

Overview for Q3 2018

Not only is the high street continuing to find conditions difficult with House of Fraser the latest longstanding retailer to run into trouble, the online footfall for many sectors also appears to be wavering.

Whilst some have shown recovery from last quarter's loss in traffic (Health & Beauty) others have had consecutive quarters of decreased footfall (Home & DIY and Grocery).

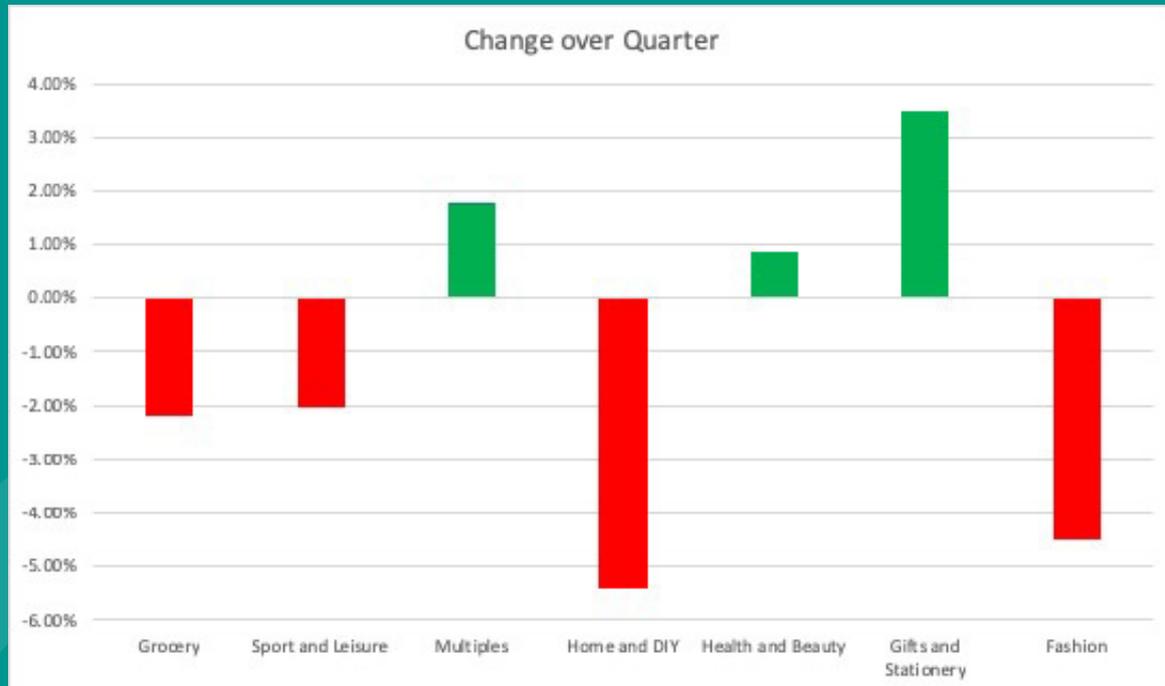


Figure 1: Online Footfall change over the Quarter

A caveat as always before we start – as with any externally available data, this data is indicative not definitive but it continues to track with what we know from our all-client index. It also excludes traffic to mobile devices and although this normally tracks that of desktop/laptop, there is a possibility that the reverse in trend we see on these figures could be the result of a significant shift from desktop/laptop to smartphones, although our all-client index suggests that this is probably not the case.

The data from July to September 2018 reveals a significant drop in Home & DIY and Fashion and a smaller loss of ground in Grocery and Sports & Leisure. Health & Beauty may have started to make up the ground lost over the previous quarter but are still some way off where they were. The increase of the Multiples, we suspect, will continue as we edge closer to Black Friday and peak Christmas trading.

Overview of 2018

When looking at 2018 as a whole, the footfall demonstrates a downward trend for all sectors except the Multiples who have continued to grow. This growth for the Multiples has occurred despite the challenges for House of Fraser and interestingly is not solely the result of an ever-dominating Amazon. Whilst Amazon is responsible for 25% of the growth, the remaining 75% came from elsewhere within the sector and is in part the result of eBay's growth since January – their traffic has grown 17% across the nine-month period.

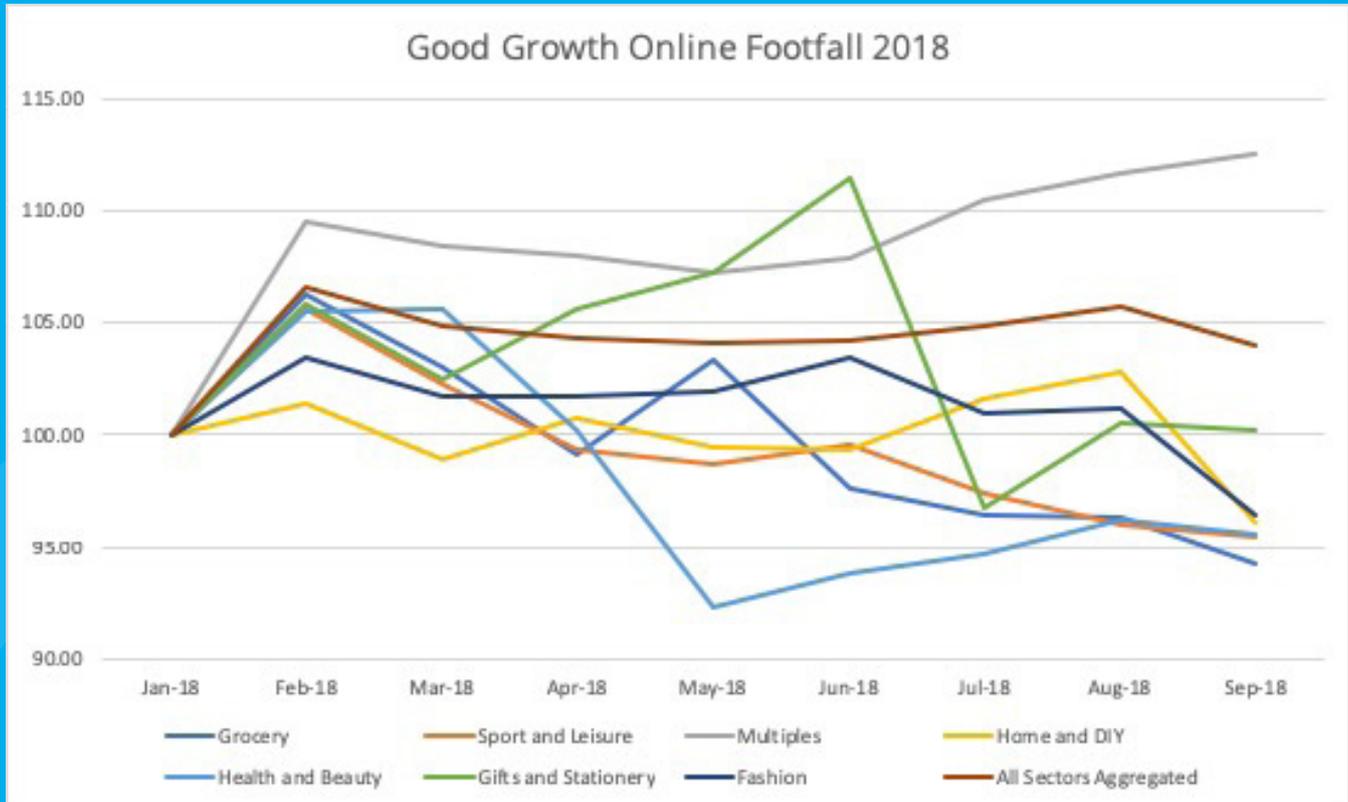


Figure 2: Online Footfall trend across 2018

Grocery has had the most challenging year somewhat down to the exit of Poundworld from the market but this makes little difference to the aggregated numbers and instead hides potentially bigger troubles. Iceland in particular had a difficult September and by our numbers Tesco have experienced a 20% drop in online footfall compared to where they were at the start of 2018.

The aggregated figure for the retailers included in this report demonstrates an increase of just under 4% for the year from January to September. However, when removing the Multiples' relatively strong performance from this measure, the result changes direction and instead shows an aggregated decrease of just over 4% across the same period. With Black Friday and Christmas just around the corner this trend will should those competing with the Multiples for online interest given their tendency to perform well across the season - last year the Multiples grew their footfall by 10% in the final quarter with all other sectors losing ground on the previous quarter.

To find out more about Good Growth's Online Footfall Report and to discuss how we could help you to keep up with your competitors, please contact Hamish Bones on +44 20 7183 0964 or at hb@goodgrowth.co.uk.