

AUSTRALIAN RETAIL MARKET UPDATE

Insights on
**PEAK PERIOD TRADE &
2024 PERFORMANCE**

Based on data from Kepler's Retail Market Index





Summary

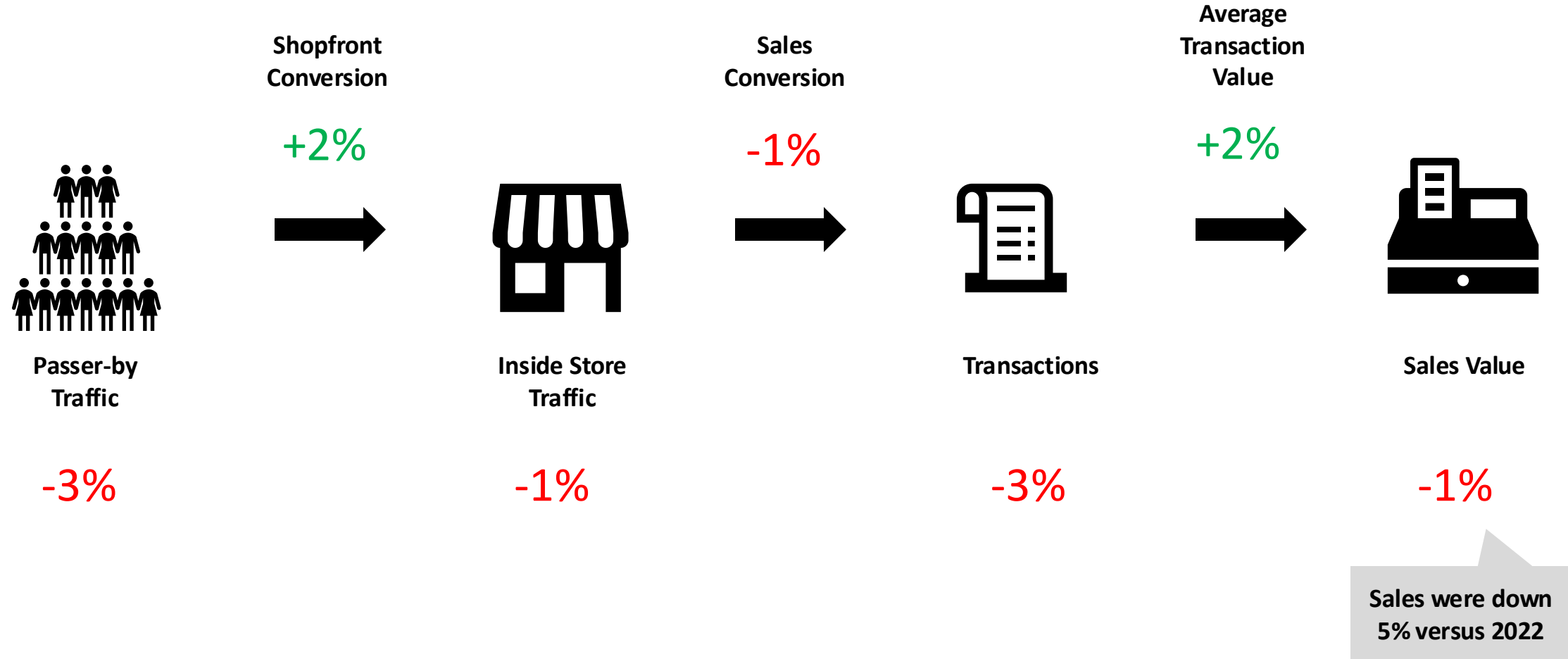
- **Over 90% of Australia's biggest retail trading days in 2024 occurred in the peak period of November and December**
- **The peak period of November and December combined delivered similar sales to last year (down 1%) but was down 5% on 2022**
 - In the four-week Black Friday period, sales were up 8% YoY
 - In the 21-days leading into Christmas, sales were down 2% YoY
 - In the 7-days from Boxing Day, sales were down 4% YoY
- **However, the sales mix across the peak period continued to shift towards Black Friday and away from December**
 - Black Friday has evolved into 'Black November' as retailers sought to drive sales growth
- **Shoppers were more likely to shop in outlets and closer to home during the peak period this year. Activewear and Health & Beauty were the growth categories reflecting greater consumer focus on health and wellbeing.**
- **Overall, 2024 was a tough year for Australian retailers, with sales down 2% on 2023**
 - Foot traffic declined as the year progressed
 - Higher prices contributed to a decline in sales conversion
 - Retailers managed to stabilise sales during the year through a focus on maximising sales conversion
- **The full impact of the challenging market conditions for retailers is clear when we compare 2024 against 2022, with sales down 4% over the 2-year period**
- **Challenging trading conditions are expected to continue in 2025, particularly in Q1, but driving store traffic and visitor value is key to delivering strong performance in 2025**



REVIEW OF PEAK PERIOD TRADE

Overall, the peak period of November and December combined delivered similar sales to last year but was down 5% on 2022

Nov & Dec 2024 Combined vs Nov & Dec 2023 Combined

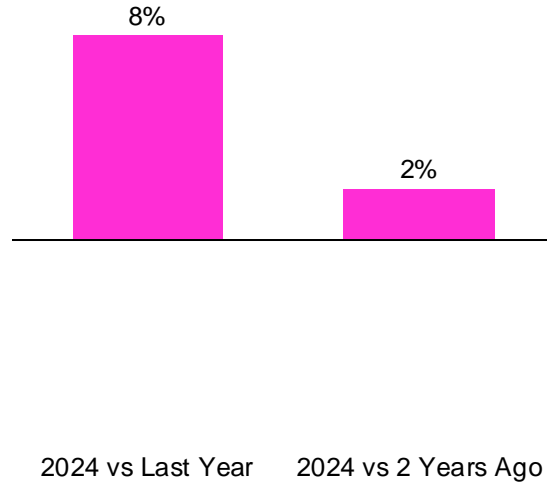




However, the sales mix across the peak period continued to shift towards Black Friday and away from December

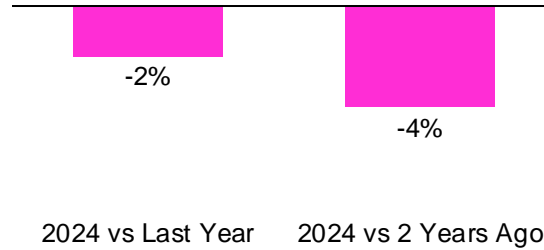
Sale Growth YoY

Black November Period



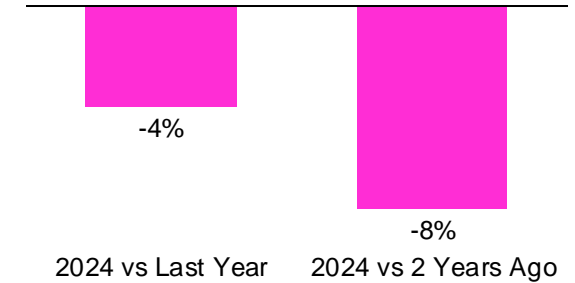
Based on 4-week period (2 weeks prior, week of Black Friday and 1 week after)

Christmas Period



Based on 21-day period leading up to Christmas (4 Dec to 24 Dec)

Boxing Day Sales Period



Based on 7-day period after Christmas (26 Dec to 1 Jan)



Key performance insights across the peak period

Key Takeaways

Black November Period

- Black Friday has evolved into 'Black November' as retailers sought to drive sales growth and anniversarise sales in the week of Black Friday last year
- The 4-week Black Friday period outperformed last year
 - Store Traffic +3%
 - Sales + 8%
- Sales in the week before Black Friday were up 15% YoY
- Categories with the highest sales growth during the Black Friday period were:
 - Health & Beauty +14% YoY
 - Housewares / Manchester +11% YoY
 - Activewear +10% YoY

Christmas Period

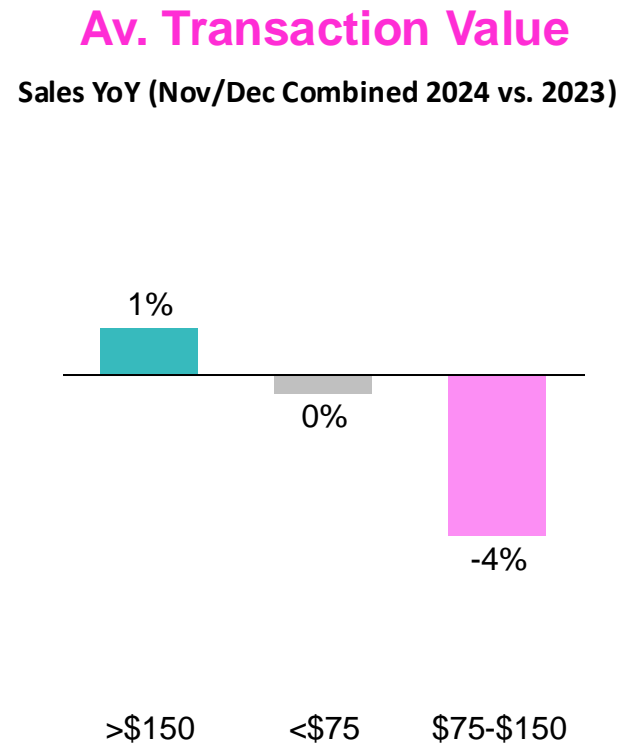
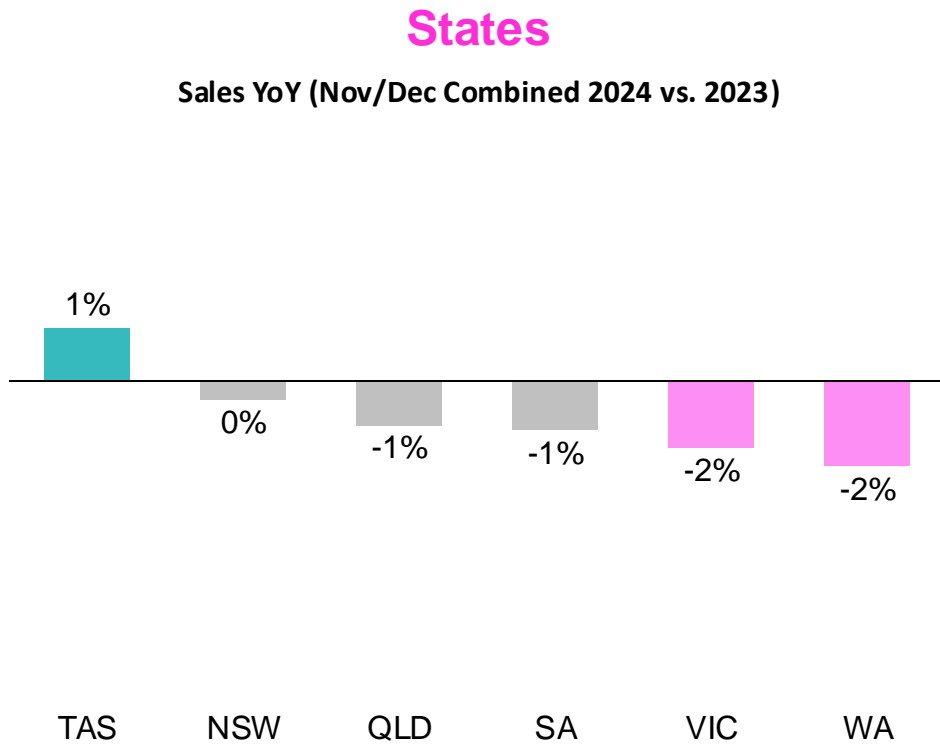
- In the 21-days leading into Christmas, store foot traffic was up 2% but sales were down 2% YoY
- Year-on-year performance improved as Christmas became closer
 - Dec 4-10 = Store Traffic -2%; Sales -7%
 - Dec 11-17 = Store Traffic +1%; Sales -4%
 - Dec 18-24 = Store Traffic +5%; Sales +2%
- Sales performance for the weekend before Christmas (21 / 22 Dec) was particularly poor with sales down 19%
- Christmas Eve trade was particularly strong with sales up 19% YoY

Boxing Day Sales Period

- In the 7-days from Boxing Day, store foot traffic was up 1% but sales were down 4% YoY
- On Boxing Day, store foot traffic was strong (up 10% YoY) which drove sales 2% higher YoY
- On December 27, store traffic was also strong (up 9% YoY) with a 1% YoY growth in sales
- However, store foot traffic and sales rapidly deteriorated on the 28th and 29th December (despite it being a weekend this year), down 17% and 13% YoY respectively
- Sales rebounded on Dec 31 and Jan 1 up 8% YoY across both days



Retailers in Tasmania and those with an average ATV > \$150 performed best across the peak trading period

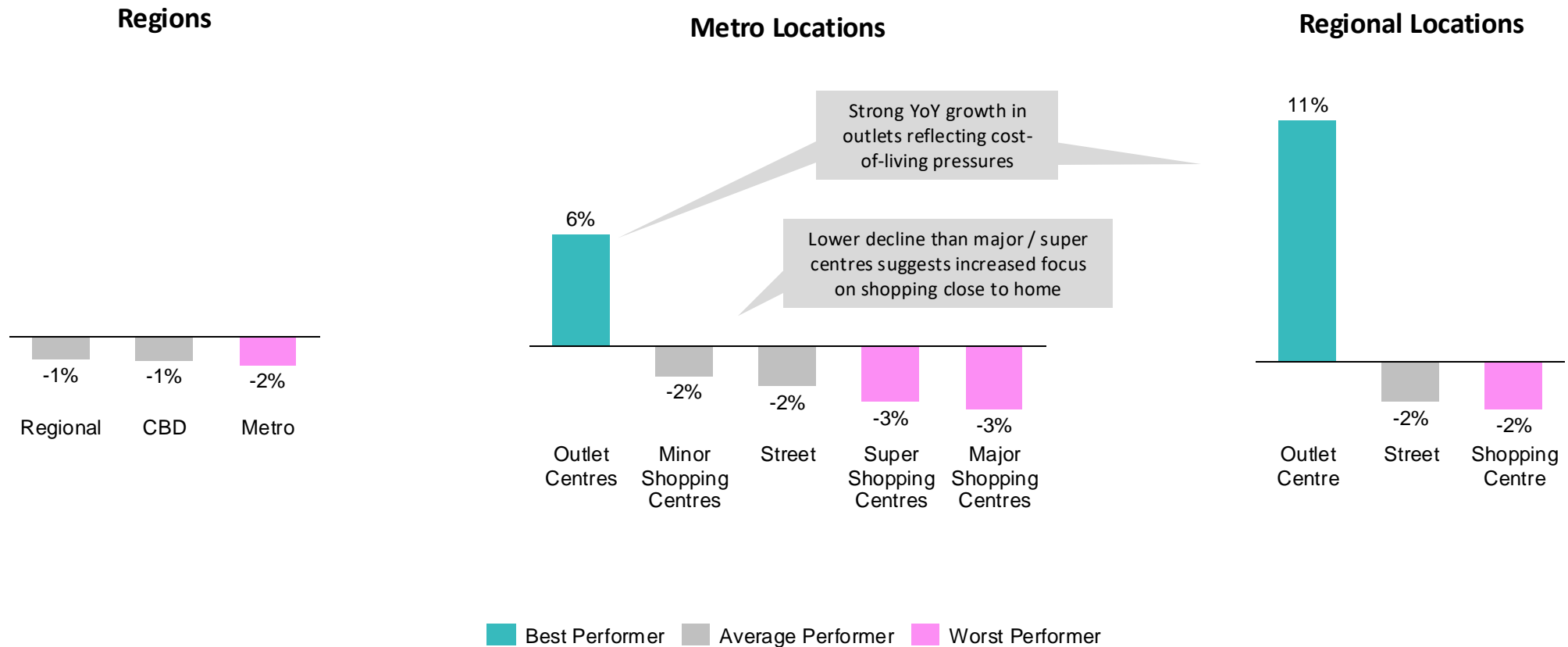


Best Performer Average Performer Worst Performer

Strong year-on-year growth in outlets, reflecting cost-of-living pressures, along with slight increase in shopping closer to home

Retail Precincts

Sales YoY (Nov/Dec Combined 2024 vs. 2023)

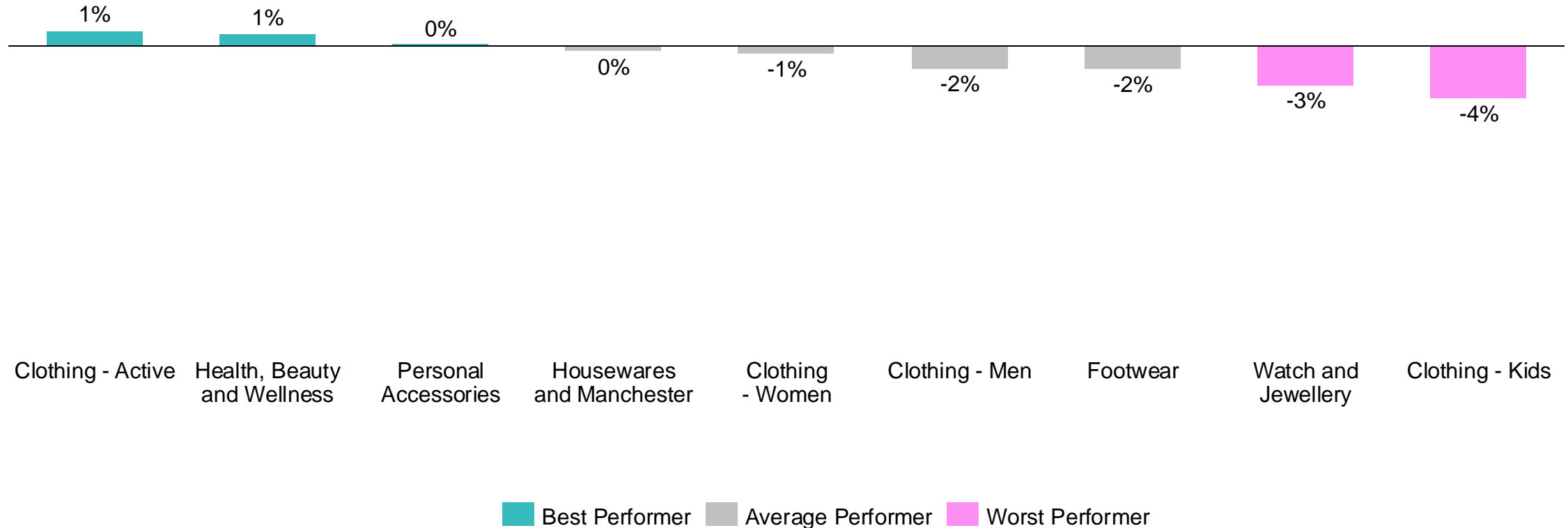




The categories of Activewear, Health & Beauty and Personal Accessories delivered year-on-year growth during the peak period

Product Categories

Sales YoY (Nov/Dec Combined 2024 vs. 2023)

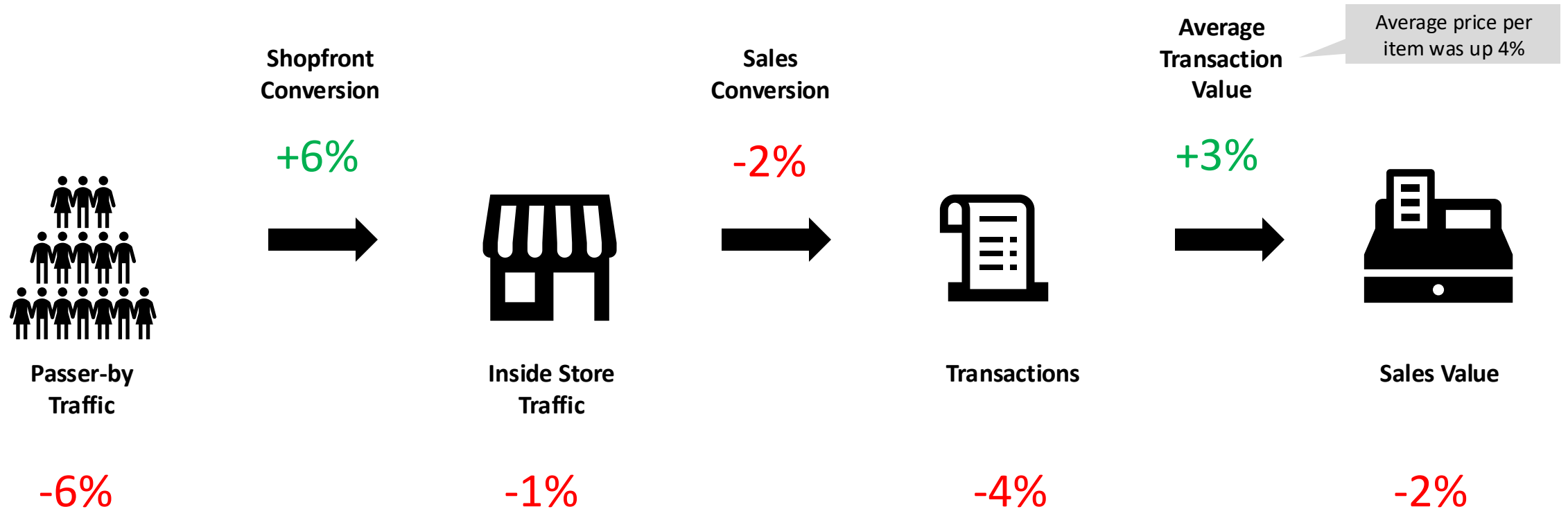




REVIEW OF 2024

2024 was a tough year for Australian retailers (sales down 2%) with higher prices contributing to a decline in sales conversion

Calendar Year 2024 vs 2023

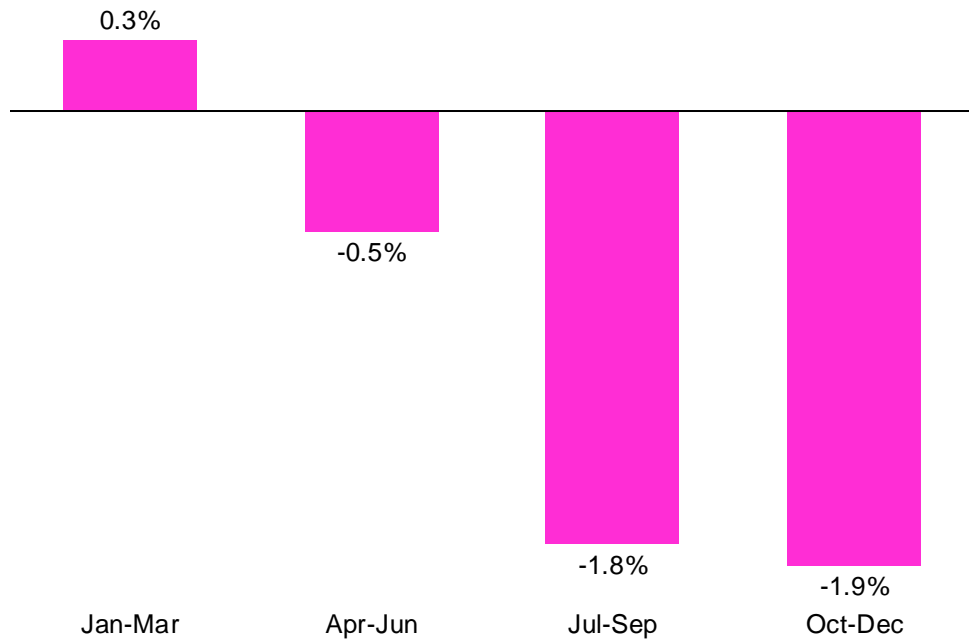




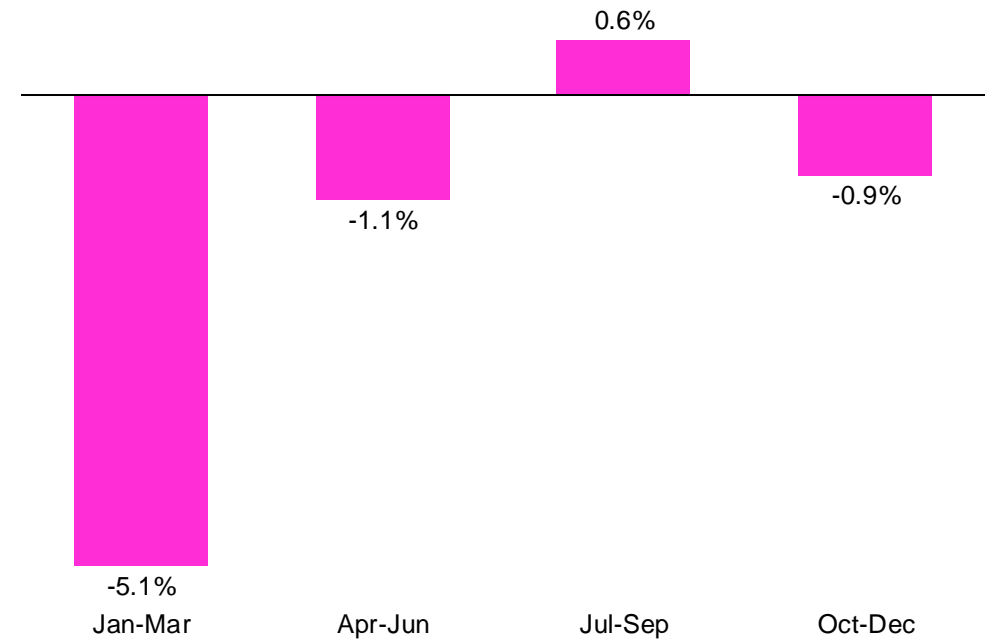
Foot traffic declined as the year progressed while retailers managed to stabilise sales through a focus on pricing and sales conversion

Calendar Year 2024 vs 2023

Inside Store Traffic



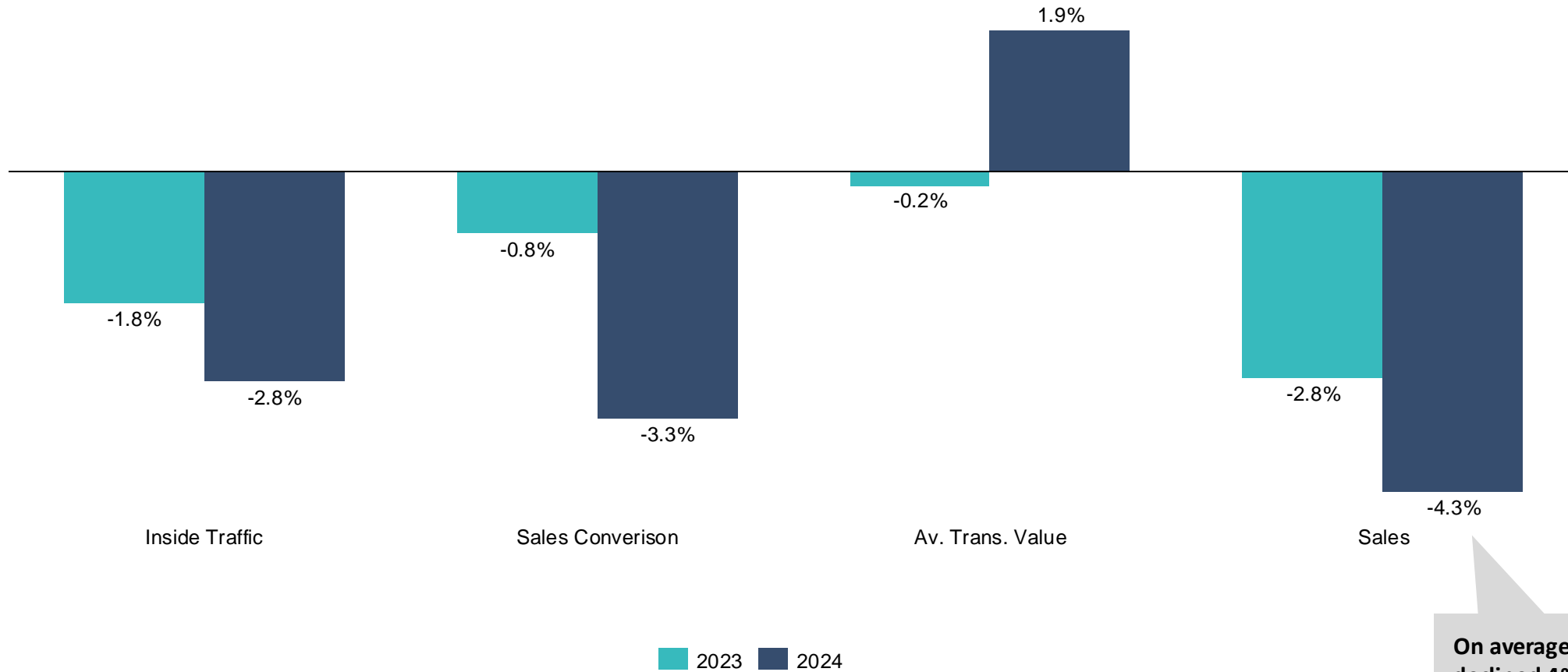
Sales





The full impact of the challenging market conditions for retailers is clear when we compare 2024 against 2022 with sales down 4% over 2 years

Calendar Year 2024 & 2023 vs. 2022



On average sales have declined 4% in 2 years

Over 90% of Australia's biggest retail trading days in 2024 occurred in the peak period of November and December

Top 15 Days for Australian Retail Sales in 2024

Rank	Date	Sales vs. Average Day
1	Thu 26 Dec (Boxing Day)	x3.9
2	Mon 23 Dec	x3.3
3	Fri 29 Nov (Black Friday)	x2.9
4	Sat 21 Dec	x2.9
5	Thu 19 Dec	x2.8
6	Sat 30 Nov (Black Saturday)	x2.8
7	Tue 24 Dec (Xmas Eve)	x2.6
8	Fri 20 Dec	x2.6
9	Sun 22 Dec	x2.5
10	Sat 14 Dec	x2.3
11	Sun 1 Dec	x2.2
12	Sat 11 May (Mother's Day Eve)	x2.1
13	Thu 28 Nov (Black Friday Eve)	x2.1
14	Fri 27 Dec	x2.0
15	Wed 18 Dec	x1.9

11 out of the 15 (73%) biggest trading days occurred in December

Mother's Day Eve is the only day in the Top 15 not in November or December



OUTLOOK FOR 2025

Challenging trading conditions are expected to continue in 2025, particularly in Q1, but driving store traffic and visitor value is key

- **Macro-economic conditions remain challenging for Australian retailers for the foreseeable future**
 - Consumer cost-of-living pressures continue, and wage growth is slowing
 - Interest rate cuts are not expected in the near term
 - Consumer sentiment remains pessimistic
- **Quarter 1 may be particularly challenging as consumers recover from Peak Period spending**
 - Sales in the Jan-Mar 2024 quarter (-5%) were weaker than in the Oct-Dec 2023 quarter (-4%)
- **Despite these macro challenges, actions to get more people in store and drive higher visitor value are key to delivering strong performance in 2025**
 - **Passer-by Traffic:** Do you know how many people are passing the front of your stores? Are your stores in the best locations to maximise passer-by traffic? Is your rental cost per passer-by aligned with the sales value per passer-by?
 - **Shopfront Conversion:** What proportion of passer-by traffic is entering each store? Can shopfront conversion rates be improved window displays or marketing activity?
 - **Average Visitor Value:** What is the sales value of each person that enters your stores? How can the customer experience be enhanced to increase customer dwell time, sales conversion rates and basket size to increase average visitor value?
 - **Zone Performance:** Do you know how each of the zones within your store is performing in terms of customer visibility, shopper engagement and labour efficiency? Having this level of insight, enables you to identify the rights actions to deliver sales growth within each zone.



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