

MEDIA RELEASE

Sunday Exclusive

MEDIA ENQUIRIES: Lizzie Costelloe or Hannah Adam at Rain Communications

0207 828 0118 / firstname.surname@raincommunications.co.uk

OLYMPIC YEAR SET TO DRIVE RETAIL SALES IN LONDON'S WEST END WITH A 3.5% GROWTH FORECAST FOR 2012

In 2011, sales and footfall to the West End increased by 3.1% and 1.7% respectively [against national results of 0.1% and -1.1%¹]

According to a report released today, the Olympic year is set to drive a growth in retail sales of **3.5%** in London's West End. West End retailers are optimistic that sales will reach **£7.7billion** in 2012 with further momentum gained during the Queen's Diamond Jubilee, offsetting a slow start to the year. This follows strong December trading as West End retailers reported a sales upswing of **6.8%** year-on-year.

The report commissioned by New West End Company, representing 600 retailers on Bond Street, Oxford Street and Regent Street, and compiled by Springboard, the UK's leading High Street footfall monitoring organisation, confirmed that luxury-seeking international shoppers who account for a third of West End shoppers would continue to help bolster sales in 2012 spending over £2billion.

Key findings from 'A 2012 Retail Outlook' include;

- **17.8%** of total annual additional retail spend will occur in June and July during the Queen's Diamond Jubilee and the Olympic Games
- West End retailers are set to make an additional **£16.6million** in revenue as a direct consequence of the Olympic Games
- The attraction of the West End to luxury seeking international shoppers is set to increase Bond Street's share of West End revenue in 2012 from the 12.6% it currently attracts to up to a fifth of shopper spend

As 90% of all London tourists visit the West End during their trip², the West End is set to be one of the few retail destinations across London and the rest of the UK, to directly benefit from the Olympic

¹ Figures from British Retail Consortium and Springboard

year as millions visitors flock to the capital, according to today’s report. Following a dip in trading during the first quarter of 2012 in light of current low domestic consumer confidence, shopper spend will gain momentum during the second quarter ahead of the Queen’s Diamond Jubilee and the Olympic Games.

The Olympic year will also create a long-standing legacy as 2012 showcases the UK as one of the world’s greatest tourism destinations, particularly to new and emerging overseas markets who may be unfamiliar with what the country has to offer.

As recent research reveals that 95% of shoppers consider London’s West End to be one the world’s top shopping destinations³, the area sits apart from the rest of London and the UK with a unique heritage and unrivalled brand mix, from quintessentially British to luxury brands, which resonates with domestic and international shoppers. A new focus for 2012 will be the emerging MERC⁴ markets with tailored promotional activity targeting these high-spending shoppers who are a crucial ingredient in the forecasted insulation of the West End against a widely anticipated UK decline in non-food retail sales in 2012.

Average shopper spend per store transaction in the West End according to Global Blue		
Middle East	Russia	China
£1,267	£988	£1,310

Richard Dickinson, Chief Executive of the New West End Company, says, “This forecast shows that as far as the West End goes we are due to see better economic times. The problem remains a pernicious and gloomy minority who continue to cast doubt from the sidelines on what are real opportunities for both London and the UK. Ultimately the 2012 Olympics can help put the Great back into Britain and our latest forecasts indicate that the central London retail economy is now likely to bounce back and can make a strong contribution to these better times”

In December retail sales in the West End increased by 6.8% year-on-year driving an annual sales uplift of 3.1% for the whole year.

A strong forecast upswing in 2012 sales follows robust December trading as the West End attracted festive shoppers in their millions. Despite a slow start to festive spend, West End retailers efforts with pop-up sales and offers paid dividend; whilst annual footfall dipped by just **-0.3%**, there was a

² A Forecast of Retail Sales for the West End in 2012

³ OMD Insights, 2012

⁴ Middle East, Russia and China

sales uplift of **6.8%** year-on-year in December as Bond Street, Oxford Street and Regent Street attracted an increased number of high-spending shoppers.

These results topped off an overall positive 2011 for West End retailers with sales and footfall growth above the UK average of **3.1%** and **1.7%** respectively for the year. These results again illustrate the changing demographic of the West End shopper with spend per head increasing.

In December, an impressive **£80million** incremental increase in annual spend was reported during VIP Weekend (10 and 11 December) as shoppers took advantage of traffic-free shopping. Retailers reported sales of over **£100million** between Boxing Day and New Year with footfall soaring by **7.3% year-on-year** during this period as the world famous sales lured both domestic and international shoppers.

Maureen Hinton, Retail Analyst at Verdict says, “The West End is bound to outperform the rest of UK retail as it has the advantage of being a prime tourist shopping destination as well as having a high profile retail reputation for UK shoppers. These factors boosted by the Olympics and Diamond Jubilee will not only generate high footfall and sales but enable retailers to enhance their brand status to an international audience – particularly the high spending Chinese, Russian and Middle Eastern shoppers. Against this backdrop the forecast of 3.5% growth looks achievable even though we at Verdict are predicting a 0.5% fall in non-food sales for total UK retail in 2012.”

The Mayor of London Boris Johnson says, “2012 promises to be a summer like no other, and businesses throughout the West End now have a unique opportunity to reap the benefits when the world comes to the capital. London undoubtedly has the best shopping district in the world and I have every confidence that retailers are doing all they can to plan, prepare and profit from the Games.”

Diane Wehrle, Research Director at Springboard, says, “The Queen’s Jubilee and Olympics will play key parts in driving the overall sales growth for not only East London but the West End in 2012. The impact of the Olympics will almost certainly bring with it a rise in international visitors and additional sales opportunities to London’s West End as tourists look to tie in a potential once-in-a -life-time opportunity with a trip to the shopping capital of Europe. We are also predicting that this influx of tourists and hyped up consumer spending will have a knock-on effect on other participating host towns and cities such as Weymouth and Coventry as consumers boost the retail and food and drink sectors. What will be interesting to see is the scale of impact on these regional towns and whether the increased spend and footfall will help pull them up in the face of the economic climate and consumer cut backs.”

Cllr Brian Connell, Westminster City Council's Cabinet Member for Enterprise and Volunteering says: "The West End boasts a unique mix of retail, entertainment and leisure, making its economy more resilient to some economic pressures than much of the rest of the UK. We welcome this research, predicting a much-needed boost to sales for Westminster's retail sector this year - due to be an unprecedented time of commercial opportunity."

Julia Carrick, Chief Executive, Walpole, says, "British luxury brands are enjoying a renaissance. We have seen the likes of Burberry and Mulberry go from strength to strength, not just within the UK but globally. British heritage resides well with an international audience. The Chinese, Russians and Middle East appreciate our sense of culture and history and the service British luxury stores provide. They come to London looking for something of quality that is unique and well crafted - this is something Britain does very well. With all eyes on London this year, tourists will be flocking more so than ever to own a piece of British heritage."

Gordon Innes, Chief Executive, London & Partners, says, "With London currently recognised as the shopping capital of Europe, these figures are hugely encouraging and acknowledge that London's West End, with its unique mix and variety of retail, is second to none. We have a huge opportunity this year to showcase what London has to offer every visitor; highlight its commercial successes and fully harness the attraction of the capital's retail opportunities."

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Notes to Editors

More Information on New West End Company:

New West End Company is a company dedicated to driving forward London's West End as the world's top shopping destination. It is supported and run by major retailers and property owners in Bond Street, Oxford Street and Regent Street.

New West End Company ensures the ongoing commercial success of the area by promoting the district, delivering street management services and funding public realm projects to improve the shopping environment. It is a leading partner in the biggest regeneration programme of London's West End in its history. Find out more at www.newwestend.com

London's West End offers a world-class mix of 600 shops, 40 renowned theatres, 30 museums and galleries, 17 Michelin star restaurants and 7 tranquil green spaces.

There are 200 million visits to London's West End each year spending £7.6bn. Of these visitors 37% are from overseas and a further 21% are from outside of London and it is now ranked number one globally for international flagship stores.