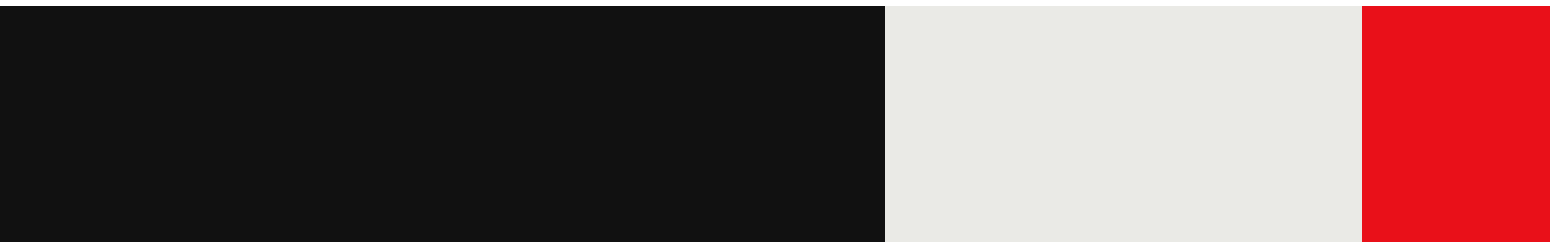



# UK holiday spending is off to a sluggish start

## Article



**The news:** UK retail footfall fell for the second month straight in November as poor weather, a later-than-usual Black Friday, and subdued confidence sapped customers' desire to shop in person.

- Total footfall fell 4.5% YoY, per data from the British Retail Consortium and Sensormatic—worse than October's 1.1% YoY drop.
- Shopping centers suffered the biggest traffic declines, with visits down 6.1% YoY, while high street and retail park footfall declined 3.7% and 1.1%, respectively.

**Alarm bells are ringing:** The disappointing numbers are unlikely to bolster retailers' confidence, which had already tanked due to the [Labour government's most recent budget](#). Companies are anticipating a £7 billion (\$8.7 billion) increase in annual costs, which they warn could result in job cuts, store closures, and higher prices.

- Retailers' sentiment about their business situations over the next three months fell at the fastest rate in two years in November, per the Confederation of British Industry (CBI)'s latest Distributive Trades Survey.
- Companies expect sales to be below seasonal norms in December—a worrisome sign given how important the holiday season is—although they anticipate more online sales.

**On the other hand:** While retailers are pessimistic, consumers are slightly more upbeat.

Confidence rose by 3 points to -18 in November, per NIQ and GFK. Major purchase intentions rose by 5 points as shoppers prepared to take advantage of Black Friday deals.

- Ecommerce spending in particular is expected to be robust this holiday season: UK shoppers are forecast to spend a record £29.5 billion (\$36.7 billion) online in November and December, up 6.1% YoY, per Adobe. That's the strongest growth since 2020.
- We expect [UK holiday retail sales](#) to grow a relatively healthy 4.2% this year—although consumers' deal-seeking behaviors will be front and center as they try to stretch their budgets as far as possible.

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