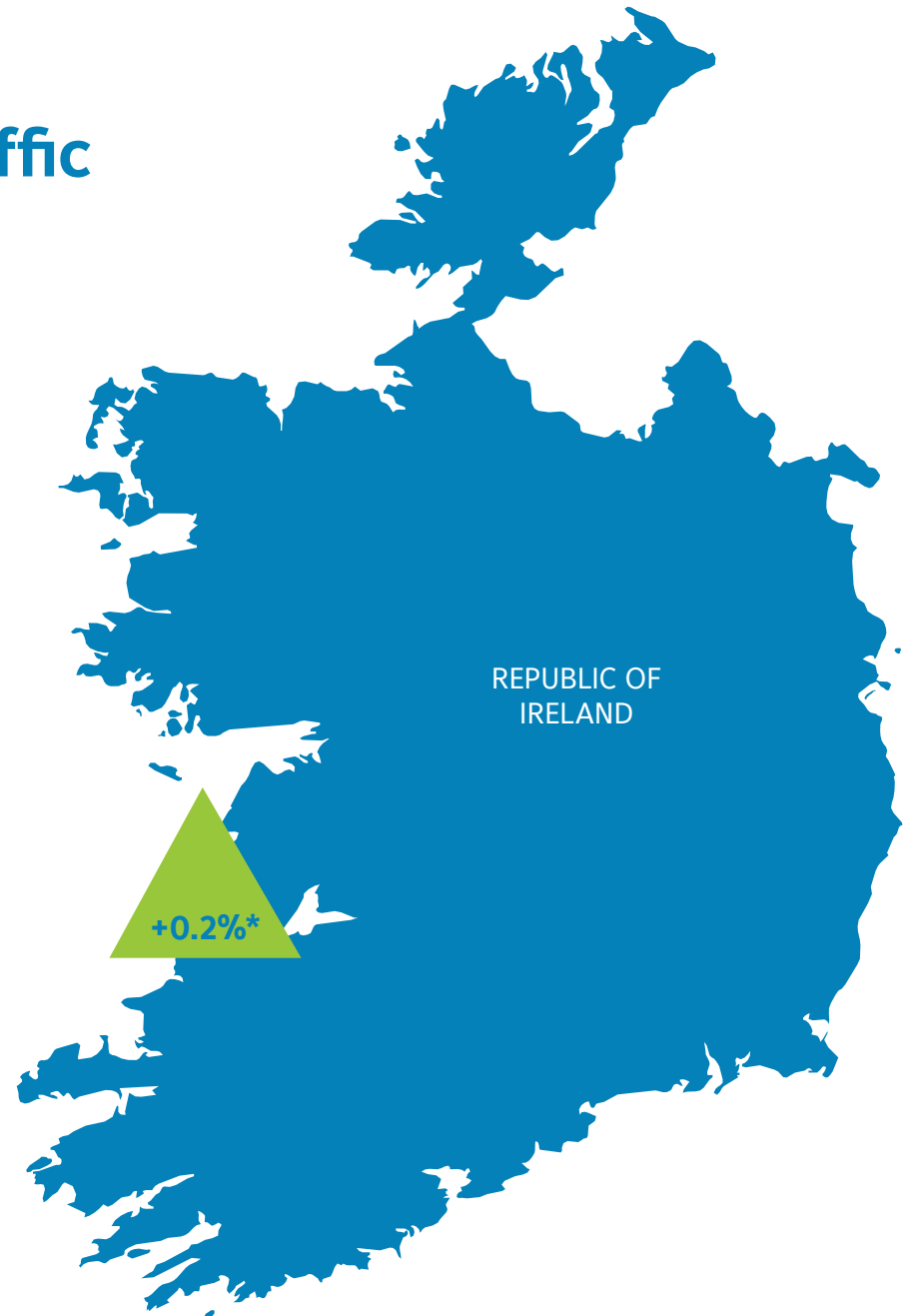
Well-executed back-to-school campaigns and interest in autumn and winter clothing ensured retailers in the Republic performed well.

Retail Ireland is driving investment in people skills, refurbishments and technology, with public money being ploughed into the sector. This ongoing effort looks able to sustain a buzz in Irish stores as we head into Q4.

Third party data source: Trading Economics, Focus Economics Retail Ireland



Shoppers engaged with **well-executed back-to-school** campaigns



GERMANY

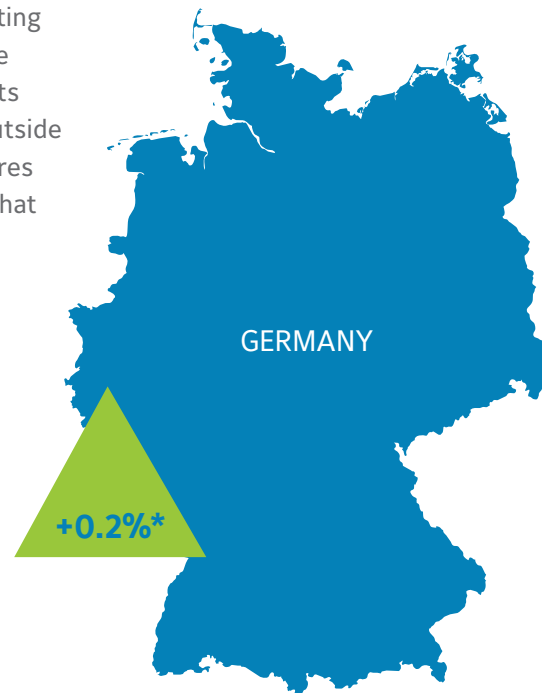
Robust traffic growth counters uncertainties

German stores achieved a +0.2% Year-on-Year uplift in traffic for Q3 2017.

Retail traffic, up +4.9% YOY, caused September to be especially busy in stores, thanks to new ranges reaching the shop floor. Retail sales growth, meanwhile, has been in positive territory since February 2017.

Analysts say Germany is getting a competitive boost from the Euro, which makes its exports more attractive to buyers outside the single currency, and figures released in August showed that GDP growth was robust.

Third party data source:
Trading Economics, Destatis



UK

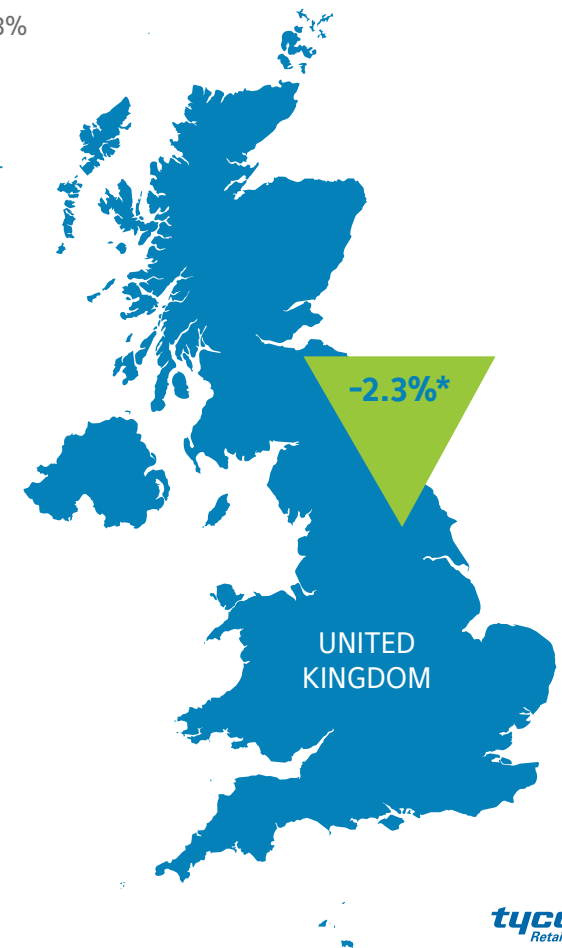
August boost for retail sales

Retail sales for August smashed expectations, growing well above the consensus forecast of 0.2%, and providing a boost for the pound.

Q3 store traffic was down by -2.3% with each month of July, August and September marginally down versus 2016.

However, despite a dip in traffic volumes, retail sales climbed by 1% between July and August, with equal rises in both volume and value of sales. This indicates that consumers were not put off by having to spend more in order to bring home less.

Third party data source: British Retail Consortium, Telegraph



SWITZERLAND

Sales and traffic flat, but consumer confidence steady

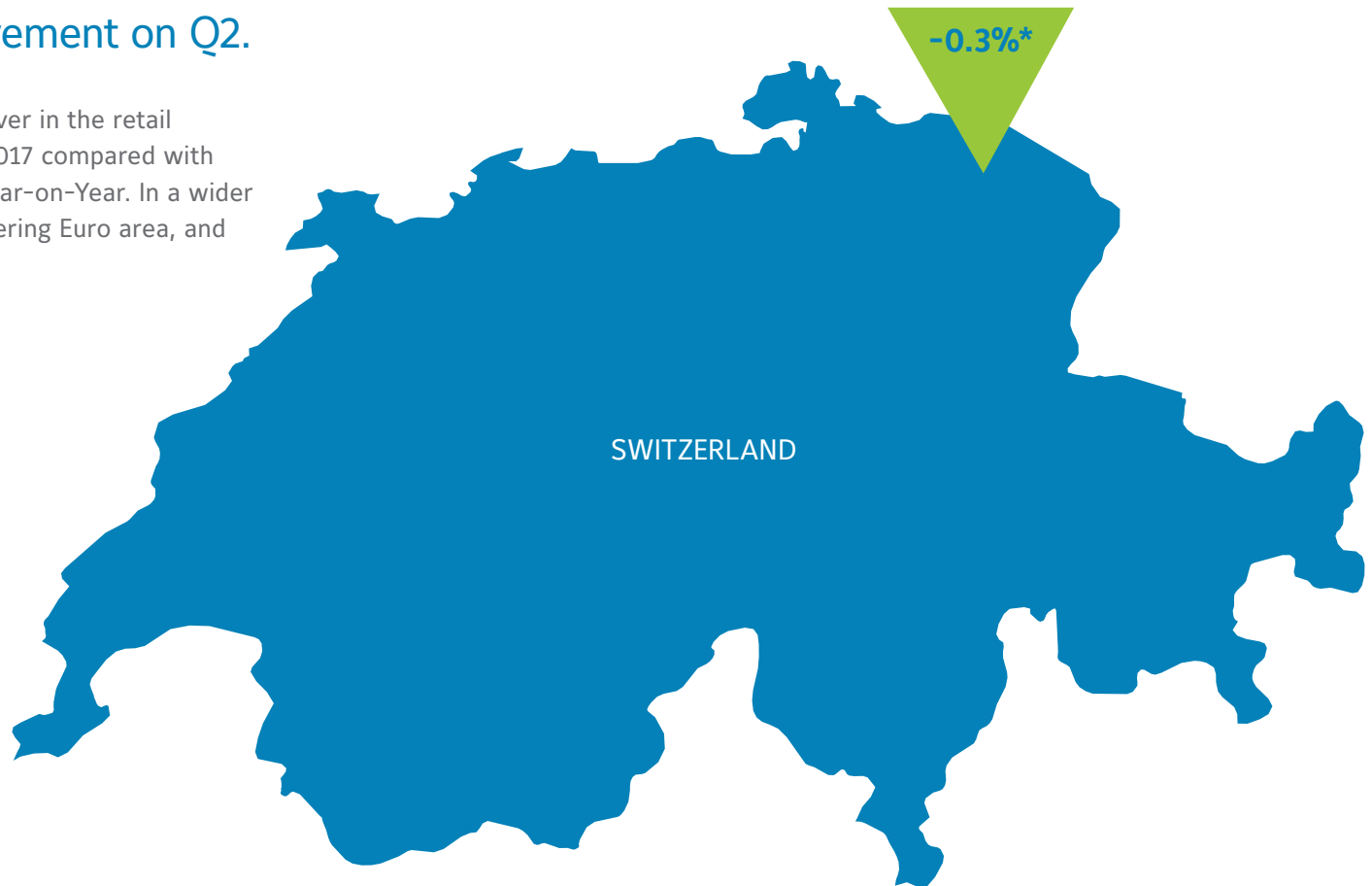
Swiss retailers experienced a Year-on-Year decline in shopper traffic of -0.3% in Q3 of 2017, reflected by flat retail sales. However, the quarter enjoyed a slight improvement on Q2.

The Federal Statistical Office reported that turnover in the retail sector fell by -0.6% in nominal terms in August 2017 compared with the previous year, and trading was flat for July Year-on-Year. In a wider context, Switzerland is benefiting from the recovering Euro area, and consumer confidence is rallying.

Third party data source: Trading Economics, SNB CHF



Switzerland is **benefiting** from the **recovering Euro area**





About the European Shopper Trends Report

We believe it is not enough to collect data on consumer trends. We analyse the influences behind those trends, so that retail organisations can make meaningful changes. To find out more about how economic, social, cultural and political events are impacting your region, visit our online trends centre.

This hub includes data from ShopperTrak's European Retail Traffic Index, which provides a barometer of international shopper activity. We also offer the technology and consultancy to help retailers and shopping centres unlock the potential revealed in this data. We'll support you with recommendations and action plans for tangible performance improvement, from pilot project through to full retail intelligence solution deployment.

To find out how ShopperTrak can improve your profits visit www.shoppertrak.com

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