

Thursday, 1 March 2018

2017 Pre-Christmas sales of just over \$50b prediction spot on

Roy Morgan's 2017 Christmas retail sales forecasts of \$50.073 billion for the key pre-Christmas retailing period were within 0.1% of the actual retail sales result of \$50.019 billion.

Roy Morgan's annual retail sales forecast undertaken in conjunction with the Australian Retailers Association (ARA) predicted total retail sales growth of 2.8% to \$50.073 billion for the most important retailing period of the year between November 15 – December 24, 2017. This is just 0.1% higher than the 2.7% growth achieved.

Retail sales growth out-paced inflation in the year to December which the [ABS reports at an annual rate of 1.9%](#) and was impressively strong when one considers Consumer Confidence was slightly lower than a year ago – [averaging 115.0 in November/December 2017 compared to 115.9 for November/December 2016](#).

There was growth across all six categories measured with spending on Hospitality growing the fastest, by 4.1% to \$7.123 billion, while the slowest growing category was Department stores for which spending increased 0.6% to \$2.945 billion.

Analysing retail sales figures on a State-by-State basis shows it was South Australia, which grew fastest with retail sales growing 5.1% to \$3.326 billion while growth was slowest in post-mining boom Western Australia, up just 0.3% to \$5.4 billion.

Australia's two biggest States also grew strongly with Victoria up a healthy 4.7% to \$12.839 billion and New South Wales up 2.8% to \$16.128 billion.

Michele Levine, Chief Executive Officer, Roy Morgan, says:

"Despite industry concern that retail sales growth in the crucial pre-Christmas sales period may be sluggish Roy Morgan in conjunction with the Australian Retailers Association released a healthy forecast in November 2017 of retail sales growth of 2.8% for the period. This was only slightly higher than the actual retail sales growth of 2.7% achieved.

"Australians spent an impressive \$50.019 billion in the weeks leading up to Christmas across the categories of Food (\$20.157 billion), Household goods (\$8.754 billion), Hospitality (\$7.135 billion), Clothing, footwear & accessories (\$3.912 billion), Department stores (\$2.945 billion) and other retailing (\$7.118 billion).

"Roy Morgan's forecasting accuracy is no surprise following on from a successful prediction of last year's Australian Marriage Law Postal Survey – Roy Morgan predicted 61.5% of Australians would vote in favour of the proposition with the final ABS results showing 61.6% of Australians voting in favour – the full comparison is [available to view here](#).

"The ability to predict such varying results as Australians' retail spending habits in the run-up to Christmas, or the results of a national postal poll on a contentious question, is contingent upon Roy Morgan utilising the correct methodology and sampling techniques to interview a sample of Australians and draw an accurate picture on a wide variety of topics.

"Roy Morgan's expertise with analysing the mood and feel of Australia allows Roy Morgan to consistently produce accurate in-depth segmentation across the Australian community through any demographic group that requires analysis. The psychographic segmentation and analytical tools available via Roy Morgan [Helix Personas](#) takes these capabilities for precisely targeting different communities in Australia to an even greater level."

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About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2