

## Factory Outlets - UK - December 2016

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“Despite a relatively saturated factory outlet market in the UK and a challenging retail environment, retail sales through factory outlet schemes continue to grow. The leading operators have tapped into an appetite for discounted clothing, offering value for money.”  
– **Samantha Dover, Retail Analyst**

This report looks at the following areas:

- Opportunities to encourage more frequent visits
- Using digital to enhance outlet proposition
- Attracting new consumer groups with compelling tenants

The factory outlet market continues to grow, despite a challenging retail environment. Mintel estimates that UK retail sales through factory outlets reached £2.2 billion in 2015 with further growth of 8.8% forecast in 2016. Alongside strong like-for-like growth at existing outlet centres, the market has been boosted by major new openings in recent years, including London Designer Outlet (350,000 sq ft) and Resorts World Birmingham (538,000 sq ft).

The market is dominated by a small number of leading operators and the larger schemes continue to outperform and drive growth in the sector, attracting high footfall and sales volumes with a strong tenant proposition. Furthermore, the move from a selection of the leading operators towards proximity outlet schemes has generated a new interest in outlet shopping, fuelling further growth by attracting a new younger demographic.

Inbound tourism continues to have a positive effect on the market and the year-on-year uptrend in the number of international consumers visiting the UK (up 4.9% in 2015) will continue to benefit the leading schemes. Beyond the annual uplift in inbound tourism, the weak Pound since the EU referendum is expected to have boosted international sales at factory outlets as overseas shoppers headed to the UK to exploit the exchange rate.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Price Concerned  
Product Focussed  
Convenience Seekers  
Apathetic Shoppers

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