## Primark to boost web presence as pingdemic hits sales

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nternet sceptic <u>Primark</u> is boosting its web presence as it fights back against the Covid lockdowns.

The fast fashion house saw <u>sales</u> in the fourth quarter down 17% on two years ago, a sign that the shopping boom which followed the end of lockdown is petering out.

Primark has always insisted that online sales don't fit in with its business model, a policy it retains, though it has 24 million followers on social media.

But it is going to boost its website so that shoppers will be able to see exactly what is available in local stores before they make a visit.

John Bason, finance director of parent group Associated British Foods, said: "It will be a much better and richer website."

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Even fans of the business do worry if it will suffer from the

wider decline on the <u>high street</u>, with insolvencies likely to rise.

Gemma Boothroyd at Freetrade said: "While Primark's announcement of increased investment in digital may have elicited a twinkle in the eyes of its devout shoppers and investors alike – it's not a full-scale sales site. Rather, the website is more of a tool for shoppers to check in-store inventory prior to hitting the shops. If anything, this seems likely to result in decreased sales for the brand. After all, isn't it the uncertainty and thrill of hunting for a bargain that gets Primark shoppers in-store in the first place?

Bason hopes a rise in cases won't lead to more lockdowns. "When the stores are open, people want to shop. I can't forecast what is going to happen, but we will be very loath to close the stores."

The pingdemic, bad weather and the Euro football tournament all hit sales. Primark insists its market share of clothing sales has held firm.

The trend for "comfort living" has continued, boosting sales of leggings, cycle shorts and seam free matching separates for women.

The company also benefitted from a fall in labour costs.

Primark sales for the second half of the year are expected to hit £3.4 billion, though travel restrictions affected sales in Spain and Portugal.

Things have improved lately.

A statement to the City today said: "Data shows that high street footfall was impacted by the caution displayed by many consumers at that time. The self-isolation rules were then eased in early August. Correspondingly, like-for-like sales showed a consistent improvement through the period from a decline of 24% in the first four weeks of the quarter to a decline of 8% in the last four weeks."

Trading at <u>ABF</u>'s food and sugar arm — the other half of the business — is strong. The shares slid on the Primark caution, down 62p to 1907p.