

Friday, 20 December 2019

## 2019 post-Christmas retail sales to grow 2.3% to \$18.7 billion

Roy Morgan's annual post-Christmas retail sales forecasts conducted in conjunction with the Australian Retailers Association (ARA) project that Australians are set to spend \$18.72 billion across retail stores during the post-Christmas trading period, an increase of 2.3% from a year ago.

The post-Christmas retail sales are expected to have a slightly lesser rate of growth than the larger pre-Christmas sales on at present due to the growing impact of the Black Friday and Cyber Monday weekend sales in late November which have gained prominence in the last few years.

The ABS Retail Sales data for October showed seasonally adjusted sales of \$27.57 billion, unchanged on September. The lower than expected result doesn't augur well for pre-Christmas sales which are now forecast to increase by between 2.5% to 2.6% on a year ago to \$52.7 billion, a lower forecast range than previously released.

Growth in retail expenditure is predicted across all six categories measured with spending on Food expected to grow by 2.8% from a year ago to over \$7.7 billion. Spending on Apparel including clothing, footwear and accessories is expected to grow the fastest up by 3.4% to almost \$1.5 billion.

Hospitality businesses are predicted to grow expenditure by 2.2% to nearly \$2.7 billion and almost \$3.1 billion is forecast to be spent on Household Goods in the post-Christmas sales period, an increase of 0.7% from a year ago. Department stores are set to grow spending by 1% to \$1.05 billion.

The category combining 'Other retailing' which includes online retailing is predicted to experience growth of 2.9% to spending of over \$2.7 billion.

### Predicted Retail Spending Growth by Category (2018 cf. 2019)

Category	2018 post-Xmas Actual Results (\$mil)	Roy Morgan 2019 forecast post-Xmas sales (\$mil)	Roy Morgan predicted sales growth
Food	7,515	7,727	2.8%
Household goods	3,073	3,094	0.7%
Hospitality	2,612	2,670	2.2%
Apparel: clothing, footwear etc.	1,422	1,470	3.4%
Department stores	1,038	1,048	1.0%
Other retailing	2,636	2,712	2.9%
<b>National</b>	<b>18,296</b>	<b>18,721</b>	<b>2.3%</b>

### Retail sales forecast to grow most strongly in Queensland, South Australia and Tasmania

Analysis of Roy Morgan's post-Christmas retail forecasts by State and Territory shows growth expected to be strongest in Tasmania, up by 4.5% to almost \$390 million and in Queensland up by 3.8% to nearly \$3.8 billion.

Post-Christmas retail spending is also forecast to grow strongly in South Australia, up by 2.5% to over \$1.2 billion and in Victoria up by 2.2% to nearly \$4.9 billion.

Australia's largest State of New South Wales is forecast to have post-Christmas retail spending of nearly \$5.9 billion, an increase of 1.4% while spending in Western Australia is predicted to increase by 2.1% to \$1.97 billion

There is also strong growth predicted in the ACT (+3.7%) although only moderate growth for the NT (+1.3%).

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## Predicted Retail Spending Growth by State & Territory (2018 cf. 2019)

State or Territory	2018 post-Xmas Actual Results (\$mil)	Roy Morgan 2019 forecast post-Xmas sales (\$mil)	Roy Morgan predicted sales growth
NSW	5,866	5,947	1.4%
Victoria	4,779	4,882	2.2%
Queensland	3,644	3,782	3.8%
WA	1,934	1,974	2.1%
SA	1,194	1,224	2.5%
Tasmania	369	386	4.5%
ACT	338	351	3.7%
NT	173	175	1.3%
<b>National</b>	<b>18,296</b>	<b>18,721</b>	<b>2.3%</b>

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

*"The annual ARA/Roy Morgan post-Christmas retail spending forecasts predict a spending increase of 2.3% in 2019/20 to over \$18.7 billion for the period that kicks off with the traditional Boxing Day sales period beginning the day after Christmas.*

*"The forecast growth in post-Christmas sales is slower than that predicted for the pre-Christmas period which is now forecast at \$52.7 billion, an increase of 2.5% on a year ago. This is down slightly on the previously [announced forecast pre-Christmas spending of \\$52.73 billion \(+2.6% on a year ago\)](#) following lower than expected [ABS Retail Sales figures for October](#).*

*"The lower rate of growth predicted for post-Christmas sales comes as the importance of the Black Friday/Cyber Monday weekend has rapidly grown in importance over the last few years and pulled sales forward into November at the expense of later sales periods – including post-Christmas.*

*"On a State-by-State basis growth in post-Christmas sales is expected to be strongest in Tasmania (+4.5%) and Queensland (+3.8%) followed by South Australia (+2.5%) and Victoria (+2.2%). These are also the four States with the highest predicted sales growth for the pre-Christmas period.*

*"Growth is predicted across all retail spending categories and will be particularly strong in the Apparel – clothing, footwear and accessories category with an expected increase of 3.4%. Growth significantly above CPI ([1.7% according to the ABS](#)) is also expected for Food (+2.8%) and 'Other retailing' which includes Online retailing (+2.9%) and Hospitality (+2.2%).*

*"Spending at Department Stores (+1.0%) and on Household Goods (+0.7%) is predicted to be more subdued and likely to prove disappointing to retailers in these sectors."*

### Roy Morgan Enquiries

Office: +61 (3) 9224 5309

[askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com)

**The Executive Director of the Australian Retailers Association, Russell Zimmerman, said ARA/Roy Morgan Research forecasts for post-Christmas retail trade suggested quieter trade to round out the holiday period, but said all indicators suggested the struggling retail sector was poised to rebound sharply during 2020.**

Speaking at the release of joint ARA/Roy Morgan post-Christmas predictions for the period 26 December to 15 January, Mr Zimmerman said Australians will spend almost \$19bn from Boxing Day to Jan 15, and that whilst this represented mild growth on a year ago there were signs retail may be poised for a rebound.

*"These figures suggest quieter post-Christmas retail trade than we would have hoped," Mr Zimmerman said. "That said, there are some positives here, and reason to think the sector is poised to rebound in 2020," he added.*

Mr Zimmerman said the ARA/Roy Morgan forecast of 2.3% retail sales growth from the equivalent period in 2018-19 capped off a difficult year for the retail sector, but came as external factors contrived to create better conditions in 2020.

*“Sales of household goods, clothing, footwear and accessories, and department store trade, are all forecast to be stronger this year than the corresponding period last year, which suggests people may be waiting for sales,” Mr Zimmerman said.*

*“We’ve also just come through a period that has included Singles’ Day, Click Frenzy, Black Friday and Cyber Monday in quick succession, so the heavy traffic these events generated are likely to dampen post-Christmas demand,” he said.*

**For a PDF of the full press release of the Australian Retailers Association and ARA Executive Director Russell Zimmerman – [click here](#).**

**For interview opportunities with ARA Executive Director Russell Zimmerman call the ARA Media Team on 0439 612 556 or email [media@retail.org.au](mailto:media@retail.org.au).**

### **About Roy Morgan**

Roy Morgan is Australia’s largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years’ experience collecting objective, independent information on consumers.

### **About the Australian Retailers Association**

Founded in 1903, the Australian Retailers Association (ARA) is Australia’s largest retail association, representing the country’s \$325 billion sector, which employs more than 1.3 million people. As Australia’s leading retail peak industry body, the ARA works to ensure retail success by informing, protecting, educating, advocating and saving money for its 9,500 independent and national retail members throughout Australia. For more information, visit [www.retail.org.au](http://www.retail.org.au) or call 1300 368 041.