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John Lewis has positive Christmas, fashion outperforms

By Sandra Halliday - January 11, 2018

As one of the most communicative retailers in the UK, it might sometimes seem that John Lewis could have little more to share about its Christmas trading performance beyond what we've heard from its weekly updates.

John Lewis

But it had more to say on Thursday as it detailed an overall sales rise for the six weeks to January 8.

The company, which operates the John Lewis department stores and website (as well as Waitrose supermarkets), has been expanding its fashion offer in recent years and this helped it achieve a 2.5% sales increase to £1.962 billion for the period.

The John Lewis chain was the best performer, turning in a 3.6% gross sales increase to £1.043 billion, compared to a 1.4% rise to £928 million at Waitrose.

Looking closer at the John Lewis chain's figures, its comparable sales rose 3.1% and the firm said it "significantly outperformed the market by 4.5%."

It was helped during the six weeks by having enjoyed its best trading day ever on Black Friday and its biggest trading *week* ever linked to Black Friday too, with sales rising 7.2%.

The company cited its "inspiring Christmas proposition, innovative product assortment and competitive position on price" as boosting it during the season. And it said that its popular shop experiences, including My John Lewis customer Christmas events, saw a 15% increase in attendance and an 18% uplift in sales compared to last year.

Across its three product areas there was a particularly good performance in Fashion (which includes beauty) up 4.9%, and EHT (electricals and home technology, including items such as wearable tech) up 5%. But Home was down 0.3% "as customers were more cautious about bigger purchases for their homes."

As those results for the Home directory show, there were clearly challenges at Christmas as well as triumphs. Chairman Sir Charlie Mayfield said the pressure on margins seen in the first half of the year has intensified "because of our choice to maintain competitive prices, despite higher costs mainly due to the weaker exchange rate. This will negatively affect full-year financial results."

And looking ahead to 2018/19 he expects trading "to be volatile due to the economic environment and anticipates that competitive intensity will continue, driven by the structural changes taking place in the retail industry."

However, he sees the company as well placed to "continue building the strength of [its] two leading brands and will maintain current investment plans."

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