

Retail Sales - August 2011



Coverage: **GB**

Date: **15 September 2011**

Geographical Area: **Other**

Theme: **Economy**

Retail Sales - August 2011

- **Headline:** The value of retail sales in August 2011 increased by 4.7 per cent compared with August 2010.
- **Headline:** Sales volumes in August 2011 were unchanged compared with August 2010 but the sector results show a mixed picture.
- Non-store retailing sales volumes provided the greatest upward pressure to the all retailing figure increasing by 13.7 per cent year-on-year.
- Predominantly non-food stores sales volumes decreased by 1.2 per cent driven by household goods stores providing the greatest downward pressure.
- An estimated £25.4 billion was spent on retail goods during August 2011, up from £24.3 billion in August 2010.

August 2011

Contains a first estimate of retail sales in value and volume terms, seasonally and non-seasonally adjusted.

Key Figures

Key figures August 2011

All retailers, August 2011 (seasonally adjusted percentage change)

Most recent month on a	Most recent 3 months	Most recent month on	Most recent 3 months

	year earlier	on a year earlier	previous month	on previous 3 months
Value	4.7	4.4	0.0	0.6
Volume	0.0	0.3	-0.2	0.3
Value excluding automotive fuel	3.2	2.9	0.0	0.8
Volume excluding automotive fuel	-0.1	0.1	-0.1	0.4

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Supplementary Analysis

In August 2011, all retailing sales volumes showed no growth compared to August 2010, however the sectors that make up retail sales showed a mixed picture.

Year on year, August 2010 compared to August 2011:

- non-store retailing increased by 13.7 per cent and provided the greatest upward pressure to the all retailing figure contributing 0.6 index points
- predominantly automotive fuel increased by 1.6 per cent and contributed 0.1 index points to the all retailing figure
- predominantly non-food stores decreased by 1.2 per cent and provided the greatest downward pressure pulling the index down by 0.4 index points
- predominantly food stores decreased by 0.8 per cent pulling the index down 0.3 index points

There was some feedback from retailers that the August 2011 riots, seen across parts of England, resulted in some stores closing early, thereby reducing their opening hours; and some stores being directly affected by the riots. The economic impact of these closures cannot be measured in relation to the all retailing index, as there was also feedback from some retailers that they saw increases in sales due to changes in shopping behaviour.

The food sector

Between August 2010 and August 2011 predominantly foods stores:

- sales values increased by 5.0 per cent

- sales volumes decreased by 0.8 per cent
- prices are estimated to have risen by 5.7 per cent.

Looking in more detail at the non-seasonally adjusted, year on year, predominantly food stores sales volumes:

- large businesses decreased by 1.3 per cent the same as the decrease experienced in July
- small businesses increased by 2.5 per cent, compared to 1.7 per cent increase between July 2010 and July 2011.

Stores selling predominantly alcohol, other beverages and tobacco continued to see growth, increasing by 6.9 per cent, the largest increase in this series since March 1988 where it also increased by 6.9 per cent.

Internet Sales

In November 2006, sales made via the internet accounted for approximately 3.0 per cent of all retail sales, excluding automotive fuel non-seasonally adjusted. In August 2011 this figure increased to 9.6 per cent. Representing this in monetary terms we find:

- in November 2006 approximately £1 in every £33 spent in retail (excluding automotive fuel) was spent on-line
- in August 2011 £1 in every £10 spent in retail (excluding automotive fuel) is spent on-line.

Retail Sales in detail

The Retail Sales Index (RSI) measures spending (value) and volume of retail sales in Great Britain. Figures are adjusted for seasonal variations unless otherwise stated and the reference year for both value and volume statistics is 2006 = 100. For an explanation of the terms used in this bulletin, please see the background notes section. Care should be taken when using the month on month growth rates due to their volatility, an assessment of the quality of the retail statistics is available in the background notes.

Year on year growth rates and contribution to all retailing by sector

	% of all retailing	Volume (SA) Year on year	Contribution to all retailing (% points)	Value (SA) Year on year growth (%)	Contribution to all retailing (% points)
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		growth (%)			
All retailing	100.0	0.0		4.7	
Predominantly food stores	42.0	-0.8	-0.3	5.0	2.1
Predominantly non-food stores					
Total	43.3	-1.2	-0.4	0.3	0.1
Non-specialised stores	7.6	2.5	0.2	2.4	0.2
Textile, clothing and footwear	12.1	0.3	0.1	4.6	0.6
Household goods stores	10.2	-4.1	-0.4	-4.6	-0.5
Other stores	13.4	-2.9	-0.3	-1.4	-0.2
Non-store retailing	4.5	13.7	0.6	13.2	0.6
Automotive fuel	10.2	1.6	0.1	18.2	1.9

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Sector Analysis

Predominantly food stores volume sales fell by 0.8 per cent in August 2011 compared to August 2010. Sales values increased by 5.0 per cent over the same period. The prices of goods sold within this sector are estimated to have increased by 5.7 per cent since August 2010. The estimated total value of sales within this sector is approximately £10.7 billion (non-seasonally adjusted) more than any other retail sales sector.

Sales values in large stores decreased by 1.3 per cent (non-seasonally adjusted) and small stores increased by 2.5 per cent (non-seasonally adjusted). Non-specialised food stores or supermarkets sales volumes decreased by 0.9 per cent (non-seasonally adjusted) with large businesses decreasing by 1.5 per cent (non-seasonally adjusted) and small stores in this sector increasing

by 4.9 per cent (non-seasonally adjusted). Specialist food stores decreased by 1.4 per cent (non-seasonally adjusted), stores selling alcohol and tobacco increased by 6.9 per cent (non-seasonally adjusted), the largest rise in this sector since March 1988 where it also increased by 6.9%.

Predominantly non-food stores volume sales decreased by 1.2 per cent in August 2011 compared to August 2010. This comprised approximately -0.9 percentage points from household goods stores, -0.9 percentage points from other stores, 0.5 percentage points from non-specialised stores and 0.1 percentage points from textile, clothing and footwear stores. Sales values increased by 0.3 per cent over the same period. This comprised approximately 1.3 percentage points from textile, clothing and footwear stores, 0.4 percentage points from non-specialised stores, -0.4 from other stores, and -1.0 percentage points from household goods stores.

The prices of goods sold in this sector are estimated to have increased by 1.5 per cent. The estimated total value of sales within this sector is approximately £10.4 billion (non-seasonally adjusted).

Non-specialised stores volume sales increased by 2.5 per cent between August 2011 and August 2010, sales values increased by 2.4 per cent. The prices of goods sold within this sector are estimated to have decreased by 0.1 per cent. The estimated total value of sales within this sector is approximately £1.9 billion (non-seasonally adjusted).

Textile, clothing and footwear stores volume sales increased by 0.3 per cent between August 2011 and August 2010, driven by an increase in footwear stores. Sales values increased by 4.6 per cent over the same period, driven by an increase in clothing stores. The prices of goods sold within this sector are estimated to have increased by 4.2 per cent. The largest rise since June 1991 The estimated total value of sales within this sector is approximately £3.1 billion (non-seasonally adjusted).

Household goods stores volume sales decreased by 4.1 per cent in August 2011 compared with August 2010, driven by a decrease in volume sales at hardware, paints and glass stores. Sales values decreased by 4.6 per cent over the same period, driven by a decrease in electrical household appliances stores. The prices of goods sold within these stores are estimated to have decreased by 0.3 per cent. The estimated total value of sales is approximately £2.2 billion (non-seasonally adjusted).

Other stores volume sales decreased by 2.9 per cent on the year and sales values decreased by 1.4 per cent over the same period, both volume and value decreases were driven by computers and telecomms stores. The prices of goods sold in this sector are estimated to have increased by 1.3 per cent over the same period and the estimated value of sales in this sector is approximately £3.3 billion (non-seasonally adjusted).

Non-store retailing volume sales increased by 13.7 per cent in August 2011 compared with August 2010. The value of retail sales in this sector increased by 13.2 per cent over the same period. The prices of goods sold through non-store retailing are estimated to have decreased by 0.5 per cent. The estimated total value of sales is approximately £1.3 billion (non-seasonally adjusted).

Predominantly automotive fuel volume sales increased by 1.6 per cent in August 2011 compared to August 2010. The value of retail sales in this sector increased by 18.2 per cent over the same period. The prices of goods sold by this sector are estimated to have increased by 16.2 per cent. The estimated total value of sales is approximately £3.0 billion (non-seasonally adjusted).

Internet sales

Based on ONS experimental Internet sales series, the non-seasonally adjusted average weekly value of Internet retail sales in August 2011 was £536.5 million, approximately 9.6 per cent of total retail sales (excluding automotive fuel). In August 2010 this value was £383.7 million, approximately 7.1 per cent of total retail sales (excluding automotive fuel).

Distribution Analysis

The table below illustrates the mix of experiences among different sized retailers. It shows the distribution of the reported growth of businesses in the RSI sample, ranked by size of business (based on number of employment). For example, this shows that the largest retailers, with 100 or more employment, reported an average increase in sales of 5.0 per cent between August 2010 and August 2011.

Distribution analysis

Growth in reported retail sales between August 2010 and August 2011 standard reporting periods (by size of business)

Number of employment	Weights (%)	Growth since August 2010 (%)
100+	76.6	5.0
40-99	3.1	-2.5
10-39	6.3	0.8
0-9	14.0	-2.0

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Analysis of individual returns from businesses

The table below illustrates the extent to which individual businesses experienced actual changes in their sales between August 2010 and August 2011. The table contains information only from businesses which reported in both periods. Cells with values less than 10 are suppressed for some classification categories, this is denoted by n.a.. Note that large is defined as 100+ employment and 10-99 employment with annual turnover of more than £60m, while small and medium is defined as 0-99 employment.

Changes in reported retail sales between August 2010 and August 2011 standard reporting periods (by size of business)

		Pre-dominant food	Non-specialised pre-dominant non-food	Textile, clothing and footwear	Household goods	Other non-food	Non-store retailing	Pre-dominant automotive fuel	Total All Retailing including automotive fuel
All	increase	132	35	125	71	373	71	41	848
	decrease	108	33	120	82	334	58	29	764
	total	240	68	245	153	707	129	70	1612
Large	increase	62	35	97	37	143	25	n.a.	399
	decrease	59	33	85	50	118	22	n.a.	367
	total	121	68	182	87	261	47	n.a.	766
Small and medium	increase	70	n.a.	28	34	230	46	41	449
	decrease	49	n.a.	35	32	216	36	29	397
total		119	n.a.	63	66	446	82	70	846

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Summary Statistics

Summary of statistics for value and volume (seasonally adjusted) are available to download under "data with this release".

Background notes

1. Whats new

New Next Month

From 20 October 2011, the Retail Sales estimate will incorporate;

- rebase of the indices to 2008=100 to align with National Accounts outputs;
- updates from the annual seasonal adjustment review.

2. Code of Practice for Official Statistics

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3. Understanding the data

[Quick Guide to the Retail Sales Index](#)

Interpreting the data

The Retail Sales Index (RSI) is derived from a monthly survey of 5,000 businesses in Great Britain. The sample represents the whole retail sector and includes all large retailers and a representative panel of smaller businesses. Collectively all of these businesses cover approximately 95 per cent of the retail sector in terms of turnover.

The RSI covers sales only from businesses registered as retailers according to the Standard Industrial Classification (SIC), an internationally agreed convention for classifying industries. The retail sector is division 47 of the SIC 2007 and retailing is defined as the sale of goods to the general public for household consumption. Consequently the RSI includes all internet businesses whose primary function is retailing and also covers internet sales by other British retailers, such as online sales by supermarkets, department stores and catalogue companies. The RSI does not cover household spending on services bought from the retail sector as it is designed to only cover goods. Respondents are asked to separate out the non-goods elements of their sales, e.g. income from cafeterias. Consequently on-line sales of services by retailers, such as car insurance, would also be excluded.

The monthly survey collects two figures from each sampled business: the total turnover for retail sales for the standard trading period, and a separate figure for sales made over the internet. The total turnover will include internet sales. The separation of the internet sales figure allows an estimate relating to internet sales to be calculated separately.

Definitions and explanations

The value or current price series records the growth since the base period (currently 2006) of the value of sales 'through the till' before any adjustment for the effects of price changes.

The volume or constant price series are constructed by removing the effect of price changes from the value series. The Consumer Price Index (CPI) is the main source of the information required on price changes. In brief, a deflator for each type of store (5-digit SIC) is derived by weighting together the CPI's for the appropriate commodities, the weights being based on the pattern of sales in the base year. These deflators are then applied to the value data to produce volume series.

The estimated prices of retail sales (sometimes called the implied price deflator) is derived by comparing the value and volume data non-seasonally adjusted. In general, this implied price deflator should be quite close to the retail component of the CPI.

Experimental statistics are those which are in the testing phase and are not yet fully developed. The main reason why the Internet retail sales are designated as experimental is that the methods and data sources are still being improved.

Retail sales index categories and their percentage weights in 2009 are available to download under "data with this release".

Use of the data

The value and volume measures of retail sales estimates are widely used in private and public sector institutions, particularly by the Bank of England and Her Majesty's Treasury, to assist in informed decision and policy making.

4. Methods

Information on retail sales methodology is available on the [ONS website](#)

A video explaining retail sales is available on the [ONS You Tube Channel](#)

Composition of the data

Estimates in the Statistical Bulletin are based on financial data collected through the monthly Retail Sales Inquiry. The response rates for the current month reflect the response rates at the time of publication. Late returns for the previous month's data are included in the results each month. Response rates for historical periods are updated to reflect the current level of response at the time of this publication.

Response Rates

Period		Overall response rates	
		(per cent)	
		Turnover	Forms
2011	Aug	90.5	61.7
	Jul	97.6	80.3
	Jun	96.8	78.8
	May	98.7	80.5

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Seasonal adjustment

Seasonally adjusted estimates are derived by estimating and removing calendar effects (e.g. Easter moving between March and April) and seasonal effects (e.g. increased spending in December as a result of Christmas) from the non-seasonally adjusted (NSA) estimates. Seasonal adjustment is performed each month, and reviewed each year, using the standard, widely used software, X-12-ARIMA. Before adjusting for seasonality, prior adjustments are made for calendar effects (where statistically significant) such as: returns that do not comply with the standard trading period (see section methods, calendar effects), bank holidays, Easter and the day of the week Christmas occurs.

Calendar effects

The calculation of the RSI has an adjustment to compensate for calendar effects which arise from the differences in the reporting periods. The reporting period for August 2011 was 31 July 2011 to 27 August 2011 compared with 1 August 2010 to 28 August 2010 the previous year. For example, the annual growth in sales volume between August 2010 and August 2011 requires 0.2 per cent adjustment to take account of the differences in reporting periods and other calendar effects.

The following table shows the difference between the calendar and seasonally adjusted estimates.

Calendar effects

	Year on year percentage change	
	Value	Volume
Calendar adjusted	5.0	0.2
Seasonally adjusted	4.7	0.0

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5. Quality

Basic quality information

The standard reporting periods can change over time due to the movement of the calendar. Every five or six years the standard reporting periods are brought back into line by adding an extra week. For example, January is typically a four week standard period but January 1986, 1991, 1996, 2002 and 2008 were all five week standard periods. The non-seasonally adjusted estimates will still contain calendar effects. If the non-seasonally adjusted estimates are used for analysis this can lead to a distortion depending on the timing of the standard reporting period in relation to the calendar, previous reporting periods and how trading activity changes over time.

The non-seasonally adjusted series contain elements relating to the impact of the standard reporting period, moving seasonality and trading day activity. When making comparisons it is recommended that users focus on the seasonally adjusted estimates as these have the systematic calendar related component removed. Due to the volatility of the monthly data, it is recommended that growth rates are calculated using an average of the latest three months of the seasonally adjusted estimates.

When interpreting the data, consideration should be given to the relative weighted contributions of the sectors within the all retailing series. Based on SIC 2007 data, Total retail sales consists of: predominantly food stores 42.0 per cent, predominantly non-food stores 43.3 per cent, non-store retailing 4.5 per cent and automotive fuel 10.2 per cent.

Standard errors

A measure of the accuracy of the RSI has been produced by estimating the standard errors of index movements. For more detail see the article by Winton, J and Ralph, J (2011) 'Measuring

the accuracy of the Retail Sales Index', Economic & Labour Market Review, February 2011, available on [ONS website](#)

Summary quality report

A Summary Quality Report for the RSI can be found on the National Statistics website on [ONS website](#)

This report describes, in detail the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them.

Revision triangles

Revisions to data provide one indication of the reliability of key indicators. The table below shows summary information on the size and direction of the revisions which have been made to the volume data covering a five year period. Note that changes in definition and classification mean that the revision analysis is not conceptually the same over time. A statistical test has been applied which has shown that the average revision in month to month statistics are not statistically different from zero.

Revision triangles

Volume seasonally adjusted	Growth in latest period (per cent)	Revisions between first publication and estimates twelve months later (percentage points)	
		average over the last five years (mean revision)	average over the last five years without regard to sign (average absolute revision)
Latest three months compared to previous three months	0.3	-0.18	0.29
latest month compared to previous month	-0.2	-0.05	0.40

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A spreadsheet giving these estimates and the calculations behind the averages in the table is available on the [ONS website](#)

6. Relevant links

Methodological changes were introduced in the April 2009 and January 2010 releases.

For more detail see the ONS website for [Methodological Changes June 2009](#)

[An experimental measure of internet retail sales. Changes to methods](#)

For videos on retail sales please see www.youtube.com/users/onsstats

7. Publication policy

Details of the policy governing the release of new data are available from the Media Relations Office. Also available is a list of the organisations given pre-publication access to the contents of this bulletin.

8. Accessing data

The complete run of data in the tables of this statistical bulletin is available to view and download in electronic format using the ONS Time Series Data service. Users can download the complete bulletin in a choice of zipped formats, or view and download their own sections of individual series. The Time Series Data can be accessed on the [ONS website](#). Alternatively, for low-cost tailored data call 0845 601 3034 or email info@ons.gov.uk

ONS allows a list of agreed officials to have access to data 24 hours before publication. This list can be found on the ONS website.

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