



Retail Expenditure Guide

Covering the 2013-Based
Expenditure Release

2014/2015

Product Guide

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Chapter 1: Introduction

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Introduction

Pitney Bowes Software Consumer Retail Expenditure estimates for small areas have been compiled by Oxford Economics in association with Pitney Bowes Software Corporation to meet the requirements of retail and market planners and analysts for comprehensive, accurate and up to date information about the patterns of expenditure in small local market areas. This guide describes the 2013-based estimates, projections and forecasts. These are fully consistent with the latest official ONS estimates of consumer spending in the UK¹.

Consumer Retail Expenditure estimates are also available as data sets for all Census Output Areas and postcode sectors in the United Kingdom, totalling approximately 223,000 Output Areas and 9,500 postcode sectors. For any of these options contact Pitney Bowes Software Corporation.

Area profiles reports may be defined in terms of Census or postal geography, or as custom areas such as mapped or digitised areas, polygon boundary files or drive time isochrones. The size of the area can range from a few Census Output Areas, representing the walk-in catchment of a small corner store, to a four hour drive time isochrone for a new leisure development - or even larger.

For each area, information is provided on the total expenditure generated by the resident population and households of the area, the average expenditure per household in the area, and the average expenditure per person in the area. Expenditure is presented in detailed commodity (goods) categories and aggregated to convenience and comparison goods summary categories.

The baseline consumer spending estimates and forecasts are currently available for 2012, 2013 and 2014 in current prices and for 2019, 2024 and 2025 in 2013 prices. The 2012 and 2013 estimates are consistent at the national level with the data published by the ONS. The forecast are taken from Oxford Economics published UK Macroeconomic forecasts and the local level estimates are modelled using various elements of the Economics Regional and Local forecasting services together with additional ONS data. The result is much more targeted to the prospects for a particular locality than simply taking the latest expenditure estimates for the area and growing them in line with national trend-based projections for the appropriate category of goods. This is partly because our consumer spending forecasts enable us to take account of changes in the underlying forces driving different elements of consumer spending in a much more sophisticated way than simply extrapolating trends. However, equally importantly, Oxford Economics' regional forecasts allow us to take account of how underlying differences in economic performance in different parts of the country are likely to affect relative spending power in different locations. Please contact Pitney Bowes Software if you would like more information on this.

1 The data available and in this Guide is consistent with ONS estimates released in August 2014.

Note that all Consumer Retail Expenditure estimates apply strictly to the area for which they were produced, and reflect the socio-economic characteristics of that area. The use of expenditure per household or expenditure per capita estimates to assess the consumer retail expenditure in other areas is not recommended. Any estimates obtained in this way are unlikely to correctly reflect the socio-economic characteristics of the new area.

The following chapters set out the steps that are involved in producing the estimates, which are designed to take the best possible account of available data on the overall spending patterns and how these will vary in different places. In summary:

- The methodology ensures full consistency with key primary data sources - Census, National Accounts, Living Costs and Food Survey, Annual Business Survey.
- Spending patterns are derived from the relative affluence of different areas, which is linked directly to Census data on occupational mix and employment rates.
- The methodology also reflects estimated income variation arising from differences in average earnings between areas for a given occupation, as well as differences in the mix of occupations between areas.

Following past practice, we have produced a number of "trend-based" projections of retail expenditure per head at the national level (see Chapter 3). These are based on simple time trends fitted over varying periods. The Oxford Economic forecasts, by contrast, are our "best" estimate of future changes. "Trend-based" projections are provided for users who prefer a value-free guide to future changes.

The rest of this guide is structured as follows:

- **CHAPTER 2** explains the retail spending estimates in more detail, setting out the definitions they are based on and the methodology used to produce them.
- **CHAPTER 3** provides information on using the retail spending estimates, including projecting them into the future and allowing for special forms of trading (non-store sales) and changing sales densities.
- Similarly, **CHAPTER 4** explains our estimates of retail business turnover potential, while **CHAPTER 5** discusses issues involved in using these estimates.
- An **APPENDIX** provides an Area Profile Report for the UK as a whole, giving baseline data for spending by category, and so on.

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Chapter 2: Customer Retail Spending Estimates

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The Estimates - What is Available?

Consumer retail spending estimates are available for the following main categories (COICOP² references in brackets).

Convenience

Goods:

- Food and non-alcoholic beverages (01)
- Alcoholic drink (off-licence sales) (02.1)
- Tobacco (02.2)
- Non-durable household goods (05.6.1)
- Newspapers and magazines (09.5.2)

Comparison

Goods:

- Books (09.5.1)
- Clothing and footwear (03)
- Furniture, floor coverings and household textiles (05.1.1, 05.1.2, 05.2)
- Audio-visual equipment and other durable goods (05.3.1, 05.3.2, 05.4, 05.5, 08.2, 09.1)
- Hardware and DIY supplies (04.3.1)
- Chemists' goods (06.1, 12.1.2, 12.1.3)
- Jewellery, watches and clocks (12.3.1)
- Bicycles (07.1.3)
- Recreational and other miscellaneous goods (09.2.2, 09.3, 09.5.3, 09.5.4, 12.3.2)

These definitions of convenience and comparison goods categories conform to the definitions in general use by retail planners. The table below provides more information on these categories, while Section 2.3 provides a full listing of the goods covered in each category. All estimates are inclusive of VAT and Special Forms of Trading.

Estimates and projections are available for individual Output Areas and for aggregated geographies based on these, for 2012, 2013 and 2014 (in current prices) and for 2019, 2024 and 2025 (in constant 2013 prices).

2 The classification system for consumption by purpose, used by the ONS and internationally.

Table 2.1 Expenditure Categories

Pitney Bowes Software Goods Category		Consumer Trends COICOP Categories
1.	Food	01.1.1 Bread and Cereals 01.1.2 Meat 01.1.3 Fish 01.1.4 Milk, Cheese and eggs 01.1.5 Oils and fats 01.1.6 Fruits 01.1.7 Vegetables 01.1.8 Sugar and sweet products 01.1.9 Food products n.e.c 01.2.1 Coffee, tea and cocoa 01.2.2 Mineral water and soft drinks
2.	Alcoholic drink	02.1.1 Spirits 02.1.2 Wine 02.1.3 Beers
3.	Tobacco	02.2 Tobacco
4.1	Books	09.5.1 Books
4.2	Newspapers and magazines	09.5.2 Newspaper and periodicals
5.1	Footwear	03.2.1 Shoes and other footwear 03.2.2 Repair and hire of clothing
5.2	Clothing	03.1.1 Clothing materials 03.1.2 Garments 03.1.3 Other articles of clothing/accessories 03.1.4 Cleaning, repair and hire of clothing
6.1	Furniture and floor coverings	05.1.1 Furniture and furnishings 05.1.2 Carpets and other floor coverings
6.2	Household textiles and soft furnishings	05.2 Household textiles
7.1	Domestic appliances	05.3.1 Major household appliances 05.3.2 Small electric household appliances
7.2	Audio -visual, photo graphics and optical goods	09.1.1 Audio visual equipment 09.1.2 Photographic and optical equipment 09.1.3 Information processing equipment 09.1.4 Recording media

Methodology - How They are Produced

Pitney Bowes Software Goods Category		Consumer Trends COICOP Categories
7.3	Telephone and fax equipments	08.2 Telephone and fax equipment
8.1	China, glass and utensils	05.4 Household utensils
8.2	DIY and decorator's supplies	04.3.1 Materials for maintenance and repair of the dwelling
8.3	Tools and equipment for house and garden	05.5.1 Major tools and equipments 05.5.2 Small tools and minor accessories
8.4	Gardens, plants and flowers	09.3.3 Gardens, plants and flowers
9.1	Chemists' Goods	06.1.1 Pharmaceutical products 06.1.2 Other medical products 06.1.3 Therapeutic equipment 12.1.2 Electric appliances for personal care 12.1.3 Other products for personal care
9.2	Jewellery, watches and clocks	12.3.1 Jewellery, watches and clocks
9.3	Non-durable household goods	05.6.1 Non-durable household goods
9.4	Bicycles	07.1.3 Bicycles
9.5	Recreational goods	09.2.2 Musical instruments and major durables for indoor recreation 09.3.1 Games, toys and hobbies 09.3.2 Sports, camping and open-air recreation equipment 09.3.4 Pets and related products
9.6	Other miscellaneous goods	09.5.3 Miscellaneous printed matter 09.5.4 Stationery and drawing materials 12.3.2 Other personal effects

Methodology - How They are Produced

National Expenditure Estimates

These are derived directly from official statistics, published by the Office for National Statistics in Consumer Trends. This provides a detailed breakdown of UK consumer spending, consistent with the UK National Accounts, classified according to the COICOP system, from which we extract those categories of consumers' expenditure that are relevant to retail spending. The Consumer Trends estimates (which subsequently appear in the Blue Book) provide the most reliable source of information on consumer retail expenditure, since it draws upon a wide range of sources, including the ONS Living Costs and Food Survey (published as Family Spending), the ONS Annual Business Survey (ABS), the Retail Sales Inquiry (RSI), government departments, nationalised industries and manufacturers.

Only COICOP categories relevant for retail spending are included. These exclude, for example, repair, maintenance, and spending in restaurants and hotels, or on sales of alcohol. The Blue Book compatible figures are used to calculate total consumer expenditure on those goods normally purchased through retail outlets. This includes all types of retail outlets, comprising all permanent and temporary shops, markets, roadside stalls, mobile shops, farm shops, roundsmen operating from depots, mail order, party plan,

automatic vending machines and credit traders.

The ONS estimates exclude spending by UK residents' abroad and are further adjusted by Oxford Economics to exclude spending by overseas visitors in UK retail outlets.

Consumer retail expenditure per capita is obtained by dividing the resulting expenditure by goods type by the latest ONS estimates of mid-year home population for the United Kingdom, as published in the ONS Population Trends.

Alcohol and Tobacco Expenditure

Data for both alcohol and tobacco are distorted by estimates of smuggled goods that are included in the official data. These should not be included in convenience good expenditure. In Consumer Trends, National Statistics published estimates of smuggling for these goods. Alcohol smuggling only represents a small share of the total spending, with no split available for on and off-licence sales.

Tobacco smuggling is more important, representing over 16% of total sales in 2008 - and has been increasing over the past decade. Data supplied on smuggling for 1994 to 2010 have been subtracted from total spending, with a suitable share of total tobacco spending also subtracted for other years. Even after this adjustment for smuggling, expenditure on tobacco appears to be too large. This still includes both retail and non-retail spending. Only the retail element is required. ABS data on retail turnover by commodity closely match other elements of spending defined on the COICOP system. The clear exception is for tobacco. Looking at the ABS data over a number of years suggests that only around 60% of the COICOP spending on tobacco, net of smuggling, is in retail establishments. The remainder is non-retail spending and has been removed from calculation.

Regional Expenditure Estimates

Although the main focus of the expenditure estimates is at the UK and local levels, the availability of spending data at the regional level from the Living Costs and Foods Survey (LCFS – formerly the Expenditure and Food Survey) makes these an important element of the process, and are used as control totals for the sum of spending across all Output Areas in a given region for a particular component of spending.

Since the 2013/2014 edition of the report, the shares of regional total spending are taken straight from the LCFS and applied to the UK total consumer spending from the National Accounts. One of the main advantages of using the LCFS estimates for total regional consumption is that they are consistent with the data that we use for splitting out the detailed spending categories within regions, as described below. Total regional consumption forecasts are driven by Oxford Economics' regional income forecasts and spending ratios (the inverse of savings ratios).

As a first approximation of regional spending patterns, shares of UK spending on detailed goods categories are applied to the total spending by region. This gives spending by region by category with the assumption that all regions share the UK spending profile. Estimates are then further refined by applying differences in regional patterns taken from the LCFS, the latest survey reports these detailed regional spending patterns for 2010-2012. Using this source, spending on a category in a region relative to the UK as a whole is calculated, and this ratio is applied to the regional shares produced earlier. As a final step, spending is scaled across regions to ensure that total spending on each goods category adds up to the UK total already estimated.

Local Area Expenditure Estimates

Expenditure on different commodities at the Output Area level is estimated through a combination of:

- The number of people living in the OA, broken down by broad age group, economic status and occupation
- Data on different average income levels for these different groups
- Information on how spending patterns differ across different socio-economic groups.

Methodology - How They are Produced

Local Area Expenditure Estimates - Population

Population data are taken from the Pitney Bowes Software 2011 Population, derived from the official 2011 Census Data, including a split into young (less than 16), working age (16-59 or 64) and pensioners where available.

Local Area Expenditure Estimates - Employment

Employment by occupational group, using the National Statistics Socio-economic Classification (NS-SEC) which includes unemployment, and economic inactivity, is taken from the Census. Figures are scaled where necessary to ensure consistency with working age population.

Local Area Expenditure Estimates - Incomes

Average incomes for different occupations in different parts of the country are derived from the Annual Survey of Hours and Earnings (formerly the New Earnings Survey), which provides detailed earnings by occupation at regional level and more summary (manual/non-manual) information at county level. We have used more detailed information now available from ASHE on average earnings by occupation at local authority level. Average incomes for the unemployed, economically inactive and pensioners are derived from the EFS.

Local Area Expenditure Estimates - Spending Patterns

The Living Costs and Food Survey (LCFC) (formerly the Expenditure and Food Survey and before that the Family Expenditure Survey) shows proportions of income spent on different goods by different types of households. Specifically, we apply spending patterns for different socio-economic groups to incomes of different broad occupations in each output area, plus spending patterns of unemployed and pensioners.

For output areas with relatively high or low numbers of children in the population, we also make an allowance for differences in spending patterns between households with and without children.

Local Area Expenditure Estimates - Scaling and Aggregation

Estimates are scaled where necessary to ensure consistency with estimates at regional level on the amount of spending on different goods (derived as discussed previously).

Intermediate geographies are calculated by adding up the appropriate output areas in turn into:

- Wards
- Local authorities
- Counties/unitary authorities

Detailed Category Definitions

Pitney Bowes Software Consumer Retail Expenditure estimates for small areas provide details of expenditure, inclusive of VAT and special forms of trading, by 19 detailed goods categories grouped under six broad headings and three summary headings. Expenditure is aggregated into a total Convenience goods category, a total Comparison goods category, and an overall Total expenditure category.

The detailed goods categories are based on the COICOP categories used in Consumer Trends. A description of each of the detailed categories is given below. The broad categories are simply combinations of the appropriate detailed categories.

Food

All food and non-alcoholic beverages bought by households for consumption at home. Personal expenditure on food and drink from catering establishments for consumption on or off the premises is excluded. Thus expenditure at cafes, restaurants, hotels, fish and chip shops, fast food outlets, canteens, office dining rooms, schools and communal establishments is excluded. Personal expenditure on food from vending machines and from catering services is also excluded.

Alcoholic Drink

All alcoholic drink bought by consumers from retail outlets, wine and spirit merchants, and off-licences for consumption at home. Low or non-alcoholic beverages that are generally alcoholic, such as non-alcoholic beer, are included in this category. Alcoholic drink for immediate consumption from non-retail outlets such as public houses, hotels, restaurants, other commercial catering establishments and non-profit making clubs is excluded.

Tobacco

All consumer expenditure on tobacco products in retail outlets.

Books, Newspapers and Magazines

Books

All consumer retail expenditure on books, including atlases, dictionaries, encyclopaedias, textbooks, guidebooks and musical scores; scrapbooks and albums for children; and bookbinding costs. Pre-recorded tapes and compact discs of novels, plays, poetry, etc. and pre-recorded diskettes and CD-ROMs containing books, dictionaries, encyclopaedias, foreign language trainers, etc. in the form of software (see Audio-Visual Equipment, Photographic and Optical Goods); and stamp albums (see Recreational Goods and Other Miscellaneous Goods) are excluded.

Newspapers and Magazines

All consumer retail expenditure on newspapers, magazines and other periodicals. Expenditure on maps and globes (see Recreational Goods and Other Miscellaneous Goods) is excluded.

Detailed Category Definitions

Footwear

All consumer retail expenditure on shoes and other footwear (including boots, slippers, etc. but excluding orthopaedic footwear, which is included under Chemists' Goods); sports footwear suitable for everyday or leisure wear (but excluding game-specific footwear such as ski boots, football boots, golfing shoes and other such footwear fitted with ice-skates, rollers, spikes, studs, etc., which is included under Recreational Goods and Other Miscellaneous Goods); gaiters, leggings and similar articles (but excluding shin-guards, cricket pads and other such protective apparel for sport, which are included under Recreational Goods and Other Miscellaneous Goods); shoelaces; parts of footwear, such as heels, soles, etc., purchased by households with the intention of repairing footwear themselves; and repair and hire of footwear. Hosiery and babies' booties made of fabric are excluded (included under Clothing).

Clothing

All consumer expenditure on garments for men, women, children (3 to 13 years) and infants (0 to 2 years), either ready-to-wear or made-to-measure, in all materials (including leather, furs, plastics and rubber), for everyday wear, for sport or for work. Includes hosiery (excluding medical hosiery, which is included under Chemists' Goods) and underwear; ties, handkerchiefs, scarves, squares, gloves (including gardening gloves and working gloves, but excluding rubber gloves, which are included under Non-Durable Household Goods), mittens, muffs, belts, braces, aprons, smocks, bibs, sleeve protectors, hats, caps, berets, bonnets, etc.; clothing materials, knitting yarns, sewing threads and dressmaking notions (buckles, ribbons etc.). Also includes cleaning, repair and hire of clothing. Does not include protective gear for sports (see Recreational Goods and Other Miscellaneous Goods), but does include cycle and motorcycle helmets. All babies' nappies (included under Chemists' Goods) are also excluded.

Furniture, Floor Coverings and Household Textiles

Furniture and Floor Coverings

All consumer retail expenditure on beds, sofas, couches, tables, chairs, cupboards, chests of drawers and bookshelves; baby furniture such as cradles, high chairs and playpens (but excluding carrycots, pushchairs etc. which are included under Recreational Goods and Other Miscellaneous Goods); base mattresses and mattresses (but not futons, which are included under Household Textiles and Soft Furnishings); pictures, sculptures, engravings, tapestries and other art objects including reproductions of works of art and other ornaments (but excluding works of art and antique furniture acquired primarily as stores of value); lighting equipment such as ceiling lights, standard lamps, globe lights and bedside lamps; screens, folding partitions and other furniture and fixtures; bathroom cabinets; blinds (non-fabric); camping and garden furniture; mirrors, candle holders and candlesticks; loose carpets, fitted carpets, linoleum and other such floor coverings (but excluding bathroom mats, rush mats and doormats, which are included under Household Textiles and Soft Furnishings, and antique floor coverings acquired primarily as stores of value). Includes the delivery and installation of furniture and fixture when applicable, and the laying of floor coverings.

Household Textiles and Soft Furnishings

All consumer retail expenditure on bed linen such as sheets, pillowcases, blankets, travelling rugs, plaids, eiderdowns, counterpanes and mosquito nets (but excluding electric blankets, which are included under Domestic Appliances); bedding such as futons, pillows, bolsters and hammocks (but excluding mattresses, which are included under Furniture and Floor Coverings; air mattresses and sleeping bags, which are included under Recreational Goods and Other Miscellaneous Goods); furnishing fabrics, curtain material, curtains, double curtains, awnings, door curtains and fabric blinds; table linen and bathroom linen such as tablecloths, table napkins, towels and face cloths; other household textiles such as shopping bags, laundry bags, shoe bags, covers for clothes and furniture, flags, sunshades, etc.; cloth bought by the piece (but excluding Clothing materials, which are included under Clothing); oilcloth; bathroom mats, rush mats and doormats; and the repair of the

Detailed Category Definitions

above articles. Fabric wall coverings (see DIY and Decorators' Supplies) and tapestries (see Furniture and Floor Coverings) are excluded.

Audio-Visual Equipment and Other Durable Goods

Domestic Appliances

All consumer retail expenditure on domestic electrical and gas appliances, such as washing machines, dryers, drying cabinets, dishwashers, ironing and pressing machines; cookers, spit roasters, hobs, ranges, ovens and microwave ovens; refrigerators, freezers and fridge-freezers; vacuum cleaners, steam-cleaning machines, carpet shampooing machines and machines for scrubbing, waxing and polishing floors; other major household appliances such as safes, sewing machines, knitting machines, water softeners, etc.; air-conditioners, humidifiers, space heaters, water heaters, ventilators and extractor hoods; coffee mills, coffee-makers, juice extractors, can-openers, food mixers, deep fryers, meat grills, knives, toasters, ice cream makers, sorbet makers, yoghurt makers, hotplates, irons, kettles, fans, electric blankets, etc. includes delivery and installation of the appliances when applicable. Audio-visual equipment (see Audio-Visual Equipment, Photographic and Optical Goods); non-electric household scales (see China, Glass and Utensils); non-electric personal weighing machines and baby scales (see Chemists' Goods); and power tools and lawnmowers (see China, Glass and Utensils) are excluded, as are appliances that are built into the structure of the building.

Audio-Visual Equipment, Photographic and Optical Goods

All consumer retail expenditure on radio sets, car radios, radio clocks, two-way radios, amateur radio receivers and transmitters; television sets, video cassette players and recorders, television aerials of all types; gramophones, tape players and recorders, cassette players and recorders, CD-players, personal stereos, stereo systems and their constituent units (turntables, tuners, amplifiers, speakers, etc.), microphones and earphones; personal computers, visual display units, printers and miscellaneous accessories accompanying them; computer software packages such as operating systems, applications, languages, etc.; telefax and telephone-answering facilities provided by personal computers; calculators, including pocket calculators; typewriters and word processors; still cameras, movie cameras and sound-recording cameras, video cameras and camcorders, film and slide projectors, enlargers and film processing equipment, accessories (screens, viewers, lenses, flash attachments, filters, exposure meters, etc.); binoculars, microscopes, telescopes and compasses. Also includes pre-recorded and blank media such as records and compact discs; pre-recorded and unrecorded tapes, cassettes, video cassettes, diskettes and CD-ROMs for tape recorders, cassette recorders, video recorders and personal computers; unexposed films (including processing costs where included), cartridges and disks for photographic and cinematographic use; and photographic supplies such as paper and flashbulbs. Excludes video game software, video game cassettes and video game CD-ROMs, video game computers that plug into a television set, typewriter ribbons, toner and ink cartridges, slide rules, non-prescription sunglasses, and musical instruments (see Recreational Goods and Other Miscellaneous Goods); prescription and non-prescription spectacles, and contact lenses (see Chemists' Goods); batteries (see China, Glass and Utensils); and development of films and printing of photographs where not included in the price of the film.

Telephone and Fax Equipment

All consumer retail expenditure on telephones, radiotelephones, telefax machines, telephone-answering machines and telephone loudspeakers; and the repair of such equipment. Telefax and telephone-answering facilities provided by personal computers (see Audio-Visual Equipment, Photographic and Optical Goods) are excluded.

Hardware and DIY Supplies

Detailed Category Definitions

China, Glass and Utensils

All consumer retail expenditure on glassware, crystal ware, ceramic ware and chinaware of the kind used for table, kitchen, bathroom, toilet, office and indoor decoration; cutlery, flatware and silverware; non-electric kitchen utensils of all materials such as saucepans, stew pots and pressure cookers, frying pans, coffee mills, puree makers, mincers, hotplates, household scales and other such mechanical devices; non-electric household articles of all materials such as containers for bread, coffee, spices etc., waste bins, waste paper baskets, laundry baskets, portable money boxes and strong boxes, towel rails, bottle racks, irons and ironing boards, letter boxes, feeding bottles, thermos flasks and ice boxes.

DIY and Decorators' Supplies

All consumer retail expenditure on products such and materials such as renderings, wallpapers, fabric wall coverings, plaster, cement, putty, wallpaper pastes etc., purchased for minor maintenance and repair of the dwelling; small plumbing items (pipes, taps, joints etc.); window panes; paint and varnishes; surfacing material (floorboards, ceramic tiles, etc.); and brushes and scrapers for paint, varnish and wallpaper. Excludes hand tools, door fittings, power sockets, wiring flex and lamp bulbs (see Tools and Equipment for House and Garden); lighting equipment such as ceiling lights, standard lamps, globe lights and bedside lamps (see Furniture and Floor Coverings); and products, materials and fixtures used for major maintenance and repair or for extension and conversion of the dwelling.

NOTE: From June 2013 maintenance and repairs expenditure in owner-occupied dwellings is included in imputed rentals category; more information on this is available from the link below:

<http://www.ons.gov.uk/ons/rel/consumer-trends/consumer-trends/q1-2013/blue-book-2013--improvements-to-household-expenditure-estimates.htm#tab=Improvements-to-sources-and-methods>

Tools and Equipment for House and Garden

All consumer retail expenditure on motorized tools and equipment such as electric drills, saws, sanders and hedge cutters, garden tractors, lawnmowers, cultivators, chainsaws and water pumps; garden tools such as wheelbarrows, watering cans, hoses, spades, shovels, rakes, forks, scythes, sickles and secateurs; hand tools such as saws, hammers, screwdrivers, wrenches, spanners, pliers, trimming knives, rasps and files; ladders and steps; charges for leasing or rental of DIY machinery and equipment; door fittings (hinges, handles and locks), fittings for radiators and fireplaces, other metal articles for the house (curtain rails, carpet rods, hooks etc) or for the garden (chains, grids, stakes and hoop segments for fencing and bordering); small electrical accessories such as power sockets, switches, wiring flex, electric bulbs, fluorescent lighting tubes, torches, flashlights, hand lamps, electric batteries for general use, bells and alarms.

Gardens, Plants and Flowers

All consumer retail expenditure on natural or artificial flowers and foliage, plants, shrubs, bulbs, tubers, seeds, fertilizers, composts, garden peat, turf for lawns, specially treated soils for ornamental gardens, horticultural preparations, pots and pot holders (but excluding garden tools and equipment, which are included under Tools and Equipment for House and Garden, gardening gloves, which are included under Clothing, and garden furniture, which is included under Furniture and Floor Coverings), natural and artificial Christmas trees; delivery charges for flowers and plants.

Other Goods

Chemists' Goods

All consumer retail expenditure on prescription and non-prescription medicinal preparations, medicinal drugs, patent medicines, serums and vaccines, vitamins and minerals, cod liver oil and halibut liver oil, oral contraceptives; clinical thermometers, adhesive and non-adhesive bandages, hypodermic syringes, first-aid kits, hot-water bottles and ice bags, medical hosiery items such as

Detailed Category Definitions

elasticated stockings and knee supports, pregnancy tests, condoms and other non-oral contraceptive devices; corrective eyeglasses and contact lenses, hearing aids, glass eyes, artificial limbs and other prosthetic devices, orthopaedic braces and supports, orthopaedic footwear, surgical belts, trusses and supports, neck braces, medical massage equipment and health lamps, powered and unpowered wheelchairs and invalid carriages, "special" beds, crutches, electronic and other devices for monitoring blood pressure, etc., dentures (excluding fitting costs), and the repair of such articles; electric razors and hair trimmers, hand-held and hood hairdryers, curling tongs and styling combs, sunlamps, vibrators, electric toothbrushes and other electric appliances for dental hygiene, etc., and the repair of such articles; non-electric appliances: razors and hair trimmers and blades therefore, scissors, nail files, combs, shaving brushes, hairbrushes, toothbrushes, nail brushes, hairpins, curlers, personal weighing machines, baby scales, etc.; articles for personal hygiene: toilet soap, medicinal soap, cleansing oil and milk, shaving soap, shaving cream and foam, toothpaste, etc.; toilet paper, paper handkerchiefs, paper towels, sanitary towels, cotton wool, cotton tops, babies' napkins (nappies), toilet sponges, etc.; beauty products such as lipstick, nail varnish, make-up and make-up removal products (including powder compacts, brushes and powder puffs), hair lacquers and lotions, pre-shave and after-shave products, sunbathing products, hair removers, perfumes and toilet waters, personal deodorants, bath products, etc. Excludes protective goggles, belts and supports for sport, and sunglasses not fitted with corrective lenses (see Recreational Goods and Other Miscellaneous Goods); handkerchiefs made of fabric (see Clothing); and the hire of therapeutic equipment.

Jewellery, Silverware, Watches and Clocks

All consumer retail expenditure on precious stones and metals and jewellery fashioned out of such stones and metals; costume jewellery, cuff links and tiepins; clocks, watches, stopwatches, alarm clocks, travel clocks; and the repair of such articles. Excludes silverware (see China, Glass and Utensils); radio clocks (see Audio-Visual Equipment, Photographic and Optical Goods); wall thermometers and barometers (see Recreational Goods and Other Miscellaneous Goods); and precious stones and metals and jewellery fashioned out of such stones and metals acquired primarily as stores of value.

Non-Durable Household Goods

All consumer retail expenditure on cleaning and maintenance products such as soaps, washing powders, washing liquids, scouring powders, detergents, disinfectant bleaches, softeners, conditioners, window-cleaning products, waxes, polishes, dyes, unblocking agents, disinfectants, insecticides, pesticides, fungicides and distilled water; articles for cleaning such as brooms, scrubbing brushes, dustpans and dust brushes, dusters, tea towels, floor cloths, household sponges, scourers, steel wool and chamois leathers; paper products such as filters, tablecloths and table napkins, kitchen paper, vacuum cleaner bags and cardboard tableware, including aluminium foil and plastic bin liners; other non-durable household articles such as matches, candles, lamp wicks, methylated spirits, clothes-pegs, clothes hangers, pins, safety pins, sewing needles, knitting needles, thimbles, nails, screws, nuts and bolts, tacks, washers, glues and adhesive tapes for household use, string, twine and rubber gloves; polishes, creams and other shoe-cleaning articles; and fire extinguishers for households. Excludes brushes and scrapers for paint, varnish and wallpaper (see DIY and Decorators' Supplies); horticultural products for the upkeep of ornamental gardens (see Recreational Goods and Other Miscellaneous Goods); paper handkerchiefs, toilet paper, toilet soaps, toilet sponges and other products for personal hygiene (see Chemists' Goods); and cigarette, cigar and pipe lighters and lighter fuel (see Recreational Goods and Other Miscellaneous Goods).

Bicycles

All consumer retail expenditure on bicycles and tricycles of all types, including rickshaws. Excludes toy bicycles and tricycles (see Recreational Goods and Other Miscellaneous Goods) and cycle helmets and clothing (see Clothing).

Detailed Category Definitions

Recreational Goods

All consumer retail expenditure on musical instruments of all sizes, including electronic musical instruments, such as pianos, organs, violins, guitars, drums, trumpets, clarinets, flutes, recorders, harmonicas, etc.; billiard tables, ping-pong tables, pinball machines, gaming machines, etc.; gymnastic, physical education and sport equipment such as balls, shuttlecocks, nets, rackets, bats, skis, golf clubs, foils, sabres, poles, weights, discuses, javelins, dumb-bells, chest expanders and other body-building equipment; parachutes and other sky-diving equipment; firearms and ammunition for hunting, sport and personal protection; fishing rods and other equipment for fishing; equipment for beach and open-air games, such as bowls, croquet, frisbee, volleyball, and inflatable boats, rafts and swimming pools; camping equipment such as tents and accessories, sleeping bags, backpacks, air mattresses and inflating pumps, camping stoves and barbecues; repair of sports goods and camping equipment; toys of all kinds including dolls, soft toys, toy cars and trains, toy bicycles and tricycles, toy construction sets, puzzles, plasticine, electronic games, masks, disguises, jokes, novelties, fireworks and rockets, festoons and Christmas tree decorations; card games, parlour games, chess sets and the like; stamp-collecting requisites (used or cancelled postage stamps, stamp albums, etc., but excluding unused postage stamps), other items for collections (coins, medals, minerals, zoological and botanical specimens, etc., but excluding collectors' items falling into the category of works of art or antiques, which are included under Furniture and Floor Coverings), and other tools and articles not elsewhere classified for hobbies; video-game software, video-game cassettes and video-game CD-ROMs; video-game computers that plug into a television set; pets (excluding horses and ponies), pet foods, veterinary and grooming products for pets (excluding veterinary services), collars, leashes, kennels, birdcages, fish tanks and cat litter, etc.

Other Miscellaneous Goods

Writing pads, envelopes, account books, notebooks, diaries, etc.; pens, pencils, fountain pens, ballpoint pens, felt-tip pens, inks, erasers, pencil sharpeners, etc.; stencils, carbon paper, typewriter ribbons, inking pads, correcting fluids, etc.; paper punches, paper cutters, paper scissors, office glues and adhesives, staplers and staples, paper clips, drawing pins, etc.; drawing and painting materials such as canvas, paper, card, paints, crayons, pastels and brushes; toner and ink cartridges; educational materials such as exercise books, slide rules, geometry instruments, slates, chalks and pencil boxes (but excluding children's scrapbooks, which are included under Books); posters, plain or picture postcards (but excluding pre-franked postcards and aerogrammes), calendars; catalogues and advertising material; greeting cards and visiting cards, announcement and message cards; maps and globes; travel goods and other carriers of personal effects: suitcases, trunks, travel bags, attaché cases, satchels, hand-bags, wallets, purses, etc.; articles for babies such as baby carriages, pushchairs, carrycots, recliners, car beds and seats, back-carriers, front carriers, reins and harnesses, etc. (but excluding baby clothing, which is included under Clothing, baby furniture, which is included under Furniture and Floor Coverings, feeding bottles, which are included under China, Glass and Utensils, and nappies, which are included under Chemists' Goods); articles for smokers such as pipes, lighters, cigarette cases, cigar cutters, ashtrays, etc.; miscellaneous personal articles such as non-prescription sunglasses, walking sticks and canes, umbrellas and parasols, fans, keyrings, etc.; funerary articles such as coffins, gravestones, urns, etc.; lighter fuel; wall thermometers and barometers; and the repair of personal effects.

Bulky Goods

The bulky goods category is made up of Furniture and floor coverings (not the larger "furniture, floor coverings and household textiles" group) and Domestic appliances.

Total DIY Related Goods

This provides a total figure for all DIY related spend, including repair and maintenance materials; tools and equipment for house and garden; gardens, plants and flowers; 4.2% of cleaning materials; 15% of furniture and floor coverings.

Time Series Estimates

Section 3 of this "Retail Guide" quotes estimates of past and projected future growth rates of retail spending. The data used in the estimation of these trends have been calculated using a method known as chain linking. This means that rather than adding up a number of consumer spending categories measured in a recent year's prices in order to arrive at retail expenditure, allowance is made for the fact that relative prices can change substantially over time and that the relative prices of, say 2010, might not be particularly meaningful when aggregating data from the 1960s. A further advantage of chain-linked data is that they are less prone to revision when price bases are changed.

Chain linking combines constant price growth rates measures in different years' prices. It is now the system used for all National Accounts estimates and it is the appropriate method for calculating retail expenditure growth rates. The time series data supplied here uses the current Office for National Statistics convention of chain linking the data to 2010 and then reverting to simple additive estimates after 2010.

Using chain-linked estimates actually increases estimates of historical growth rates for comparison goods. Note, however, that although this will affect estimated historical trends, the Oxford Economics forecasts (as opposed to the trend-based projections) take into account the impact of the recession and tightened government policy which will both contribute to a period of restrained spending growth.

Chain linked estimates have been produced at the comparison and convenience goods levels. The series for "All Retail Goods" quoted is the sum of the chain-linked series for comparison and convenience. Note that chain linking only affects the constant price estimates used in trend analysis and it does not affect the current price expenditure estimates.

Leisure Goods and Services Expenditure

Consumer expenditure for the following leisure categories is available from the Pitney Bowes Leisure Goods and Service Expenditure Database:

Leisure Goods and Services Expenditure

Pitney Bowes Software Leisure Category	Consumer Trends COICOP Categories
Audio-visual, photo and optical	9.1.1 Audio visual equipment 9.1.2 Photographic and optical equipment 9.1.3 Information processing equipment 9.1.4 Recording media
Gardens, flowers and plants	9.3.3 Gardens, plants and flowers
Recreational goods	Sum of 9.2.1, 9.2.2, 9.3.1, 9.3.2 and 9.3.4 (see below)
Major and minor durables for indoor and outdoor recreation	9.2.1 Major durables for outdoors recreation 9.2.2 Musical instruments and major durables for indoor recreation
Games, toys and hobbies	9.3.1 Games, toys and hobbies
Sports, camping and open-air recreational equipment	9.3.2 Sports, camping and open air recreation equipment
Pets and related products	9.3.4 Pets and related products
Books	9.5.1 Books
Recreational and cultural services	9.4.1 Recreational and sporting services 9.4.2 Cultural services 9.4.3 Games of chance
Restaurants, cafes and canteens	11.1.1 Restaurants and cafes 11.1.2 Canteens
Accommodation services	11.2 Accommodation Services
Hairdressing and personal grooming	12.1.1 Hairdressing and personal grooming

Detailed Category Definitions

Recreational and Cultural Services

Services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing and skating; cinemas, theatres, concerts, circuses, TV licences, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing; lotteries, scratch cards, betting, gaming, gambling.

Restaurants, Cafes and Canteens

Catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes, etc.; catering services of works canteens, office restaurants, school and educational establishment canteens.

Accommodation Services

Accommodation in hotels, motels, inns, "bed and breakfast" establishments, caravan sites, youth hostels, boarding schools, universities and other educational establishment accommodation.

Hairdressing and Personal Grooming

Hairdressing salons, barbers, beauty shops, manicures, pedicures, Turkish baths, saunas, solariums, non-medical massages, etc. Excludes spas and fitness centres.

Other Expenditure Categories

Total Leisure Services

Total expenditure for recreational and cultural services; restaurants, cafes and canteens; accommodation services; hairdressing and personal grooming.

Total Leisure Goods

Total expenditure for audio-visual, photo and optical; gardens, flowers and plants; major and minor durables for indoor and outdoor recreation; games, toys and hobbies; sports, camping and open-air recreations; pets and related products; books [see the previous section for detailed definitions]

Other Expenditure Categories

Consumer expenditure for the following categories is also available:

Pitney Bowes Software Other Expenditure Category	Consumer Trends COICOP Categories
Actual rents	04.1 Actual rentals for housing
Owner-occupier rents	04.2 Imputed rentals for housing
Electricity, gas and other fuels	04.5 Electricity, gas and other fuels
Housing R&M services	04.3.2 Services for the maintenance and repair of the dwelling
Domestic and household services	05.6.2 Domestic services and household services
Vehicle fuels and lubricants	07.2.2 Fuels and lubricants for personal transport equipment
Transport services	07.3 Transport services
Telephone and telefax services	08.3 Telephone and telefax services
Education	10. Education
Insurance	12.5 Insurance
Financial services	12.6 Financial services n.e.c.

Detailed Category Definitions

Actual Rents

Rentals actually paid by tenants or subtenants occupying unfurnished or furnished premises as their main residence; payments by households occupying a room in a hotel or boarding house as their main residence; rentals actually paid for secondary residences. Excludes accommodation services of educational establishments, hostels, holiday villages and holiday centres, and of retirement homes for elderly persons.

Owner-Occupier Rents

Imputed rentals of owners occupying their main and secondary residences; imputed rentals of households paying a reduced rental or housed free. In the national accounts, owner-occupiers are deemed unincorporated businesses producing housing services, which they then consume. This consumption is therefore a component of household final consumption expenditure. The principle involved is to impute a rental value for an owner-occupied property, which is the same as the rental that would be paid for a similar property in the private rented sector.

Other Expenditure Categories

The main reason for this imputation treatment is to minimise distortions to the consumption figures which would otherwise arise when there were changes in housing tenure, for example from rented to owner-occupied. Such distortions can exist between different countries, but also over time within a single country. This treatment requires the imputing of a rental payment to the owner-occupied sector, analogous to the activity of payment of market or public sector rentals. For imputed rentals separate estimates, using similar methodology to paid rental, are made both for owner-occupiers and those living rent-free.

Utilities

Electricity; town gas and natural gas, liquefied hydrocarbons (butane, propane, etc.); domestic heating and lighting oils; coal, coke, briquettes, firewood, charcoal, peat and the like; hot water and steam purchased from district heating plants; associated expenditure such as hire of meters, reading of meters, standing charges, etc.

Housing R&M Services

Services of plumbers, electricians, carpenters, glaziers, painters, decorators, floor polishers, etc. engaged for minor maintenance and repair of the dwelling (both the cost of labour and the cost of materials are covered). Excludes separate purchases of materials made by households with the intention of undertaking the maintenance or repair themselves; services engaged for major maintenance and repair (intermediate consumption) or for extension and conversion of the dwelling (capital formation).

Domestic and Household Services

Domestic services supplied by paid staff employed in private service such as butlers, cooks, maids, drivers, gardeners, governesses, secretaries, tutors and au pairs; similar services, including babysitting and housework, supplied by enterprises or self-employed persons; household services such as window cleaning, disinfecting, fumigation and pest extermination; dry-cleaning, laundering and dyeing of household linen, household textiles and carpets; hire of furniture, furnishings, carpets, household equipment and household linen.

Vehicle Fuels and Lubricants

Petrol and other fuels such as diesel, liquid petroleum gas, alcohol and two-stroke mixtures; lubricants, brake and transmission fluids, coolants and additives. Excludes charges for oil changes and greasing

Transport Services

Transport of individuals and groups of persons and luggage by train, tram, underground, bus, coach, taxi, hired car with driver, aeroplane, helicopter, ship, boat, ferry, hovercraft and hydrofoil; transport of private vehicles; funicular, cable-car and chairlift transport; removal and storage services; services of porters and left-luggage and luggage-forwarding offices; travel agents' commissions (if separately priced).

Telephone Services

Installation and subscription costs of personal telephone equipment; telephone calls from a private line or from a public line (public telephone box, post office cabin, etc.); telephone calls from hotels, cafés, restaurants and the like; telegraphy, telex and telefax services; information transmission services; Internet connection services; hire of telephones, telefax machines, telephone-answering machines and telephone loudspeakers; radio-telephony, radio-telegraphy and radio telex services.

Education

Pre-primary, primary, secondary, post-secondary, tertiary education; educational programmes which do not require any special prior instruction, in particular vocational training and cultural development. Excludes driving lessons; recreational training courses such as sport or bridge

Other Expenditure Categories

lessons given by independent teachers.

Insurance

Service charges for life assurance, death benefit assurance, education assurance, etc.; for insurance taken out against fire, theft, water damage, etc.; for private sickness and accident insurance; for insurance in respect of personal transport equipment; for travel insurance and luggage insurance; for other insurance such as civil liability for injury or damage to third parties or their property.

Financial Services

Financial intermediation services indirectly measured; actual charges for the financial services of banks, post offices, saving banks, money changers and similar financial institutions; fees and service charges of brokers, investment counsellors, tax consultants and the like; administrative charges of private pension funds and the like.

Chapter 3: Using the Retail Spending Estimates

In this chapter:

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Special Forms of Trading

Data Issues

Special forms of trading (also known as Non-Store Retail Sales) are sales that do not take place through traditional store-based outlets. This includes spending through outlets, such as the internet, mail order, party plan and vending machines, and other non-store activity such as market and roadside stalls. They are of interest in a retail-planning context because they can be viewed as taking spending away from conventional stores.

The rapid growth in the internet in recent years has increased interest in the market share of non-store retail sales and the potential impact on high streets and shopping centres. Alongside this, however, there has been considerable confusion over the interpretation of the available data and uncertainty over the exact impact of the rise of the internet on conventional stores. Some of the main issues are summarised in the table below:

Issues with the Measurement and Interpretation of Special Forms of Trading

Measurement	Conceptual
<ul style="list-style-type: none"> ● The ONS produce two main series of interest: <ol style="list-style-type: none"> 1. Non-Store Retail Sales – which covers market stalls, door-to-door selling, the mail order and internet sales of wholly non-store operations 2. Internet Sales – which covers all internet sales including those already included in Non-Store Sales (e.g. Amazon) and internet sales by predominantly store-based operations (e.g. John Lewis, Tesco) ● Need to estimate a single “Broad” Non-Store Sales estimate 	<ul style="list-style-type: none"> ● Traditionally Non-Store Sales (or Special Forms of Trading) reduced the potential turnover available to retail outlets but... ● The advent of multi-channel retailing has clouded the issue ● Stores can be seen as showrooms or a source of stock for internet sales/internet can even direct customers to stores (e.g. use internet to research but buy in store) ● Smart phone technology blurs the boundaries further ● Catalogue-internet distinction has become increasingly meaningless

With regards to measurement, the main issue is that the ONS have, for some time, published a series called Non-Store Retail Sales but it is an incomplete measure of all non-store sales as the internet component only includes sales by “wholly internet-based” companies and not sales by companies that also operate conventional stores. Hence, the ONS series includes sales by companies such as Amazon, who operate solely over the internet, but not the internet sales of companies who also run conventional stores such as Tesco, John Lewis and practically every other major retailer. As a result, the ONS Non-Store Retail Sales figures severely under-estimate the impact of the growth of the internet. This is illustrated in Figure 3.1, which shows the share of total sales accounted for, by the ONS’s Non-Store series growing much slower than the ONS Internet Sales series (the ONS Non-Store Retail Sales share of the total increased from 4.7% in 2007 to 7.3% in 2013 - but it had been over 8% in the 1980s).

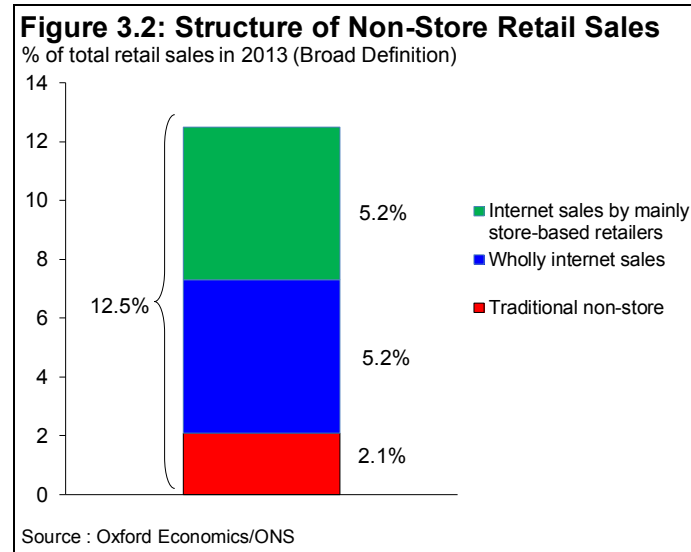
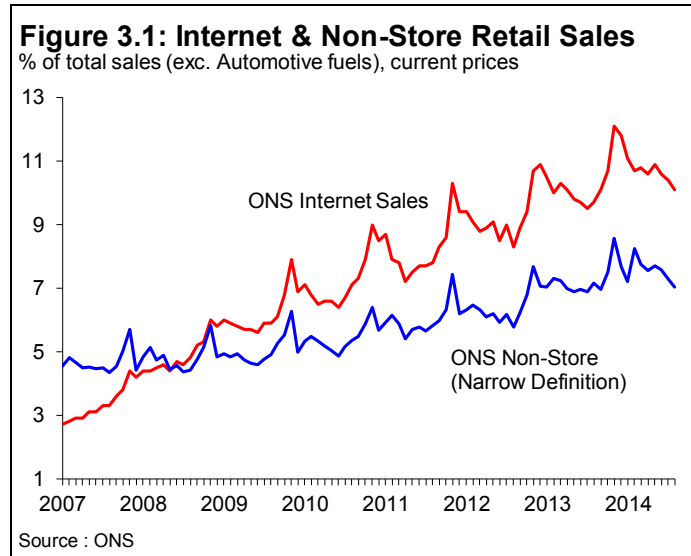
Due to the restricted coverage, we term the ONS series the “Narrow Definition” of Non-Store Retail Sales. The ONS also produce a series for Internet Sales, which is illustrated in Figure 3.1. This series shows a much more rapid increase in market share in recent years and is much more in line with anecdotal evidence on the growth of the internet and evidence from other surveys.

The statistical issue is that the ONS Internet Sales figures cannot be simply added to the ONS narrow definition of Non-Store Retail Sales as the two series overlap. The ONS Internet Sales

Special Forms of Trading

series includes the sales of both wholly internet based stores and the internet sales of companies who also operate conventional stores, while the sales of wholly internet based stores are also included in the ONS narrow definition of Non-Store Retail Sales.

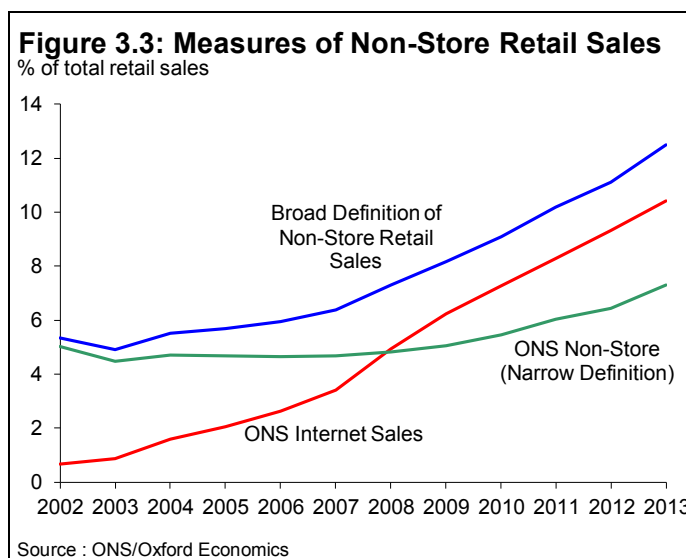
There are no official estimates of the extent of this overlap but a statistical modelling exercise carried out by Oxford Economics indicates that approximately 50% of all internet sales are already included in the ONS narrow definition of Non-Store Retail Sales. Based on this assumption, the "Broad Definition" of Non-Store Retail Sales in 2013 would be made up as illustrated in Figure 3.2.



The estimates shown in Figure 3.2 imply that traditional non-store retail sales through outlets such as mail order, door-to-door selling, market stalls and vending machines may have fallen to just 2.1% of total sales in 2013. It is important to note however that there is now a very blurred boundary between internet and mail order sales that makes comparisons with the past problematic.

Figure 3.3 shows our estimates of the evolution of the Broad Measure of Non-Store Retail sales since 2002. The Broad Measure's market share has increased more slowly than the ONS Internet Sales estimate because it contains the non-internet elements of non-store sales that have suffered from the growth of the internet. The ONS Internet Sales estimate increased its share of total sales

from 3.4% in 2007 to 10.4% in 2013 while the Oxford Economics Broad Measure of Non-Store Retail sales increased from 6.4% in 2007 to 12.5% in 2013. Both the ONS Internet Sales and the Oxford Economic Broad Measure of Non-Store Retail Sales have increased their share of total sales far more rapidly than the ONS narrow definition.



Breakdowns and Projections

The ONS narrow definition is broken down by type of good while the ONS Internet Sales series is broken down by type of shop. For example, the ONS Internet Sales breakdown shows that in 2013 15% of all internet spending has been in predominantly food stores, 37% in predominately non-food stores, while 48% was attributed to non-store retailing. Based on the available ONS data and additional data from Datamonitor (UK E-Retail 2011), we estimate that in 2013 the 12.5% market share of the Broad Measure of Non-Store Retail sales for all goods breaks down into a 6.5% market share for convenience goods and a 16.3% share for comparison goods.

Forecasting the future share is difficult. Internet sales penetration is already higher in the UK than in continental Europe and higher even than in the USA. This means that we have no clear indicator of a possible future saturation point. Recent increases have also been very rapid and it is difficult to see why they should suddenly level off when internet usage is still increasing and the use of smartphone technology in retailing is only just taking off. In the light of particularly strong growth in non-store share of comparison goods in 2013, we revised our "central" forecast in this edition of the report, which results in the non-store share for comparison goods reaching 23.5% by 2024. Nonetheless, the internet's market share is likely to level off at some point. Our forecast for convenience goods are more in line to the last edition, with its non-store share close to levelling off at 8.7% by 2024. One of the factors potentially limiting convenience internet growth is increasing market share of discount convenience retailers such as Lidl and Aldi, who currently only sell in-store.

Given the uncertainties involved, we have also prepared a "High Case" for the market share of the Broad Definition of Non-Store Retail Sales, which assumes a more gradual slowdown of the rate of increase of internet penetration. This has the share of comparison and convenience goods sales accounted for by the Broad Measure of Non-Store Retail sales reaching 26.9% and 9.9% respectively in 2024. The Central and High cases are illustrated in Figures 3.4 and 3.5 and in Table 3.1.

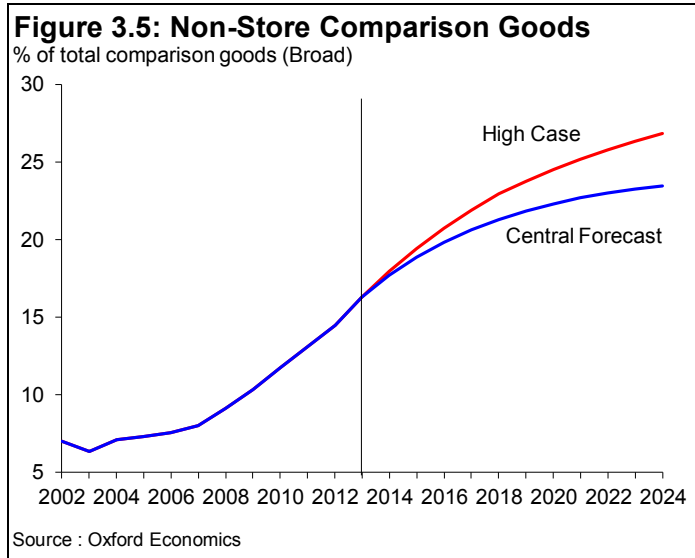
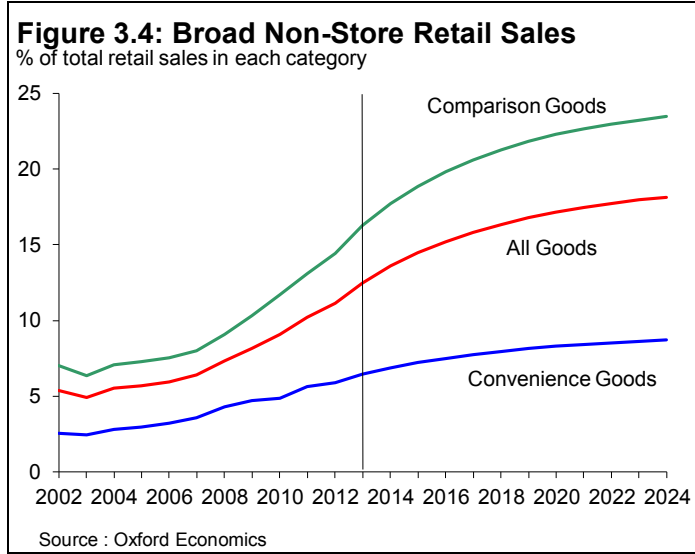


Table 3.1 also gives projections of the narrow definition of Non-Store Retail Sales. This is given for reference only and we would caution against using them as a lower-case alternative.

Table 3.1: Non-Store Retail Sales – Projected Market Share

Non-Store Retail Sales - Broad Definition						
Percentage of Total Spending						
	Central Case			High Case		
	Total	Convenience	Comparison	Total	Convenience	Comparison
2002	5.3	2.5	7.0	5.3	2.5	7.0
2003	4.9	2.4	6.3	4.9	2.4	6.3
2004	5.5	2.8	7.1	5.5	2.8	7.1
2005	5.7	3.0	7.3	5.7	3.0	7.3
2006	6.0	3.2	7.5	6.0	3.2	7.5
2007	6.4	3.6	8.0	6.4	3.6	8.0
2008	7.3	4.3	9.1	7.3	4.3	9.1
2009	8.2	4.7	10.3	8.2	4.7	10.3
2010	9.1	4.8	11.7	9.1	4.8	11.7
2011	10.2	5.6	13.1	10.2	5.6	13.1
2012	11.1	5.9	14.5	11.1	5.9	14.5
2013	12.5	6.5	16.3	12.5	6.5	16.3
2014	13.6	6.9	17.7	13.8	7.0	18.0
2015	14.5	7.2	18.9	14.9	7.4	19.4
2016	15.2	7.5	19.8	15.9	7.8	20.7
2017	15.8	7.7	20.6	16.8	8.2	21.9
2018	16.4	8.0	21.3	17.6	8.6	22.9
2019	16.8	8.1	21.8	18.3	8.8	23.8
2020	17.2	8.3	22.3	18.9	9.1	24.5
2021	17.5	8.4	22.7	19.4	9.3	25.2
2022	17.7	8.5	23.0	19.9	9.5	25.8
2023	18.0	8.6	23.3	20.3	9.7	26.3
2024	18.2	8.7	23.5	20.8	9.9	26.9

Non-Store Retail Sales - Narrow (ONS) Definition						
Percentage of Total Spending						
	Central Case			High Case		
	Total	Convenience	Comparison	Total	Convenience	Comparison
2002	5.0	2.2	6.6	5.0	2.2	6.6
2003	4.5	2.0	5.9	4.5	2.0	5.9
2004	4.7	2.1	6.2	4.7	2.1	6.2
2005	4.7	2.1	6.2	4.7	2.1	6.2
2006	4.6	2.1	6.1	4.6	2.1	6.1
2007	4.7	2.1	6.1	4.7	2.1	6.1
2008	4.8	2.1	6.4	4.8	2.1	6.4
2009	5.0	2.0	6.9	5.0	2.0	6.9
2010	5.5	1.7	7.8	5.5	1.7	7.8
2011	6.0	2.1	8.5	6.0	2.1	8.5
2012	6.5	2.0	9.3	6.5	2.0	9.3
2013	7.3	2.1	10.6	7.3	2.1	10.6
2014	8.2	2.1	11.9	8.3	2.1	12.1
2015	8.9	2.1	13.0	9.2	2.2	13.4
2016	9.5	2.1	14.0	10.0	2.2	14.6
2017	10.0	2.2	14.7	10.6	2.3	15.6
2018	10.5	2.2	15.3	11.3	2.3	16.5
2019	10.8	2.2	15.8	11.8	2.4	17.2
2020	11.1	2.2	16.2	12.2	2.5	17.8
2021	11.3	2.3	16.6	12.6	2.5	18.4
2022	11.6	2.3	16.8	12.9	2.6	18.9
2023	11.7	2.3	17.0	13.3	2.6	19.3
2024	11.9	2.3	17.2	13.6	2.7	19.7

Conceptual Issues

As mentioned earlier, the advent of the internet has raised conceptual as well as measurement issues relating to the way that Non-Store Retail sales are treated in a retail-planning context. One element of this is how to treat sales that are made online but where the goods are either taken by store-staff from the shelves of company stores (as with Tesco) or where they are picked up from the store (as with a number of large retailers). Tesco's (who source most of their online convenience goods sales from existing stores) online sales in the UK in 2013 are estimated to be around £3.3bn, so it is quite possible that the majority of the estimated £5.8bn difference between the Broad and Narrow estimates of Non-Store sales of convenience goods in 2013 was sourced from the shelves of existing stores.

Table 3.2 Non-Store Convenience goods – Adjusted Market Share

	Non-Stores Sales of Convenience Goods (% of Total Spending on Convenience Goods)			
	Total	Adjusted*	of which:	
			Narrow Definition	Part of Non- Narrow Definition
2002	2.5	2.3	2.2	0.0
2003	2.4	2.1	2.0	0.0
2004	2.8	2.2	2.1	0.1
2005	3.0	2.2	2.1	0.1
2006	3.2	2.2	2.1	0.1
2007	3.6	2.3	2.1	0.1
2008	4.3	2.4	2.1	0.2
2009	4.7	2.3	2.0	0.3
2010	4.8	2.0	1.7	0.3
2011	5.6	2.5	2.1	0.3
2012	5.9	2.4	2.0	0.4
2013	6.5	2.5	2.1	0.4
2014	6.9	2.6	2.1	0.5
2015	7.2	2.6	2.1	0.5
2016	7.5	2.7	2.1	0.5
2017	7.7	2.7	2.2	0.6
2018	8.0	2.8	2.2	0.6
2019	8.1	2.8	2.2	0.6
2020	8.3	2.8	2.2	0.6
2021	8.4	2.9	2.3	0.6
2022	8.5	2.9	2.3	0.6
2023	8.6	2.9	2.3	0.6
2024	8.7	3.0	2.3	0.6

Table 3.2 shows the impact of assuming that 90% of internet sales by companies who also have a conventional store-based presence (e.g. Tesco) are sourced from existing stores, or are made via Click & Collect. This has a big impact on the implied reduction in spending to allow for Special Forms of Trading/Non Store Retail Sales. This falls from 6.5% in the Broad Definition to just 3% in the adjusted version with only a modest increase after 2013. The 90% assumption may not, of course, hold in the future. Tesco are already sourcing some orders from “dark” stores (i.e. warehouses existing purely to serve the online market), and plan to launch around 50 non-store collection points in 2014/15.

A more difficult conceptual issue is how to deal with multichannel retailing. In some retail business models, stores can be seen as showrooms for internet sales rather than as sales points in their own right. The increased use of smart phone technology has started to blur the store/internet

boundary even further. Customers can now visit a few different stores, chose the best product and later place an order using their smart phone. There are obviously viability and sustainability issues if a company starts to simply act as a showroom for other companies' sales, but the increasing popularity of the multi-channel model implies that the phenomena is likely to be around for some time to come.

The implication is that the "retail needs model" whereby the potential spending in-stores in a location relative to sales densities is an indicator of the need for retail space may no longer appropriate. Another way of looking at this is to say that it is not appropriate to deduct the full extent of estimated non-store sales from local spending when estimating spending available for local store-based sales; although it is difficult, if not impossible, to say what share is appropriate.

Sales Densities

Sales densities are the value or volume of retail goods sold through retail outlets divided by the available floor space. By implication, any increase in sales densities reduces the future need for retail floor space all else being equal.

Measurement of changes in sales densities is problematic due to data constraints but it is clear that in the pre-recession years rapid growth of retail expenditure far outstripped the increase in available floor space, leading to rapid growth in sales densities. Blake, Morley and Bach (Future of Retail Property: How Much Space, BCSC 2008) attempted to estimate sales density changes between 1987 and 2005 for convenience and comparison goods and to spell out the relationships between gross and net space and the impact of the changing age and in-town/out-of-town mix of retail space. The results show an exceptionally rapid growth in (net) sales densities between 2000 and 2005 of 1.6% and 3.9% per year for convenience and comparison goods respectively, which represented a substantial acceleration on the 1.2% and 2.5% per year increases recorded between 1987 and 2000.

The authors, however, argue that it would be incorrect to extrapolate recent trends into the future as they were very much driven by the consumer-spending boom and were unlikely to be either sustainable or desirable in the long run. Instead, they base their future assumptions on the growth rates in the earlier, 1987-2000, period. These were further adjusted down to allow for the increase in convenience densities that was due to the replacement of old space with new space with higher sales densities and for the impact of Sunday trading which was also thought of as a one-off event. The final assumptions used for future sales density growth were 0.6% and 2.2% per year for convenience and comparison goods respectively.

These assumptions were then used in calculations of future retail space needs at the England and Wales level. There are a number of reasons why they might be an over-estimate if used in local needs assessments:

Only part of the potential one-off 0.7% per year impact of the introduction of Sunday Trading on 1987-2000 growth rates was deducted, partly because not all of the increase in Sunday Trading happened between 1999 and 2000 and partly because there was still scope for a further increase in Sunday trading (and 24 hour trading). The likelihood of further increases in the share of sales taking place on a Sunday cannot be taken for granted and there may be scope for a further downwards adjustment to the projected growth rates.

Much of the increase in convenience sales densities was attributed to a "weighting effect" caused when new space replaced old. This was not found for comparison space but this could easily have been due to data limitations. This is crucial, as weighting effects can only take place if new space is built and national aggregates that potentially include weighting effects should not be built in to local studies. Consequently aggregate growth rates may not be appropriate for every part of the country.

Note also that sales densities are much higher in the UK than in continental Europe and far higher than in the USA. This may mean that there is less scope for further increases. There are also arguments that all of the observed increases in sales densities in the past were either one-offs that

Recent Trends

are unlikely to be repeated (Sunday trading, increased efficiency), of only minor significance (the shift to higher value items) or not relevant to the locality being considered (the large scale replacement of old store formats with new). We are left, however, with the fact that available data does show considerable increases in the past that cannot all be explained by one-off factors and it looks unlikely that there will be no future increases in sales densities.

Reliable data on sales density is hard to come by, largely because of the current availability of floor space data. The Valuation Office Agency (VOA) does publish data on floor space, however this data is only available for England and Wales, it includes some non-retail goods premises (such as restaurants, hairdressers and financial/professional services), there are a number of series breaks, and most importantly there is no breakdown by convenience/comparison shop type. At the same time the question remains whether Non-Store Retail Sales should be excluded from the calculation of sales densities, as mentioned in the previous sub-section. Therefore numerous assumptions have to be made when calculating sales densities. Using the Experimental Business Floor space statistics released by the VOA in 2012, approximate calculations by Oxford Economics show that in the last few years growth in total sales density in England and Wales has been below that of the early-2000s, and relatively close to the original growth predicted by Blake et al (2008). Looking ahead, as the share of internet spending rises it is likely that growth of the 'traditional' measure of sales densities (i.e. one excluding non-store sales) will slow further.

If we assume that Sunday trading is now close to its peak, the Blake et al (2008) projections can be revised down to give projected sales density increases of 0.4% for convenience goods space and to 1.8% for comparison goods space. Furthermore, as the aggregate figures are heavily dependent on the rapid growth in sales volumes of audio-visual equipment including personal computers and mobile phones, it is possible to justify a lower rate of increase for comparison sales densities in areas with a below average share of stores selling these items.

Recent Trends

After falling by 0.4% in 2012, real per capital spending on convenience goods fell further in 2013, by 0.5%. This makes it the eighth consecutive year of contractions, the sharpest fall being in 2009. As a result, in 2013 per capital spending on convenience goods (in volume terms) was 13% below its peak of 2005.

In contrast to convenience goods, spending on comparison goods has held up relatively well during the last five years. Having fallen by 1.6% in 2009 as the UK economy contracted, it has recovered well since then and by 2013 was 10% above the 2009 level. The most recent recorded growth of 5% in 2013 was particularly impressive, and this momentum looks to have carried over into the first quarter of 2014.

From looking at these two recent trends it becomes evident that during the recession and the following period of stagnant income growth, on average people chose to cut back on convenience goods (i.e. the essentials such as food) and at the same time continued to increase their spending on comparison goods (i.e. luxuries such as electronics). This is partly explained by the fact the prices of convenience goods have been increasing while those of comparison goods remained flat, so by consuming fewer convenience goods some people had more money available to spend on comparison goods. In microeconomics this is known as the substitution effect.

Longer-run Trends

From as early as 1964 comparison goods have accounted for an increasing share of household spending. As household incomes rose, spending on comparison goods grew much faster than spending on convenience goods. The compound annual growth rate (CAGR) for per capita comparison goods spending over the period 1993-13 was 5.7% per year, compared to just 0.1%

Longer-run Trends

per year for convenience goods (see Table 3.4). Having experienced some very rapid growth in the earlier part of the 2000s, the 2009-11 slowdown has dragged the average growth rates of comparison goods down somewhat. Over the period of 1964-2013 the average rate of increase of spending per capita on comparison goods was 4.4% per year (see Table 3.4). As a result of this strong growth, comparison goods represented almost 61% of all retail goods expenditure in 2013 (in nominal terms).

Historically per capita growth in expenditure on convenience goods has been much slower. In fact, over the past ten years spending per capita has on average fallen by 0.9% per year, with moderate positive growth rates in the early 2000s countered by falls in the second half of the decade. Over the period of 1964-2013 the average rate of increase of spending per capita on convenience goods was 0.2% per year (Table 3.4).

Table 3.3: Long-run UK per capita retail expenditure on convenience and comparison goods (2010 prices)

	Constant (2010) Prices, per Capita Consumption (£)						Price Deflators, 2010=100		
	Convenience goods	Comparison goods	All goods	Growth rates (%)			Convenience goods	Comparison goods	All goods
				Convenience goods	Comparison goods	All goods			
1982	1,625	609	2,234	-0.9	3.3	0.2	39.2	99.7	55.7
1983	1,643	644	2,287	1.2	5.6	2.4	41.2	104.6	59.0
1984	1,626	676	2,302	-1.1	5.0	0.6	43.8	108.2	62.7
1985	1,638	715	2,353	0.7	5.8	2.2	45.8	113.2	66.3
1986	1,674	772	2,446	2.2	7.9	3.9	47.6	116.9	69.4
1987	1,709	838	2,547	2.1	8.6	4.1	49.1	119.6	72.3
1988	1,737	911	2,648	1.7	8.6	4.0	51.0	123.5	75.9
1989	1,762	948	2,710	1.4	4.1	2.3	53.7	127.7	79.6
1990	1,758	971	2,729	-0.2	2.4	0.7	57.8	132.6	84.5
1991	1,736	973	2,709	-1.3	0.2	-0.7	61.9	138.9	89.5
1992	1,733	1,010	2,742	-0.2	3.8	1.2	63.8	141.2	92.3
1993	1,751	1,061	2,812	1.1	5.1	2.5	65.1	142.2	94.2
1994	1,765	1,143	2,908	0.8	7.8	3.4	65.8	141.3	95.5
1995	1,750	1,196	2,946	-0.9	4.6	1.3	68.3	143.7	98.9
1996	1,806	1,262	3,068	3.2	5.6	4.2	70.6	146.3	101.7
1997	1,829	1,339	3,167	1.3	6.1	3.2	71.9	143.5	102.2
1998	1,830	1,460	3,290	0.1	9.1	3.9	73.4	140.7	103.3
1999	1,885	1,609	3,493	3.0	10.2	6.2	74.2	135.9	102.7
2000	1,920	1,782	3,702	1.8	10.8	6.0	74.5	129.6	101.1
2001	1,911	1,924	3,835	-0.4	7.9	3.6	76.8	126.1	101.5
2002	1,940	2,125	4,065	1.5	10.5	6.0	77.5	121.5	100.5
2003	1,967	2,322	4,290	1.4	9.3	5.5	78.7	117.8	99.9
2004	2,024	2,444	4,468	2.9	5.2	4.2	79.1	114.2	98.3
2005	2,046	2,562	4,608	1.1	4.9	3.1	80.1	110.3	96.9
2006	2,042	2,722	4,763	-0.2	6.2	3.4	82.3	107.5	96.7
2007	2,015	2,851	4,866	-1.3	4.8	2.2	85.5	105.1	97.0
2008	1,941	2,974	4,915	-3.6	4.3	1.0	91.8	101.8	97.8
2009	1,861	2,927	4,787	-4.1	-1.6	-2.6	96.7	99.5	98.4
2010	1,851	2,991	4,842	-0.5	2.2	1.1	100.0	100.0	100.0
2011	1,805	2,996	4,801	-2.5	0.2	-0.9	106.5	100.8	102.9
2012	1,798	3,078	4,876	-0.4	2.7	1.6	110.6	100.7	104.3
2013	1,789	3,233	5,022	-0.5	5.0	3.0	115.0	100.7	105.8
2014	1,772	3,412	5,184	-1.0	5.5	3.2	118.6	100.7	106.8
2015	1,772	3,545	5,317	0.0	3.9	2.6	121.1	99.9	107.0
2016	1,775	3,679	5,454	0.2	3.8	2.6	123.5	99.3	107.2
2017	1,784	3,830	5,613	0.5	4.1	2.9	126.2	99.0	107.6
2018	1,795	3,982	5,777	0.6	4.0	2.9	129.1	99.0	108.3
2019	1,807	4,133	5,940	0.6	3.8	2.8	132.1	99.0	109.1
2020	1,820	4,287	6,107	0.8	3.7	2.8	135.0	99.1	109.8
2021	1,835	4,445	6,280	0.8	3.7	2.8	138.0	99.3	110.6
2022	1,851	4,607	6,457	0.8	3.6	2.8	141.2	99.6	111.5
2023	1,866	4,771	6,637	0.8	3.6	2.8	144.5	99.9	112.5
2024	1,882	4,940	6,822	0.8	3.5	2.8	148.0	100.3	113.5
2025	1,897	5,113	7,010	0.8	3.5	2.8	151.6	100.7	114.5
Average annual growth rates									
1983-93	0.6%	5.1%	2.1%				4.7%	3.1%	4.8%
1993-03	1.2%	8.2%	4.3%				1.9%	-1.9%	0.6%
2003-08	-0.3%	5.1%	2.8%				3.1%	-2.9%	-0.4%
2008-13	-1.6%	1.7%	0.4%				4.6%	-0.2%	1.6%
2013-19	0.2%	4.2%	2.8%				2.3%	-0.3%	0.5%
2019-24	0.8%	3.6%	2.8%				2.3%	0.3%	0.8%

Oxford Economics' Forecasts

Oxford Economics' forecasts from the UK consumer-spending model are shown in Tables 3.3 and 3.4, and in Figure 3.6. Unlike the alternative pure trend-based projections described in the next sub-section, these forecasts are consistent with past trends, but are also based upon expected changes in other economic variables of interest according to historic relationships.

After GDP growth slowing down to just 0.3% in 2012, the UK economy picked up pace again in 2013

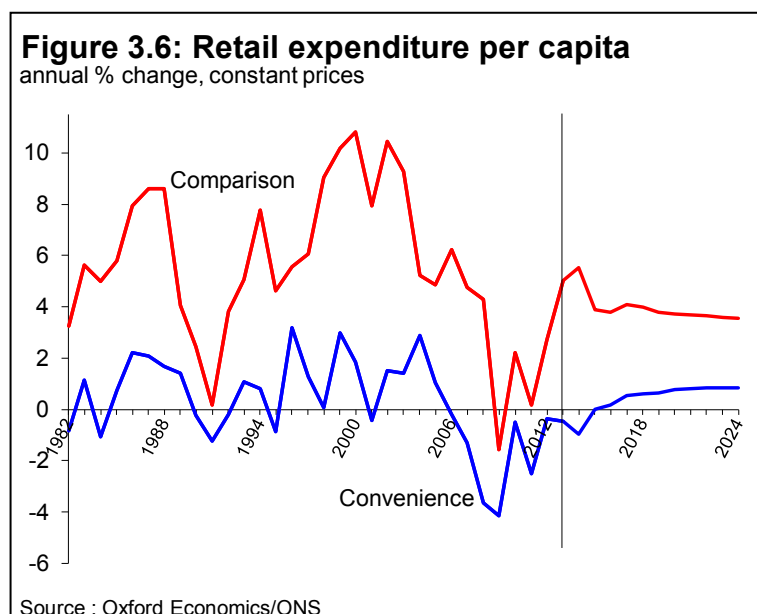
with growth of 1.7%. Furthermore, off the back of strong Q1 and Q2 GDP data we expect it to accelerate further to 3.1% in 2014.

Though official earnings data remain very weak, surveys are beginning to show evidence that a tightening labour market is putting upward pressure on wage growth. Combined with very strong growth in employment, this should generate a steady pickup in nominal household income growth. Furthermore, the inflation outlook remains benign, with the pound still relatively strong, deflationary pressures coming along the supply chain and the large amount of spare capacity squeezing margins. We expect CPI inflation to remain in the 1½-1¾% range over the next eighteen months which, combined with the acceleration in wage growth, will allow spending power to gradually improve. A fall in the savings ratio has helped to finance the pickup in household spending growth over the past year. But the scope for it to fall further looks limited, given the desire of households to deleverage and that the savings ratio is now back close to its long run average level. So we expect consumer spending to track real incomes more closely going forward. Combined with an anticipated rise in interest rates, this points to a slight slowdown in total consumer spending growth from 2.8% this year to 2.2% in 2015 and 2016.

Table 3.4: Forecasts of UK per capita retail expenditure by goods type (2010 prices)

	Expenditure per capita (£): Oxford Economics' forecasts								
	Convenience goods	Comparison goods	All goods	Convenience Goods Detail			Comparison Goods Detail		
				Alcohol (off-licence)	Tobacco	Food	Clothing & Footwear	H'hold Goods	Audio-vis Goods
2012	1,798	3,078	4,876	221	151	1308	880	549	373
2013	1,789	3,233	5,022	215	143	1316	932	573	388
2014	1,772	3,412	5,184	213	134	1313	977	600	414
2019	1,807	4,133	5,940	204	118	1377	1227	675	557
2024	1,882	4,940	6,822	204	111	1456	1501	760	712
Average annual forecast growth rates									
2013-19	0.2%	4.2%	2.8%	-0.9%	-3.2%	0.8%	4.7%	2.8%	6.2%
2013-24	0.5%	3.9%	2.8%	-0.5%	-2.3%	0.9%	4.4%	2.6%	5.7%
Average annual historical growth rates									
1964-13	0.2%	4.4%	1.9%	2.0%	-2.6%	0.5%	4.8%	2.3%	10.0%
1977-13	0.3%	5.1%	2.4%	1.7%	-3.2%	0.7%	6.0%	2.6%	11.2%
1983-13	0.3%	5.5%	2.7%	1.9%	-3.2%	0.6%	6.4%	2.8%	11.7%
1987-13	0.2%	5.3%	2.6%	1.8%	-3.3%	0.5%	6.4%	2.5%	11.3%
1993-13	0.1%	5.7%	2.9%	2.3%	-3.7%	0.4%	7.7%	2.5%	11.5%
1997-13	-0.1%	5.7%	2.9%	1.6%	-3.9%	0.3%	8.4%	2.1%	11.8%
2003-13	-0.9%	3.4%	1.6%	-0.5%	-4.2%	-0.4%	6.6%	-0.8%	10.0%

Based on this improved economic outlook, our forecasts are for growth in per capita expenditure on comparison goods to accelerate to 5.5% in 2014, and the fall back slightly to around 3.8% in 2015 and 2016. Over the whole forecast period of 2013-24 we expect per capita expenditure on comparison goods to grow by an average of 3.9% per year, which is significantly faster than the rate seen during the last five years, but slower than the rate seen during the boom period of early 2000s.



Our forecast is for per capita spending on convenience goods to fall by 1% in 2014, which would make it the ninth consecutive year of contraction. Slow recovery is anticipated to start in 2016 with growth of 0.2%, and in 2017 we expect it to increase to 0.5%. Over the period of 2013-24 we forecast per capita spending on convenience goods to grow by 0.5% per year, as households start to feel more secure about their jobs and potential future incomes.

It is worth noting that the 3.9% average growth forecast for comparison goods over 2013-24 is in between the short-term and medium-term trend projections discussed in the next sub-section, while the 0.5% rate forecast for convenience exactly matches the 0.5% long-term and ultra-long term growth projection. In other words, although the Oxford Economics forecast and the trend-based projections have been prepared in very different ways, some of their results are very similar.

Trend Projections

Projections of UK annual average retail expenditure per capita by goods type, including Special Forms of Trading and in constant 2010 prices (chain-linked volumes), are presented in Table 3.5, and illustrated in Figures 3.7 to 3.15. These projections are based on time series analysis of past trends in expenditure per capita data from 1964 (the earliest year for which data are available), and are derived by fitting log-linear regression lines to the data using the method of least squares. The estimated growth rates are shown in the second row of Table 3.5. The projections are derived solely from past trends and take no account of current economics or future expectations.

Convenience goods' retail expenditure has been erratic over the last 40 years, with low trend growth over the period as a whole. Therefore the statistical relationship is less reliable and there appear to have been some trend breaks. Of the four trends illustrated, the two most statistically robust estimates of trend growth calculated are the ultra-long term (1964-2013) and short term (2003-13). However, as the short-term trend largely reflects the impact of the recent recession, we expect future spending on convenience goods to start recovering and to be closer to the ultra-long term trend.

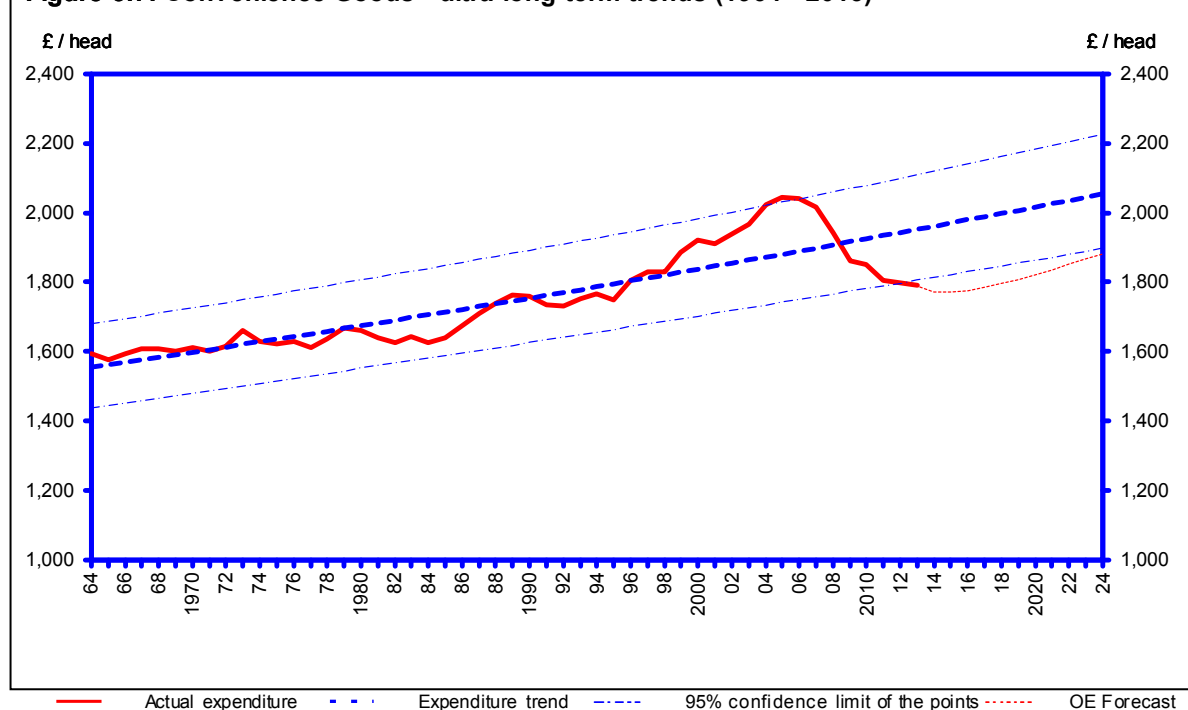
Trend growth rates of comparison goods expenditure per capita are statistically robust for all periods, with the strongest relationship seen over the long-term (1983-2013), when the fitted annual growth rate for spending on comparison goods per capita was 6%. Having said that, the fit over the ultra-long term, which has a growth rate of 4.9%, is almost just as good.

Trend Projections

Table 3.5: Growth and projections of UK annual average consumer retail expenditure per capita by goods type (2010 prices)

	Ultra long term trends 1964-2013			Long term trends 1983-2013			Medium term trends 1993-2013			Short term trends 2003-2013		
	Conv. goods	Comp. goods	All goods	Conv. goods	Comp. goods	All goods	Conv. goods	Comp. goods	All goods	Conv. goods	Comp. goods	All goods
R square	0.771	0.969	0.925	0.534	0.981	0.966	0.083	0.949	0.923	0.801	0.909	0.702
Average annual growth	0.5%	4.9%	2.2%	0.5%	6.0%	3.0%	0.2%	6.2%	3.2%	-1.4%	3.0%	1.2%
95% confidence limits	(+/-0.07)	(+/-0.25)	(+/-0.18)	(+/-0.19)	(+/-0.31)	(+/-0.21)	(+/-0.38)	(+/-0.66)	(+/-0.44)	(+/-0.55)	(+/-0.71)	(+/-0.57)
Actual and projected expenditure per capita (2010 prices) and 95% confidence limits for the regression points and lines												
	£	£	£	£	£	£	£	£	£	£	£	£
2012 expenditure	1,798	3,078	4,876	1,798	3,078	4,876	1,798	3,078	4,876	1,798	3,078	4,876
2012 projected expenditure	1,943	3,049	4,735	1,959	3,481	5,241	1,921	3,515	5,323	1,811	3,168	4,970
95% limits: -Points	(+/-151)	(+/-798)	(+/-969)	(+/-192)	(+/-563)	(+/-582)	(+/-217)	(+/-695)	(+/-700)	(+/-113)	(+/-256)	(+/-323)
-Line	(+/-38)	(+/-201)	(+/-225)	(+/-60)	(+/-175)	(+/-181)	(+/-77)	(+/-246)	(+/-249)	(+/-47)	(+/-108)	(+/-136)
2013 expenditure	1,789	3,233	5,022	1,789	3,233	5,022	1,789	3,233	5,022	1,789	3,233	5,022
2013 projected expenditure	1,952	3,198	4,838	1,970	3,690	5,400	1,925	3,731	5,496	1,785	3,263	5,028
95% limits: -Points	(+/-152)	(+/-838)	(+/-909)	(+/-194)	(+/-600)	(+/-602)	(+/-219)	(+/-745)	(+/-731)	(+/-114)	(+/-272)	(+/-337)
-Line	(+/-40)	(+/-218)	(+/-237)	(+/-63)	(+/-195)	(+/-196)	(+/-83)	(+/-282)	(+/-277)	(+/-54)	(+/-129)	(+/-160)
2014 projected expenditure	1,961	3,353	4,942	1,949	3,690	5,400	1,925	3,731	5,496	1,785	3,263	5,028
95% limits: -Points	(+/-153)	(+/-881)	(+/-931)	(+/-196)	(+/-639)	(+/-624)	(+/-222)	(+/-800)	(+/-763)	(+/-117)	(+/-290)	(+/-353)
-Line	(+/-41)	(+/-235)	(+/-250)	(+/-67)	(+/-217)	(+/-212)	(+/-90)	(+/-322)	(+/-307)	(+/-61)	(+/-152)	(+/-185)
2019 projected expenditure	2,007	4,253	5,499	2,033	5,238	6,459	1,953	5,339	6,656	1,636	3,898	5,391
95% limits: -Points	(+/-158)	(+/-1130)	(+/-1048)	(+/-208)	(+/-883)	(+/-747)	(+/-240)	(+/-1152)	(+/-956)	(+/-133)	(+/-413)	(+/-459)
-Line	(+/-48)	(+/-343)	(+/-320)	(+/-85)	(+/-362)	(+/-307)	(+/-124)	(+/-591)	(+/-491)	(+/-96)	(+/-297)	(+/-331)
2024 projected expenditure	2,054	5,393	6,118	2,087	7,015	7,498	1,976	7,195	7,808	1,521	4,521	5,713
95% limits: -Points	(+/-164)	(+/-1453)	(+/-1182)	(+/-221)	(+/-1228)	(+/-900)	(+/-263)	(+/-1681)	(+/-1212)	(+/-154)	(+/-594)	(+/-604)
-Line	(+/-56)	(+/-494)	(+/-404)	(+/-105)	(+/-584)	(+/-429)	(+/-160)	(+/-1019)	(+/-737)	(+/-127)	(+/-492)	(+/-500)

Figure 3.7: Convenience Goods - ultra long term trends (1964 - 2013)



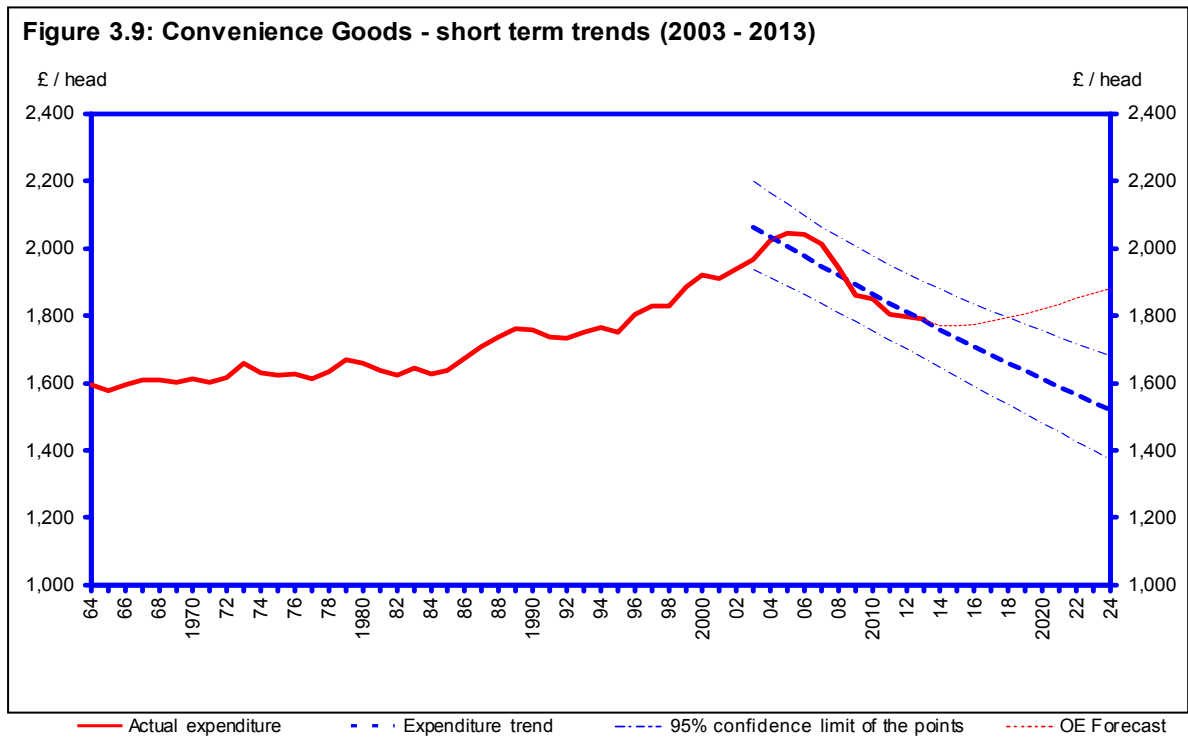
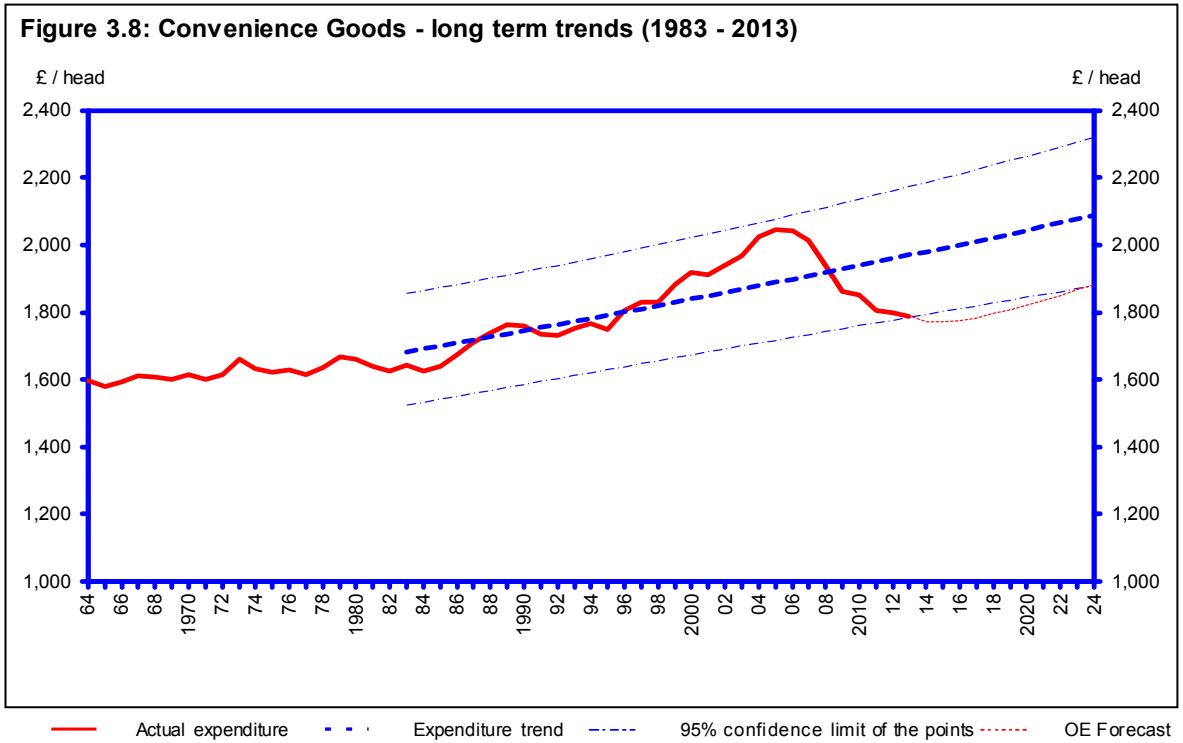


Figure 3.10: Comparison Goods - ultra long term trends (1964 - 2013)

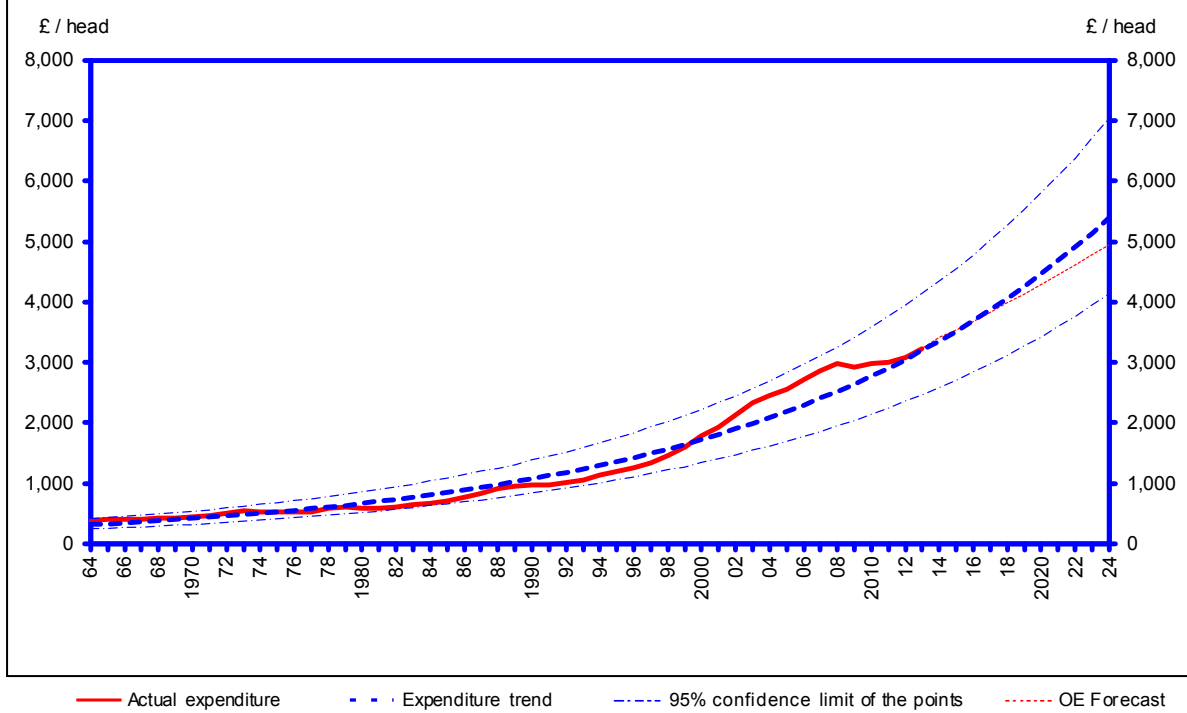


Figure 3.11: Comparison Goods - long term trends (1983 - 2013)

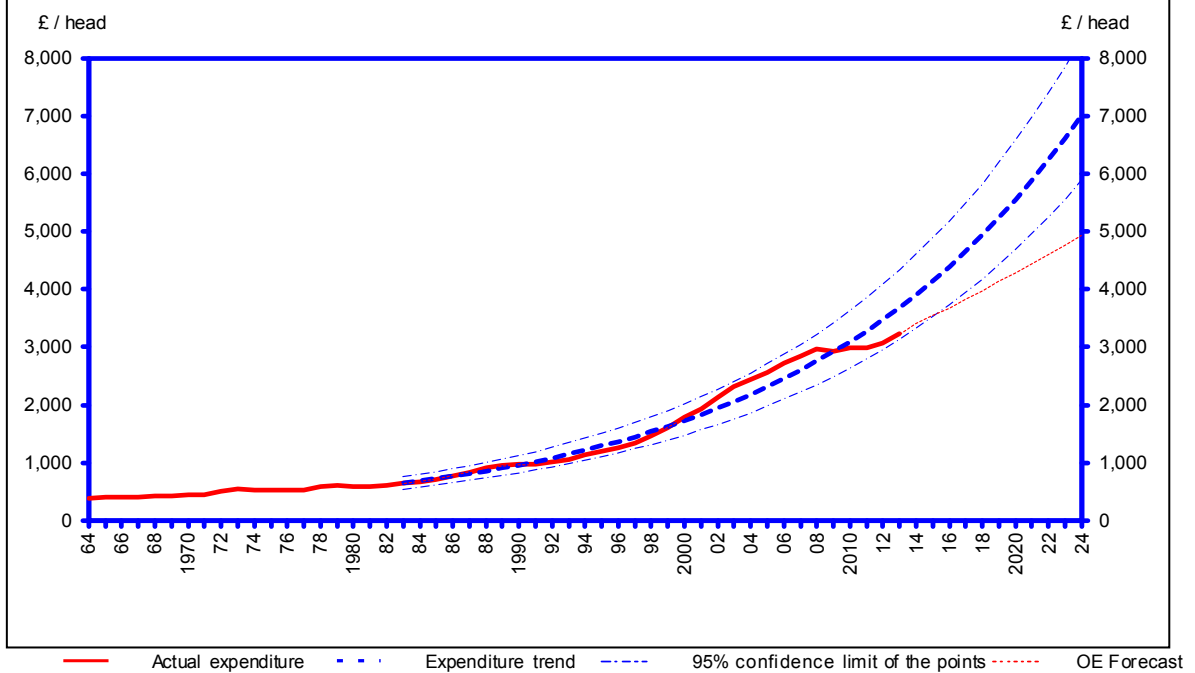


Figure 3.12: Comparison Goods - short term trends (2003 - 2013)

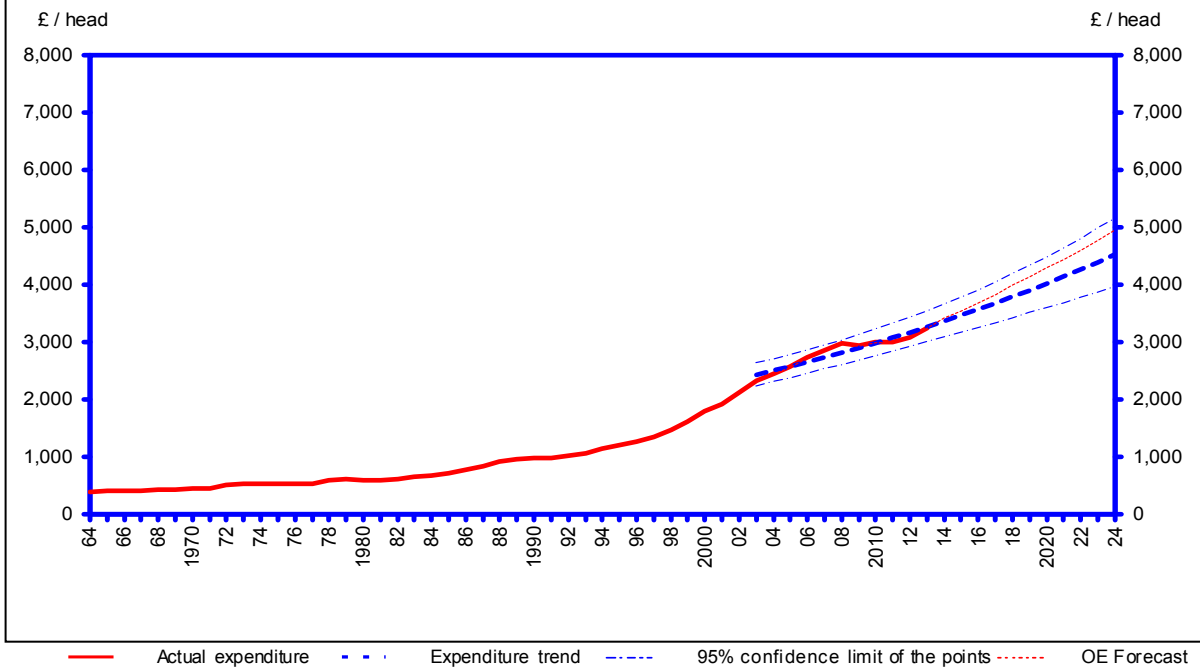
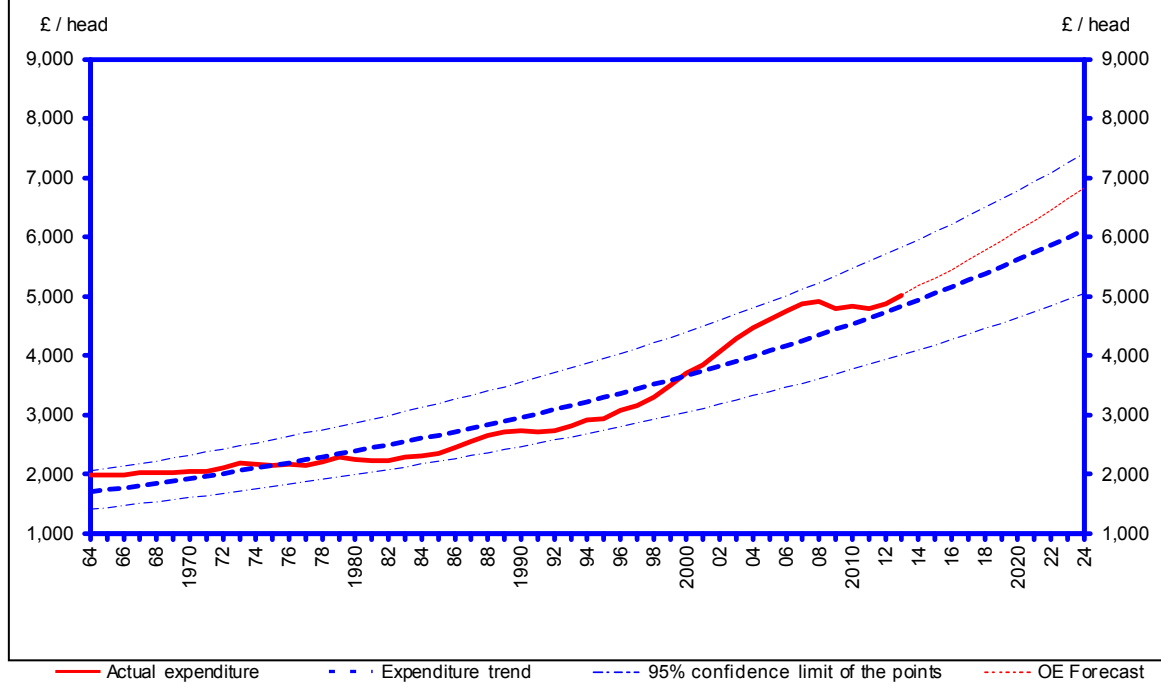
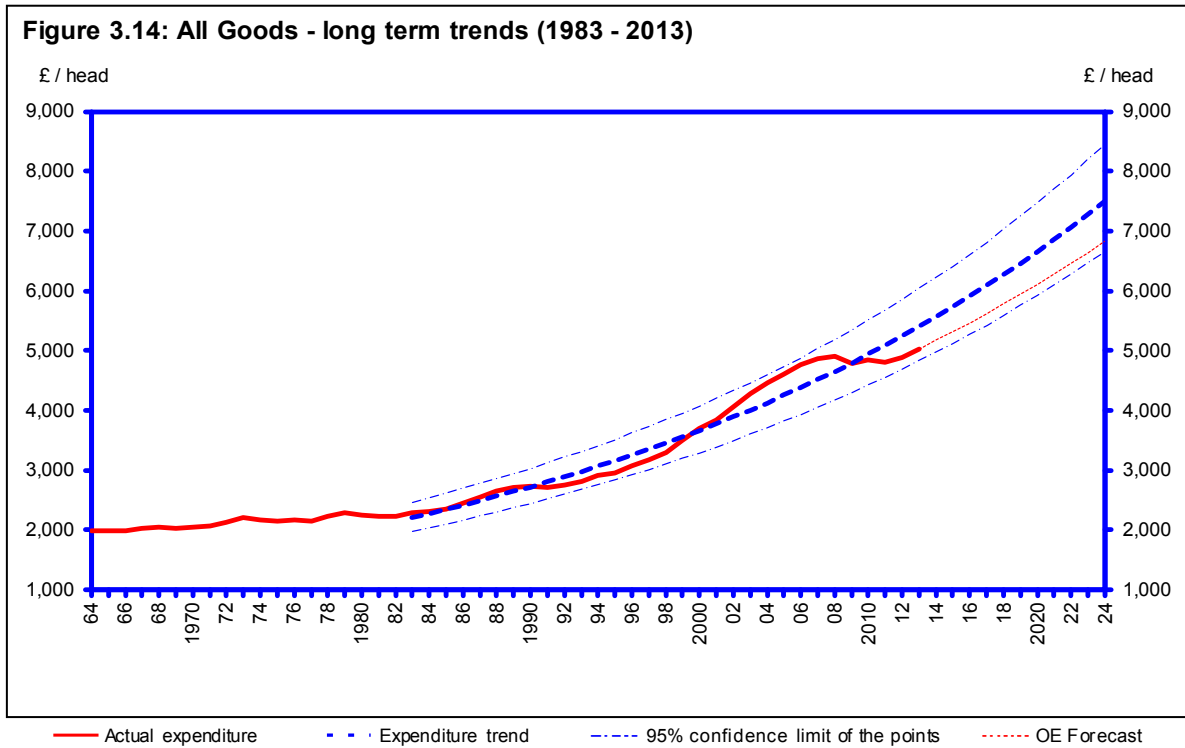
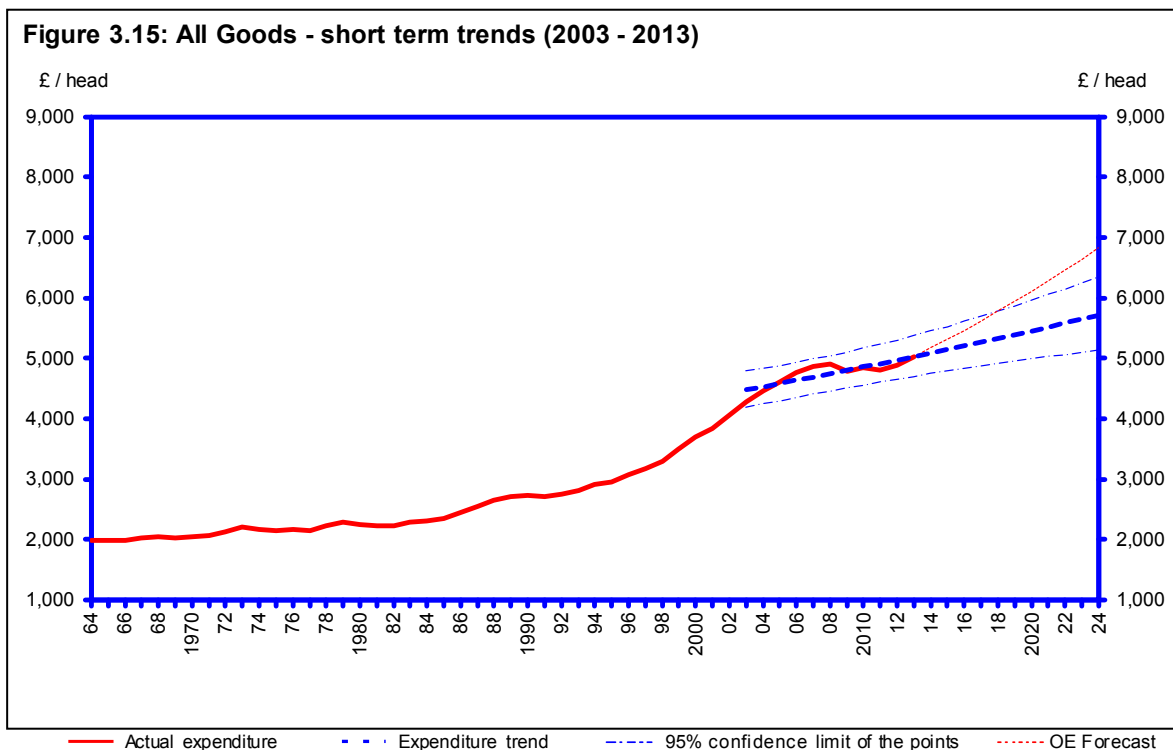


Figure 3.13: All Goods - ultra long term trends (1964 - 2013)







Prices

Price indices for convenience goods, comparison goods and all goods are calculated directly from the series of consumer expenditure by type at current and constant prices. The price indices are therefore fully compatible with the estimates of consumer retail expenditure per head given in this report. Use of these calculated indices with the expenditure estimates is preferable to the use of either the retail price index (RPI) or the consumer price index (CPI) as both of them incorporate a significant number of items not purchased through retail outlets.

Prices of comparison good started falling in late 1990s, and by 2008 they were around 30% lower than their peak in 1996. Dominated by decreasing prices of electrical goods, this deflation is in line with technological advances and the movement of production to lower cost countries, especially China and India, feeding through into prices. This trend is also evident for clothing and textiles.

Comparison goods prices were affected by offsetting tendencies in 2009. The depreciation of sterling acted to push prices up while the temporary VAT cut helped to keep them down. The overall impact was a fall in comparison goods prices of more than 2% in 2009 following a 3.2% fall in 2008; however in 2010 as spending started to recover the prices were up by 0.5%. In 2011 comparison goods inflation was similar to that of 2010, partly being held up by the VAT increase to 20% introduced from January 2011. Overall, during 2008-13 the falls in prices of comparison goods have slowed noticeably, which can be partly attributed to incomes rising in China and India, and pushing up the costs of production.

Convenience goods price inflation has historically been much higher than that of comparison goods and prices have continued to rise. Furthermore, since 2007 there has been a tendency for acceleration in the rate of inflation, with prices rising by 7.4% in 2008 and then more recently by 4% in 2013. Some elements of convenience goods are VATable and were also affected by the 2011 VAT increase.

A

Appendix A: Base Area Profile Report

The following pages give Consumer Retail Expenditure estimates produced from Pitney Bowes Software enabling comparisons on a consistent basis between local area figures and the National average. Figures are given for the United Kingdom and Great Britain for 2012, 2013, 2014, 2019, 2024 and 2025.

Pitney Bowes Software

Consumer Retail Expenditure Total (£mill Per Annum, EST=Estimates, FOR=Forecast, PB=Price Base)

CONSUMER EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Food	89,558	86,992	94,008	91,318	95,406	92,694	1,02,233	99,438	1,11,218	1,08,253	1,13,014	1,10,014
Alcoholic Drink	16,267	15,814	16,587	16,126	18,874	18,352	16,332	15,897	16,821	16,384	16,913	16,475
Tobacco	11,186	10,650	11,354	10,810	11,369	10,828	9,698	9,253	9,367	8,947	9,305	8,889
Books Newspapers Magazines	6,933	6,725	6,748	6,545	6,572	6,376	5,646	5,486	5,550	5,398	5,544	5,393
Books	2,993	2,926	2,882	2,817	2,795	2,733	2,614	2,558	2,619	2,565	2,618	2,564
Newspapers and Magazines	3,940	3,799	3,866	3,728	3,777	3,643	3,032	2,928	2,931	2,833	2,926	2,829
Clothing and Footwear	53,901	51,434	57,730	55,091	60,877	58,113	80,029	76,531	1,01,588	97,259	1,06,291	1,01,781
Footwear	8,030	7,639	8,418	8,008	9,046	8,609	12,321	11,748	15,460	14,759	16,141	15,412
Clothing	45,871	43,795	49,312	47,083	51,831	49,504	67,708	64,783	86,128	82,500	90,150	86,369
Furniture/Floor/Textiles	22,685	22,179	24,064	23,528	25,405	24,843	29,124	28,498	33,621	32,913	34,564	33,839
Furniture/Floor Coverings	16,925	16,581	17,928	17,564	18,948	18,566	20,881	20,476	23,618	23,171	24,185	23,730
HH Textiles/Soft Furnishings	5,760	5,598	6,136	5,964	6,457	6,277	8,243	8,022	10,003	9,742	10,379	10,109
Audio-visual Equipment	25,836	25,173	25,744	25,088	26,715	26,043	37,158	36,250	47,840	46,696	50,171	48,975
Domestic Appliances	6,448	6,330	6,800	6,676	7,416	7,282	9,011	8,854	10,890	10,705	11,293	11,102
AV/Photo/Optical Goods	18,795	18,278	18,331	17,828	18,655	18,147	27,380	26,663	36,062	35,142	37,965	37,000
Telephone/Fax Equipment	593	565	613	584	644	614	767	733	888	849	913	873
Hardware and DIY Supplies	12,815	12,468	12,961	12,612	13,717	13,350	15,460	15,062	17,300	16,865	17,672	17,230
China Glass and Utensils	4,805	4,664	5,069	4,921	5,373	5,217	6,260	6,085	7,221	7,024	7,408	7,207
Repair/Maintenance Materials	1,147	1,125	1,235	1,212	1,281	1,257	1,603	1,574	1,824	1,792	1,867	1,834
Tools/Equip for Home/Garden	3,394	3,306	3,489	3,399	3,714	3,619	3,848	3,753	4,180	4,079	4,255	4,153
Gardens/Plants/Flowers	3,469	3,373	3,168	3,080	3,349	3,257	3,749	3,650	4,075	3,970	4,142	4,036
Other Goods	82,343	79,973	87,770	85,235	94,404	91,679	1,13,802	1,10,655	1,37,522	1,33,802	1,42,642	1,38,795
Chemists' Goods	27,129	26,350	29,111	28,276	31,394	30,500	37,624	36,595	44,976	43,777	46,520	45,285
Jewellery/Watches/Clocks	6,739	6,612	7,426	7,286	8,512	8,353	9,378	9,209	10,326	10,145	10,508	10,324
Non-durable HH Goods	4,122	4,019	4,292	4,185	4,395	4,286	4,861	4,745	5,378	5,253	5,480	5,353
Bicycles	1,583	1,570	1,447	1,436	1,502	1,490	1,999	1,984	2,472	2,454	2,569	2,550
Recreational Goods	35,202	34,268	36,939	35,965	38,710	37,698	48,137	46,941	59,696	58,256	62,274	60,778
Other Miscellaneous Goods	7,568	7,154	8,555	8,087	9,891	9,352	11,803	11,181	14,674	13,917	15,291	14,505
Total Goods	3,21,524	3,11,408	3,36,966	3,26,353	3,53,339	3,42,278	4,09,482	3,97,070	4,80,827	4,66,517	4,96,116	4,81,391
Convenience Goods	1,25,073	1,21,274	1,30,107	1,26,167	1,33,821	1,29,803	1,36,156	1,32,261	1,45,715	1,41,670	1,47,638	1,43,560
Comparison Goods	1,96,451	1,90,134	2,06,859	2,00,186	2,19,518	2,12,475	2,73,326	2,64,809	3,35,112	3,24,847	3,48,478	3,37,831
Bulky Goods	23,373	22,911	24,728	24,240	26,364	25,848	29,892	29,330	34,508	33,876	35,478	34,832
DIY Related Goods	10,722	10,460	10,761	10,501	11,371	11,098	12,536	12,248	13,848	13,537	14,122	13,807

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LEISURE EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Audio-Visual Goods	18,795	18,278	18,331	17,828	18,655	18,147	27,380	26,663	36,062	35,142	37,965	37,000
Gardens, plants and flowers	3,469	3,373	3,168	3,080	3,349	3,257	3,749	3,650	4,075	3,970	4,142	4,036
Recreational goods	35,202	34,268	36,939	35,965	38,710	37,698	48,137	46,941	59,696	58,256	62,274	60,778
Durables for indoor/outdoor recreation	8,312	7,982	8,287	7,958	8,438	8,106	9,323	8,971	10,923	10,521	11,264	10,851
Games, toys and hobbies	17,454	17,043	19,129	18,679	20,878	20,390	28,173	27,539	36,475	35,674	38,372	37,533
Sports goods	2,775	2,711	2,859	2,793	2,900	2,833	3,538	3,460	4,414	4,319	4,604	4,505
Pets and related products	6,661	6,532	6,664	6,535	6,494	6,369	7,103	6,971	7,884	7,742	8,034	7,889
Books	2,993	2,926	2,882	2,817	2,795	2,733	2,614	2,558	2,619	2,565	2,618	2,564
Recreational and Cultural Services	35,627	34,575	36,536	35,458	37,722	36,617	41,918	40,736	48,100	46,777	49,327	47,976
Restaurants	75,560	72,841	77,412	74,630	81,629	78,716	85,885	82,941	92,748	89,651	93,780	90,662
Hotels	7,328	7,241	7,911	7,817	8,996	8,890	12,703	12,559	16,477	16,296	17,127	16,939
Hair and Personal Grooming	5,750	5,530	5,890	5,665	6,082	5,851	6,682	6,438	7,195	6,939	7,267	7,010
Total Leisure Spend	1,84,724	1,79,032	1,89,069	1,83,260	1,97,938	1,91,909	2,29,068	2,22,486	2,66,972	2,59,596	2,74,500	2,66,965
Leisure Goods	60,459	58,845	61,320	59,690	63,509	61,835	81,880	79,812	1,02,452	99,933	1,06,999	1,04,378
Leisure Services	1,24,265	1,20,187	1,27,749	1,23,570	1,34,429	1,30,074	1,47,188	1,42,674	1,64,520	1,59,663	1,67,501	1,62,587

OTHER EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	3,394	3,306	3,489	3,399	3,714	3,619	3,848	3,753	4,180	4,079	4,255	4,153
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Owner-Occupier Rents (Imputed Rents)	1,52,011	1,49,520	1,55,605	1,53,058	1,61,692	1,59,068	1,68,333	1,65,723	1,79,266	1,76,567	1,81,310	1,78,593
Actual Rents	53,845	52,963	56,389	55,466	59,827	58,856	64,632	63,630	73,962	72,848	75,986	74,847
Telephone and fax services	19,007	18,513	20,231	19,706	21,668	21,110	24,446	23,841	28,374	27,690	29,282	28,579
Education	14,640	14,297	16,758	16,366	18,477	18,049	18,012	17,613	18,835	18,429	18,968	18,561
Domestic service and household services	6,232	6,073	6,689	6,519	7,317	7,132	7,696	7,509	8,288	8,092	8,391	8,193
Housing R&M services	1,391	1,365	1,577	1,547	1,712	1,680	1,955	1,920	2,074	2,038	2,094	2,057
Insurance	20,862	20,338	23,284	22,700	22,997	22,424	22,361	21,826	22,369	21,847	22,357	21,838
Financial services	28,486	28,181	30,159	29,836	34,205	33,842	34,885	34,530	40,010	39,613	41,195	40,789
Vehicle Fuels and lubricants	30,809	29,609	29,876	28,714	28,111	27,024	28,831	27,756	29,581	28,504	29,738	28,660
Transport services	37,232	36,257	40,578	39,517	43,065	41,948	46,976	45,811	52,663	51,394	53,816	52,526
Electricity, Gas and Other fuels	32,385	31,153	34,490	33,179	33,909	32,629	32,858	31,663	33,210	32,031	33,317	32,139

Pitney Bowes Software

Consumer Retail Expenditure Hhold (£ Per Annum, EST=Estimates, FOR=Forecast, PB=Price Base)

CONSUMER EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Food	3,354	3,347	3,491	3,484	3,514	3,507	3,606	3,604	3,760	3,762	3,786	3,788
Alcoholic Drink	609	608	616	615	695	694	576	576	569	569	567	567
Tobacco	419	410	422	412	419	410	342	335	317	311	312	306
Books Newspapers Magazines	260	259	251	250	242	241	199	199	188	188	186	186
Books	112	113	107	107	103	103	92	93	89	89	88	88
Newspapers and Magazines	148	146	144	142	139	138	107	106	99	98	98	97
Clothing and Footwear	2,018	1,979	2,144	2,102	2,242	2,199	2,823	2,774	3,435	3,380	3,561	3,505
Footwear	301	294	313	306	333	326	435	426	523	513	541	531
Clothing	1,718	1,685	1,831	1,797	1,909	1,873	2,388	2,348	2,912	2,867	3,020	2,974
Furniture/Floor/Textiles	850	853	894	898	936	940	1,027	1,033	1,137	1,144	1,158	1,165
Furniture/Floor Coverings	634	638	666	670	698	703	736	742	799	805	810	817
HH Textiles/Soft Furnishings	216	215	228	228	238	238	291	291	338	339	348	348
Audio-visual Equipment	968	968	956	957	984	985	1,311	1,314	1,618	1,623	1,681	1,686
Domestic Appliances	241	244	253	255	273	276	318	321	368	372	378	382
AV/Photo/Optical Goods	704	703	681	680	687	687	966	966	1,219	1,221	1,272	1,274
Telephone/Fax Equipment	22	22	23	22	24	23	27	27	30	30	31	30
Hardware and DIY Supplies	480	480	481	481	505	505	545	546	585	586	592	593
China Glass and Utensils	180	179	188	188	198	197	221	221	244	244	248	248
Repair/Maintenance Materials	43	43	46	46	47	48	57	57	62	62	63	63
Tools/Equip for Home/Garden	127	127	130	130	137	137	136	136	141	142	143	143
Gardens/Plants/Flowers	130	130	118	118	123	123	132	132	138	138	139	139
Other Goods	3,084	3,077	3,260	3,252	3,477	3,469	4,014	4,011	4,650	4,650	4,778	4,779
Chemists' Goods	1,016	1,014	1,081	1,079	1,156	1,154	1,327	1,326	1,521	1,521	1,558	1,559
Jewellery/Watches/Clocks	252	254	276	278	313	316	331	334	349	353	352	355
Non-durable HH Goods	154	155	159	160	162	162	171	172	182	183	184	184
Bicycles	59	60	54	55	55	56	71	72	84	85	86	88
Recreational Goods	1,318	1,318	1,372	1,372	1,426	1,426	1,698	1,701	2,018	2,025	2,086	2,093
Other Miscellaneous Goods	283	275	318	309	364	354	416	405	496	484	512	499
Total Goods	12,040	11,981	12,514	12,452	13,013	12,952	14,442	14,391	16,258	16,212	16,620	16,575
Convenience Goods	4,684	4,666	4,832	4,814	4,928	4,912	4,802	4,794	4,927	4,923	4,946	4,943
Comparison Goods	7,357	7,315	7,682	7,638	8,084	8,040	9,640	9,598	11,331	11,289	11,674	11,632
Bulky Goods	875	881	918	925	971	978	1,054	1,063	1,167	1,177	1,188	1,199
DIY Related Goods	402	402	400	401	419	420	442	444	468	470	473	475

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LEISURE EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Audio-Visual Goods	704	703	681	680	687	687	966	966	1,219	1,221	1,272	1,274
Gardens, plants and flowers	130	130	118	118	123	123	132	132	138	138	139	139
Recreational goods	1,318	1,318	1,372	1,372	1,426	1,426	1,698	1,701	2,018	2,025	2,086	2,093
Durables for indoor/outdoor recreation	311	307	308	304	311	307	329	325	369	366	377	374
Games, toys and hobbies	654	656	710	713	769	772	994	998	1,233	1,240	1,285	1,292
Sports goods	104	104	106	107	107	107	125	125	149	150	154	155
Pets and related products	249	251	247	249	239	241	251	253	267	269	269	272
Books	112	113	107	107	103	103	92	93	89	89	88	88
Recreational and Cultural Services	1,334	1,330	1,357	1,353	1,389	1,386	1,478	1,476	1,626	1,626	1,652	1,652
Restaurants	2,830	2,802	2,875	2,848	3,006	2,979	3,029	3,006	3,136	3,116	3,142	3,122
Hotels	274	279	294	298	331	336	448	455	557	566	574	583
Hair and Personal Grooming	215	213	219	216	224	221	236	233	243	241	243	241
Total Leisure Spend	6,918	6,888	7,022	6,993	7,290	7,262	8,079	8,064	9,027	9,021	9,196	9,192
Leisure Goods	2,264	2,264	2,277	2,278	2,339	2,340	2,888	2,893	3,464	3,473	3,584	3,594
Leisure Services	4,653	4,624	4,744	4,715	4,951	4,922	5,191	5,171	5,563	5,549	5,611	5,598

OTHER EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Owner-Occupier Rents (Imputed Rents)	5,692	5,753	5,779	5,840	5,955	6,019	5,937	6,006	6,061	6,136	6,074	6,149
Actual Rents	2,016	2,038	2,094	2,116	2,203	2,227	2,280	2,306	2,501	2,532	2,545	2,577
Telephone and fax services	712	712	751	752	798	799	862	864	959	962	981	984
Education	548	550	622	624	680	683	635	638	637	640	635	639
Domestic service and household services	233	234	248	249	269	270	271	272	280	281	281	282
Housing R&M services	52	53	59	59	63	64	69	70	70	71	70	71
Insurance	781	782	865	866	847	849	789	791	756	759	749	752
Financial services	1,067	1,084	1,120	1,138	1,260	1,281	1,230	1,251	1,353	1,377	1,380	1,404
Vehicle Fuels and lubricants	1,154	1,139	1,110	1,096	1,035	1,023	1,017	1,006	1,000	991	996	987
Transport services	1,394	1,395	1,507	1,508	1,586	1,587	1,657	1,660	1,781	1,786	1,803	1,809
Electricity, Gas and Other fuels	1,213	1,199	1,281	1,266	1,249	1,235	1,159	1,148	1,123	1,113	1,116	1,107

Pitney Bowes Software

Consumer Retail Expenditure Person (£ Per Annum, EST=Estimates, FOR=Forecast, PB=Price Base)

CONSUMER EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Food	1,406	1,406	1,467	1,467	1,479	1,479	1,533	1,534	1,617	1,619	1,633	1,636
Alcoholic Drink	255	256	259	259	293	293	245	245	245	245	244	245
Tobacco	176	172	177	174	176	173	145	143	136	134	134	132
Books Newspapers Magazines	109	109	105	105	102	102	85	85	81	81	80	80
Books	47	47	45	45	43	44	39	39	38	38	38	38
Newspapers and Magazines	62	61	60	60	59	58	45	45	43	42	42	42
Clothing and Footwear	846	831	901	885	944	927	1,200	1,181	1,477	1,455	1,536	1,513
Footwear	126	123	131	129	140	137	185	181	225	221	233	229
Clothing	720	708	769	756	803	790	1,015	1,000	1,252	1,234	1,303	1,284
Furniture/Floor/Textiles	356	358	375	378	394	396	437	440	489	492	500	503
Furniture/Floor Coverings	266	268	280	282	294	296	313	316	343	347	350	353
HH Textiles/Soft Furnishings	90	90	96	96	100	100	124	124	145	146	150	150
Audio-visual Equipment	406	407	402	403	414	416	557	559	695	698	725	728
Domestic Appliances	101	102	106	107	115	116	135	137	158	160	163	165
AV/Photo/Optical Goods	295	295	286	286	289	290	411	411	524	526	549	550
Telephone/Fax Equipment	9	9	10	9	10	10	11	11	13	13	13	13
Hardware and DIY Supplies	201	201	202	203	213	213	232	232	251	252	255	256
China Glass and Utensils	75	75	79	79	83	83	94	94	105	105	107	107
Repair/Maintenance Materials	18	18	19	19	20	20	24	24	27	27	27	27
Tools/Equip for Home/Garden	53	53	54	55	58	58	58	58	61	61	61	62
Gardens/Plants/Flowers	54	55	49	49	52	52	56	56	59	59	60	60
Other Goods	1,293	1,292	1,370	1,369	1,463	1,463	1,706	1,707	1,999	2,001	2,062	2,064
Chemists' Goods	426	426	454	454	487	487	564	565	654	655	672	673
Jewellery/Watches/Clocks	106	107	116	117	132	133	141	142	150	152	152	154
Non-durable HH Goods	65	65	67	67	68	68	73	73	78	79	79	80
Bicycles	25	25	23	23	23	24	30	31	36	37	37	38
Recreational Goods	553	554	576	578	600	602	722	724	868	871	900	904
Other Miscellaneous Goods	119	116	133	130	153	149	177	173	213	208	221	216
Total Goods	5,047	5,032	5,258	5,242	5,477	5,462	6,139	6,127	6,990	6,978	7,170	7,158
Convenience Goods	1,963	1,960	2,030	2,027	2,074	2,071	2,041	2,041	2,118	2,119	2,134	2,135
Comparison Goods	3,084	3,073	3,228	3,216	3,403	3,390	4,098	4,086	4,872	4,859	5,036	5,024
Bulky Goods	367	370	386	389	409	412	448	453	502	507	513	518
DIY Related Goods	168	169	168	169	176	177	188	189	201	202	204	205

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LEISURE EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Audio-Visual Goods	295	295	286	286	289	290	411	411	524	526	549	550
Gardens, plants and flowers	54	55	49	49	52	52	56	56	59	59	60	60
Recreational goods	553	554	576	578	600	602	722	724	868	871	900	904
Durables for indoor/outdoor recreation	130	129	129	128	131	129	140	138	159	157	163	161
Games, toys and hobbies	274	275	298	300	324	325	422	425	530	534	555	558
Sports goods	44	44	45	45	45	45	53	53	64	65	67	67
Pets and related products	105	106	104	105	101	102	106	108	115	116	116	117
Books	47	47	45	45	43	44	39	39	38	38	38	38
Recreational and Cultural Services	559	559	570	570	585	584	628	629	699	700	713	713
Restaurants	1,186	1,177	1,208	1,199	1,265	1,256	1,288	1,280	1,348	1,341	1,355	1,348
Hotels	115	117	123	126	139	142	190	194	240	244	248	252
Hair and Personal Grooming	90	89	92	91	94	93	100	99	105	104	105	104
Total Leisure Spend	2,900	2,893	2,950	2,944	3,068	3,062	3,434	3,433	3,881	3,883	3,967	3,970
Leisure Goods	949	951	957	959	984	987	1,228	1,232	1,489	1,495	1,546	1,552
Leisure Services	1,951	1,942	1,993	1,985	2,084	2,076	2,207	2,202	2,392	2,388	2,421	2,418

OTHER EXPENDITURE	UK: 2012 EST, 2012 PB	GB: 2012 EST, 2012 PB	UK: 2013 EST, 2013 PB	GB: 2013 EST, 2013 PB	UK: 2014 EST, 2014 PB	GB: 2014 EST, 2014 PB	UK: 2019 FOR, 2013 PB	GB: 2019 FOR, 2013 PB	UK: 2024 FOR, 2013 PB	GB: 2024 FOR, 2013 PB	UK: 2025 FOR, 2013 PB	GB: 2025 FOR, 2013 PB
# OA's	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759	2,32,296	2,27,759
Usually Resident Population	64	62	64	62	65	63	67	65	69	67	69	67
Private Households	27	26	27	26	27	26	28	28	30	29	30	29
Owner-Occupier Rents (Imputed Rents)	2,386	2,416	2,428	2,459	2,506	2,538	2,524	2,557	2,606	2,641	2,620	2,656
Actual Rents	845	856	880	891	927	939	969	982	1,075	1,090	1,098	1,113
Telephone and fax services	298	299	316	317	336	337	367	368	412	414	423	425
Education	230	231	261	263	286	288	270	272	274	276	274	276
Domestic service and household services	98	98	104	105	113	114	115	116	120	121	121	122
Housing R&M services	22	22	25	25	27	27	29	30	30	30	30	31
Insurance	327	329	363	365	356	358	335	337	325	327	323	325
Financial services	447	455	471	479	530	540	523	533	582	593	595	607
Vehicle Fuels and lubricants	484	478	466	461	436	431	432	428	430	426	430	426
Transport services	584	586	633	635	668	669	704	707	766	769	778	781
Electricity, Gas and Other fuels	508	503	538	533	526	521	493	489	483	479	482	478