

PwC Malta Market Barometer

Retail

May 2018



pwc

Highlights

PwC's latest market barometer is again placing a spotlight of the local retail industry. Around 200 local retailers have participated in telephone interviews, in which a variety of pertinent topics were discussed. The barometer provides insights into the investment and innovation plans of the industry, besides gauging the levels of business, outlook and concerns of the players in the market. In the context of the level of business and real estate development the Maltese economy is registering, the views of retailers about possible relocation were noted.

David Valenzia, Territory Senior Partner at PwC Malta, welcomed the results of the barometer, which he said, signal the importance of a continuous reassessment of the traditional business models employed by the industry, in a scenario driven by new technology trends and a drive to enhance customer experience.



Innovation and capital investment

- 17% of the local retailers have plans to introduce an innovative concept in their business.
- 19% of retailers are planning a capital investment in their outlet.
- Businesses involved in the sale of IT and communication equipment (ICT) rank first (25% of those interviewed) in seeking innovative business solutions.



Re-location plans

- 15% of retailers indicated plans to change their location of their current outlet, or increase the number of existing ones.
- Retailers currently stationed in the St Julian's area top the list of the ones which are planning such a move.
- From an industry segment perspective, retailers involved in sale of ICT equipment, at 17%, score first in terms of re-location and expansion of business outlets.



Management of a customer database

- 40% (against 60%) of those interviewed manage a customer database;
- Retailers involved in the sale of ICT equipment (at 58%), followed by clothing and fashion retailers (at 43%) top the list of business which actively managed a customer database.



Employee recruitment

- 36% of retailers interviewed in the barometer stated that they are successful in recruiting the right employees to their business as opposed to 23%. 41% have no recruitment plans.
- It appears that outlets in the Mosta and Valletta areas are the most attractive to employees working in the industry.



Business outlook

- 43% of those interviewed in the barometer have a favourable outlook for the next 6 months. In March 2016, this mark stood at 37%.
- Retailers in the Sliema and Mosta area appear to be the most upbeat.
- 17% of the participants in the barometer have a negative outlook.
- Retailers in Paola emerge to be the less upbeat when compared to their peers.



Level of business

- 38% of retailers stated that their business increased in the last 6 months. In March 2016, when the last PwC retail barometer was carried out, 32% had answered favourably to the same question.
- Retailers in the Gozo and Mosta areas report the largest surge in business in the last 6 months.

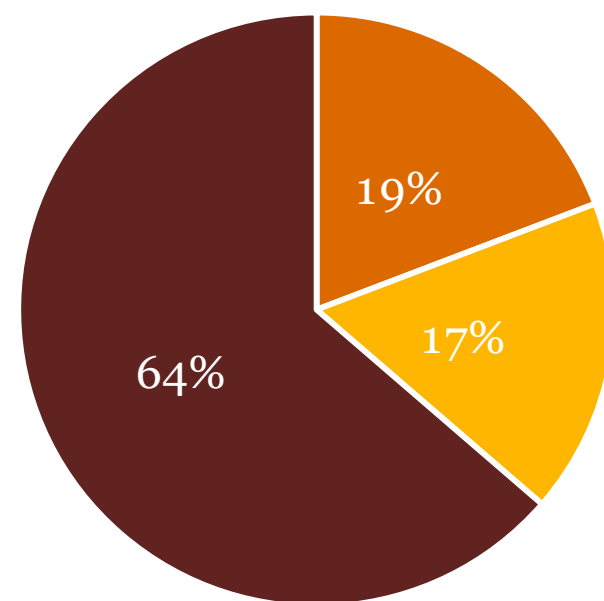


Business concerns

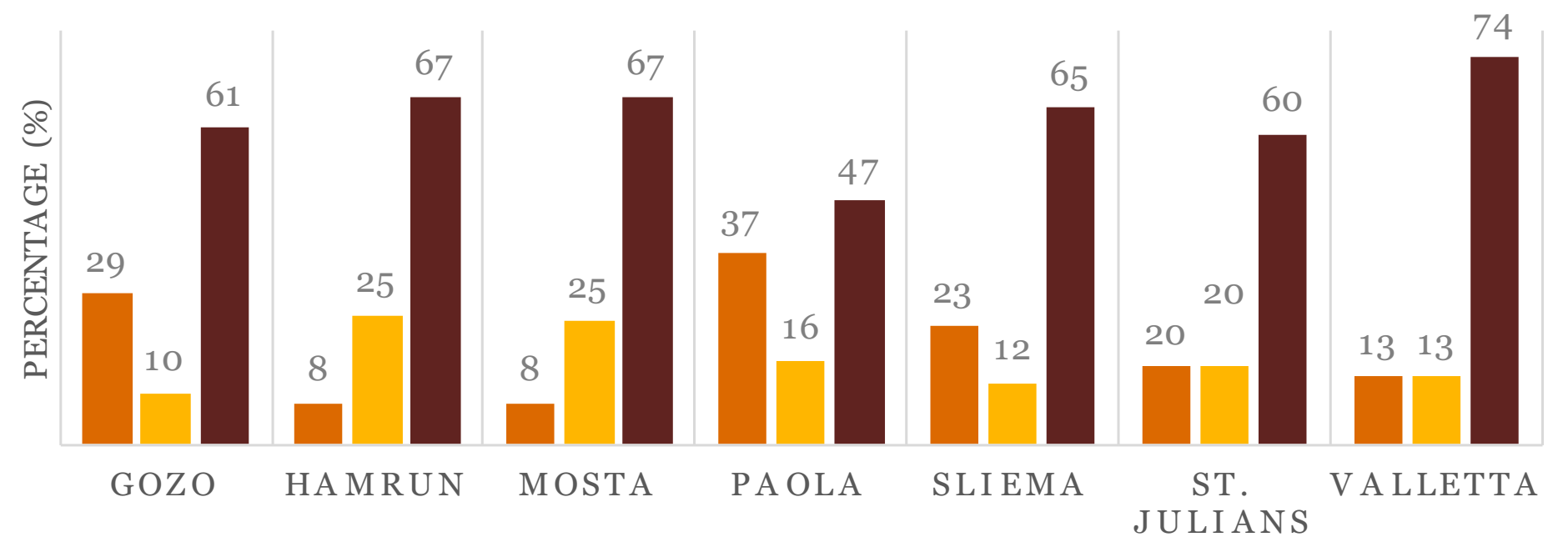
- Competition, at 34%, tops the list of business concerns indicated by retailers followed by parking and accessibility (33%) and online shopping (22%).
- In March 2016, parking and accessibility, at 41% topped the list of concerns, followed by online shopping at 28%.

Innovation and capital investment

Total 2018



2018

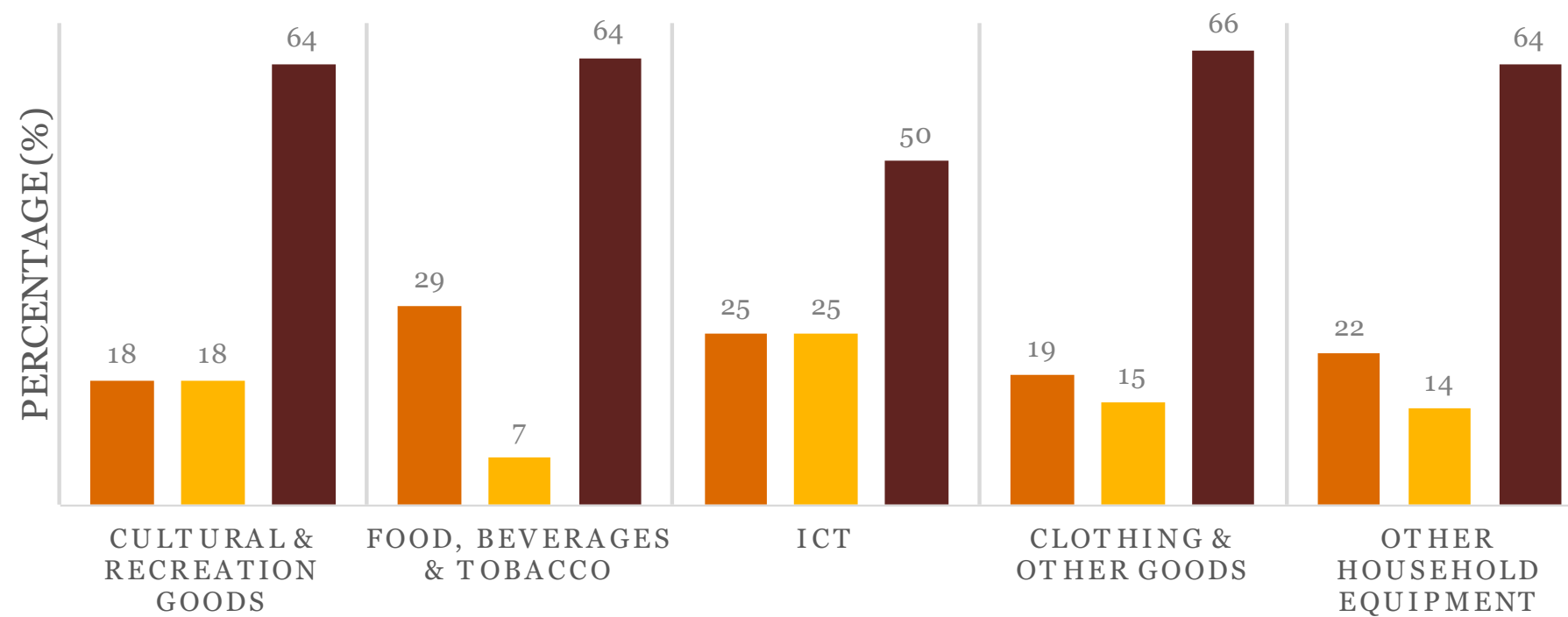


● Planning an investment in your retail outlet

● Introduce/d some innovative concept

● No

2018



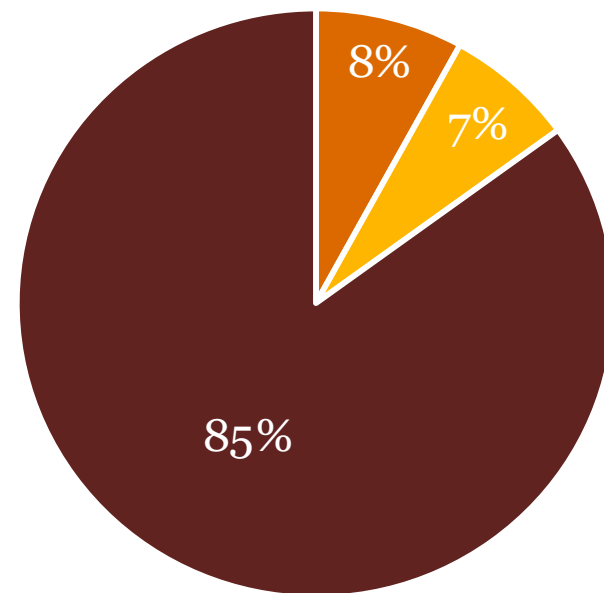
● Planning an investment in your retail outlet

● Introduce/d some innovative concept

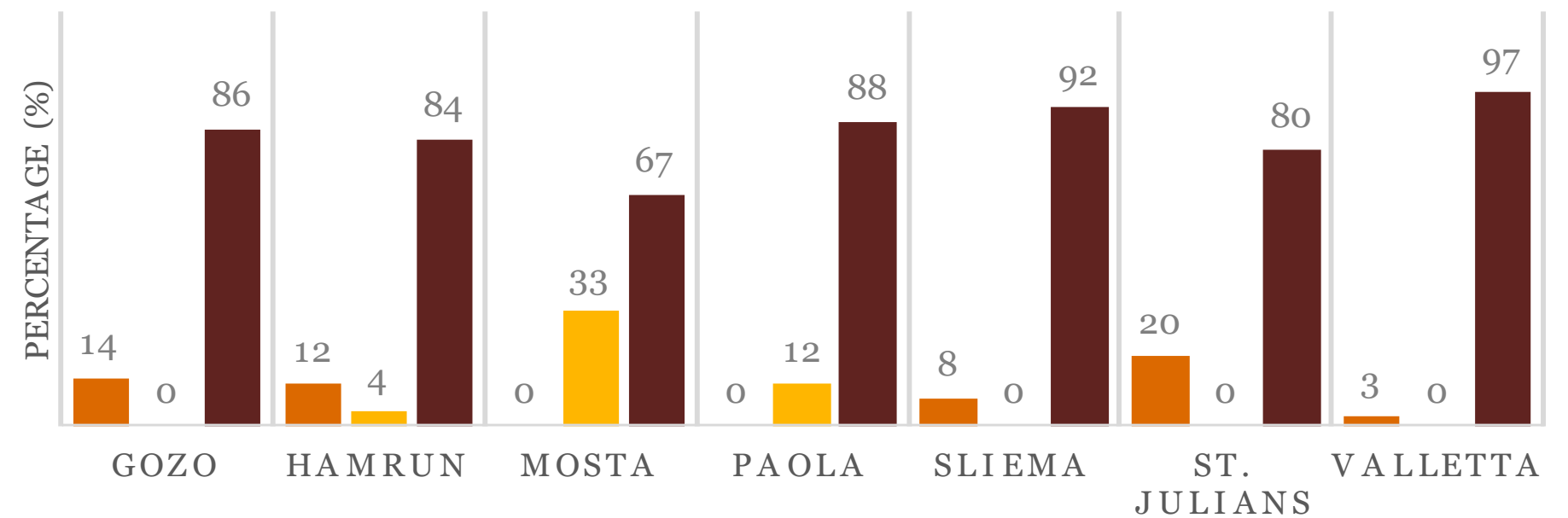
● No

Re-location plans

Total 2018



2018

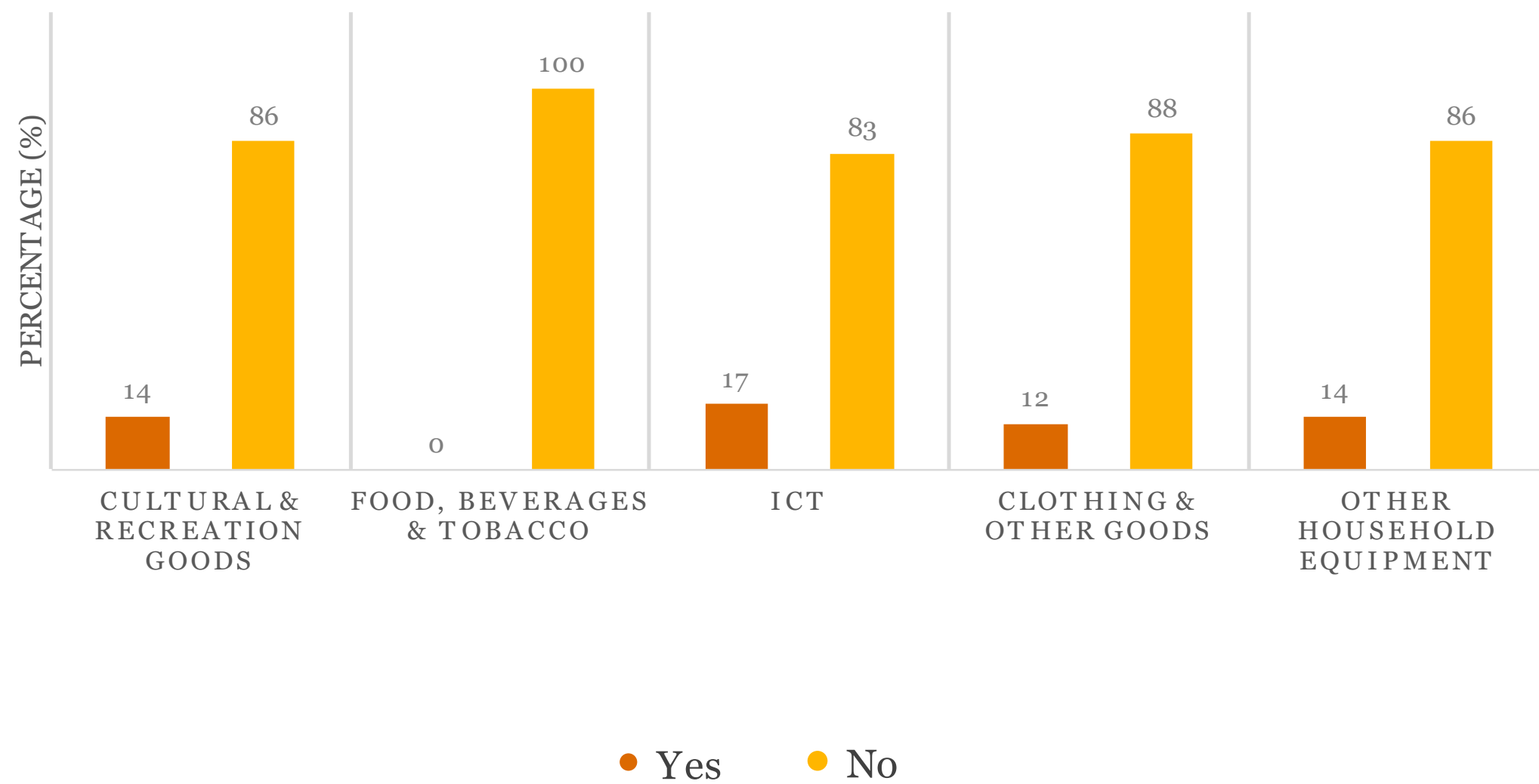


● Plans to re-locate

● Increased number of outlets

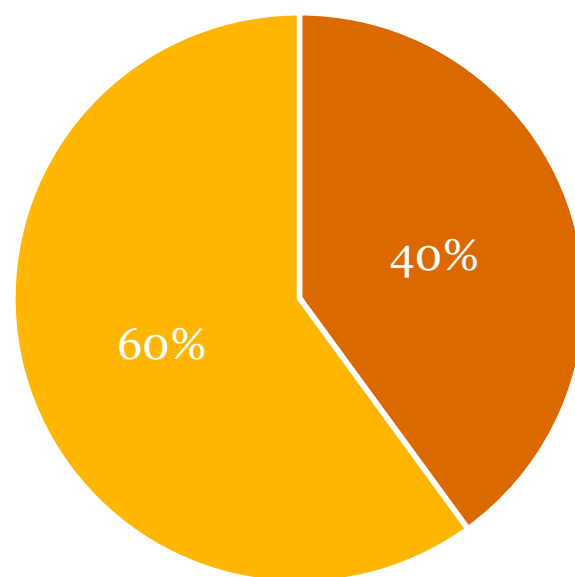
● No plans to re-locate

2018

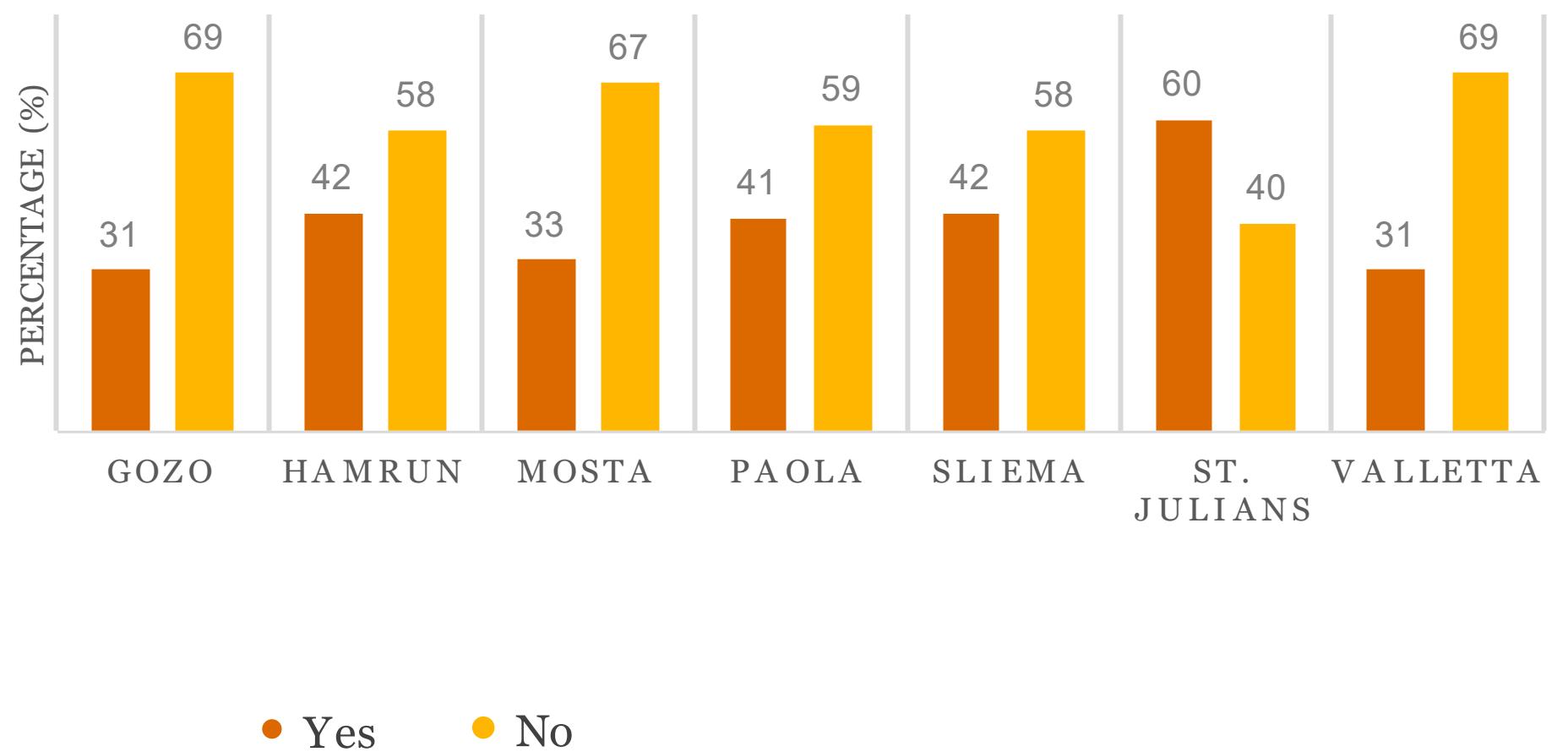


Management of a customer database

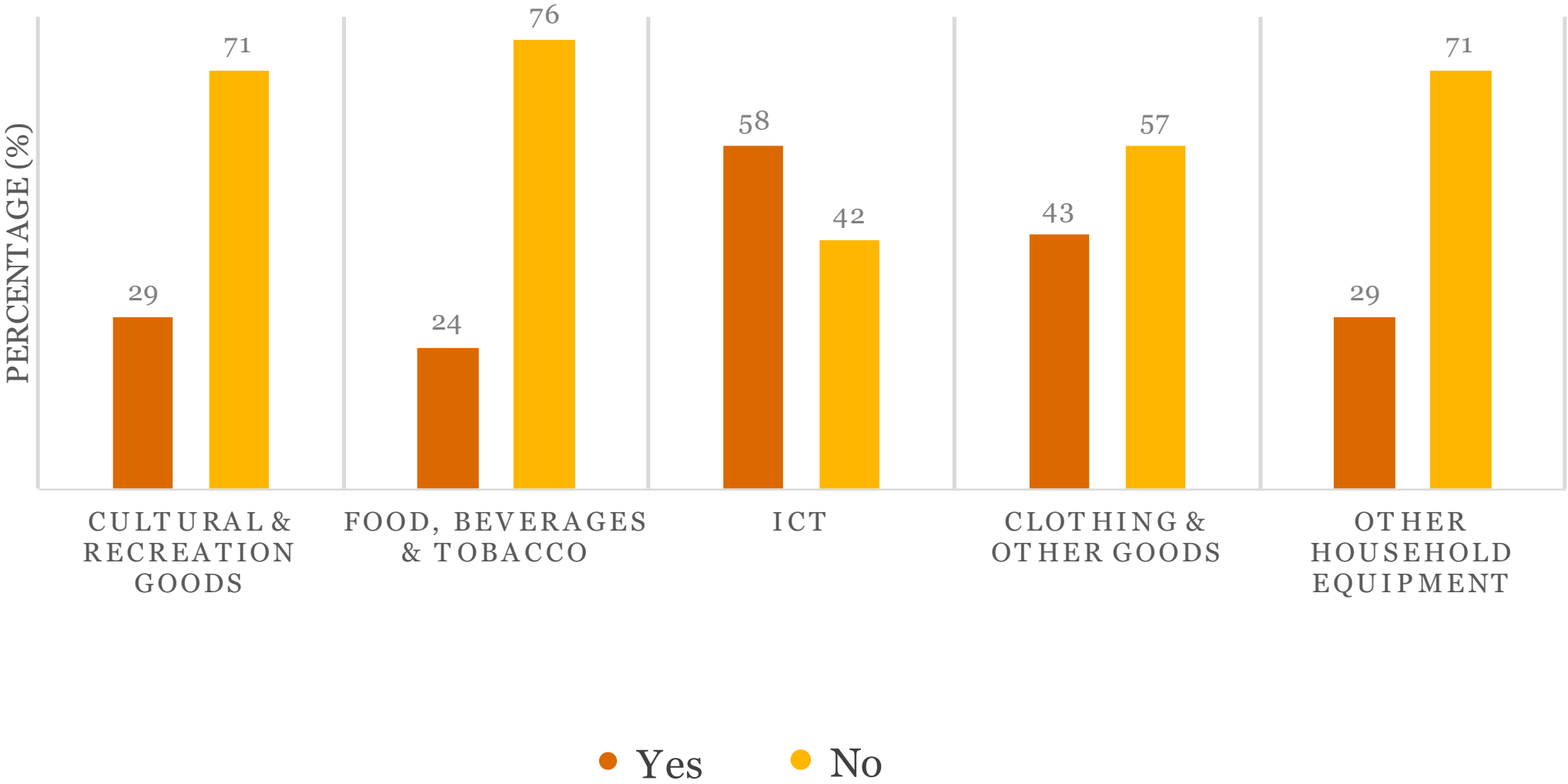
Total 2018



2018

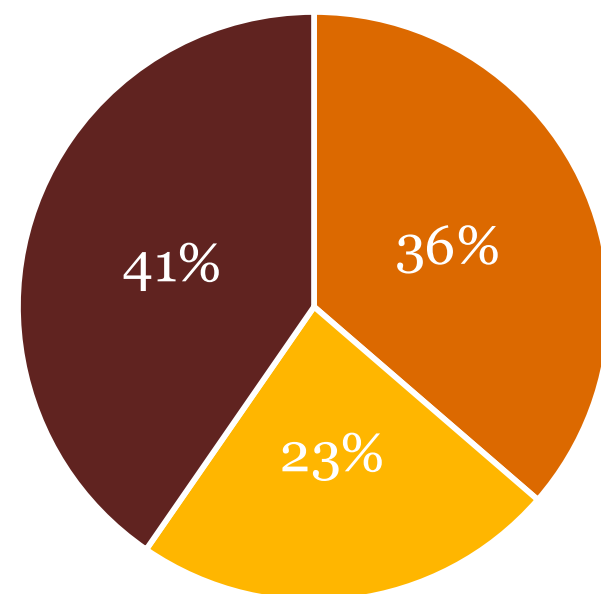


2018

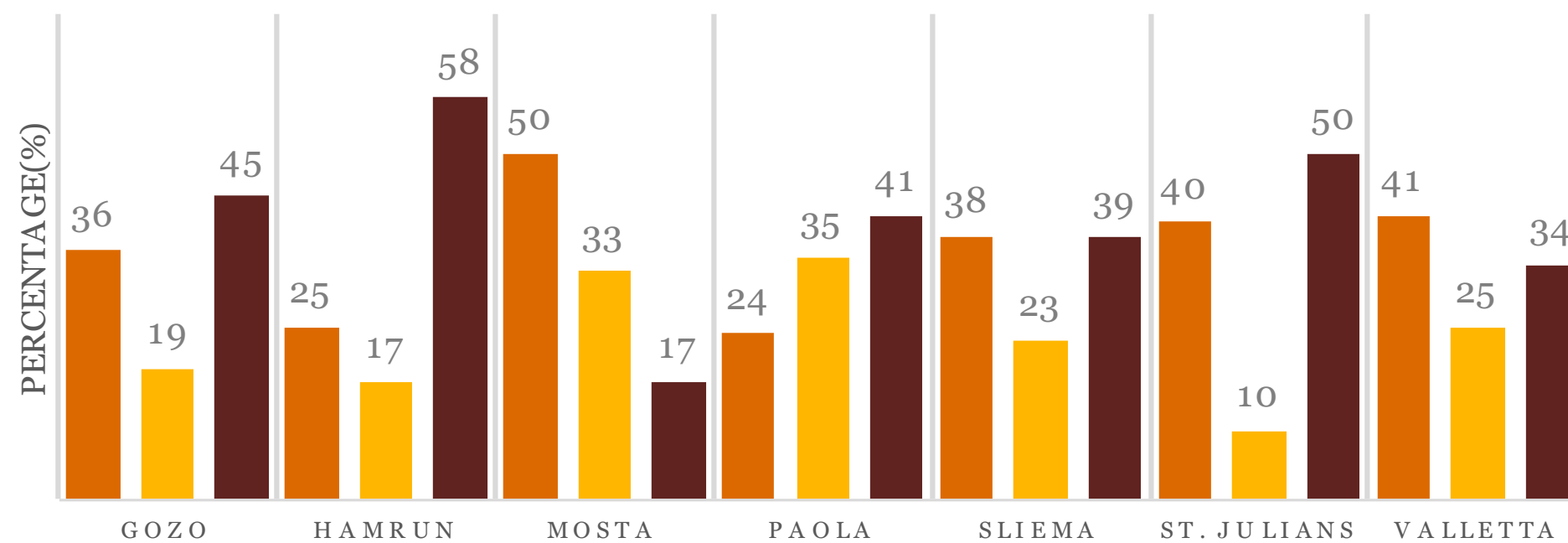


Employee recruitment

Total 2018



2018



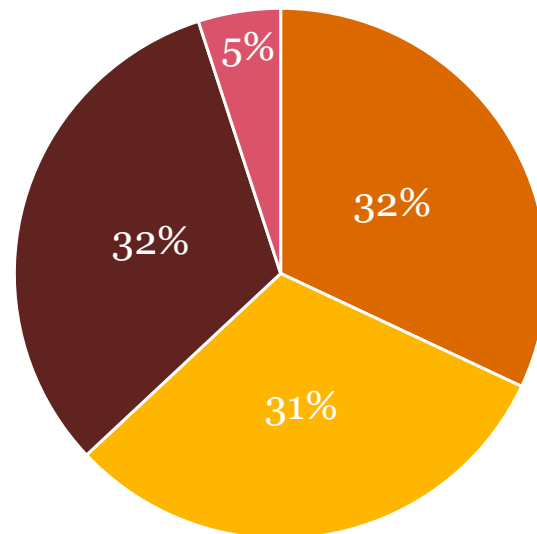
● Yes

● No

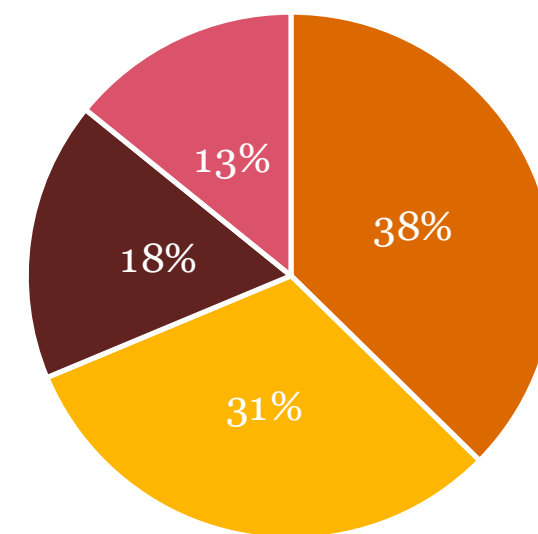
● N/A

Level of business in the last 6 months

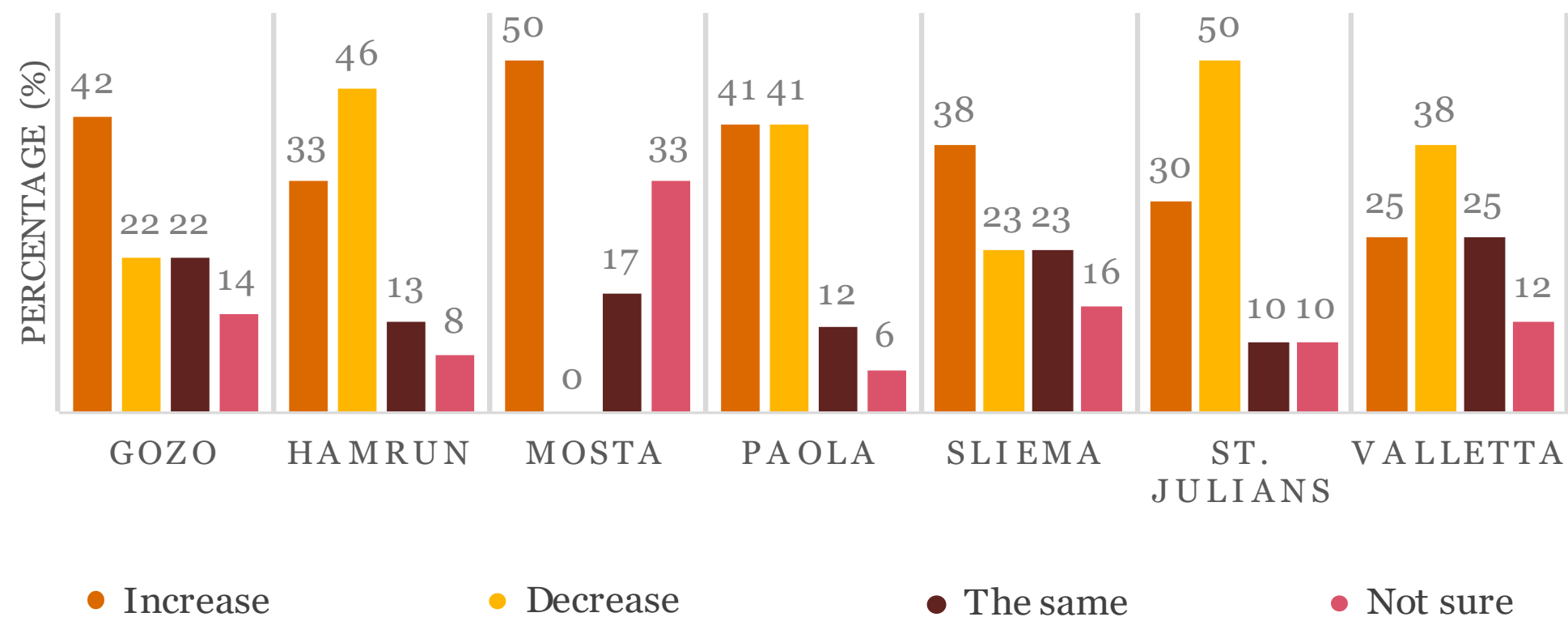
Total 2016



Total 2018

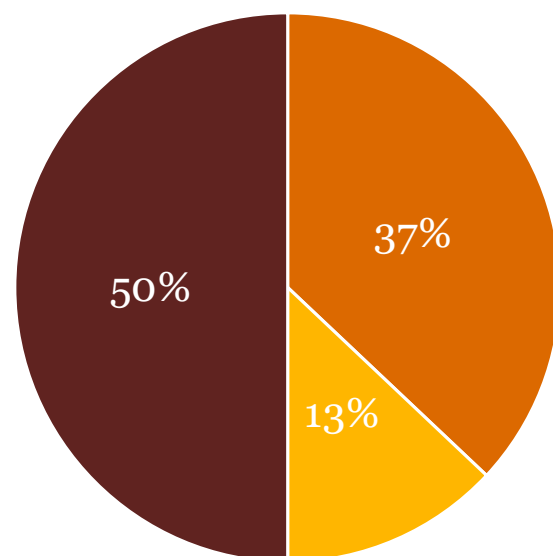


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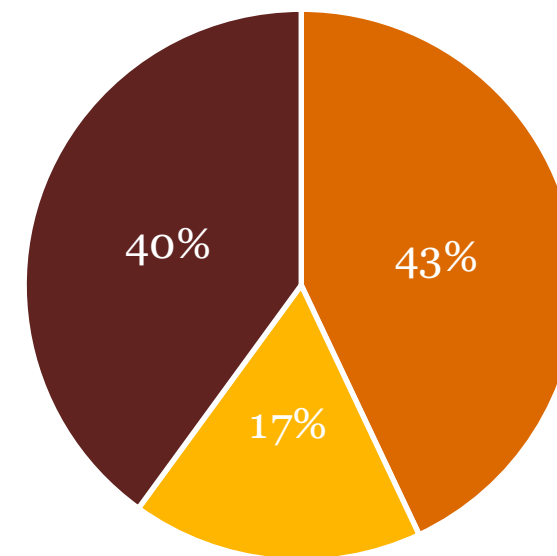


Business outlook

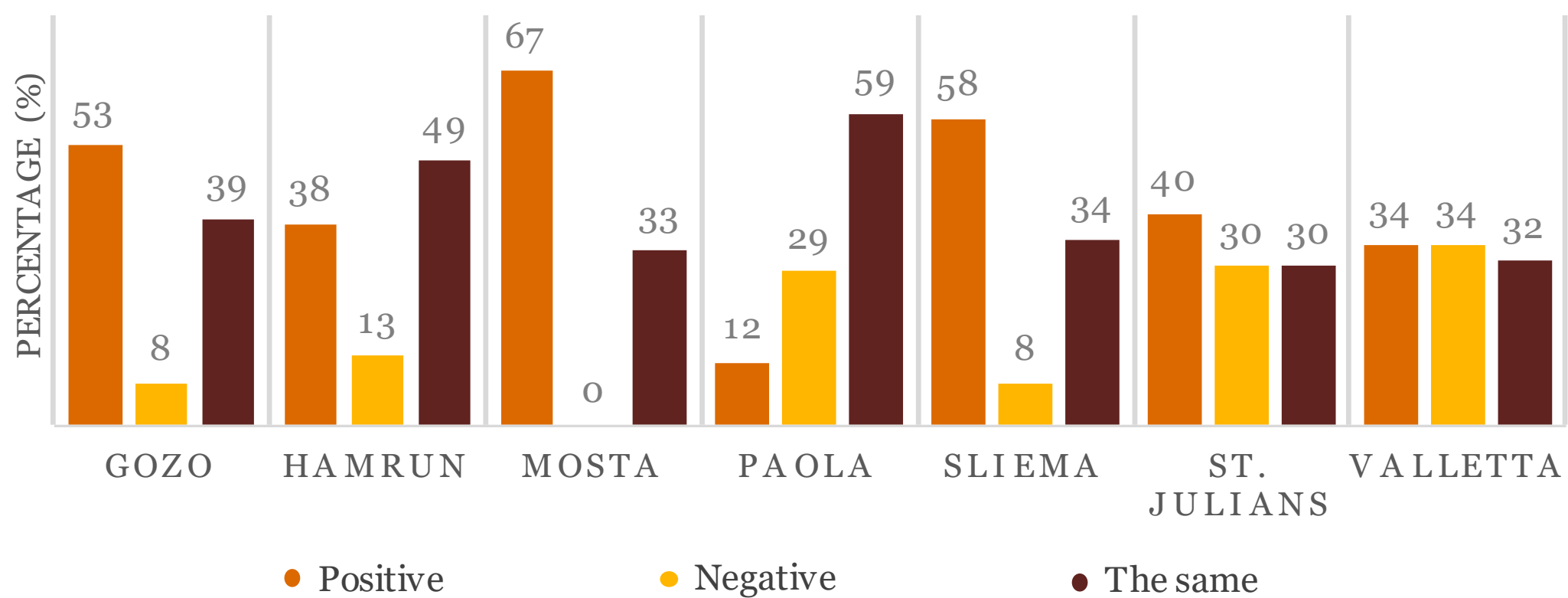
Total 2016



Total 2018

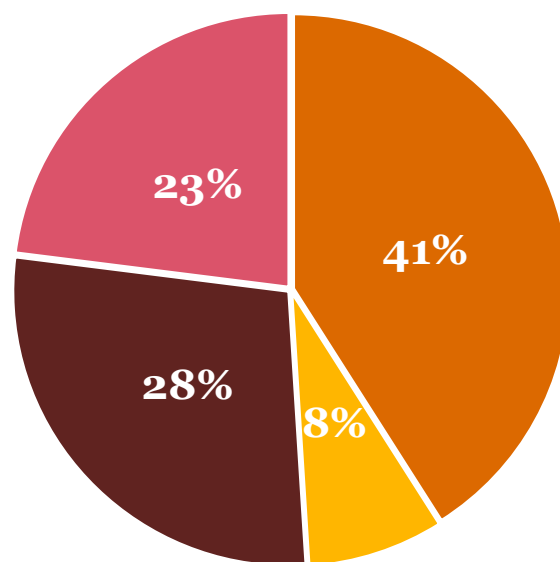


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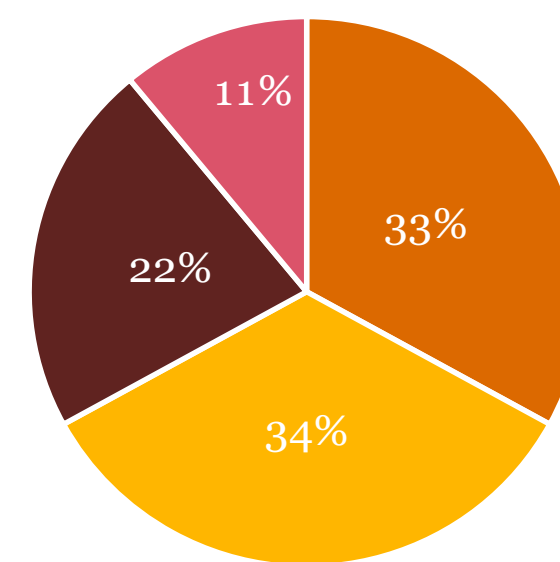


Business concerns

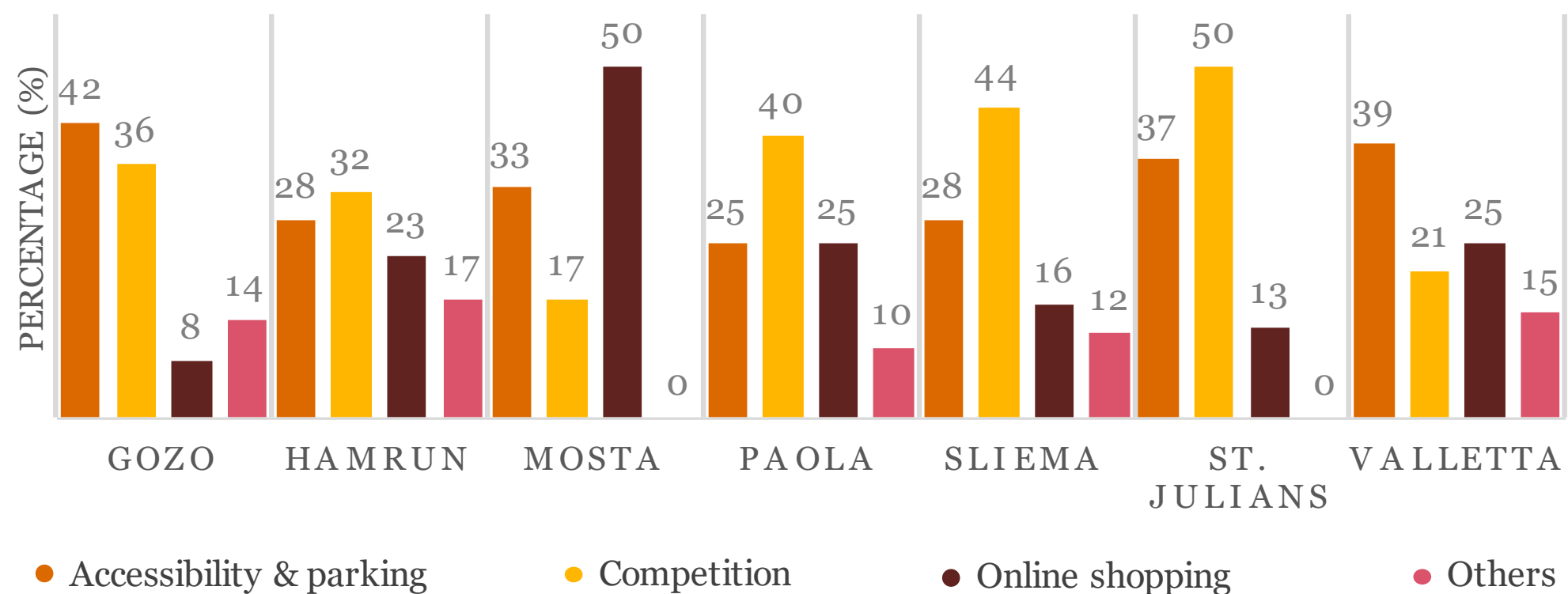
Total 2016



Total 2018



2018



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Contact



David Valenzia
Partner
+356 2564 6892
david.valenzia@mt.pwc.com



Steve Gingell
Partner
+356 2564 6732
steve.gingell@mt.pwc.com



Michael Formosa
+356 2564 7804
michael.formosa@mt.pwc.com