Foreword from Jace Tyrrell

With the excitement of Halloween now behind us, the nation is turning its attention to the upcoming Christmas celebrations set to sweep the nation. To mark this, I am delighted to present New West End Company’s third annual Christmas Tracker report – which takes a deep dive into the spend, footfall and trends expected in the world’s number one retail destination over the festive season.

We are the business voice of the West End, representing 25 streets across the district including the world-famous Bond, Oxford and Regent Streets, with over 600 stores and 219 flagship outlets for globally renowned brands.

The West End is the economic powerhouse for the UK. Within just 6.34 hectares, it generates more GVA per year than the City of London and nearly the whole of Wales. It employs 150,000 people, 3% of the total UK working population, and attracts millions of tourists from around the world to London to shop on its iconic streets.

This year, following the decision to leave the EU and the drop in the value of the pound, the West End enjoyed a strong summer, proving a crucial economic driver in an otherwise uncertain and fluctuating climate.

Buoyed by an increase in international shoppers, the West End saw a remarkable £400 million total spend in July and a subsequent 44% increase in sales across the district in August, up 1.5% on the previous year.

We expect this positive spell to continue as we enter the Christmas trading period, with foreign spend set to be a key driver. Domestic consumer confidence, which was tentative at the start of the year and shaken further by the referendum outcome, is also starting to steady as we gear up for Christmas.

A number of exciting attractions will draw more shoppers to our streets, including the star-studded Christmas lights and illuminations across Bond, Oxford and Regent Street, Oxford Street’s first traffic free day in four years and the key shopping dates of Black Friday and the Boxing Day sales.

However, the long-term horizon looks less bright. Continued uncertainty once the process of leaving the EU gets underway in spring is likely to affect both consumer and business confidence in the two years ahead.

Indeed in just six months’ time, West End retailers will need to find an additional £124m in tax, as business rate revaluation, the Apprenticeship Levy and the National Living Wage all come into force. These changes will hit West End profits by up to 25% in some cases, and retailers will need to generate significantly increased sales to keep up with the hikes.

West End businesses already contribute significantly to the £1.8 billion business rates paid by Westminster businesses, 8% of the country’s total business rate income. Of every pound raised from Westminster businesses, 96 pence is redistributed outside the city throughout the UK.

As we look towards the triggering of Article 50, the Government must take measures to ensure that we are not further hampering the growth and prosperity of our retail heartland, for the benefit of our whole country.
Executive Summary

West End shops are forecast to end a challenging 2016 in good cheer. For the six weeks running up to Christmas, till receipts are forecast to rise by 1.6% to £2.34billion.

- Increased spending by international shoppers in the West End – from an average spend per person of £918 in July to £1,155 in September – is being driven by the post-Brexit decline in the value of sterling and recent events in other major European cities, such as Paris and Brussels. American, Chinese and Middle Eastern visitors are most active.

- Spending by domestic shoppers is expected to be steady due to continued caution over Brexit and its impact on the economy this year and next.

- Footfall in the West End is forecast to slip by 3.1%, a widening from last year’s drop of 2.7%. Visitor numbers are facing long-term erosion from the growth of online shopping.

- However, average Christmas spending is expected to be up by 65% from the rest of the year as the West End adjusts to the change in shopping habits. Retailers have ramped up personalised services, in-store digital technology and made stores more visually attractive to tempt shoppers inside.

- Attractions bringing in visitors will be led by the Christmas lights switch on across Bond, Oxford and Regent Streets. This will include the first traffic-free event on Oxford Street since 2012. Festive parades and in-store promotions will also delight the public.

- The West End will continue to boost the UK’s economy with a Gross Value Added (GVA) of £5.4billion over the festive period and the creation of 4,500 seasonal jobs.

- Attractions bringing visitors to London will include Cinderella, the first pantomime at the London Palladium for 30 years, and a new version of JB Priestley’s classic play ‘An Inspector Calls’.

- London’s Night Tube services will begin on the Northern Line on 18 November with the Piccadilly Line following later in the Autumn. The first weekend of the service, which opened on the Victoria and Central lines on 19 August, led to a 14% uplift in footfall on the Saturday night in Oxford Street.

- Early weather forecasts reveal that above-average temperatures are more likely than below average temperatures over the festive period.
West End set for festive sales lift

It has been a tumultuous year for the UK economy. Caution ahead of the EU referendum vote on 23 June and nervousness immediately following the Brexit decision dented consumer and business confidence.

However, retailers along London’s busiest shopping streets are looking forward to a merrier Christmas buoyed by a surge in international spend. A host of exciting in-store seasonal activities and improved 24-hour public transport services will also attract visitors to the heart of the West End.

Bond Street, Oxford Street and Regent Street, together with 22 surrounding streets, boast more than 600 stores between them. Till receipts are forecast to rise by 1.6% to £2.34billion during the six weeks running up to Christmas, with average takings of £51.1million per day or an expected £5.1million spend per hour during the peak period.

The estimation is based on footfall, consumer survey and retailer trading data, with footfall at this time of year traditionally 30% higher and spend per person 65% higher.

The figures compare favourably with Christmas 2015. According to industry data, British retail spending over the Christmas period in 2015 recorded its weakest quarterly growth of any in the preceding year, as stores competed to offer discounts. The British Retail Consortium said retail spending rose by just 0.9% in the three months to December compared with a year earlier.

Retailers’ experiences varied during the festive season last year, with many reporting flat trading, due to weak consumer confidence and international events such as those in Paris affecting retail sales across the country.

In the West End there was a drop in annual sales in the six weeks to 25 December, despite footfall improving from a 3.2% dip in 2014 to a 2.7% fall last year. Black Friday was the second busiest shopping day of the year with 646,196 recorded visitors, beaten only by Saturday 5 November, when 652,025 visitors descended on the West End.

Department stores performed well, with House of Fraser enjoying a 5.3% year-on-year rise in sales at both its bricks & mortar shops and online. John Lewis department store sales rose 5.1%. Nevertheless, general UK consumer confidence remained shaky in the first few months of 2016, with analysts and retailers blaming caution ahead of the June EU referendum as a brake on consumer spending.

GfK’s long-running monthly consumer confidence index, which is carried out on behalf of the European Commission, noted flat consumer confidence in February and March this year, followed by drops ranging between 3% and 1% from April to June. The survey for July revealed a huge 12% per cent dip in consumer confidence – the sharpest month-by-month drop for over 26 years – as Brits fretted over their personal finance situations and the country’s economic future.

The West End was hit with both sales and footfall slipping in the six months to June. However, an improvement in consumer spirit in August left West End sales 1.5% higher and footfall 2.6% higher.

In September, GfK revealed that its index had bounced back to June’s pre-Brexit level – albeit still in negative territory. Joe Staton, Head of Market Dynamics at GfK, says: “British consumers appear to have shrugged off Brexit fears about the economy, as wages continue to grow faster than prices and rising employment boosts income. The fears about Brexit seem to be overdone.”

Research from Barclaycard said that 48% of people polled between 23 and 28 September felt upbeat about the UK economy – the highest level since 2014 – and Deloitte said UK consumer confidence hit a 5-year high in September.

Interest rates, which the Bank of England took to a new record low of 0.25% in early August to boost ailing economic spirits, were seen as vital in encouraging people to spend rather than save.
One of the main economic fall-outs from Brexit, the fall in the value of sterling against major currencies such as the dollar and euro, is also boosting more visits from the US, China and the Middle East to West End retailers.

The pound’s 8% fall against the dollar on 24 June was its biggest one-day fall since the era of free-floating exchange rates was introduced in the early 1970s. That loss has extended to as much as 18% since, and the ensuing international headlines prompted an 18% increase in international arrivals to the UK, according to the UK Tourism Alliance. As of writing the pound has dropped to a three-decade low, and is unlikely to recover, keeping international sales buoyant throughout this Christmas season.

The weak pound also means a rise in ‘staycation’ trips as Brits shun more expensive holidays abroad. According to Visit England, about 5.1 million Britons organised a staycation over the August bank holiday weekend, up from 4.7 million last year. London hotels are expecting a domestic tourist boost this Christmas.

However, concerns over UK shoppers personal finances and the strength of the economy remain.

That same Deloitte survey noting booming UK consumer confidence also revealed that consumer sentiment in London dropped 3% in September 9% lower than the same time last year. Ian Stewart, Chief Economist at Deloitte, explains: “In an inversion of the usual relationship, London’s consumers are less upbeat than the rest of the UK. The Brexit vote may be weighing on a region in which 60% voted to remain and where reliance on financial services, migration and capital flows are especially strong.”

The Confederation of British Industry added to the uncertainty when it declared that UK retail sales fell in September. Its retail sales balance dropped to -8 from a six month high of +9 in August. There are fears that rising import costs, as a result of the weak pound, may soon force inflation and shop prices higher, squeezing consumers disposable income. In addition, there is the risk of further economic turbulence when Article 50, the signal to leave the EU, is triggered next spring.

Away from Brexit, retailers are also dealing with the continued shift of consumer spend, from bricks & mortar stores to online, as well as weakness in demand for products such as clothes. Fashion chain Primark has blamed the vagaries of the British weather for an expected 2% dip in annual like-for-like sales. Rival Next said a 3.3% drop in second-quarter retail sales was partly down to consumers preferring to spend their money on cars or going out than fashion.

Indeed, Kantar Worldpanel, the data group, says fashion sales have fallen for the past four months, with nearly £700 million lost from the value of the market from this time last year.

In the West End, jewellery and luxury goods are performing well with August sales up nearly 20% on 2015. Adult fashion and homeware is also strong but shoes and multi-fashion have been down.

Staton of GfK says: “The consumer mood is likely to be more volatile as we approach Christmas. We will witness consumers being swayed by the headlines around the triggering of Article 50, the hard Brexit vs soft Brexit debate and the role of Parliament in all this. Markets will react and that will create volatility and consumers worry when that happens. But the weakness of sterling has its silver lining, and I’m sure Christmas will see us welcoming many more tourists. That will benefit the retail world, especially our top retailers in Bond Street, Oxford Street and Regent Street who are accustomed to well-heeled shoppers from around the world. London is certain to benefit and anybody working in retail in the capital will be feeling more festive than usual and for sound business reasons.”

Bob Dawson, Head of Asset Management Regent Street, at the Crown Estate, adds: “Regent Street has a mix of price-points. Luxury stores have done well post-Brexit such as Burberry with double-digit sales growth. The other end, such as H&M, are also doing better than last year but not on the same scale as luxury stores.”
West End set for festive sales lift

Dawson says the West End continues to be an attractive setting for British and international retailers. Openings this year have included Polo Ralph Lauren’s European flagship store, Michael Kors 16,000 sq ft flagship store on Regent Street, Dyson’s first UK store on Oxford Street and Christian Dior’s boutique on New Bond Street. Tech giant Apple also re-opened its Regent Street store including Fiscus Ali trees in a spangly new design.

“Apple’s return is great for us. It brings more people back to the street,” says Dawson.

Such innovations show that West End retailers are dialling up the ideas to fight back in the face of digital migration and economic uncertainty. In-store experiences and the use of more bespoke and personalised products are aiming to make shops a more vibrant destination of choice.

Jonathan De Mello, Head of Retail Consultancy at Harper Dennis Hobbs, says: “Technology has become more important in stores – such as iPads for customers so they can browse the catalogue if the product they want is not on sale. Specially trained staff can help them choose online and assure them that it will be in-store within 24 hours. Retailers are really embracing this.”

Outside entertainment in the area will also be key in raising its profile and driving retail demand.

As is traditional, the Bond Street, Oxford Street and Regent Street Christmas lights and illuminations will be switched on in November by celebrity guests. Oxford Street’s family festival this year will be traffic free along the entire 1.5 miles between 12 noon and 7pm.

Hamleys Christmas Toy Parade will make its second appearance on the London scene and will enliven Regent Street in mid-November.

Both revellers and shoppers will look nervously up at the skies as winter approaches. According to the Met Office, last December was warm with above average temperatures and below average rainfall. A cold but dry, snow-free Christmas is most favourable for stores, with low temperatures encouraging shoppers to buy winter clothing, ideally without too many downpours disrupting transport and travel.

Those feeling bold can put a bet on a White Christmas in London, but with odds of 6/1 at William Hill it may be money better spent in the stores.
The West End retailers’ perspective

Retail bosses in the West End are overwhelmingly in a bullish mood as they head into Christmas 2016.

They acknowledge the dramatic effect of Brexit on consumer behaviour but hopes are high that, boosted by surging international demand, sales will soar over the crucial festive period.

Department store Debenhams says it is as “optimistic” as usual this Christmas. Susan Reid, Regional Sales Director, says: “We feel very positive about trading this Christmas. We’ve got a wonderfully atmospheric in-store experience, great exclusive brands and a strong food offering. Based on the thousands queuing up for one of our recent beauty range launches, I would say that consumers are feeling confident and are ready to spend on treats.”

Over at John Lewis’s Oxford Street store Karen Lord, Head of Branch is also ebullient. She says: “There are mixed messages over consumer confidence but we’ve seen a strong last few weeks in comparison with the same time last year. As a result, we feel really optimistic ahead of the festive period. We’ve invested heavily in our product assortment from fashion, to virtual reality gaming and personalised Santa sacks. Customers are looking for inspiration and differentiation.”

Eleanor Dalley, General Manager at House of Fraser on Oxford Street, believes if its summer sales performance is, as expected, matched this Christmas then it will be a “bumper” period. She says: “We’ve seen a lot more visitors from the EU and non-EU and we’ve every reason to believe that those numbers will continue to grow. Customers, as has happened in recent years, are leaving their Christmas shopping later. They used to do it throughout October and November but now they wait until December. They are savvy, they expect to find the best promotions and deals then. Shoppers coming to Oxford Street aren’t typically value hunters but they are willing to wait until the last few weeks if they can find an offer they like.”

At Fenwick of Bond Street, Buying and Merchandising Director Adam Kelly, is eyeing up a 40-45% increase in sales at its third floor Christmas shop this year. “We’ve increased our Christmas products by around a quarter. The timing of Christmas means two bank holidays in the following week for people to shop with their Christmas money. We are really looking forward to the period,” he says.

Fenwick has seen strong trading in the second-half of the year driven not just by more international tourists, particularly Chinese, but also domestic spend. “Trading is up on the same time last year. There was a little bit of hesitancy around the referendum and there may be more to discuss about Brexit when Article 50 is triggered next March, but domestic sales this year have been very strong. A lot more people are holidaying in the UK rather than going abroad and are spending their money here,” he says. “We have also added new shoppers thanks to investment in our ground floor. There is more energy in the store and more theatre in the window displays. Some people are noticing our store for the first time.”

Iconic toy shop Hamleys is hoping the force will be with them when it creates a dedicated Star Wars area on its basement floor to cater for continued demand from children in the movie franchise. Mark Drummond, Head of Marketing and Web says it will be part of a strong Christmas. “We are very excited. We’ve seen a 27% increase in footfall in the last three weeks. It is being led by American, Australian, South African and Middle Eastern tourists but we are confident that given the general increase in domestic spend at Christmas we will get a double-whammy this year.”

Christmas Eve falling on a Saturday is also set to give an extra boost. “Schools will be breaking up a little bit later so it will be a very busy day. Two bank holidays the week after Christmas Day also means more chance for children to spend their Christmas money,” he adds. “The period after Christmas is a significant trading period for us.”

Lush’s Global Property Director Paul Wheatley provides further insight into the mood of London’s Christmas shoppers. “We’ve seen a slight fall in footfall in Oxford Street. Domestic shoppers are cautious, more so in London than in the rest of the UK. It’s Brexit and economy related, maybe because London voted remain and they are more concerned about the impact. However, I believe that even when people are having a tough year that when Christmas comes they forget their worries and want to spend.”
Despite domestic fears, Wheatley says average basket sales and spend are actually up on this time last year. “There has been an increase in tourists. We’ve got people from Germany coming over specially to visit our store. I don’t see any reason that it will peter away and expect festive trading to be up on last year.”

At the top end of the market, Boodles has doubled its selling space on Bond Street by taking over an adjacent store. Michael Wainwright, Managing Director of the jeweller, says, that despite Brexit worries, he is anticipating double-digit sales growth this Christmas. “Our dramatic expansion a year ago means we have more space and more presence. We have turned heads and our trading is up. We also have a more established in-store team which is crucial in our business. We are seeing overseas spend up and domestic shoppers from all over the UK continuing to spend, so I am pretty confident we will meet our higher Christmas sales targets this year.”

However, Brexit worries remain. “The great unknown is how people are going to feel about the dreaded Brexit. After the vote I thought consumer confidence held up surprisingly well, but since the recent news around Article 50 the flames have reigned somewhat. People are thinking about what is around the corner,” he states. “But, having said that, I’ve been in business for over 30 years and there is always something to worry about. You tend to ride these things out, especially in our very resilient luxury jewellery business where a lot of our business comes from high net worth individuals. Bridal is also a big part of our business and as people hope to only get engaged once they look to spend on rings when they do.”

Fellow luxury group Watches of Switzerland believes it is on course for its best ever Christmas, buoyed by international visitor spend. “The continuing drop in sterling is giving a great boost to overseas shoppers to spend a little bit more than usual. We’ve had a very good summer and feel that this could be the best Christmas we’ve ever had unless the pound recovers. Our recent new openings, such as the Regent Street showroom, have increased our exposure both abroad and in the UK,” says Damian Otwinowski, Retail Director. “We are not an everyday Christmas gift option for people’s loved ones, but we expect a minimum double-digit sales increase on last year.”

Longchamp, the specialist in handbags and leather goods, also notes a boom in post-Brexit international spend, particularly from the US and Asia. Paul Lorraine, UK General Manager, says: “I’m very confident. We are in a strong position this year particularly the last 16 weeks which have been exceptional. It’s been tourist driven and the indications are that this will continue over the Christmas period. I’ve got no reason to believe it won’t.”

He says UK shopper spend is more of a challenge. “It has been steady, but not the same sales spikes we’ve seen from international customers. Nothing good ever comes out of a referendum, but it has been masked slightly by the exchange rate and the tourist spend.”

Barratt West, Managing Director at Jeweller Tiffany & Co, says he is optimistic for a successful Christmas helped by a big influx of tourists and increasingly confident domestic shoppers. “This has been a year of two halves. The drop in confidence before the Brexit vote was palpable, but since then we have seen a strong performance from locals,” he says. “People are feeling emboldened, with our bridal customers looking for quality diamonds to celebrate their marriage. There is such a positive energy in London with busy theatres and restaurants. The capital is buzzing.”

Linton Wadsworth, Director of Revenue at Edwardian Hotels London, is more confident about domestic demand. “We’ve seen an uplift as Brits become more reluctant to travel abroad because of the exchange rate. It has become more expensive for them, so many are planning to stay locally this Christmas. The fact that Christmas Day is on a Sunday also helps as we get a normal week of trading heading up to it. People will wait until the Friday this year before they head out of London to visit friends or family,” he says. “With international visitor numbers also up it means we are already seeing more reservations for the 6-week period this year. Between the 19th and 27th December we are seeing 25% more bookings than last year. It’s a significant uplift.”
Retailers festive strategies

All High Street retailers face the challenge of changing shopper habits and the West End is no exception.

Footfall in the area continues to drop as consumer shopping trends change towards a more omnichannel approach, with shoppers hitting the high streets less often but spending more on these occasions.

The split between “bricks & clicks” is far from an absolute one, with evidence suggesting that many shoppers browse online and then visit stores to make their purchases.

The role of the high street and the attractiveness of the shopping experience is still strong amongst consumers. This year West End retailers are working hard to harness creativity and technology to tempt more customers into their festive stores.

Karen Lord, Head of Branch at John Lewis Oxford Street, says: “Personalisation of products will be big this year from Santa sacks to children’s nightwear. It is a response to the online challenge. Shops have a new role as a source of inspiration, entertainment and differentiation for customers. It is less of a transaction and more of an experience, a day out.”

Lush’s Global Property Director Paul Wheatley, says its Oxford Street branch plays hosts to speakers as well as bands to create a top-class retail atmosphere. “It is not just about the shopping experience anymore. It’s about delivering more, such as our underground spa.”

Susan Reid, Regional Sales Director at Debenhams, agrees about the need for more retail pizzazz, but is also looking at utilising technology to attract more customers. “We are being much more assertive this year in reaching out on social media to the Chinese market,” she explains. “We are letting our customers there know about our new brands, promotions and in-store experiences.”

Watches of Switzerland also thinks it is time to harness big data analytics to improve footfall. “We usually get lower footfall at Christmas than in Summer. It is more about quality than quantity. Because it is an emotional and often long thought-out buying process we have to keep engaged with our clients. We have a dedicated concierge service in Regent Street to look after our customers from initial interest to purchase. They value our personal service and experience,” says Damian Otwinowski, Retail Director. “It is also about being the first to launch new products or holding events, from whisky tasting to dinners with our own catering teams. It is about differentiation.”

The group is also looking to do more with client data and retail insight.

“This Christmas for the first time we have decided to target and communicate with those clients who perhaps first visited us three years ago but have not returned. We are testing this use of big data,” he says.

Another way of encouraging an increase in West End footfall is creating more space for retail shoppers. Mayor Sadiq Khan is aiming to reduce the amount of traffic on Oxford Street by 2020, primarily to improve air quality in the capital. New West End Company has campaigned for reduced traffic in the West End for many years and believes that any form of vehicle free zones must lead to a genuine traffic reduction, rather than large scale re-routing down smaller residential or commercial side streets.

Bob Dawson of The Crown Estate says it has carried out improvement work such as pavement widening and planting to improve shopper experience. “We are looking at improving our food and beverage offering which includes the opening of Japanese restaurant Sakagura in Heddon Street next month. We’ve also been encouraging stores to put cafés inside such as Burberry and Polo Ralph Lauren. This should improve dwell time within the stores.”

Grosvenor believes the use of pop-up stores can bring more vibrancy to the West End over Christmas. “We look for interesting and engaging shops. It gives us the chance to have a bit of fun and can bring in a different demographic to the area,” explains Joanna Lea, Retail Director.
Christmas in the West End

Key dates

Christmas may feel like it comes earlier every year but in the West End the excitement generally kicks off at the beginning of November with a series of illuminations brightening up the skies and the spirits.

For traders the season is book-ended this year by the now traditional phenomenon of Black Friday and Christmas Eve falling on a Saturday for the first time in 5 years.

This means a hectic final shopping trip before the Big Day, with ‘Super Saturday’ potentially emerging as the most lucrative single day of the whole festive season.

The key dates for the West End this year are:
For the first time in Oxford Street’s history, it is partnering with a charity – the NSPCC – on its famous Christmas lights display.

The partnership will see thousands of ‘Little Stars’ lights, dedicated to a loved one through a £5 donation, twinkle and sparkle among 1,778 gold and silver baubles and 750,000 LED bulbs.

The entire length of the street will be closed to traffic all day, between 12 noon and 7pm, to host a Kids Christmas VIP Day with music from Capital Radio and appearances from kids favourites such as Transformers. This is the first festive traffic free event on Oxford Street for four years.

Global celebrities who have previously switched on the Christmas Lights include Kylie Minogue and Robbie Williams.
Christmas in the West End
Key dates

**Regent Street**
Illuminations
Thursday 17 November

**Night Tube Opening**
Northern Line
Friday 18 November

**Regent Street**
Hamleys Christmas Toy Parade
Sunday 20 November

The world famous street will be closed from early evening allowing thousands of eager shoppers to experience another dazzling extravaganza. This year’s lights pay homage to the earliest Central London Christmas display in 1954 and stretch across Piccadilly into St James’s. The evening boasts a live street party with celebrity guests which in recent years have included Take That and The Jersey Boys.

24 hours a day travel on Fridays and Saturdays already operates on the Central and Victoria lines but is being expanded to the Charing Cross branch of the Northern Line. The Night Tube has already been hailed by New West End Company for contributing to a “vibrant 24-hour economy”. The Piccadilly Line will join the Night Tube party later this Autumn.

Three quarters of a million people are being tipped to attend Hamleys second annual toy parade. Characters such as Fireman Sam and Peppa Pig will take part in the traffic-free, all day extravaganza which is billed as the world’s largest toy parade.
The US retail phenomenon which tempts Thanksgiving revellers with cut price goods has made quite an impression in the UK in recent years. Its original focus may have been on electrical goods but it now extends to a range of other sectors such as fashion and homewares. Expect retailers to launch a series of promotions in the West End.

The last Friday before Christmas is the most popular day for office parties. It is known as ‘Black Eye’ because it is synonymous with Brits enjoying just a little too much festive exuberance. Nevertheless, it is a bumper night for taxis, nightclubs, buses and tubes. Sales of beauty products, dresses and snazzy Christmas jumpers are also likely to be in high demand as colleagues prepare to hit the town.

The last full shopping weekend before Christmas is expected to be a lucrative couple of days for retailers as shoppers flock to the stores to buy presents. It may be the last chance for some to hit the West End before they leave London to visit relatives in the shires. Most shops will be trading at full price, rather than running sales. According to New West End Company, retailers can expect approximately 1.2million shoppers and a total spend of £124million.
Christmas in the West End

Key dates

**Online shopping**
Online order deadlines  
Week Beginning 19 December

**West End**
Christmas Eve  
Saturday 24 December

**West End**
Boxing Day  
Monday 26 December

This is when retailers set online ordering cut-off dates for standard and next day deliveries. Consumers have to meet these deadlines if they want their last-minute gifts to arrive at their door before the big day. With the online option gone it means a big footfall surge on the high street as shoppers try to complete their Christmas shopping list in time. “That’s when shops with physical as well as digital channels do well as shoppers can click-and-collect orders in store,” says Jonathan De Mello, Head of Retail Consultancy at Harper Dennis Hobbs. “Amazon are trying to counter that with their use of lockers, but shoppers are proving reluctant to use them.”

The first ‘Super Saturday’ for five years is tipped to be a bumper day for West End retailers. It is the last chance for consumers to buy their loved ones a present for Christmas Day – most likely blokes whizzing desperately around town to find the perfect gift. Jonathan De Mello, Head of Retail Consultancy at Harper Dennis Hobbs, said: “A Saturday Christmas Eve is massive for retailers. Being able to shop fully that day, especially with male panic buys, is key. It could be one of the biggest days we’ve seen in a long time.” New West End Company says over the two days of 24 and 26 December approximately £161 million will be spent, with 1.3 million shoppers.

Traditionally the start of sales season in West End stores. Shoppers stuffed full of turkey, mulled wine and disappointment at their spouses last minute gifts look for some retail therapy.
A bank holiday in lieu of Christmas Day which falls on a Sunday this year means an extra day of work-free shopping for consumers. Jonathan De Mello of Harper Dennis Hobbs says it could mean double delight for retailers: “I think the extra bank holiday is good news for retailers. Boxing Day is less important than it was given that sales now start, at least online, on Christmas Day itself. The extra day off work can only be a good thing as people will shop for bargains on those days.” Susan Reid, Regional Sales Director at Debenhams adds: “I view this as being hugely positive for retail. There will always be that Boxing Day sale mentality of get there to get the best bargain. But I see 27 December as being much stronger than last year as customers will have the extra day off work.”

Party time in the West End and the capital as 250,000 revellers let down their hair and countdown the final seconds of 2016. The main fireworks display takes place between 7.30pm and 12.15am at the London Eye.
As well as playing a significant role in ensuring that shoppers and revellers are full of Christmas cheer, the New West End company district also makes a huge contribution to the economy over the festive period.

Its Gross Value Added (GVA), the measure of its contribution to the economy, is worth £5.4 billion over the Christmas period.

It also provides a major seasonal boost to the capital’s employment market.

Shops in the West End employ 65,000 people throughout the year. Once offices, restaurants and other facilities are taken into account, the geographical area employs 150,000 people which is more than the population of Oxford and equates to 2% of London’s total workforce.

In the run-up to Christmas, these stores take on an additional 4,500 staff to assist customers. Many of these jobs go to young Londoners and to working parents, providing a lift to households at a time of year when finances can be stretched.

At Selfridges alone, staff numbers rise from 3,800 people to 5,300 from November onwards. Fellow department store Debenhams takes on 400 extra seasonal workers on Oxford Street with John Lewis Oxford Street adding 200 staff for the peak Christmas trading period. Iconic toy store Hamleys even takes on 30 Elves after an ‘Elf Factor’ hunt for people with “energetic, happy personalities and a love of Santa”.

In addition to hiring extra staff, most retailers offer their existing employees the opportunity to work a significant number of extra hours over the festive period, giving them an income boost over Christmas.

Last year retailers in the West End and Knightsbridge launched a campaign for a relaxation in Sunday trading hours.

The rejection of the proposal was a setback to the West End’s economy. Just two extra trading hours every Sunday would have created an extra £260 million a year and the equivalent of 2,000 new, full time jobs in the West End and Knightsbridge. Over Christmas alone, the uplift would have amounted to an additional 191 positions.

Another economic blow to the West End is set to come from new business rate changes. Set to come into force in 2017 the changes will lead to a rise of 80% for West End retailers. This means an additional £125 million per year, reducing profits by a huge 25%.

Paul Lorraine, UK General Manager at Longchamp, says: “There has to be a better understanding within Government about what retail means. Continuously penalising us and putting more costs on our business is bordering on being unacceptable. Business rates rises and not getting the extra Sunday trading hours is like a slap in the face. You now have to factor in the rate rises when considering opening new stores. It is just another cost business does not need.”
Black Friday

Black Friday is the US Thanksgiving Holiday retail phenomenon which has now become a permanent fixture on the British retail calendar. Shops offer deep discounts and one-off bargains to kick-off the festive shopping spirit.

Last November, according to New West End Company, an estimated 11 million bargain hunters hit high streets and malls in the UK, splashing out £2billion on massively discounted goods – nearly doubling 2014’s figure of £1.2billion.

In the West End, shopper numbers rose by 10% on 2014 to 646,196, with £100million being spent on goods. It was the second busiest shopping day of the year.

Despite these numbers, attitudes among the West End’s retailers vary when asked about the importance of Black Friday.

Luxury retailers don’t tend to get involved, preferring to maintain price, but department stores are more keen.

Karen Lord, Head of Branch at John Lewis Oxford Street, says it represents the first of three ‘peaks’ over the Christmas period. “We are very much a part of Black Friday. It’s very important to us and there will be great deals to be had and wonderful service provided here on the day.”

Susan Reid, Regional Sales Director at Debenhams, says: “Black Friday is a day we absolutely plan for. We see a significant increase in footfall, four times as much as a usual day. We have a great reputation of being first to market when it comes to Black Friday deals.”

Eleanor Dalley, General Manager at House of Fraser’s Oxford Street store, agrees that Black Friday is a big event for the West End but it will do a “shorter burst” of offers this year. “In 2015 we did it for almost a whole week but this year we will focus it between Friday and Sunday. You don’t need a week long promotion - Black Friday is really about one day – so why dilute it? Just putting a promotion on for one day is quite operationally challenging so we felt three days was the best option and we are quite clear that offers will finish on Sunday night this year.”
Tourists and international shoppers

Chinese visitors will head a resurgent wave of international shoppers on West End streets this Christmas. Consumers from around the globe will be encouraged to splash out on goods by the strengthening of local currencies such as the yen and the dollar against Brexit-battered sterling.

A weakening global economy, low oil prices, events in major European capital cities and caution ahead of the June referendum saw a dip in West End sales to major spenders such as the Chinese at the tail-end of 2015 and start of 2016.

Indeed, according to tax-free shopping company Global Blue, UK sales from international shoppers dropped 9% in June ahead of the big vote.

However, a “currency halo” since the referendum has seen spending rebound with the Chinese, Middle Eastern visitors, the Americans, Australians and Indians coming to the fore.

In the West End, Chinese sales climbed 14% year-on-year between January and September, with the UAE up 31%, US up 28% and India up 17%.

Average spend per person in the UK by international shoppers reached £806 in September, up from £721 in August and significantly higher than the £605 in July.

Latest figures from the Office of National Statistics revealed that year-on-year visits to the UK increased by 2% in July to a new monthly record of 3.8million people. Spend increased by 4% to £2.53billion. North American numbers rose 5% with rest of the world trips up by 6%.

International average spend July to September 2016

<table>
<thead>
<tr>
<th></th>
<th>WEST END</th>
<th>OVERALL UK &amp; LONDON</th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY</td>
<td>£918</td>
<td>£605</td>
</tr>
<tr>
<td>AUGUST</td>
<td>£1,038</td>
<td>£721</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>£1,155</td>
<td>£806</td>
</tr>
</tbody>
</table>

Top nationalities for tax free spending in the UK September 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Total</th>
<th>Average Spend</th>
<th>YOY Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINA</td>
<td>25%</td>
<td>£813</td>
<td>36%</td>
</tr>
<tr>
<td>SAUDI ARABIA</td>
<td>12%</td>
<td>£885</td>
<td>58%</td>
</tr>
<tr>
<td>QATAR</td>
<td>11%</td>
<td>£1,918</td>
<td>16%</td>
</tr>
<tr>
<td>KUWAIT</td>
<td>10%</td>
<td>£741</td>
<td>28%</td>
</tr>
<tr>
<td>UAE</td>
<td>8%</td>
<td>£1,169</td>
<td>22%</td>
</tr>
<tr>
<td>US</td>
<td>4%</td>
<td>£770</td>
<td>46%</td>
</tr>
<tr>
<td>HONG KONG</td>
<td>3%</td>
<td>£784</td>
<td>63%</td>
</tr>
<tr>
<td>THAILAND</td>
<td>2%</td>
<td>£860</td>
<td>44%</td>
</tr>
<tr>
<td>MALAYSIA</td>
<td>2%</td>
<td>£661</td>
<td>67%</td>
</tr>
</tbody>
</table>

Source: Global Blue
Tourists and international shoppers

The sudden increase in purchasing power following the plunge in sterling has encouraged tourists to visit and spend in London stores. Luxury sales, which were up 35% year-on-year in September in the West End, were led by Chinese, Saudi, US, Taiwanese, Malaysian and Japanese visitors. The value of the rouble, a struggling domestic economy battered by low oil prices and international sanctions has left Russian sales in the doldrums—down 10% year-on-year between January and September.

Kimberly Urbaniak, Marketing Manager at Global Blue, the tax-free shopping company, says: “There was caution pre-referendum but as the pound has weakened, average spend amongst international shoppers has increased almost overnight. Anything can happen before Christmas - from the US election’s impact on the dollar, oil prices and the reaction of the pound to further news about Brexit policy - but given the last two months’ performance we are set for a fairly strong festive season.”

Retailers are also bullish about international spend. Karen Lord, Head of Branch at John Lewis Oxford Street, said: “We’ve seen buoyant international trade in the last few weeks and months. There has been a strong mix of Chinese and Middle Eastern shoppers.”

Michael Wainwright, Managing Director of Boodles, said: “Unlike our peers in the West End we mainly sell to Brits, but the weak pound has been in our favour due to the boost it has given to international shoppers. Our other stores in London and elsewhere tend to do better with overseas visitors because they sell Patek Philippe watches which are an international commodity. But here in Bond Street we’ve definitely seen more American visitors since Brexit. Our overseas spend here in the West End is quite significantly up.”

That has been partly helped by its new advertising campaign at Heathrow’s Terminal 5 – a digital motion showcase showing off its wares to travellers just off the plane. “It’s the first time we’ve done it. The screens are amazing and everyone passes them as they come in,” he said. “We’re also advertising in Emirates and Etihad airlines magazines.”

On the visitor front Linton Wadsworth, Director of Revenue at Edwardian Hotels London, said: “We saw a strong uplift in room reservations for over the Christmas period from China, the US and the Middle East after the referendum. The fall in sterling has helped, as has - especially among Middle Eastern travellers - the feeling that London is a safer destination than other cities in Europe. We are tailored to meet the needs of the Middle Eastern traveller, from their cultural habits of dining and waking up later than other nationalities to having porter services to bring their retail purchases to their rooms.

Retail is one of the key reasons they visit so it is looking positive and a stark improvement from this time last year.”

Urbaniak of Global Blue said one factor which could hamper the expected growth in tourist shopper numbers would be if luxury West End retailers raise their prices to cope with higher imports and the need to stay competitive with rivals pricing in euros or dollars. “Will they make the shift in their price models? It will be interesting to follow their moves before Christmas,” she said.

Some London luxury retailers have already increased prices by as much as double-digit but most brands have hedged until December.

Jonathan De Mello, Head of Retail Consultancy Harper Dennis Hobbs believes most firms will hold fire ahead of Christmas.

“One of the key reasons why Europeans and Middle Easterners are coming is because they feel it’s a safer place than other countries in Europe. ‘People are aware of what’s going on and who would want to come to a place that’s perceived as being less safe than other cities?’” he said.

“Bond Street and luxury retailers are driven by international spend and they are seeing one of their biggest ever Christmas periods. International shoppers may even be binge-buying because there is a perception that this depreciation of sterling is not going to last. We saw this recently during Golden Week with Chinese shoppers stocking up on luxury bags which were no longer 50% cheaper than buying back home but 75%” he said. “We see retailers holding firm on prices until at least after Christmas and indeed more and earlier sales to appeal to the more cautious mass-market spender.”
Bob Dawson of The Crown Estate, adds: “The hedging by luxury retailers will soon end and life will become more challenging. There will probably be some price rises coming through in the New Year.”

Businesses in the West End have also been boosted by changes to visas struck last year with China which reduced the price of a two-year visa to visit the UK from £324 to £85.

According to New West End Company making 10-year visitor visas the standard would significantly boost the UK and West End’s share of the high-value retail tourism Chinese tourists bring. Indeed, such visas between the US and China boosted Chinese visitor numbers by nearly 70% in just two months.

Paul Lorraine, UK General Manager at Longchamp, says: “We’ve been shouting for Visa changes for a long, long time. If we can enhance the Visa offering that would be great for them and retailers.”

The timing is ripe given the UK’s desire to seek new trade deals after leaving the EU and the announcement from the Department for Transport in early October that the number of flights between the UK and China are set to soar. Under the new deal passenger flights can now increase from the current maximum of 40 per week for each nation to up to 100.
Entertainment

Christmas is synonymous with family gatherings and outings so what better than celebrating the first pantomime in the capital’s London Palladium for 30 years?

Well-known stars such as Julian Clary, Amanda Holden and Paul O’Grady take to the boards for the production of Cinderella.

Staying with family entertainment it is fitting that in a year which marked the 100th anniversary of his birth that one of author Roald Dahl’s most famous children’s books – Charlie and the Chocolate Factory - is set to wow West End theatres one final time.

Directed by Oscar winner Sam Mendes the show, which first opened in Drury Lane in 2013, tells the story of eccentric chocolate factory owner Willy Wonka and the perils of greed and excess. It runs until early 2017 so tickets will be especially golden this Christmas.

Other expected hits include well-known favourites such as ‘An Inspector Calls’ and ‘Dirty Dancing’.

Julian Bird, Chief Executive of the Society of London Theatre, says: “We are hoping for a good Christmas in the West End. Tourist numbers seem healthy and the trends seems encouraging. Christmas is one of the most important periods of the year and it also helps retail. The evidence is clear that people coming into the West End to watch a production but they also shop, drink and eat. It is hugely significant for the West End.”

The second annual Hamleys Christmas Toy Parade will also draw families and tourists to Regent Street on 20 November. Around 750,000 people are set to take part in the celebrations of what is the world’s largest toy parade.

Kids will get the chance to meet dozens of their favourite toy characters with names expected to take to the streets including Barbie, Bing and Flop, Fireman Sam, Peppa Pig, Mr & Mrs Potato Head, the Ghostbusters and Bob the Builder.

West End Kids, a collection of young singers and performers will help wow the crowd with music and dance.
Travel and transport

Christmas brings a huge influx of people onto the streets of London and the West End as they get into the festive spirit by shopping, dining or watching entertainment.

As such it poses a tremendous challenge for the capital’s transport chiefs who are keen to spread passengers evenly across the local stations.

On an average day in London there are more than 31 million journeys, according to Transport for London, across modes such as tube, rail and bus. Christmas adds extra numbers with passenger figures up by between 20% and 40% higher than usual.

West End stations are among the busiest on the network.

Typical weekday tube station entries + exits:

- Oxford Circus 278,149
- Green Park 124,590
- Piccadilly Circus 117,857
- Bond Street 112,729

Source: Transport for London

TfL has worked hard over recent years in improving station layout and technology to improve travellers experience, particularly during busy periods such as summer and Christmas.

As part of the technological changes, and in recognition of the huge numbers of tourist visiting the capital each year, it has installed new ticket machines on the network offering guidance in 17 languages, including Mandarin. It hopes that the introduction of payment by contactless credit or debit card will also make navigation of the network simpler.

“During the busy festive period our focus is to keep London moving and working. All our stations are staffed to help ensure customers choose the right tickets, plan their journeys and get to their destinations quickly and easily,” says David McNeill, TfL’s Director of Public Affairs and Stakeholder Engagement.

TfL also puts on extra staff and travel ambassadors on all of its busiest stations at the busiest periods.

In addition, New West End Company’s team of Ambassadors welcome over half a million shoppers every year, speaking 25 languages, and providing real time information and assistance to help shoppers navigate around the West End.

2016 has also seen the introduction of Night Tube services offering 24-hour travel on Fridays and Saturdays on the Central, Victoria and Jubilee lines.

The Northern Line – Charing Cross Branch – follows on 18 November and the Piccadilly Line later this year.

TfL says there were 50,000 customer journeys on the first night of the service in August. It is hoped it will play a vital role in opening up London’s night-time economy, boosting it by £360 million.

New West End Company is also preparing for an uplift from the opening of Crossrail’s Elizabeth Line through Central London in 2018. It is estimated to increase GDV in the West End by at least £2.5 billion, with 2.5 million sq ft in new and refurbished commercial space already underway. This investment is set to boost retail sales in the area to £11.25 billion annually by 2020. New West End Company is working with the 600 retailers it represents to ensure they are ready – Selfridges alone is investing £300 million in its store in preparation for the additional footfall.

McNeill says: “The Elizabeth line will significantly increase the capital’s rail capacity, boosting the economy by billions of pounds and supporting thousands of new jobs and homes. It’s a massive opportunity for the West End. We are also working with the West End Partnership to transform the West End and to deliver real change to ensure the area’s continued success. Oxford Street should be a place for people, not traffic. We want to improve the environment and support business growth.”
Products expected to sell well

1. Hamleys Magic Showcase
2. Eve Mattresses
3. Trolls Hug Time Poppy
4. Fitbit Alta
5. Marble, brass and steel lighting
6. Kidizoom Smart Watch
7. Code-a-Pillar
8. Dyson Hairdryer
Shoot For The Stars Bath Bomb

Nerf Mega Mastodon

Modern Rarity Womenswear

LEGO Star Wars Krennic’s Imperial Shuttle

Interactive Furby

Marc Jacobs Beauty

Personalised gifts including Santa gift sacks

Oculus Rift Virtual Reality Headset
Acknowledgements

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