November 2019
RETAIL TRADE

- In November 2019 estimates of retail trade continued to decrease in the month-on-month series, falling by 0.2% in value terms and dropping by 0.3% in volume terms.

- The underlying pattern in the retail sector shows a contraction in the three months to November 2019, when both value and volume were down 0.1%.

- Year-on-year both value and volume of retail trade grew for the sixth consecutive month in November 2019, increasing by 0.9% and 0.7% respectively.

- Total sales of large scale distribution increased by 3.3% from the same period a year earlier, while small scale distribution decreased by 1.4%.

- Online sales continued to rise in the year-on-year series, growing by 4.1% in November 2019.

- Looking at the value of sales for non-food products, the largest growths were reported for Cosmetic and toilet articles (+3.8%) and Furniture and textile items and household furnishings (+2.2%), while the largest falls reported concerned Pharmaceutical products (-2.7%) and Optical instruments and photographic equipment (-1.2%).

CHART 1. RETAIL TRADE, SEASONALLY ADJUSTED INDEX AND THREE-MONTH MOVING AVERAGE
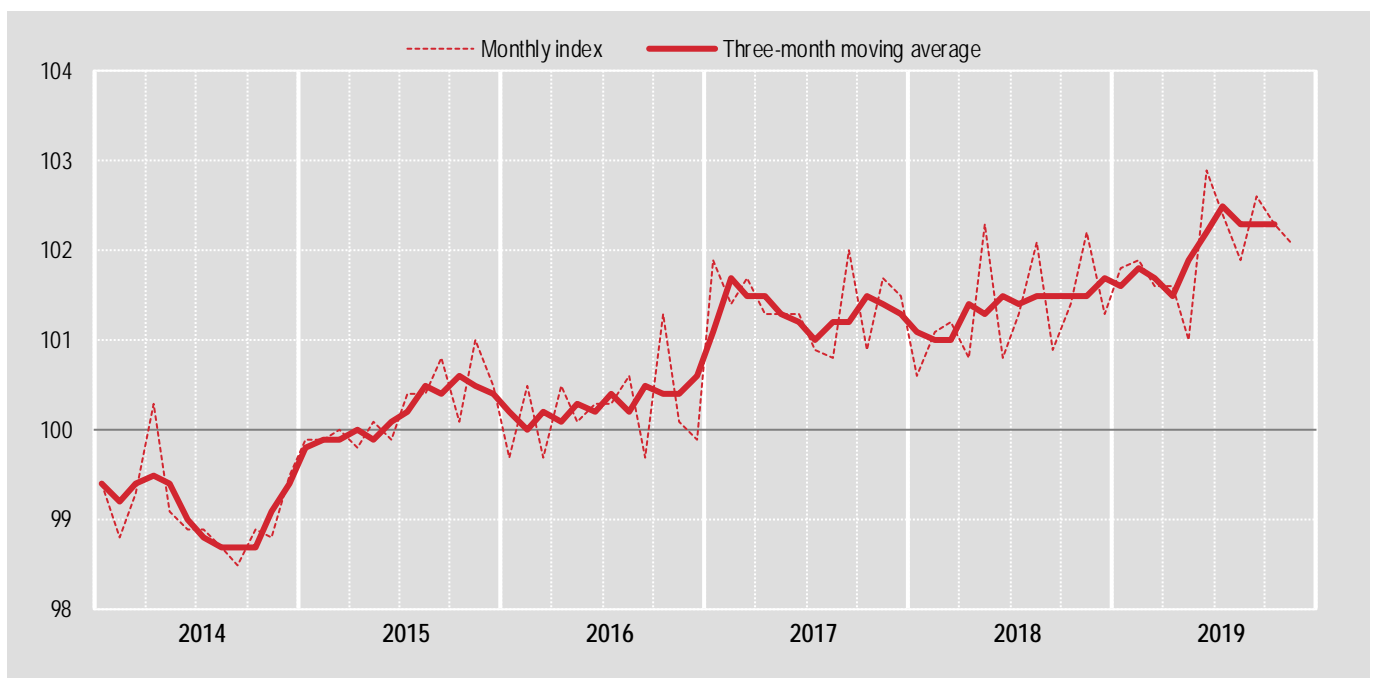January 2014 – November 2019, value (index, 2015=100)

keyfigures

CHART 2. RETAIL TRADE, MONTH ON SAME MONTH A YEAR AGO PERCENTAGE CHANGES
January 2015 – November 2019, percentage changes in value and volume, non-seasonally adjusted (index, 2015=100)
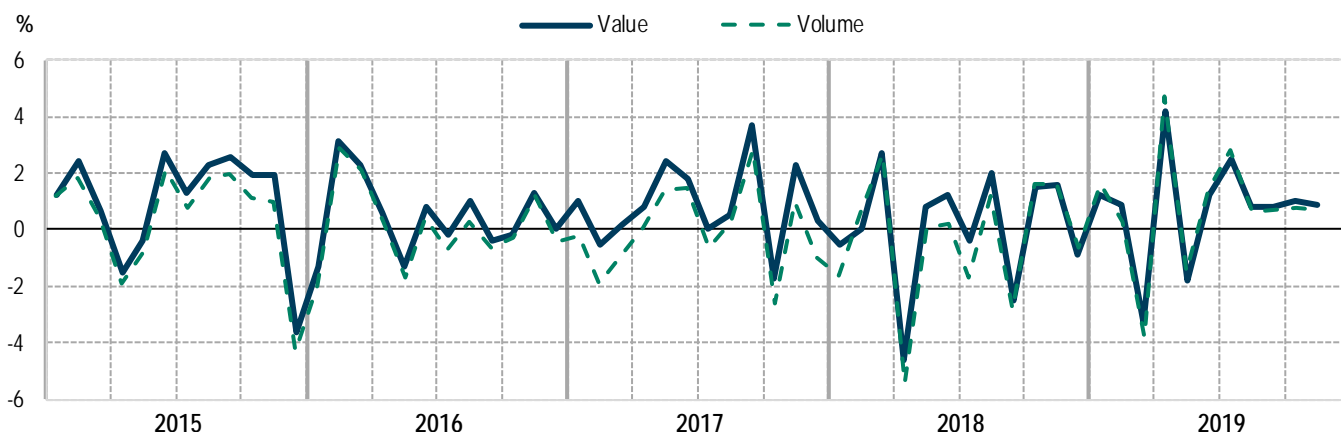

TABLE 1. RETAIL TRADE BY MARKETABLE GOODS SECTOR
November 2019, months on previous months and months on same months a year ago percentage changes in value and volume, seasonally adjusted and non-seasonally adjusted (index, 2015=100) (a)

MARKETABLE GOODS SECTOR	Months on previous months percentage changes (seasonally adjusted)			
	Nov19 Oct19		Sep-Nov19 Jun-Aug19	
	value	volume	value	volume
Food	0.0	-0.2	0.0	-0.1
Non food	-0.3	-0.4	-0.1	-0.2
Total	**-0.2**	**-0.3**	**-0.1**	**-0.1**
	Months on same months a year ago percentage changes (non-seasonally adjusted)			
	Nov19 Nov18		Jan-Nov19 Jan-Nov18	
	value	volume	value	volume
Food	+2.2	+1.4	+1.0	+0.2
Non food	0.0	+0.1	+0.5	+1.1
Total	**+0.9**	**+0.7**	**+0.7**	**+0.7**

(a) Provisional data

TABLE 2. RETAIL TRADE BY MARKETABLE GOODS SECTOR AND CHANNEL OF DISTRIBUTION
November 2019, months on same months a year ago percentage changes in value, non-seasonally adjusted (index, 2015=100) (a)
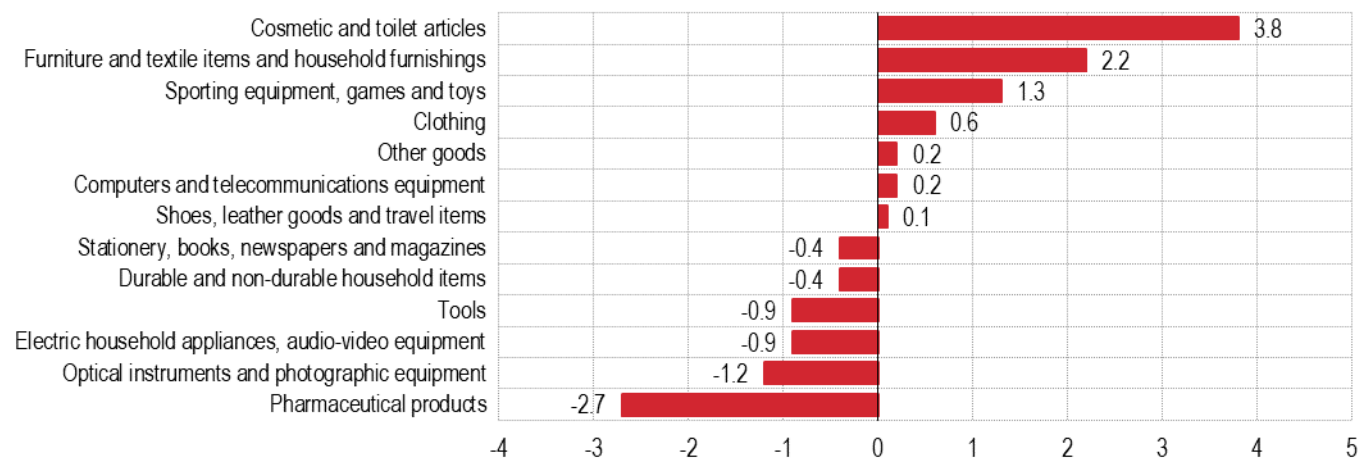
MARKETABLE GOODS SECTOR AND CHANNEL OF DISTRIBUTION	Nov19 Nov18	Jan-Nov19 Jan-Nov18
Large scale distribution	+3.3	+1.5
Food	+3.5	+1.4
Non food	+2.8	+1.7
Small scale distribution	-1.4	-0.7
Food	-0.8	-0.2
Non food	-1.6	-0.8
Online sales	+4.1	+15.4
Total (b)	**+0.9**	**+0.7**

(a) Provisional data
(b) The channels of distribution mentioned above do not add up to the total of retail trade.

CHART 3. YEAR-ON-YEAR NON-FOOD GROWTH RATE BY PRODUCT SEGMENT
November 2019, months on same months a year ago value (index, 2015=100)

Product segment	Growth rate
Cosmetic and toilet articles	3.8
Furniture and textile items and household furnishings	2.2
Sporting equipment, games and toys	1.3
Clothing	0.6
Other goods	0.2
Computers and telecommunications equipment	0.2
Shoes, leather goods and travel items	0.1
Stationery, books, newspapers and magazines	-0.4
Durable and non-durable household items	-0.4
Tools	-0.9
Electric household appliances, audio-video equipment	-0.9
Optical instruments and photographic equipment	-1.2
Pharmaceutical products	-2.7

revisions

The table below shows routine revisions, calculated as differences (in percentage points) between first publication and the latest estimates concerning the same reference period. Revisions to year-on-year growth rate refer to not adjusted data of the last two months prior to the current reference period. With regard to the short-term growth rate, an additional monthly revision for seasonally adjusted data occurs as new observations can change the seasonal factors that are applied to the whole time series.

Table 3 provides revised data for September and October 2019.

TABLE 3. REVISIONS TO GROWTH RATES BY MARKETABLE GOODS SECTOR
Differences in percentage points (index, 2015=100)

	Food sales		Non-food sales		Total sales	
	Month-on-month change (a)	Year-on-year change (b)	Month-on-month change (a)	Year-on-year change (b)	Month-on-month change (a)	Year-on-year change (b)
September 2019						
Value	-0.1	0.0	0.0	+0.1	+0.1	0.0
Volume	+0.1	0.0	0.0	+0.1	+0.1	+0.1
October 2019						
Value	0.0	-0.1	0.0	0.0	-0.1	0.0
Volume	-0.1	-0.1	-0.1	0.0	-0.1	0.0

(a) Figures are calculated on seasonally adjusted data
(b) Figures are calculated on non-seasonally adjusted data

Large scale distribution: definition of this aggregate was revised according to the classification ATECO 2007 (Italian version of the Classification of Economic Activities NACE Rev.2). Large scale distribution includes the following categories:

Non-specialized stores with food predominating

▶ *Hypermarket (Ateco 47111):* store combining a supermarket (food products) and a department store (non-food products). with a selling surface over 2.500 square metres.

▶ *Supermarket (Ateco 47112):* store operating in food retailing. organized as a self-service shop covering a surface area over 400 square metres and offering a wide variety of food (mainly canned and packaged goods). personal hygiene products. household cleaners and pet supplies.

▶ *Discount stores (Ateco 47113):* retail area selling wide assortments of goods (not name-brand) focusing on low prices rather than service. displays or variety.

Non-specialized stores with non-food predominating

▶ *Department store and non-specialized store selling computers. peripheral devices. telecoms equipment. consumer electronics (audio and video). electrical household appliances:* they both are retail establishments offering a wide range of predominantly non-food consumer goods. Both kinds of stores cover a floor space over 400 square metres and sell a wide range of products such as consumer electronics. household appliances. clothing. furniture and household supplies.

Large footprints specialized stores

▶ *Large footprints specialized store (or category killer store):* specialized store offering a deep product assortment within a given category with a footprints over 400 square metres. Category killer stores typically have a large-scale distribution business model.

Small retail store: retail store with a selling surface under 400 square metres. Both specialized stores and non-specialized stores may fall within this category. Among the latters. minimarkets (Ateco 47114). frozen food stores (Ateco 47115) and general stores (Ateco 47199) can be found.

E-commerce: electronic selling of goods over the internet newtwork (Ateco 47911). The monthly indices refer to real-time sales transactions that occur as a consumer purchases an item from an online store. which predominantly operates in the e-commerce sector. Web sales performed by retailers that sell primarily in stores do not flow into e-commerce indicators.

Non-store retailing: (Ateco 478 and 479. except from 47911) sales taking place outside of fixed retail stores. Non-store distribution channel includes market stands. mail and catalogue ordering. automated vending. sales representatives and telesales.

Value of sales index: the value of sales index measures the retail trade turnover over time at current prices.

Volume of sales index: the volume of sales index measures the retail trade turnover over time in volume terms (quantity sold). In order to dermine the volume of sales index. the value of sales index is divided by the Harmonised index of consumer price (HICP) to allow removing price effects on turnover.

Seasonally adjusted data: seasonally adjusted data refer to the statistical technique designed to remove fluctuations related to seasonal factors (such as weather conditions. administrative measures. etc.…) and calendar effects when relevant. Seasonal adjustment provides a clearer view for a trend analysis of a short-term index.

Short-term growth rate: short-term growth rate compares a period (typically a month or quarter) with the previous period. measuring the percentage change.

Year-on-year growth rate: Y-o-Y growth rate compares a period (typically a month or quarter) with the same period from the previous year. measuring the percentage change.

methodological**note**

Information objectives and reference regulatory framework

The Retail trade index is compiled using data from the monthly survey on retail sales.

This survey refers to enterprises whose main economic activity is retail trade (according to the Economic activity classification NACE Rev.2).

Enterprises having the sale of car and fuel as main economic activity are excluded from the survey.

Apart from the monthly indices released at a national level. monthly estimates. consistent with the European Union Regulation EC 1165/98 concerning short-term statistics[1]. are available. The latter refer to the main economic activity of the enterprises only and the former are more detailed.

Index base year

The base year for Retail trade indicators is 2015. They are elaborated with reference to the classification of the economic activity Ateco 2007 (the Italian version of the European classification Nace Rev. 2)

The series of monthly indices of retail sales based 2015=100 start with January 2015. Therefore. for the period January 2015-December 2017. the new indices with base year 2015 replace those with base year 2010 already published.

Time series (data for the period January 2000 – December 2014) have been rescaled to the base 2015. in order to meet users' needs and for research purposes.

In coincidence with the elaboration of data in base 2015. a new index on e-commerce starts to be calculated and published.

Sampling design

Retail trade data are collected from a sample of about 8.000 enterprises. resident in Italy.

The sample is stratified considering the following variables:

✓ main activity according to the classification Ateco 2007

✓ enterprise size. identified on the basis of three classes of persons employed (1-5. 6-49 and at least 50).

According to the sampling scheme. enterprises with less than 50 persons employed are selected at random. while all the units with 50 or more persons employed are included in the sample.

In the calculation of the monthly indices weights with reference to the base 2015 are used. In particular. weights of the large distribution in terms of turnover is equal to 46.4%. while the weight of small scale distribution enterprises is 48.0%. In the next table data on the weights used in the aggregation of the monthly indices of retail sales in base 2015 are compared to those used in the previous base 2010.

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[1] Eurostat publishes monthly data referring to all European countries. The same data are also used to estimate data for the European Union aggregates.

methodological**note**

TABLE 1. WEIGHTING STRUCTURE OF MONTHLY RETAIL SALES INDEX
Percentage values

Aggregates	base 2010	base 2015
TYPE OF DISTRIBUTION		
Small scale distribution	55.1	48.0
Large scale distribution	44.9	46.4
-Non-specialised large-scale retail	38.2	36.7
Food predominant	34.2	33.7
- Hypermarkets	12.5	11.6
- Supermarkets	16.7	16.7
- Discounts stores	5.0	5.4
Non-food predominant	4.1	3.0
- Large scale specialised stores	6.6	9.7
E-commerce	-	1.9
Non-store retailing	-	3.7
PRODUCT GROUPING		
Food products	35.5	42.2
Non-food products	64.5	57.8
Pharmaceuticals and other therapeutic products	9.2	8.4
Clothing	12.1	11.9
Shoes. leather goods and travel items	3.5	3.4
Furniture and textile items and household furnishings	5.9	4.5
Electric household appliances. audio-video equipment	4.0	3.3
Computers and telecommunications equipment	2.7	2.6
Optical instruments and photographic equipment	1.6	1.3
Durable and non-durable household items	3.5	2.1
Household tools and hardware	5.1	4.1
Cosmetic and toilet articles	4.2	3.0
Stationery. books. newspapers and magazines	2.7	1.9
Sporting equipment. games and toys	3.2	2.5
Other goods	6.8	8.8
SIZE OF ENTERPRISES (PERSONS EMPLOYED)		
1-5	27.9	28.4
6- 49	28.2	25.4
50 or more	43.9	46.2

Value and volume index

The retail trade value index is a short-term measure of the changes in the value of sales by Italian retailers. It reflects the effect of both volume and price. The volume estimates are calculated by taking the value indices and adjusting to remove the impact of price changes. In particular. for this purpose. price indices derived from the Harmonised indices of consumer prices (HICP) are used.

Data revision and seasonal effects

Monthly data are revised twice in the following two months after publication. The revision is made in order to take into account the additional information from the respondents.

Indices are seasonally adjusted through the Tramo-Seats procedure (942 version for Linux). Like other seasonal adjustment procedures. Tramo Seats is based on the hypothesis that monthly or quarterly time series result from unobservable components:

✓ trend-cycle component (long-term and medium-term movements in the data);

✓ seasonal component (periodical short-term movements having a length of no more than one year);

✓ irregular component (unpredictable movements in the data).

Tramo-Seats uses a *model-based* method. that is a statistical model that explain the behaviour of the original time series and its components.

In particular. food and non-food series are seasonally adjusted and aggregate seasonally adjusted estimates are then be derived.

Seasonal adjusted data are revised every month as a consequence of the re-estimation of the seasonal adjustment factors. that are also reviewed annually.

Territorial breakdown

Indices are calculated and disseminated at national level.

Timeliness

Indices are published on a monthly basis with a delay of approximately 38 days from the end of the reference month.

Dissemination

Data are issued through press releases. available on the Istat website at http://www.istat.it/en.

The series of the updated indices are published on the Istat data warehouse (http://dati.istat.it/?lang=en) under the theme "Index of retail trade sales".