

Consumer Spending in UK Retail Stores Decline

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Category : Business

Unlocking Word Meanings

Read the following words/expressions found in today’s article.

1. **transaction** / **træn'sæk jən** / (n) – a business act usually involving an exchange
Example: We made several **transactions** with a start-up company.
2. **outrun** / **ˌaʊt'rʌn** / (v) – to move faster or be higher than something
Example: We can’t afford a lot of things because the prices of goods **outrun** our wages.
3. **hesitant** / **ˈhez ɪ tənt** / (adj) – lacking willingness
Example: She was **hesitant** to spend her money on new clothes because she wanted to save up.
4. **in dire straits** / **ɪn daɪər streɪts** / (idiom) – in a very bad situation
Example: The company was **in dire straits** after they made several bad investments.
5. **in the red** / **ɪn ðə ɹɛd** / (idiom) – having too much debt
Example: The start-up company slowly recovered after being **in the red** for two years.

Article

Read the text below.

Consumers continue to decrease their spending in retail stores in the United Kingdom.

The British Retail Consortium, a UK association responsible for sales data, has released its report on major retail stores and shopping centers for February 2018. The report showed that **transactions** in retail stores recorded a 1.1 percent decline, which follows a 1.2 percent decline back in January. The report also showed that spending on clothes and footwear went down by 1.6 percent, and spending on household items went down by 1.1 percent.

Several factors are believed to have contributed to the consumer spending decline in UK retail stores this year. Inflation in the country **outrun** wage increases and deprived many shoppers of the money they would have used for shopping. Online businesses also continue to take customers from retail stores, with online spending up by 0.2 percent and in-person buying down 2.5 percent. People are also starting to prefer spending money on technology, leisure activities, and food, instead of retail store products.

Major UK stores are closing because of the decline in consumer spending. Among them is Multiyork, a furniture company in the UK that has more than 500 employees in 50 shops nationwide. In November last year, Multiyork went into administration, which is when court- or bank-appointed administrators take over the business. Shoppers were **hesitant** to buy Multiyork’s pricey furniture, placing the company **in dire straits**. By the end of 2016, the company’s debt had reached £1.9 million. With the company deep **in the red**, it opted to go into administration instead.

Viewpoint Discussion

Enjoy a discussion with your tutor.

Discussion A

- How can businesses encourage consumers to start spending more? Discuss.

- What products or services do you usually hesitate to spend on? Why?

Discussion B

- Do you think wages in your country allow people to buy the things they need and want? Explain.

- In your opinion, where should a person allocate the majority of his/her wages? Why?