



# EMEA SHOPPER TRENDS REPORT

Q4 2017

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behaviour trends from across the globe

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## EMEA Shopper Trends Report Q4 2017

Welcome to our latest Global Shopper Trends report from ShopperTrak. For the fourth quarter of 2017 we provide key statistical insight into international shopper behaviour across the EMEA region.

**EMEA Overall Q4: -1.9% YOY**

**Spain: +2%**

**Portugal: +1.6%**

**Republic of Ireland: -0.2%**

**Switzerland: -1%**

**Italy: -1.4%**

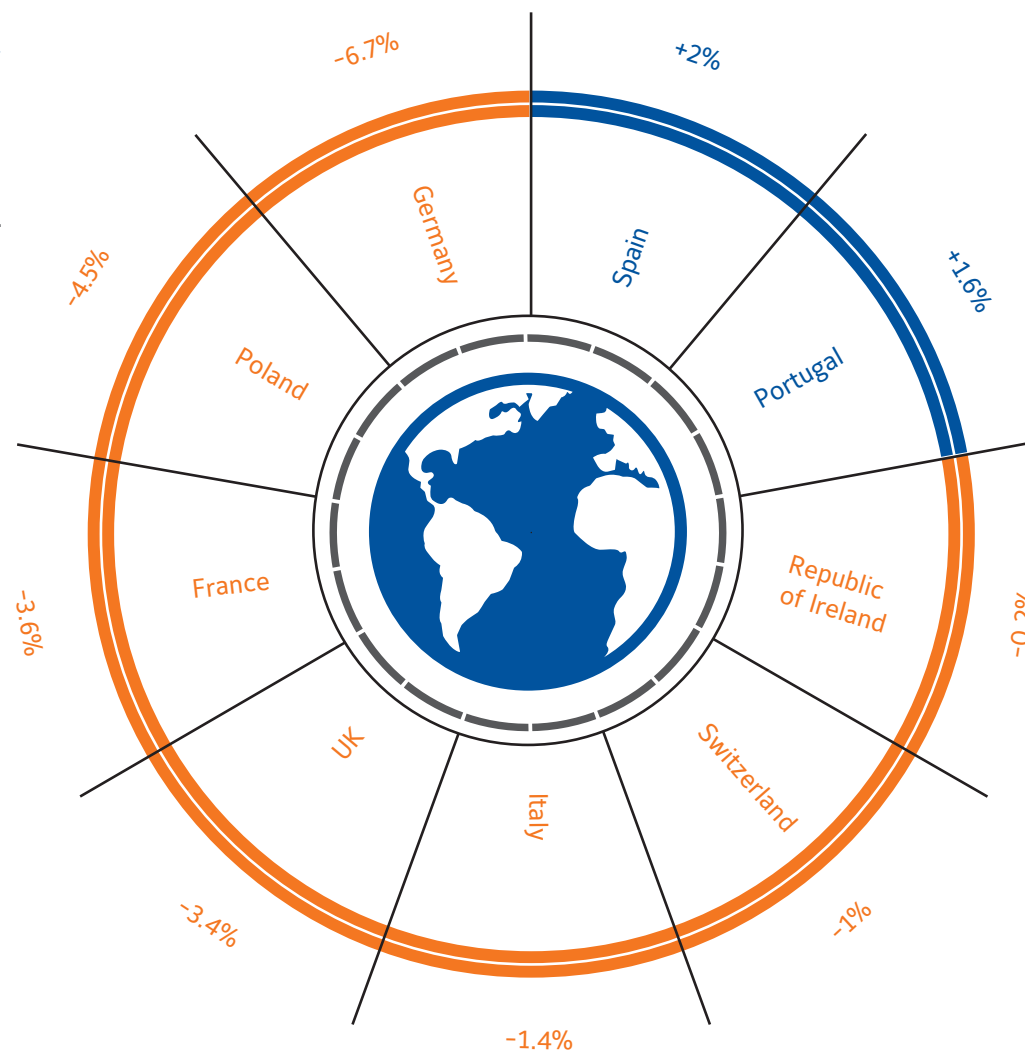
**UK: -3.4%**

**France: -3.6%**

**Poland: -4.5%**

**Germany: -6.7%**

This report examines Q4 retail traffic data for the EMEA region, giving reasons behind developments in shopper footfall in each country.






# European Review

## Flat Q4 traffic rounds off a tough 2017

Traffic dipped into negative territory for the overall EMEA region on Q4 2017, with seven out of the nine featured countries failing to achieve positive Year-on-Year footfall growth. However, there were some standout performances this quarter. Spain clocked up a +2% YOY rise in Q4 traffic and Portugal enjoyed a +1.6% YOY uplift – fantastic achievements for both countries, and building on the successes of Q3. The Republic of Ireland put in the third best performance, thanks to a busy December in stores, driven by effective festive promotions.

With Brexit negotiations progressing slowly, there is political and economic uncertainty across many EU countries, and these challenges are likely to continue during 2018. Spain has localised political upheaval ahead, which could knock consumer confidence. Meanwhile UK consumers are faced with price inflation and low wage growth, putting pressure on the retail sector.

The outlook for 2018? Analysts point to positive indicators such as low unemployment rates and high consumer confidence across the region. But as ever, retailers will need to focus on price, excellent customer experience, smart marketing, and making the very best of every sales opportunity open to them.



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## SPAIN

## Best performance of the region

Spain is the top-performing EMEA country of Q4, having achieved a +2% rise in traffic, building on the uplift of +1% seen in Q3. November and December both saw positive growth in traffic, while October proved to be a quieter month.

Despite the setbacks of political upheaval in Spain, the retail sector remained focused on impressing customers with well-stocked and well-served stores, providing plenty of reasons to visit.

Analysts are wary that the political row that saw the Catalan government pushing unilaterally for independence, and Spanish authorities taking over Catalan institutions, could have more discernible effects on the Spanish



The retail sector remained focused on **impressing customers.**

## PORTUGAL

## Unemployment at a 12-year low

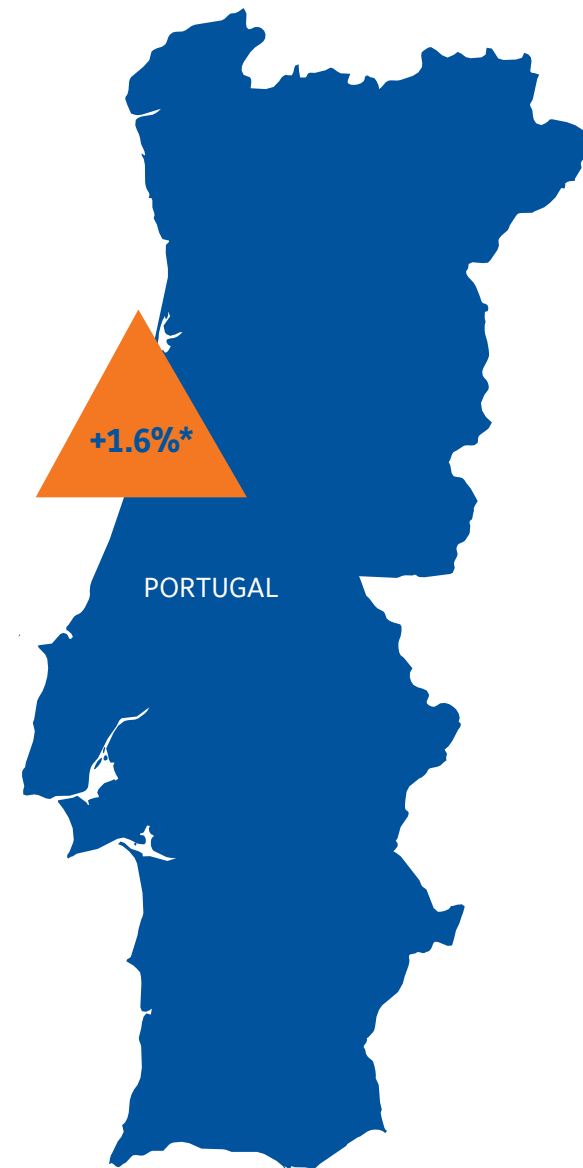
Brisk festive trading in December, as Portuguese shoppers flocked to stores, ensured the year ended well for retailers. Q4 retail traffic grew +1.6 % Year-on-Year, with December contributing the best traffic performance (+4.2% Year-on-Year).

Portugal has had a bumper retail year, and analysts look ahead to 2018 with high hopes for continued prosperity. Private consumption is in growth, and the unemployment rate has sunk to a 12-year low according to the FT, which bodes well for business sector.

Third party data source: Focus Economics Financial Times



Unemployment rate has sunk to a **12-year low** according to the FT.



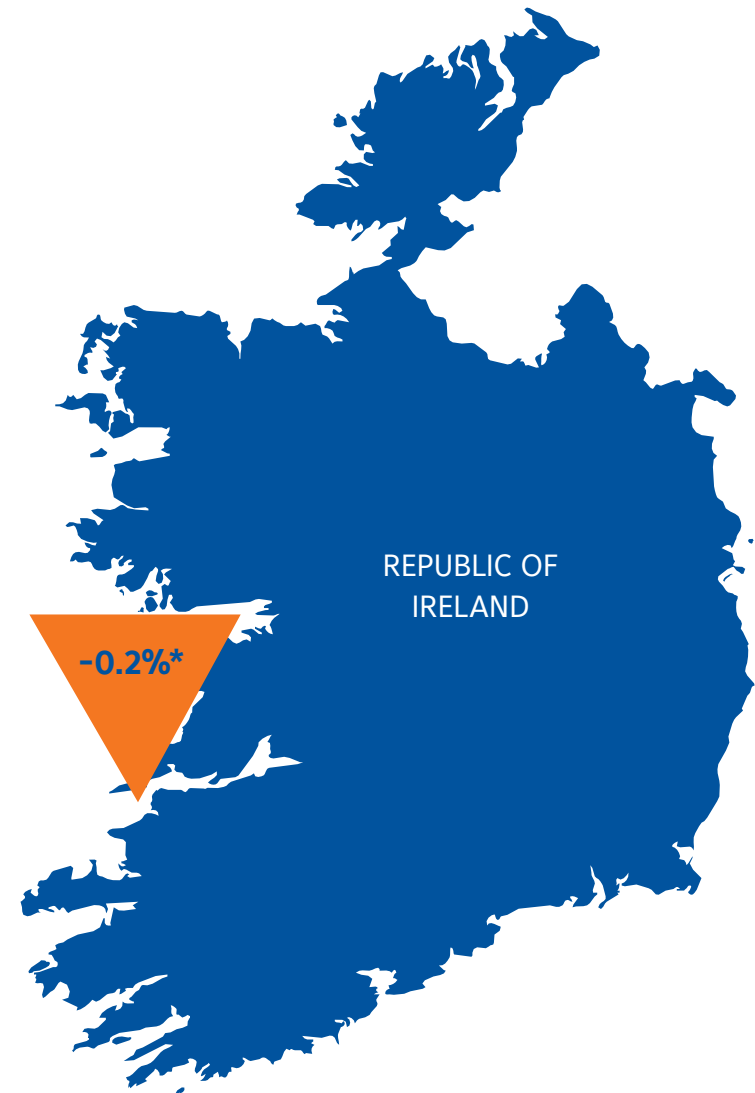
## REPUBLIC OF IRELAND

## A happy Christmas in Ireland

The Irish government is incentivising its retailers to invest in retail people skills, refurbishments and new store technology, and it seems the results are coming through. Q4's Christmas season has been deemed a success, with December traffic up +1.6%, and the national retail trade body, Retail Ireland, confirming that the majority of its members achieved Christmas trading sales targets.

However Irish retailers must continue to focus on upping their game to win shopper spend. Analysts at the Economic and Social Research Institute are cautious about Ireland's outlook for 2018, referencing the fact that most consumers see only limited progress in their personal financial situations in the months ahead.

Third party data source: Retail Ireland, ESRI



Most consumers see only **limited progress** in their **personal financial situations** in the months ahead.

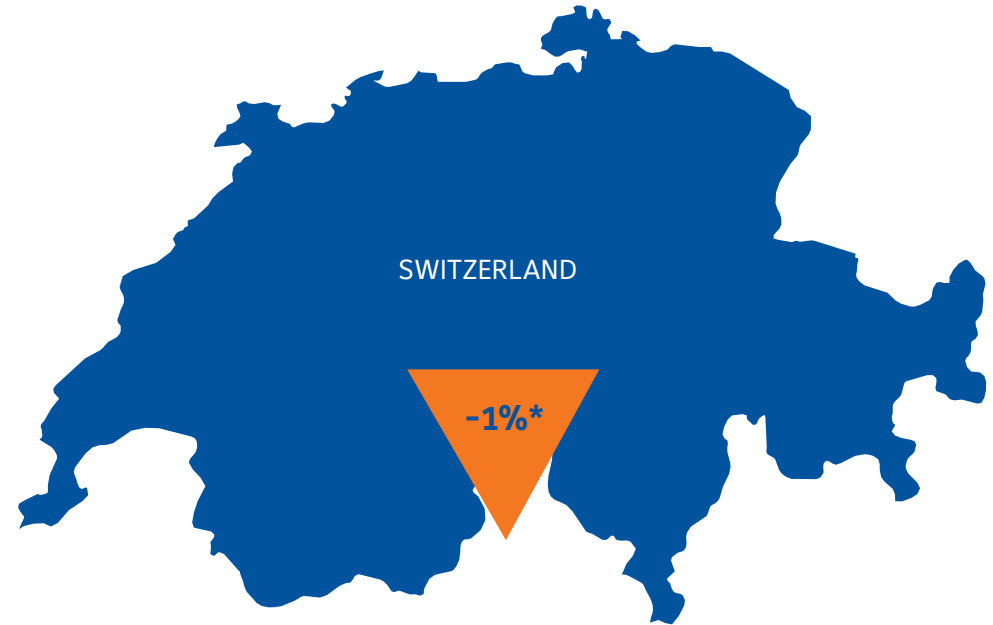
## SWITZERLAND

## Festive demand proved a welcome boost

Swiss stores were quiet in October but amply compensated in November and December when trading picked up significantly. Traffic up +2.8% in December, driven by popular promotions and festive demand, ensured Q4 traffic was only just into negative territory.

The Federal Statistical Office has reported that retail sales recovered in the latter half of 2017, and analysts say Switzerland is benefiting from the recovering Euro area. However, income is growing at a slow rate and personal finances are being squeezed, so retailers will need to deliver really outstanding shopper value in 2018.

Third party data source: Trading Economics, SNB CHF



**Income is growing at a slow rate** and personal finances are being squeezed.

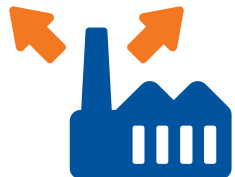
## ITALY

## Business and consumer confidence high

Italian retailers experienced a steady Q4, underpinned by a very successful December of Christmas trading, but dampened by a quiet October.

For Q4, official statistics show that industrial production growth accelerated, exports expanded, and the unemployment rate remained at a five-year low. Both business and consumer confidence remained at high levels, despite losing some ground from October, says Focus Economics. Italy's economy is expected to continue recovering in 2018, albeit at a slightly slower pace.

Third party data source: Focus Economics



**Industrial production growth accelerated, exports expanded.**





UK

## High inflation, low wages

Q4 proved challenging for UK retailers, and analysts blamed high inflation and low wage growth for the lack of sparkle in festive traffic figures. The UK inflation rate surpassed -3.4% in December, and wages have failed to keep up putting pressure on household spending.

Marks & Spencer and Tesco both delivered disappointing Christmas trading statements, but department store John Lewis fared better, and saw sales break through £1bn for the first time, during the six-week Christmas trading period.

Third party data source: British Retail Consortium, Guardian



**£1bn** for the first time, during the six-week Christmas trading period.



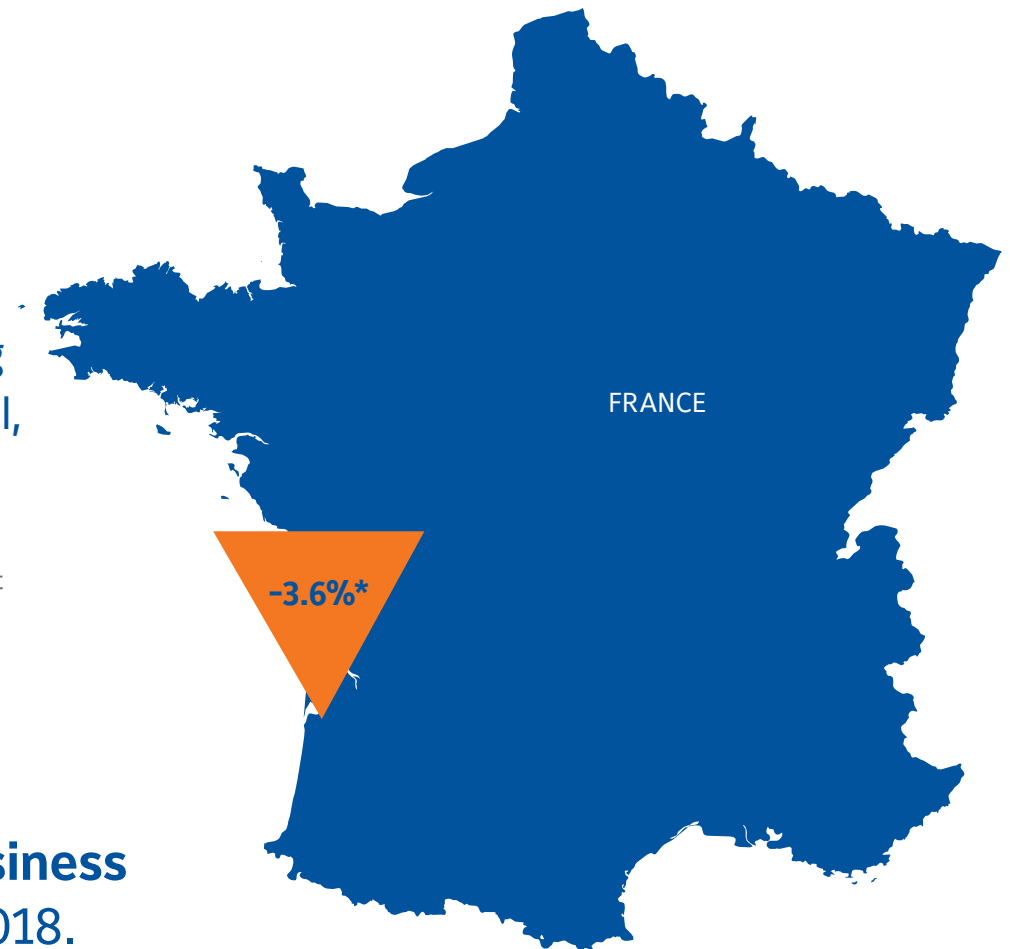
## FRANCE

## French embrace Black Friday

Overall in Q4 of 2017, retail footfall slipped -3.6% in France, although in November there was positive growth (+0.7%). French shoppers have “fallen in love” with Black Friday, according to TheLocal.fr, and retailers including Darty, Fnac and Printemps all hosted successful, high profile promotions.

According to OECD’s forecast for France, economic growth will remain robust at an annual pace of around 1.7% in 2018-19. Analysts cite stronger external demand, a rebound in tourism, robust business confidence and job creation in 2018 in France. Cuts in business taxes and labour market reforms should further support investment and employment.

 A rebound in **tourism**, robust **business confidence** and job creation in 2018.



## POLAND

## New brands have arrived

After the positive traffic uplift of Q3, Poland's retailers saw a drop-off in traffic in Q4, compared to strong 2016 figures.

However, analysts have hailed 2017 a good year for Polish retail. New shopping centre developments and the arrival of international brands to Poland throughout 2017 generated fresh interest in bricks and mortar retail. New arrivals included TK Maxx, T-Mobile and Forever 21. One concern though is the Polish legal reform approved in November, that will gradually impose a ban on Sunday shopping between now and 2020.

Third party data source: Trading Economics, Bloomberg, Property Forum



New **shopping centre developments** and the arrival of international brands

## GERMANY

## Plenty of growth momentum

German stores had a less busy and less lucrative Q4 2017 than was achieved in 2016. October proved to be the toughest month, but this was “a rare sign of weakness in the German economy”, according to Reuters.

Overall, analysts say Germany enjoyed a competitive boost from the euro in Q4 of 2017, and the economy is expected to maintain a strong growth momentum in the coming months. The robust labour market means that real wages should continue rising, making for brisk private consumption growth, says Europa.eu

Third party data source: Reuters, Europa.eu



The robust labour market means that real **wages** should continue rising.





## About the Global 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 EMEA 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](http://www.shoppertrak.com)  
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### About Tyco Retail Solutions

Tyco Retail Solutions, part of Johnson Controls, is a leading provider of analytics-based Loss Prevention, Inventory Intelligence and Traffic Insights for the retail industry. Our solutions deliver real-time visibility and predictive analytics to help retailers maximize business outcomes and enhance the customer experience in a digitally-driven shopping world. Our more than 1.5 million data collection devices in the retail marketplace capture 40 billion shopper visits and track and protect billions of items each year. Our retail portfolio features the premier Sensormatic®, ShopperTrak® and TrueVUE™ brands, as well as a full suite of building technology solutions. For more information, please visit [TycoRetailSolutions.com](http://TycoRetailSolutions.com), or follow us on LinkedIn, Twitter, and our YouTube channel.

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