Trending now

Insights into a changing fashion retail market

BARCLAYS

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Executive summary

Our analysis of spending on fashion by more than 8 million Barclays current account and Barclaycard customers shows that overall sales of clothing and accessories increased by just 2.3% year-on-year to June 2018, barely keeping pace with inflation. The overall trend in sales growth is downward and entered negative territory in the first quarter of this year.

Online sales have grown more rapidly than in-store since 2016, underlining the importance of investment in technology and omni-channel customer experience to drive performance. With more online orders coming in, retailers need to ensure smooth distribution and logistics operations – convenience is likely to capture a share of the online customer's wallet.

In-store sales still garner the lion's share of total fashion spending, however, and will remain the key income stream for many. This highlights the importance of changing customer expectations about the in-store experience. Many retailers will be rethinking the functions and features of their stores to meet these new customer requirements. With the pervasiveness of social media and the advent of shopping as an all-encompassing leisure experience, on-trend retail brands have a unique opportunity to create social currency for their visitors.

Contrasting fortunes

Location is clearly vital. Many retailers will have experienced the pain and cost of opening or closing a store in the wrong place. Our report reveals wide variation in regional performance, with something of an emerging North–South divide and London in particular seeing a rapid fall-off in-store at the expense of online growth.

Average transaction values (ATV) are down over the two years covered by our analysis, largely driven by value brands. Meanwhile, department stores have seen a decline in both market share and ATV, leaving sales growth flat for the past two years. The troubled department store category clearly needs to find new USPs to attract the younger generation and retain an ageing customer base.

SALES OF CLOTHING AND ACCESSORIES

2.3% INCREASE TO JUNE 2018

This report also shows that the fashion sector can ill afford to ignore the impact of seasonal promotions. While many retailers bemoan the pressure on margins created by Black Friday, our analysis shows that it drives the highest daily fashion spend of the year. This will no doubt put more onus on fashion retailers to plan their Black Friday and other seasonal promotions with great precision to drive sales through multiple channels while maintaining margins.

Harnessing the power of data insights

In the face of the trends highlighted in this report, retailers need to truly understand their customers and be agile enough to react quickly to changing preferences. We have identified nine key customer segments in this report and look at how their varying spending patterns are transforming the fashion retail sector.

This is just one example of how Barclays Market and Customer Insights can help retailers gain a more detailed picture of their customers based on their actual spending behaviour.

Whether it's identifying the spending patterns of particular demographics or location-specific data, down to postcodes across the UK to inform your store location decisions, looking at lapsed customers and where they shop now, or week-by-week transaction analysis to help you plan and time seasonal promotions, we can provide powerful insights built on rich transaction data to help you make informed decisions.

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Steady online gains despite declining overall sales growth

Highlights

- Overall clothing and accessory sales up 2.3% but sales growth gradually declining
- Online retail gaining an increasing slice of customer spend
- Retailers with a balanced in-store and online presence dominate the market
- London sees biggest in-store sales decline and largest online sales increase

Fashion sales growth stuttering

Overall year-on-year sales of clothing and accessories were up 2.3% for the 12 months to 30 June 2018, although this includes the impact of inflation, leaving overall sales growth flat.

Overall year-on-year sales were up 2.3% for the 12 months to 30 June 2018.

Although the second half of 2017 saw stronger fashion sales growth performance, the overall growth trend over the last two years is downward for in-store and online sales combined.

This reflects a number of key economic factors affecting consumer spending, such as pressure on real income growth, as well as the well-documented pressure on a number of high street names in the face of changing customer preferences.

Our analysis of sales growth of the top 50 fashion brands as measured by total sales demonstrates significant variation in year-on-year growth underlying the overall industry performance, ranging from a 23% decline to a 37% increase.

Sales growth: 3-month moving average (y/y)

Sales growth variation for top 50 brands

Sales Growth

Online shift gaining momentum

The relative performance of online and in-store fashion sales over the past two years tells two distinct stories.

In-store still claims the lion's share, with 63% of all sales in year 2. However, this is being steadily eroded by online shopping, reflecting the continuing change in shopping behaviour that has seen online's overall share increase from 30% to 37% over the past two years.

Of particular note, 47% of all purchases from female-oriented fashion brands are now made online.

Fashion brands that are balanced between in-store and online still dominate the market and have grown sales by 3.4% over the last two years. But with changing customer preferences and increasing digitisation, primarily online brands have seen faster growth of 4.2%. By contrast, there will be tougher times ahead for brands that are still trading predominantly in-store.

Changing customer preferences

The seemingly inexorable rise of online sales could reflect consumers' growing preference for purchasing clothing and accessories from mobile devices and the convenience of free and fast delivery. This is putting increased pressure on retailers to continue investing in distribution and omni-channel customer experiences.

While many traditional high street stores are struggling and need to transform their business models, some online brands are finding more innovative ways to enhance the customer experience, through try-before-you-buy, pop-ups and showrooms.

These trends underline the importance of established bricks-and-mortar retailers fully exploiting their physical presence and offering a high quality, personalised customer experience along with an omni-channel approach in order to compete.

Shopping frequency

When it comes to the number of purchases made per customer each year, in-store easily out-performs online. On average, customers made 14 purchases in-store, compared to eight online in year 2.

Primarily online brands have seen faster growth of 4.2%.

The use of contactless cards has doubled, accounting for 8% of all fashion retail sales. In all, 35% more customers used this payment method in year 2.

In-store
Sales
63%

Sales growth
-2.5%

Online
Sales
37%

Sales growth
+11.9%

Sales growth by channel group

	4.2%
3.4%	
	2.3%
0%	

Primarily trading in-store · Balanced · Primarily online

— Market Average

Looking for further insights?

Our analysis shows that retailers with a balanced omni-channel presence dominate the market.

Understanding your customers' channel preference and how they shop within those channels is vital to help you invest in the most effective omni-channel customer experience.

Our insights can provide you with valuable intelligence on, for example:

- your customers' online or in-store preference for different retail categories
- your online or in-store growth performance against overall industry trends
- how your online customers spend in-store elsewhere.

## London leads in-store dip and online growth

When it comes to regional variations, London has seen the greatest drop in year-on-year in-store sales from UK consumers, falling by 4.4%.

In fact, every UK region has seen in-store sales fall, with only Wales remaining relatively flat at 0.3%.

By contrast, there has been a rise in online purchasing in every region, with an average 11.9% increase across the UK. London achieved the greatest growth in online sales, at 14.6%, ahead of the West Midlands and Yorkshire & Humber, both at 12.2%.

This may suggest that the wide choice of pick-up locations and click-and-collect points in the capital is making it a particularly convenient location for online shopping.
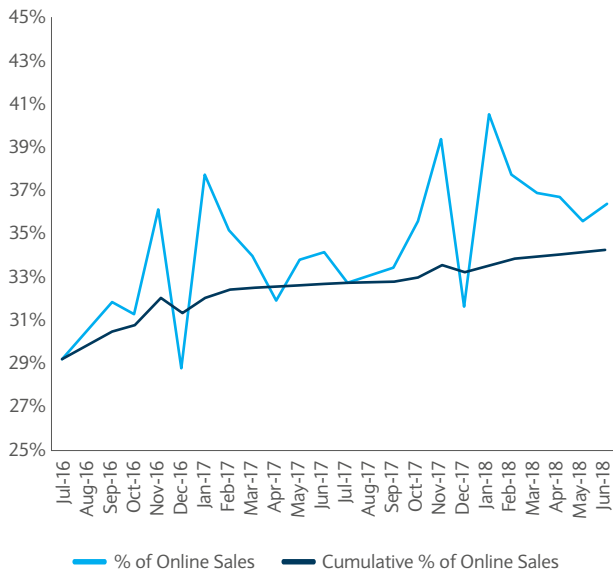
Market share by online exposure in year 2

Balanced
54%

Primarily trading in-store
33%

Primarily online
13%
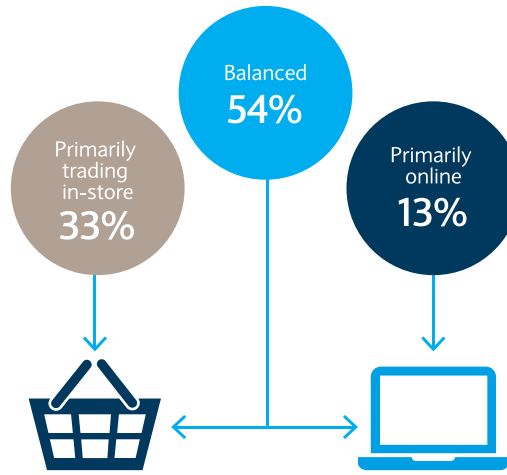
North–South divide

Our analysis suggests something of a North–South divide, with the fall in sales in-store in the South around 60% higher than in the North, 3.2% against 2.0%. However, online sales growth and share of transactions in the North and South are broadly similar, with the latter only slightly higher and primarily driven by online sales growth in London, followed by the South West.
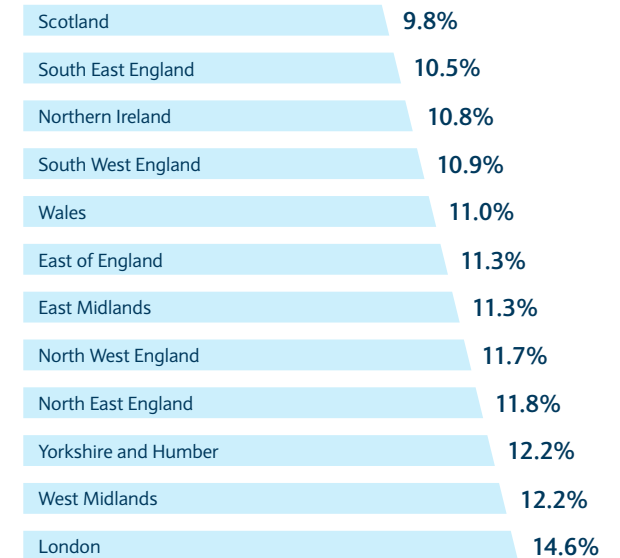
London variations

A more detailed analysis of sales growth within different London regions and boroughs again highlights considerable variation. For example, two of the London boroughs with among the highest share of London retail sales – Westminster and Haringey & Islington – have seen diverging declines in sales of 2.4% and 12.1% respectively. More broadly, South and East London have seen the most significant declines in-store.
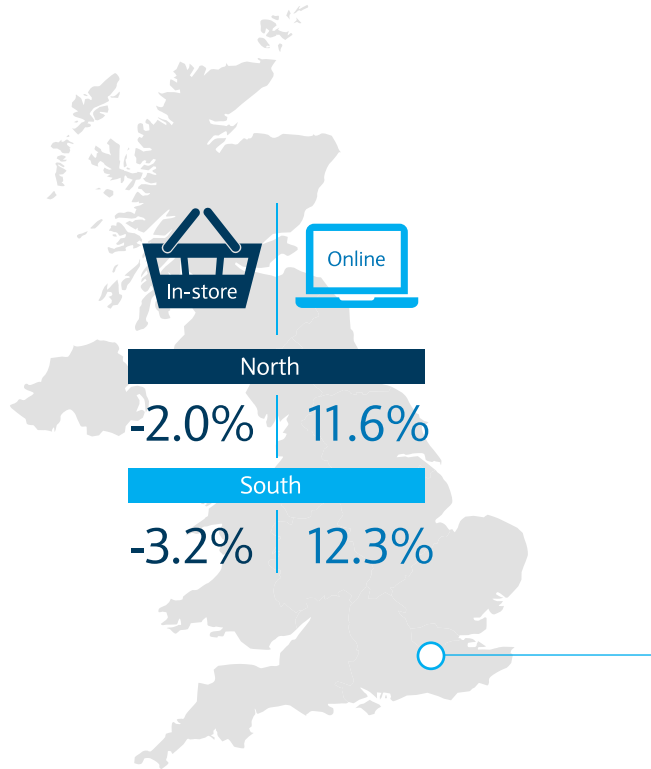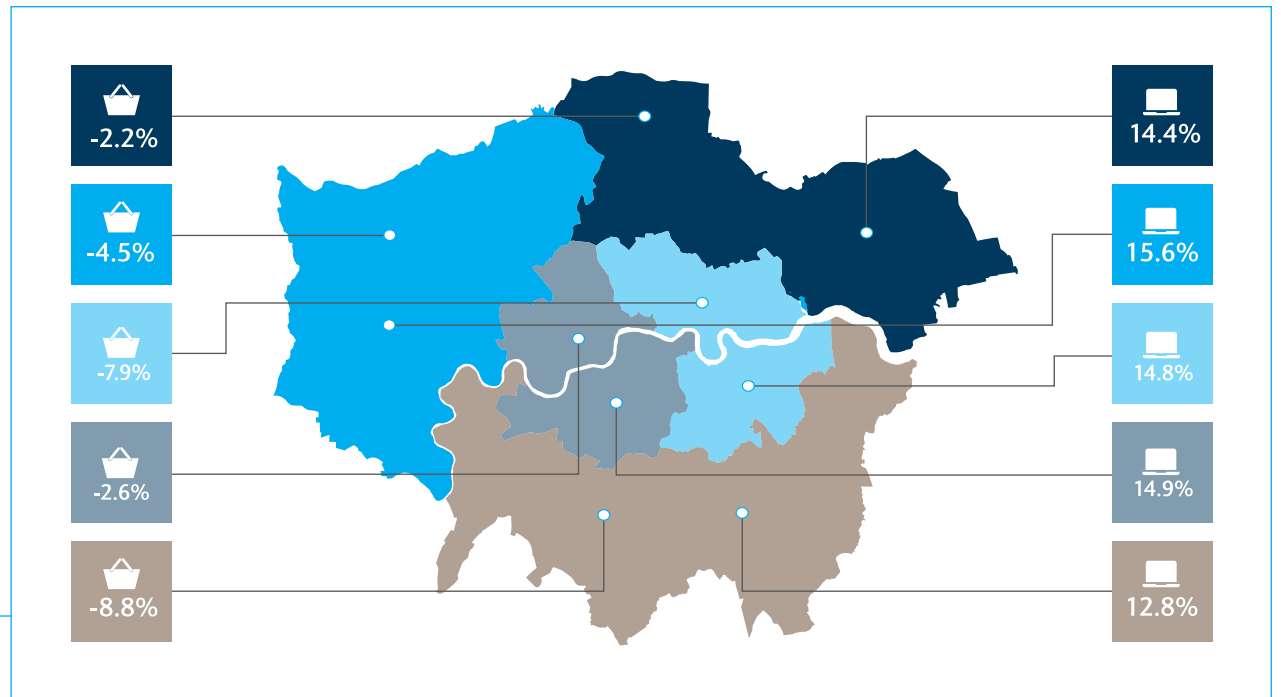
Online sales share

- % of Online Sales
- Cumulative % of Online Sales

In-store sales growth

Region	Growth
Scotland	-1.7%
North East	-2.3%
North West	-3.5%
Yorkshire and Humber	-0.8%
East Midlands	-0.8%
West Midlands	-1.4%
East of England	-1.8%
London	-4.4%
South East	-2.3%
South West	-3.1%
Northern Ireland	-3.3%
Wales	-0.3%

Online sales growth

Region	Growth
Scotland	9.8%
South East England	10.5%
Northern Ireland	10.8%
South West England	10.9%
Wales	11.0%
East of England	11.3%
East Midlands	11.3%
North West England	11.7%
North East England	11.8%
Yorkshire and Humber	12.2%
West Midlands	12.2%
London	14.6%

Sales growth North vs South

North

-2.0% | 11.6%

South

-3.2% | 12.3%

Sales growth London

In-store (basket) values: -2.2%, -4.5%, -7.9%, -2.6%, -8.8%

Online (laptop) values: 14.4%, 15.6%, 14.8%, 14.9%, 12.8%

Looking for further insights?

Our data shows wide variation in regional sales growth. London in-store sales have fallen 4.4% over the past two years, but it now accounts for 23% of online fashion sales, while the East Midlands, for example, has seen a relatively small decline in-store.

Knowing the local retail environment inside out is clearly critical when making decisions about where to open or close your next store.

Our insights can help you evaluate customer spending down to postcodes across the UK, and help you to:

- identify locations with the most potential for growth
- compare existing store performance against area trends
- establish and optimise your real estate strategy.

In-store Sales growth | **Online** Sales growth

London Average

-4.4% | 14.6%

Varying fortunes across fashion categories

Highlights

- Family brands take largest market share from department stores
- Male and female-oriented brands lead online sales growth
- Footwear brands see rapid decline in sales
- In-store retailers bear the brunt of falling ticket value

Family brands take centre stage

When it comes to market share and total sales, the top fashion retail categories are family clothing, department stores and brands combining men's and women's fashion.

Brands appealing to the whole family have now overtaken department stores to achieve the largest share of the market for the first time, capturing almost 30%.

While most fashion categories are showing at least some overall sales growth, department stores delivered almost zero growth, resulting in lost market share of 0.7%. With a number of long-established department store brands already disappearing from the high street, this may well be a sign of a longer-term trend.

Other key trends

Footwear retailers suffered an even more marked decline in overall sales, reflecting very tough trading conditions for a number of well-known footwear brands in year 2.

By contrast, there has been a resurgence in catalogue shopping, which has grown by more than 5%, stimulated by the growing popularity of online buying. While male-oriented retailers still have the smallest market share, they have seen overall year-on-year sales growth exceed 7%.

Looking for further insights?

Our analysis reflects the increasing pressure on department stores, as evidenced by recent high-profile closures.

As consumers demand an increasingly dynamic in-store shopping experience, it is essential that existing department store business models adapt to a more digital-first era.

Our Market and Customer Insights can help you to:

- assess your business performance against wider market trends
- identify where your lapsed customers are shopping
- evaluate the strengths and weaknesses of your store network
- gain a deeper understanding of your customers and identify potential new opportunities.

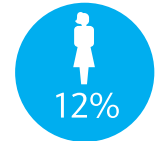## Market share year 2

Department stores
28%

Family
30%

Men's and women's fashion
20%

Female-oriented
12%

Male-oriented
3%

Footwear
7%

Catalogues
1%

Total share

Sales growth in year 2

8.0%				7.2%		
6.0%						5.3%
4.0%	4.6%	4.8%				
2.0%						Average Sales Growth 2.3%
0.0%	0.0%		0.9%			
-2.0%						
-4.0%					-4.4%	
-6.0%						

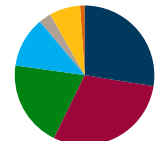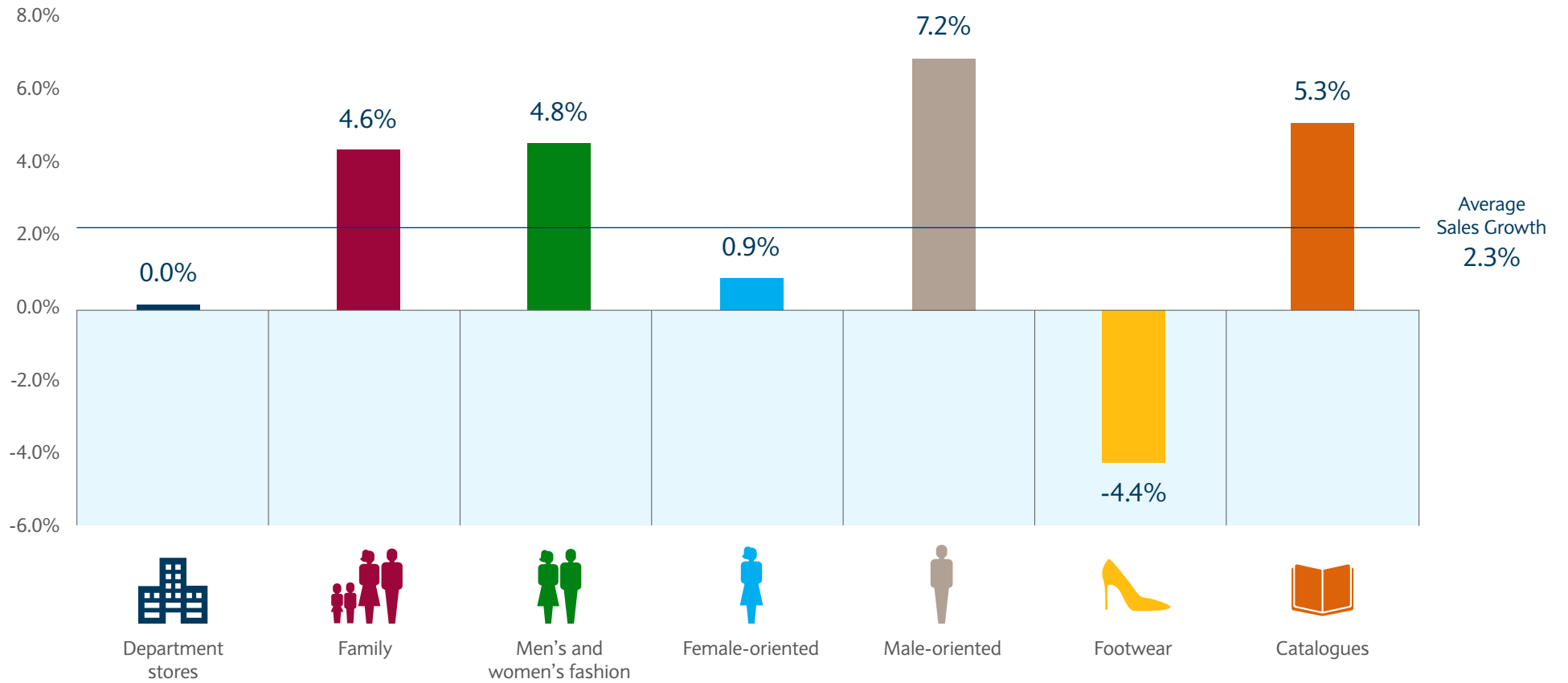Department stores | Family | Men's and women's fashion | Female-oriented | Male-oriented | Footwear | Catalogues

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Online growth across the board

Online sales have grown in every category in year 2, in most cases countering either flat or negative in-store performance.

The big success story here appears to be combined male and female retail brands, with online growth of 26% easily negating an in-store drop of 5%.
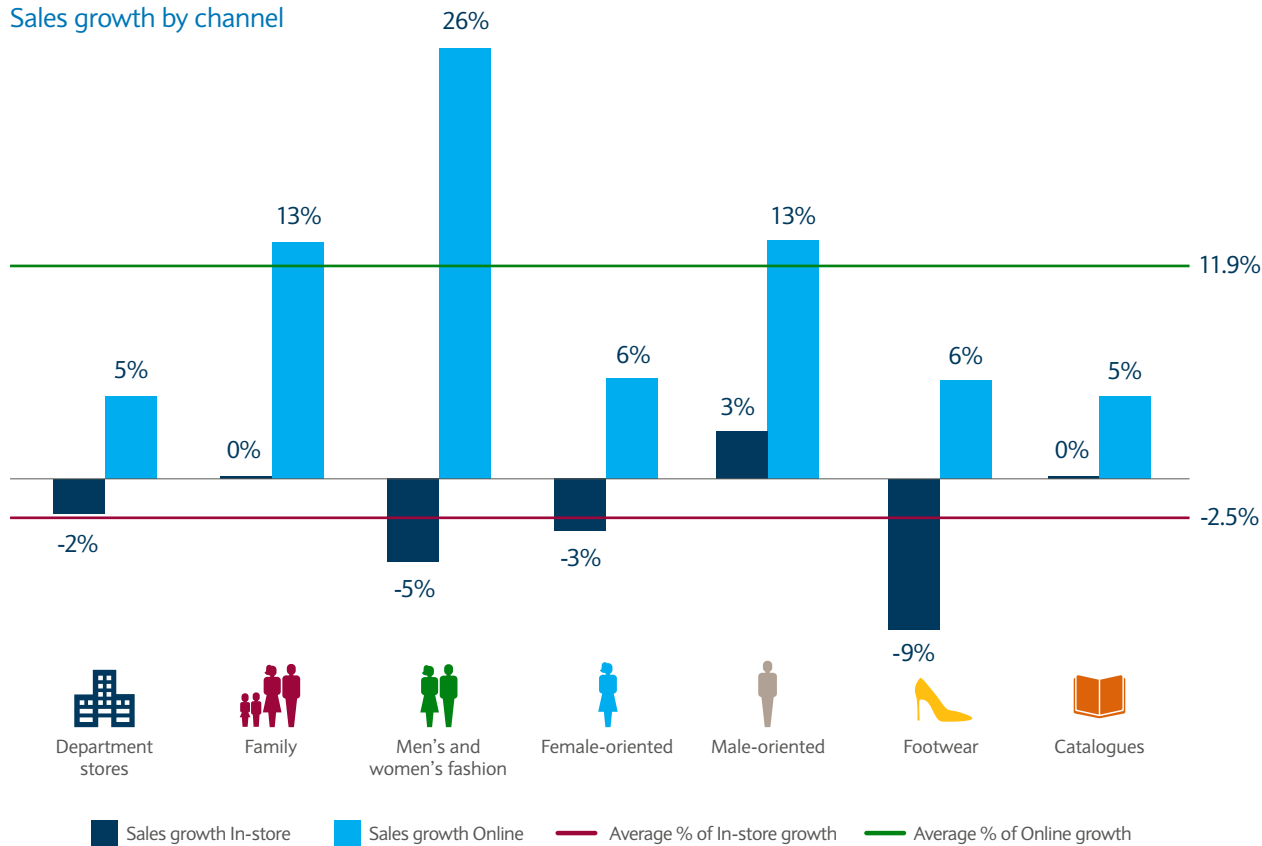
Male-oriented retailers saw increases in online and in-store sales of 13% and 3% respectively, possibly due to the attractions of higher-end brands, while female-oriented brands also saw strong online gains of 6%.

Although they have increased online sales by 5%, department stores are clearly lagging behind the high street brands in increasing their online presence and delivering a connected customer experience.

A 6% increase in online sales enjoyed by footwear retailers was insufficient to compensate for a 9% fall in-store, equating to a more than 4% fall overall.

Combined male and female retail brands with highest online growth of 26%.

Sales growth by channel

Department stores · Family · Men's and women's fashion · Female-oriented · Male-oriented · Footwear · Catalogues

In-store: -2%, 0%, -5%, -3%, 3%, -9%, 0%
Online: 5%, 13%, 26%, 6%, 13%, 6%, 5%
Average % of In-store growth: -2.5%
Average % of Online growth: 11.9%

■ Sales growth In-store   ■ Sales growth Online   — Average % of In-store growth   — Average % of Online growth

Brands by ATV group

Value · Mid range · Luxury
Sales Growth: -1.5%, 0.6%, 7.3%
ATV Growth: 0.2%, 3.6%, -3.6%

■ Sales Growth   ■ ATV Growth   ATV = Average Transaction Value

Average transaction values on the slide

Average transaction value fell by 1.5% in the second quarter of 2018 compared to the same period last year, as retailers discounted more heavily to entice customers and shoppers who may have reigned in their spending. Department stores bore the brunt of this, with a 5% drop in ATV.

Once again, in-store sales have been hit hardest, seeing a 3% year-on-year fall in ATV, while online ATV remained static.
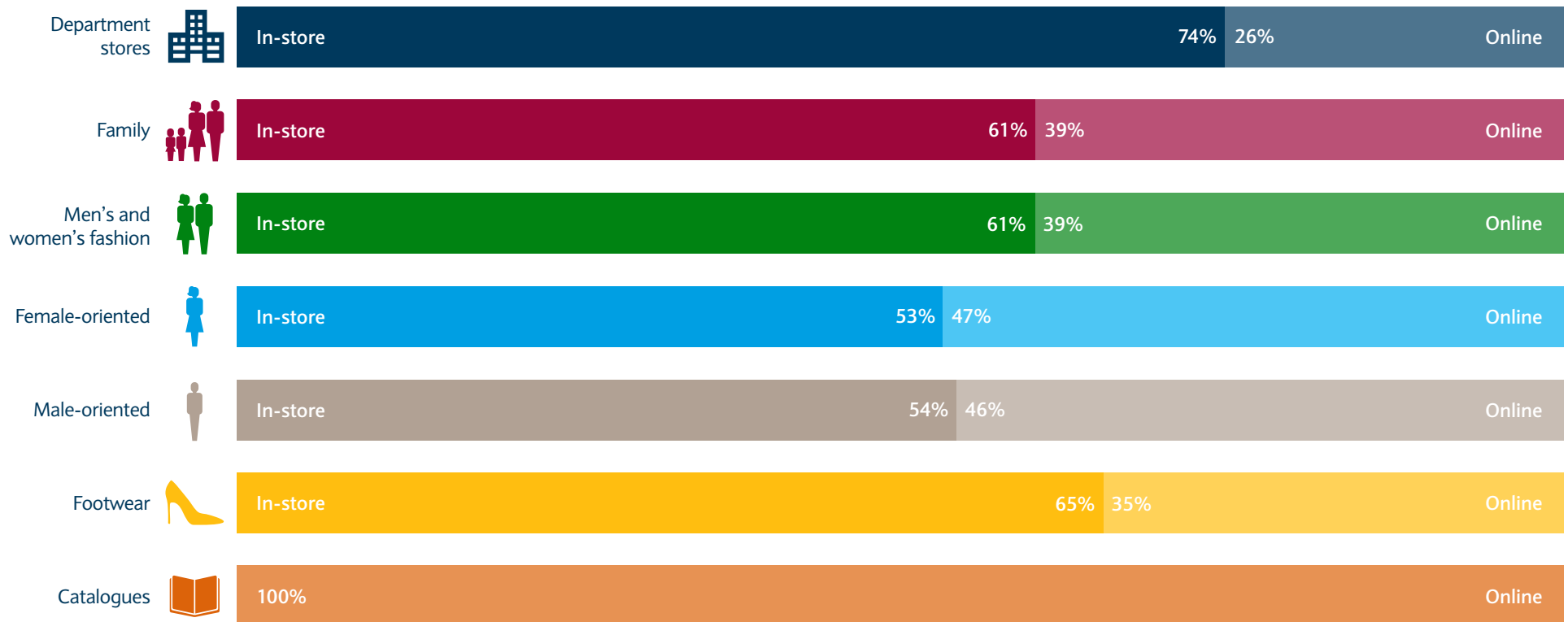
The fall in overall ATV has been primarily driven by 'value' brands with a low ATV of less than £40. Yet within this category the best performing 'value' brands saw relatively strong in-store sales growth, up 0.6% compared to a 2.5% fall in overall in-store sales.

Sales growth was primarily driven by 'mid-range' brands with ATV from £40 to £250. These saw modest increases in both sales and ATV.

On the other hand, 'luxury' brands with an average spend per sale of £250+ saw a jump in ATV of 7.3%, or £31.20, despite sales in this area of the market being down 3.6% over the year to June 2018.

The fall in overall ATV has been primarily driven by 'value' brands.

Sales distribution by channel year 2

Channel		In-store	Online
Department stores		In-store 74%	26% Online
Family		In-store 61%	39% Online
Men's and women's fashion		In-store 61%	39% Online
Female-oriented		In-store 53%	47% Online
Male-oriented		In-store 54%	46% Online
Footwear		In-store 65%	35% Online
Catalogues		100%	Online

Demographics shaping fashion retail

Highlights

- Affluent families spend the most in virtually every fashion category

- Younger groups spend the most on brands trading mainly online

- 57% of all customers combine online and in-store shopping

- The majority of customers in the 25–49 age group prefer to shop in both channels, while customers aged 50+ are more likely to go in-store only
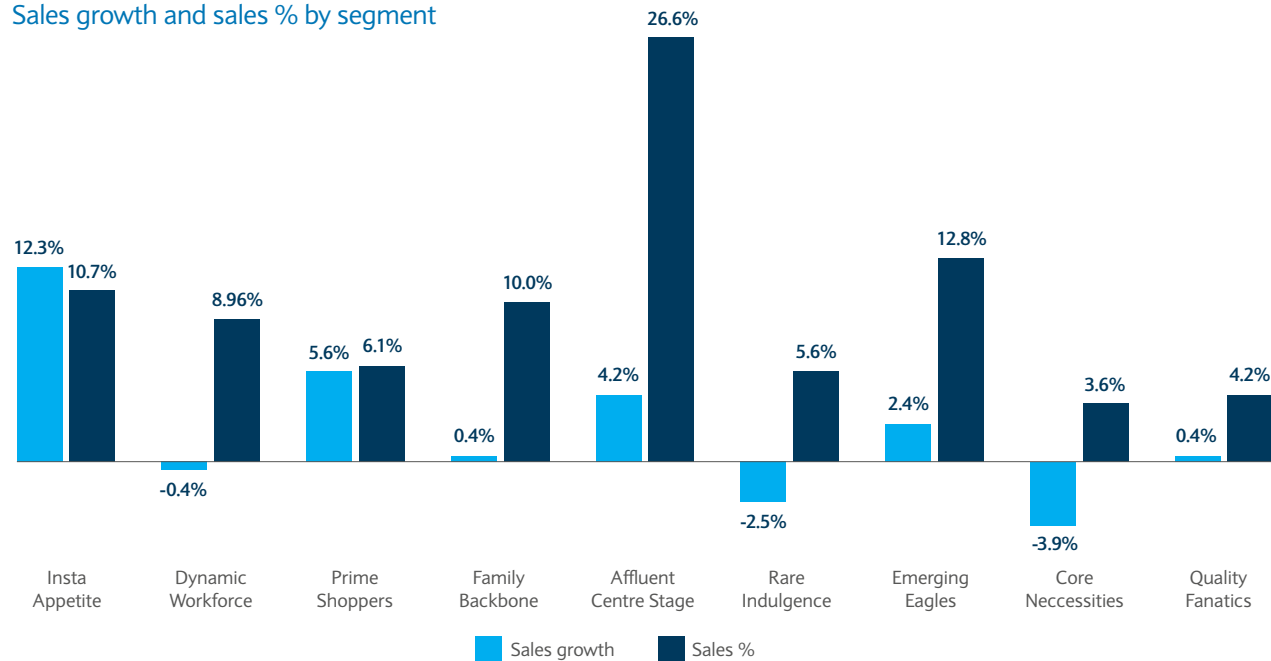
Department stores

Family

Male-oriented

Catalogues

Men's and women's fashion

Female-oriented

Footwear

Consumer segments

Insta Appetite
Students, recent graduates & young adults

Age 18–24

£ Low to Mid   0 No Children

Key differentiators
- Income is likely to be subsidised by student loans and family
- Low-value, but high-frequency shoppers
- Highly active online
- Spend per transaction is low at £38

20% · 31% · 28% · 12% · 3% · 6% · 0%

Dynamic Workforce
Young adults with no children on low incomes

Age 25–49

£ Low to Mid   0 No Children

Key differentiators
- Lower income group
- Spend per transaction is low at £36 and frequency is slightly below average
- Many are bargain hunters

22% · 36% · 21% · 11% · 3% · 6% · 0%

Prime Shoppers
Affluent adults with high value and frequent spend

Age 25–49

£ Mid to High   0 No Children

Key differentiators
- Highest ATV for this age group at £53
- Above average frequency of transactions
- Many own multiple tech and gadgets

25% · 31% · 24% · 10% · 4% · 6% · 0%

Family Backbone
Families on tight budgets

Age 25–49

£ Low to Mid   Young Children

Key differentiators
- Shopping tends to focus on cheaper stores
- Average transaction value is the lowest at £34, but these are high-frequency shoppers
- Most are bargain hunters and are looking out for a good deal

24% · 38% · 18% · 11% · 2% · 7% · 1%

Sales distribution by category

Consumer segments

Affluent Centre Stage
Affluent families

Age 25–49

£ Mid to High | Young Children

Key differentiators
- The largest segment by customer volume
- Highest frequency, high-spend shoppers with average spend at £49
- Many spend on tech and digital and shop in big malls and frequently eat out

29% · 31% · 19% · 11% · 4% · 7% · 0%

Rare Indulgence
Poorer group with low income and low spend

Age 50–64

£ Low to Mid | Some have children

Key differentiators
- Low frequency shoppers with average ATV at £37
- Shopping is limited to necessities from cheaper stores and inexpensive food
- Many are bargain hunters

31% · 30% · 15% · 12% · 3% · 7% · 2%

Emerging Eagles
With grown up children, they regain their spare time for hobbies, travel and shopping

Age 50–64

£ Mid to High | Some have children

Key differentiators
- Spend frequency is average, but ATV is the highest at £56
- This group is likely to expand with ageing population in the UK

36% · 24% · 16% · 12% · 3% · 7% · 1%

Core Necessity
Low to medium retirement funds mean that this group of older, likely retired customers, is on a budget

Age 65+

£ Low to Mid | Some have children

Key differentiators
- The lowest spend frequency with ATV of £47
- Average spend is half of that for Quality Fanatics and transactions are less frequent

37% · 21% · 15% · 13% · 2% · 8% · 4%

Quality Fanatics
Better off retirees who don't shop often, but when they do, they prioritise quality and can afford to splash out or treat family

Age 65+

£ Mid to High | Some have children

Key differentiators
- Wealthy customers nearing retirement
- High ATV of £54, but low frequency of spend
- They appreciate good food and often go on holidays

41% · 17% · 15% · 13% · 4% · 8% · 2%

Sales distribution by category

Knowing the customer remains key to success

We have identified nine key customer segments based on demographic profile and spending habits.

Based on sales growth, the top three customer segments identified by our analysis are Insta Appetite, Prime Shoppers and Affluent Centre Stage.

These younger customers, striving professionals and affluent families increased their spend the most on fashion items compared to other groups.

The younger groups – Insta Appetite and Affluent Centre Stage – spend the most on brands trading predominantly online.

Younger groups spend the most on brands trading predominantly online.

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Sales growth and sales % by segment

Chart data (Sales growth / Sales %):
- Insta Appetite: 12.3% / 10.7%
- Dynamic Workforce: -0.4% / 8.96%
- Prime Shoppers: 5.6% / 6.1%
- Family Backbone: 0.4% / 10.0%
- Affluent Centre Stage: 4.2% / 26.6%
- Rare Indulgence: -2.5% / 5.6%
- Emerging Eagles: 2.4% / 12.8%
- Core Neccessities: -3.9% / 3.6%
- Quality Fanatics: 0.4% / 4.2%

Legend: ■ Sales growth ■ Sales %

Age and wealth still key to fashion choices

A closer look at where the different customer segments like to buy fashion items throws up some interesting trends.

The Affluent Centre Stage segment spends the most in virtually every category of fashion retail, except catalogues.

Insta Appetite and Dynamic Workforce segments have relatively strong purchasing power.

Perhaps unsurprisingly, department stores and catalogues appeal to older customers, with a relatively low spend compared to other groups. They spend relatively little on other categories.

Younger customers in general tend to shop more male-oriented and female-oriented specific brands. Those in the Insta Appetite and Dynamic Workforce segments have relatively strong purchasing power, making them core targets for online offerings.

Demand for formal wear and boys clothing lends a strong appeal to male-oriented brands among affluent families.

The graphic opposite shows the top three market segments for each fashion retail category once relative sales growth and the size of each segment is taken into account, as an indication of key future growth opportunities.

Looking for further insights?

Our analysis shows the importance of understanding your largest shopper groups and their respective spending power. Analysis of these changing demographic segments can help you identify new opportunities and plan for the future.

Our insights can enable you to:

- deep dive into customers' spending behaviour within each segment
- evaluate the size for each market segment
- understand each segment's share of the wallet.

Top 3 segments for each category when y/y sales growth and segment size are taken into account

Department stores	Family	Men's and women's fashion	Female-oriented	Male-oriented	Footwear	Catalogues
1 Affluent Centre Stage	**1** Affluent Centre Stage	**1** Insta Appetite	**1** Affluent Centre Stage	**1** Affluent Centre Stage	**1** Affluent Centre Stage	**1** Emerging Eagles
2 Emerging Eagles	**2** Insta Appetite	**2** Affluent Centre Stage	**2** Emerging Eagles	**2** Insta Appetite	**2** Emerging Eagles	**2** Affluent Centre Stage
3 Insta Appetite	**3** Emerging Eagles	**3** Emerging Eagles	**3** Insta Appetite	**3** Prime Shoppers	**3** Insta Appetite	**3** Family Backbone

Omni-channel consumers here to stay

Overall, a majority of customers now spend online and in-store, underlining the critical importance of omni-channel experiences and in-store connectivity.

Those customers who choose to spend both online and in-store account for 57% of the fashion customer base, as opposed to only 8% who choose primarily online, and 35% of customers who only shop in-store.

Younger customers prefer shopping in both channels, rather than exclusively online, perhaps reflecting the popularity of shopping as a way to spend time with friends.

The majority of customers in the 25–49 age group prefer to shop in both channels, while customers aged 50+ are more likely to shop in-store only.

But while the in-store only group is dominated by older customers, the percentage of online-only shoppers over 65 is greater than the percentage of 18–24s. This is probably due to over-65s becoming increasingly tech savvy as transport and mobility challenges make it more convenient to shop online.

Customers channel use

Balanced
57%

In-store only
35%

Online only
8%

Customers' channel use by age

18–24	25–39	40–49	50–64	65+
4.77%	6.34%	8.02%	9.61%	12.50%
23.47%	30.42%	34.80%	42.26%	49.99%
71.76%	63.24%	57.18%	48.13%	37.51%

Both   In-store only   Online only

Changing shopping behaviour

Highlights

- Sales up 4.3% year-on-year for the week spanning Black Friday and Cyber Monday

- 14% increase in average customer value for the Black Friday/Cyber Monday weekend

- Impact of refunds growing, with 11% of sales returned

Black Friday tops fashion sales calendar

Although sales of electronics are the main driver, Black Friday is clearly affecting shopping behaviour in fashion retail. Sales of clothes and accessories on Black Friday are higher than on any other day of the year, with three times the average daily spend.

The week to 25 November 2017, including Black Friday, attracted 60% more sales and 40% more transactions than an average week, resulting in a 4.3% increase in retail sales and transaction volume up 3.2% compared to the equivalent week in 2016. However, this is a relatively modest increase compared to electronics, the most popular Black Friday category, which saw year-on-year sales growth of 13%.

The advent of this extended, annual two-week sales period has gone some way to alleviating Black Friday delivery slot pressures and in-store crowding.

Sales spending behaviour

A 14% increase in average customer value for the Black Friday/Cyber Monday weekend compared to the rest of the year indicates that these promotions encourage sales of higher-ticket items.

Cyber Monday attracts the biggest proportion of online sales through the period at 55%, again underlining the importance of the omni-channel approach to sales promotion.

14%

increase in average customer value for the Black Friday/Cyber Monday weekend.

Analysis of Black Friday sales among the top 50 fashion brands by sales volume again shows wide variation in sales growth performance. This illustrates the importance of knowing how and when to attract customers through seasonal promotions, particularly for higher ticket price items, without eroding margins excessively.

Black Friday is clearly having a major impact on fashion spending in the run up to the festive shopping season, and retailers need to become increasingly savvy in response.
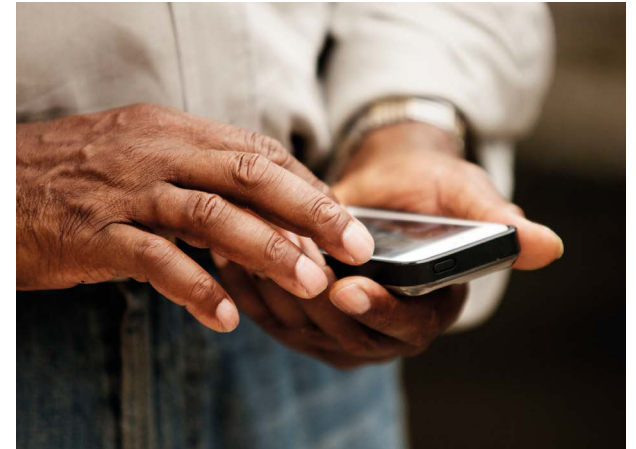
Looking for further insights?

It is important that retailers plan their seasonal campaigns, such as Black Friday, Christmas and Valentine's Day, carefully to drive sales without eroding margins unnecessarily.

We can provide insights on the timing of seasonal transactions to help you to:

- compare your promotions with industry norms

- evaluate the impact of different seasonal events and explore the most effective promotional opportunities

- evaluate customers' seasonal preference for what and where they spend

- match your promotions to customer activity by day of the week and time of day.

Sales growth index for Black Friday 2017

Black Friday sales growth variation year on year for top 50 brands

Sales Growth

Black Friday and Cyber Monday sales by channel

Date	Online
19-11-2017	38%
20-11-2017	50%
21-11-2017	48%
22-11-2017	48%
23-11-2017	51%
BLACK FRIDAY	49%
25-11-2017	34%
26-11-2017	47%
CYBER MONDAY	55%
28-11-2017	49%
29-11-2017	42%
30-11-2017	39%
01-12-2017	34%
02-12-2017	23%

Average % of Online Sales

Online   In-store   Average % of Online Sales

Buying behaviour driving up refunds

On average, 11% of fashion sales were returned, with 41% of customers receiving a refund over the last two years.

Refunds have a bigger impact on online sales than in-store. While online attracts an average transaction value (ATV) of £57, 46% higher than in-store, this is reduced significantly, to just £46, or 27% higher, when refunds are taken into account.

Unsurprisingly, refunds spike at Christmas and summer sales. However, there has been an overall upward trend in refunds over the past year, perhaps indicating that free delivery and returns policies may become a bigger drain on net sales in future as shoppers become accustomed to habitually over-ordering and then returning unwanted items.

Online average transaction value is reduced significantly when refunds are taken into account.

Gross vs net transactional value

£57
£46
£39
£36

| Gross ATV | Net ATV | Gross ATV | Net ATV |

In-store

Online

% of sales refunded

16%
14%
12%
10%
8%
6%
4%
2%
0%

Jul-16 Aug-16 Sep-16 Oct-16 Nov-16 Dec-16 Jan-17 Feb-17 Mar-17 Apr-17 May-17 Jun-17 Jul-17 Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18 Feb-18 Mar-18 Apr-18 May-18 Jun-18

— Cumulative % of sales refunded   — % of sales refunded
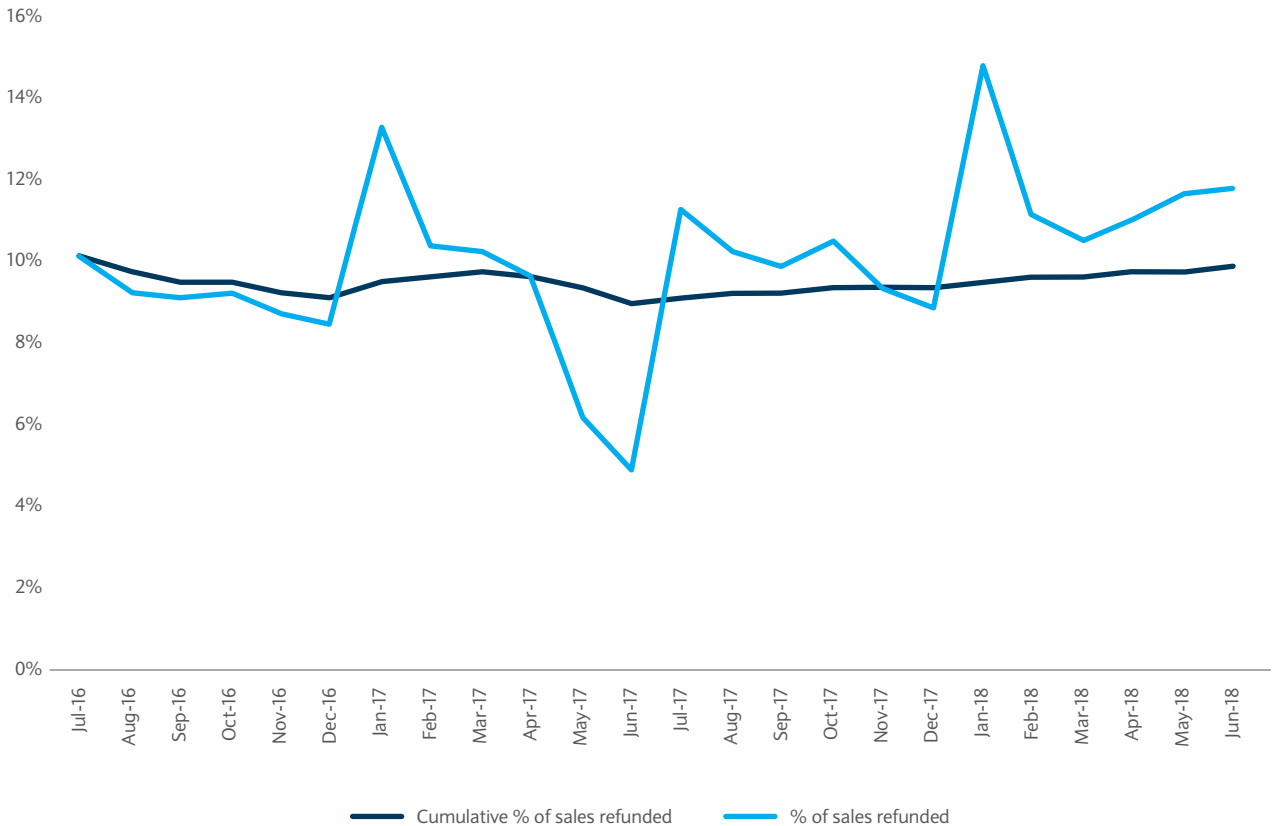
How Barclays Market and Customer Insights can help

Tap into a wealth of spending data

Do you want to gain a deeper understanding of how your consumers spend?

Does your retail business need to tailor its in-store offering to local customer demographics?

Do you need location analytics to inform your store optimisation programme?

Are you looking to refine your seasonal discounting and promotions to generate higher-value sales by understanding your customers' behaviour?

Barclays Market and Customer Insights can help you identify new growth opportunities and areas for improvement by giving you access to powerful analysis based on billions of Barclays and Barclaycard transactions across the UK.

What we offer

Customised online dashboard

The dashboard can be tailored to your needs and enables you to monitor the performance of your business, stores, market position and customer behaviour at any time.

Consultancy

You can access a dedicated team of analysts who will provide comprehensive and in-depth insights to help you with your specific retail challenges.

Our insights can give you an in-depth understanding of consumer spending behaviour on a timely basis. We can help you shape your business strategy and give you the intelligence to make more informed business decisions, based on facts, not models.

Get insights for

Gaining market share:

- identify how to win back lapsed customers
- work out the right product mix by location
- evaluate your key target segments and where to find them
- track the performance of your marketing campaigns.

Managing growth:

- focus on customer segments driving your growth
- track customer loyalty to inform your reward strategy
- find out how to increase your share of the wallet
- optimise location footprint.

Report highlights

- Total fashion sales up just 2.3% year-on-year, with negative sales growth from Q2 2018

- Online sales growth positive across all fashion categories, with in-store flat or negative

- Brands with greater online exposure experiencing higher growth as consumers demand omni-channel experience

- London sees largest fall in-store and biggest gains online

- Nearly 60% of customers now spend both online and in-store

- Family fashion retailers overtake department stores for top market share

- Affluent families are key customer segment across almost all fashion categories

- Black Friday sales up 4.3% in 2017

- Volume of refunds increasing, with 11% of sales returned.

For further information on how Barclays Market and Customer Insights can help you, email contact-MCI@barclays.com

About this report

This report is based on two years of Barclays debit card and Barclaycard credit card transactional data. In year 2, we saw 148 million transactions by 8.2 million unique customers, with a total sales value of £6.5bn.

Data series

Our analysis is based only on customers who made at least one transaction in each of the following periods:

- year 1: 1 Jul 2016 – 30 Jun 2017
- year 2: 1 Jul 2017 – 30 Jun 2018.

We have used calendar months in this report, which can result in variations that are mainly due to seasonality and the number of Saturdays within a particular month.

Rounding has been used in some instances in this report so the data may add up to 100+/- 1%.

The South is defined as London, South East (England), East of England and South West (England).

The North is defined as North West (England), West Midlands (England), East Midlands (England), Yorkshire & The Humber, Wales, North East (England), Scotland and Northern Ireland.

All insights are based on gross sales and transactions unless otherwise stated. Gross data does not take account of refunds.

Data scope

The data covers customers of the following Clothing & Accessories Industry merchant types defined using merchant category codes and Barclays' categorisation engine:

- department stores
- family clothing
- men's and women's clothing
- female-oriented fashion
- male-oriented fashion
- footwear stores
- catalogues.

The channel groups used in this report are as follows:

- primarily in-store brands with less than 20% of sales online
- 'balanced' brands with between 20% and 60% of sales online
- primarily online brands with over 60% of sales online.

Average Transaction Value (ATV) groups are defined as:

- value ATV: less than £40
- mid-range ATV: between £40 and £250
- luxury ATV: more than £250.

Some sections in this report refer to top-50 brands only. In these cases, top-50 brands are defined by sales in year 2, exclusive of any outliers, for example brands that ceased trading.

For clarity, customer spending using non-Barclays debit or credit cards, cash, cheque or bank transfer is not included in our transaction analysis.

Data privacy

Barclays adheres to strict data protection regulations and all banking data used by our Market and Customer Insights team is anonymous. We do not share any data that can be used to identify any individual or business.

insights.uk.barclays