



# NATIONAL RETAIL SURVEY

## Survey Results

MARCH 2024



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## EXECUTIVE SUMMARY

This report provides an in-depth analysis of the current state of the retail sector in Australia based on data collected from a comprehensive survey conducted by the National Retail Association. The survey aimed to gauge retailer sentiment, outlook, and challenges for the year 2024, following a challenging sales period during Black Friday and Christmas.

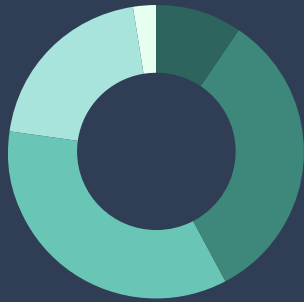
The National Retail Association calls upon Federal and State Governments to assist small and medium-sized enterprises (SMEs) with operational costs, promote sustainable practices, and enhance confidence in the retail sector. Specific recommendations include energy relief, insurance support, transportation cost control, and wage inflation management.

This report underscores the critical challenges facing Australia's retail sector in 2024 and highlights the urgent need for government intervention to support sustainability, reduce operational costs, and foster confidence in the industry's future growth and resilience.

The National Retail Association is a not-for-profit organisation dedicated to supporting, informing, protecting, and representing the interests of retailers and quick-service restaurants across Australia. It aims to unite retailers and stakeholders for the industry's success now and in the future.

## KEY FINDINGS

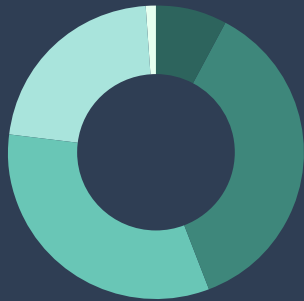
- **Sales Expectations:** A significant portion (**44%**) of retailers anticipate worse or significantly worse sales in 2024 compared to the previous year.
- **Profit Projections:** Over half (**55%**) of retailers predict lower profits for the current year.
- **Operational Costs:** The majority (**77%**) of retailers foresee increased operational costs in 2024, with energy, wage, and insurance expenses cited as major concerns.
- **Sustainability Spending:** Only a small fraction (**23%**) of businesses plan to increase spending on sustainability initiatives, potentially impacting national efforts to reduce carbon emissions.
- **Transportation Challenges:** Nearly half (**49%**) of retailers face high or extreme cost pressures related to transportation and logistics.
- **Defensive Measures:** Retailers are implementing defensive strategies such as cutting orders, reducing advertising spending, and focusing on customer loyalty, experience, and cybersecurity.
- **Regional Disparities:** Regional and rural areas are disproportionately affected, with lower ecommerce adoption rates and higher transportation costs.



**OVERALL PERFORMANCE**

- Significantly Better
- Better
- About The Same
- Worse
- Significantly Worse

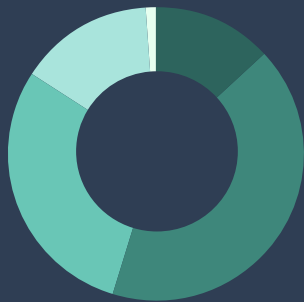
**42% of retailers anticipate a decline in their business's overall performance over the next 12 months.**



**SALES FORECAST**

- Significantly Better
- Better
- About The Same
- Worse
- Significantly Worse

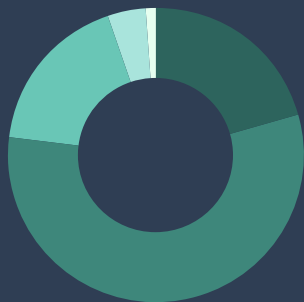
**44% of retailers expect that sales will be worse or significantly worse in 2024 in comparison to 2023.**



**PROFITABILITY FORECAST**

- Significantly Better
- Better
- About The Same
- Worse
- Significantly Worse

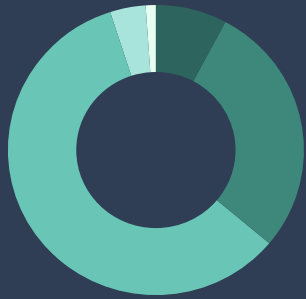
**55% of retailers will make less profit this year.**



**COSTS FORECAST**

- Significantly Better
- Better
- About The Same
- Worse
- Significantly Worse

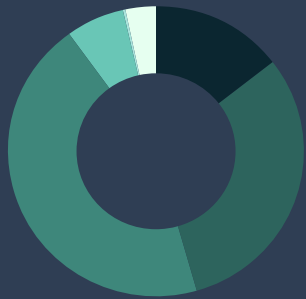
**Operational costs for 77% of all retailers will be worse or significantly worse in 2024 with energy costs, wage costs and insurance being major constraints on business.**



**EMPLOYMENT RATES**

0.93%	Significantly Better
4.05%	Better
58.88%	About The Same
28.35%	Worse
7.79%	Significantly Worse

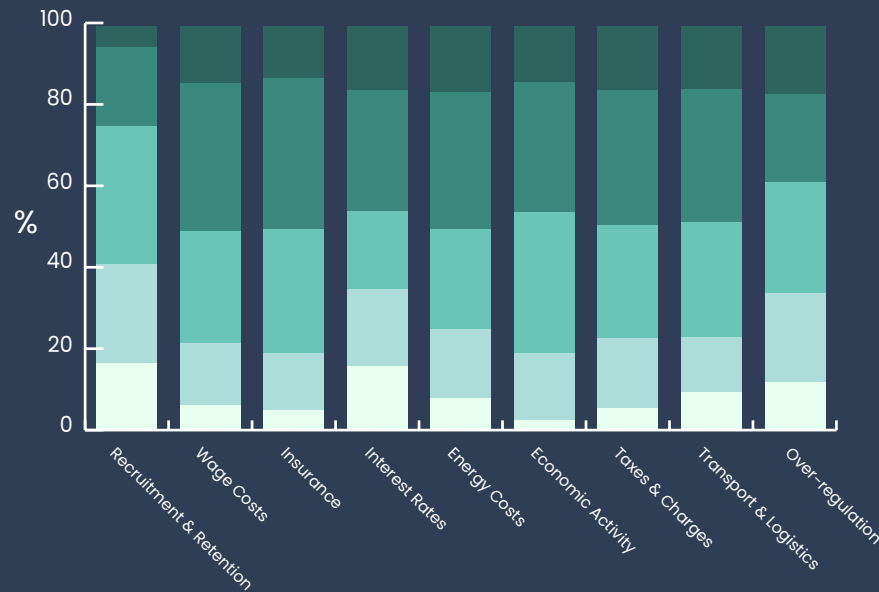
**Stability Forecast: 95% of respondents anticipate employment levels to remain stagnant or decline in the coming year.**



**CAPITAL EXPENDITURE**

3.11%	Other
0.31%	Significantly Better
6.52%	Better
44.41%	About The Same
31.06%	Worse
14.60%	Significantly Worse

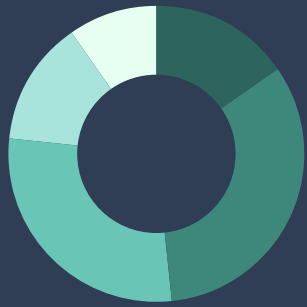
**90% of retailers foresee stagnant or reduced capital expenditure. 45% anticipate a decrease in investments compared to the previous year.**



**OPERATIONAL CONSTRAINTS**

Extreme Constraint
High Constraint
Moderate Constraint
Low Constraint
Not A Constraint

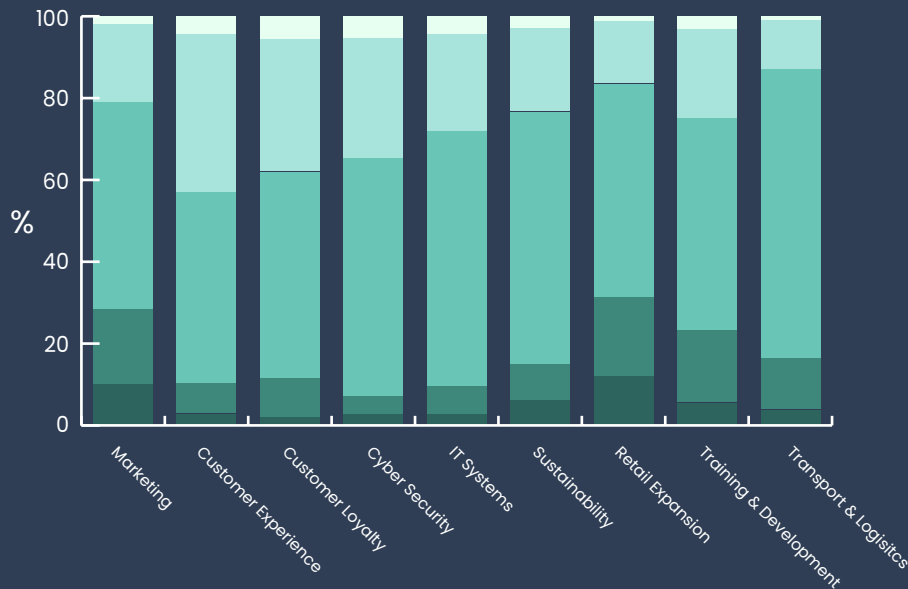
**Retailers are facing widespread constraints, including challenges with recruitment, rising costs (wages, insurance premiums, energy, taxes, and logistics), economic activity levels, interest rates, and regulatory burdens, collectively indicating significant hurdles to growth and operational efficiency.**



### TRANSPORT & LOGISTICS

- Extreme Constraint
- High Constraint
- Moderate Constraint
- Low Constraint
- Not A Constraint

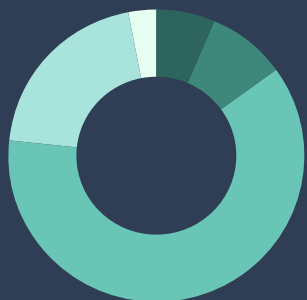
**Transportation Challenges: Nearly half (49%) of retailers face high or extreme cost pressures related to transportation and logistics.**



### SPENDING FORECAST

- Significantly Increase
- Increase
- Maintain
- Decrease
- Significantly Decrease

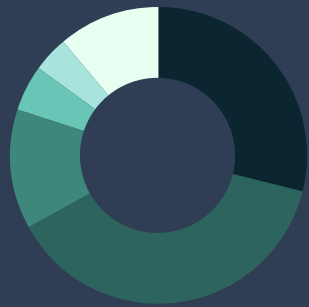
**Retailers are going on the defence – cutting orders, reducing spend on customer acquisition and retention with 29% of retailers cutting advertising. This will have a knock on effect for manufacturers and suppliers throughout our economy.**



### SUSTAINABILITY SPENDING

- Significantly Increase
- Increase
- Maintain
- Decrease
- Significantly Decrease

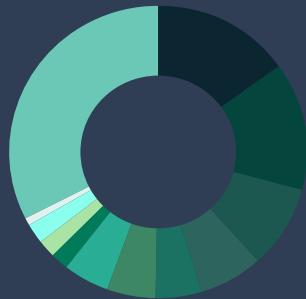
**Concerningly, only 23% of business will increase spending on sustainability in 2024, putting pressure on the nations drive and desire to reduce carbon emissions by 2030.**



**# OF EMPLOYEES**

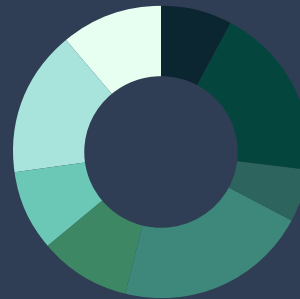
0-5	29%
6-20	38%
21-200	13%
201 - 500	5%
501-1,000	4%
1,001+	11%

**Of the 350 business surveyed - 2/3 were SMEs, with 43% in regional areas. Regional and rural areas are adversely affected with lower adoption rates of ecommerce (5% vs 18% for metro areas) and higher costs for transportation and limited staffing options.**



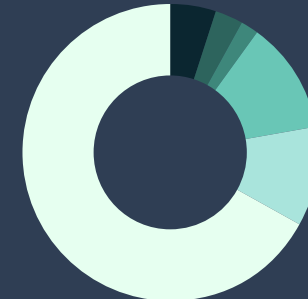
**RETAIL SECTOR**

Other	32%
Specialised food retailing	15%
Clothing, footwear, personal accessories	14%
Recreational goods	9%
Hardware, building and garden supplies	7%
Furniture, floor coverings, houseware, textiles	5%
Pharmaceutical and other store-based retailing	5%
Supermarket and grocery stores	5%
Fuel retailing	2%
Department stores	2%
Non-store retailing	2%
Electrical and electronic goods	1%



**LOCATION**

QLD	21%
NSW	19%
VIC	16%
WA	11%
SA	10%
TAS	9%
ACT	8%
NT	6%



**ANNUAL TURNOVER**

Under \$10M	67%
\$10M-\$50M	11%
\$50M-\$250M	12%
\$250M-\$500M	2%
\$500M-\$1B	3%
\$1B+	5%

**Survey findings were drawn from 350 businesses via an online questionnaire collected from 23-29 February 2024. Responses were solicited via email and SMS marketing to National Retail Association's contact database.**