High street stores suffer as shoppers hit internet

By James Thompson

Bargain hunters helped drive online retail sales last month but a drop in pace on the high street at the weekend suggests the soaring trade on the internet is hitting stores that do not have an online presence.

Despite the recession, online spending surged by 16 per cent in November compared with the same time last year, according to the IMRG Capgemini-retail sales index. Last month's sales were also up by 26 per cent on October, when the fallout from the banking crisis hit consumer confidence.

Directors at IMRG said that November's sharp rise in internet sales had been driven by factors including e-tailers matching the aggressive discounting of retailers, and customers increasingly checking prices online before purchasing.

James Roper, the chief executive of IMRG, the global industry body for e-retail, said: "While we would naturally expect to see a monthly increase in online sales at this time of the year, it is perhaps surprising that we are continuing to see yearly growth during these difficult times for retailers. This is a sure sign that high street retailers should try to diversify their activities by embracing the online space, as their customers have."

David Smith, IMRG operations director, said: "I am amazed that Gap, for example, does not yet have a transactional website. It must be hurting them." Mr Smith added: "Undoubtedly, the overall retail cake has shrunk and the internet is now getting a slightly bigger piece of the cake. What we are seeing is that the internet is really coming of age for the consumer.".