

THE FUTURE OF UK HIGH STREETS

It's no secret that the UK high street hasn't been doing too well of late. Despite widespread public awareness and calls to support our local city centres, 2018 has proved to be a dire reminder of the issue.

We conducted a survey to ask Brits how they feel about this and delved into the solutions being suggested to see if there's a light at the end of the tunnel for our high streets.

Our key findings include:

- **3/4** of respondents were saddened by the decline of high streets while a shocking **1/4** admit they're indifferent – the latter is likely due to apathy with decades of outdated planning.
- **20%** claimed that their visits to the high street are months apart – showing that they aren't currently finding value in what's on offer.
- More than half of those surveyed (**56%**) said that they prefer to spend their money with independent local retailers as opposed to big-name chains.
- **38%** stated that they do most or all of their shopping online – more than the **28%** who favour in-store purchases and **34%** who claim it's **50/50**.
- Footfall was **down by 4.2%** across the entire UK between the end of 2017 and the end of 2018 – equivalent to a drop of **3 million** high street customers.

2018'S HIGH STREET TROUBLES – A YEAR OF STORE CLOSURES

From January onwards through 2018, roughly **1,300** (and counting) store closures have been reported as many large retailers focused on maximising profits by jettisoning branches, leaving unused units littering our high streets. Recent findings by leading retail analysts uncovered that this has led to over **7 million sq ft** of UK retail space sitting unused.



This won't be helped by lowering footfall, with **20%** of people we surveyed claiming that there was over a month between their visits to the local high street.

The issues of successfully opening and running a physical store aren't just affecting the large brands – we reached out to small business owners about the issues facing retailers:

"I own a male grooming and beauty retailer. It's predominantly online but I occasionally trade at markets too. I'd love to run a shop but it's prohibitively expensive. Business rates and property

prices in general (especially in London) are very restrictive. Reforming local taxation is a must, it's clear that the current system is detrimental to small businesses. Businesses also need to do more to club together and shop share to cut down costs they face." – **Kyle Harrison, Business Owner, London**

EXPERIENCE-FOCUSED STORES REPLACING TRADITIONAL RETAILERS

So, who's bringing in the punters and who's shutting up shop? According to the Centre for Retail Research, these are the businesses that are thriving in 2018 alongside those that haven't had such a great year:

More Stores Opened	More Stores Closing
Convenience Stores	Confectionary / News
Coffee Shops	Fashion & Clothing
Beauty Salons	Music / Games / DVDs
Nail Salons	Shoe Shops
Restaurants & Bars	Card & Gift Shops
Barbers	Betting Shops
Vape Shops	Antique Shops
Healing / Treatments	Bookshops
Takeaways	Flooring Shops
Tattoo Parlours	Household Goods
Cafés	Furniture & Textiles

This is a great indicator of what people actually want from their high street experience and dovetails with our research into what the future holds. Our respondents mirrored this outlook by stating that they preferred to shop at independent local retailers as opposed to big-name chain brands.

You'll notice that a lot of the examples in the right-hand column are traditional retail operations, whereas the left side features more in the way of social and experience-driven businesses.

The results follow the sentiment of our survey, with over half of respondents (**56%**) opting for independent retailers who are more likely to offer a tailored service and a more personal touch.

This was also supported by one of the Daily Telegraph's Top 25 Property Influencers who believes that looking back could help us move retail forwards:

"We need to radically rethink the way that people shop at brick and mortar retailers. I would like to see high street shops return to older values of experience-driven customer service. I would happily pay a bit more to have expert advice and a cup of tea while I shop!" – **Vicki Wusche**, Property Influencer, London

UK HIGH STREET FOOTFALL DROPS BY 3 MILLION

While some areas have moved with the times to provide shoppers with the high street experience they're looking for, others have languished – leading to shuttered ghost towns dotted around the UK.

A 2017 report by property developer Harper Dennis Hobbs showed that the worst retail locations based on vacancy rates and how available stores met local needs found that the 10 worst areas were:

1. Shields Road, Byker, Newcastle-upon-Tyne
2. Harrow Road, Paddington, London
3. Stretford, Greater Manchester
4. Tonypany, Wales
5. Walton Road, Liverpool,
6. Burnt Oak, North London,
7. Gateshead, Tyne and Wear
8. Kirkby, Merseyside
9. Selly Oak, Birmingham
10. Shettleston Road, Glasgow

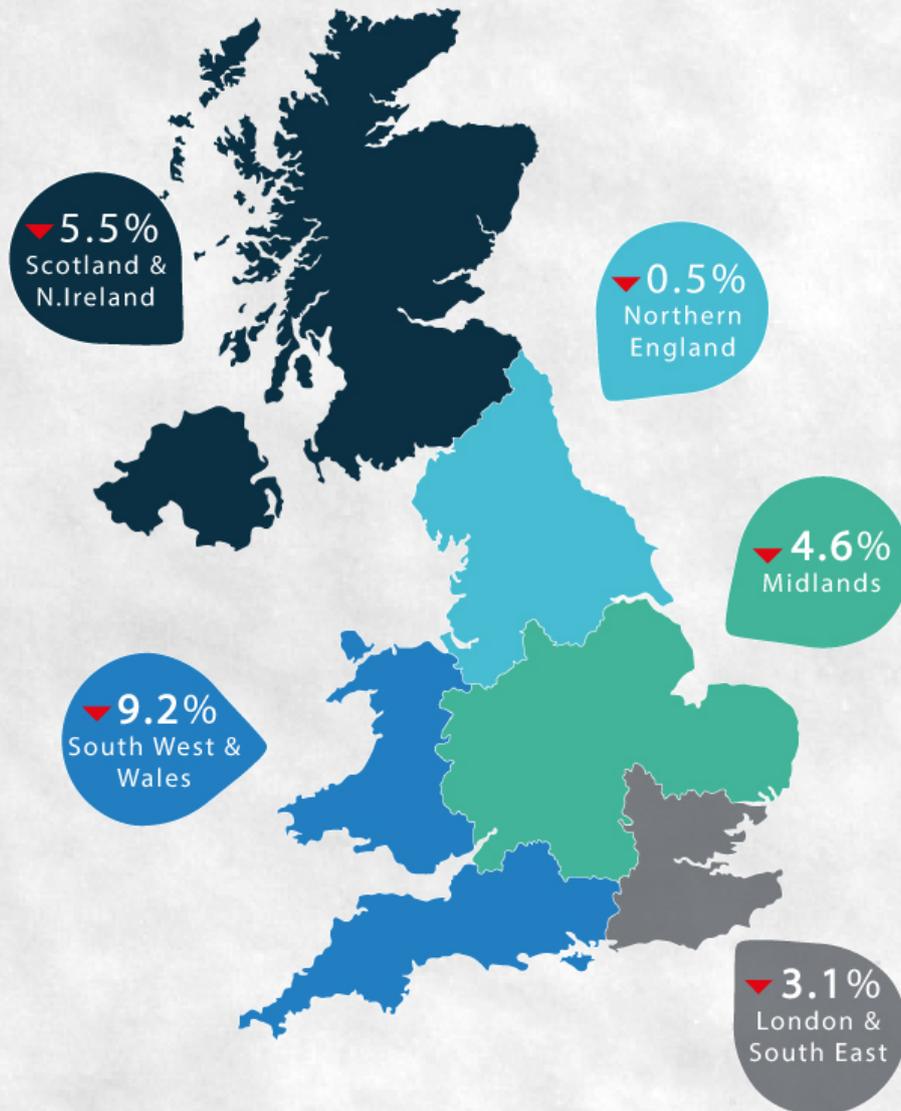
Although Northern areas featured more frequently in their findings, this list above demonstrates that this is happening right across the country, clearly showing that physical retail decline is a UK-wide problem. While the rankings may have shifted since initial publication, these findings offer a startling insight into the scope of the issue.

Sadly, things haven't gotten any better into 2018. Based on research by Ipsos – footfall on the UK's high streets has taken quite a hit across the last year.

UK RETAIL FOOTFALL

Year on Year Change

(NOV 2017 vs NOV 2018)



OVERALL DECLINE ▼ 4.2%

While **4.2%** may seem like a small percentage, in reality, this is the equivalent of **3 million** people deciding not to visit their high street, even during what used to be peak retail periods like Black Friday and Christmas.

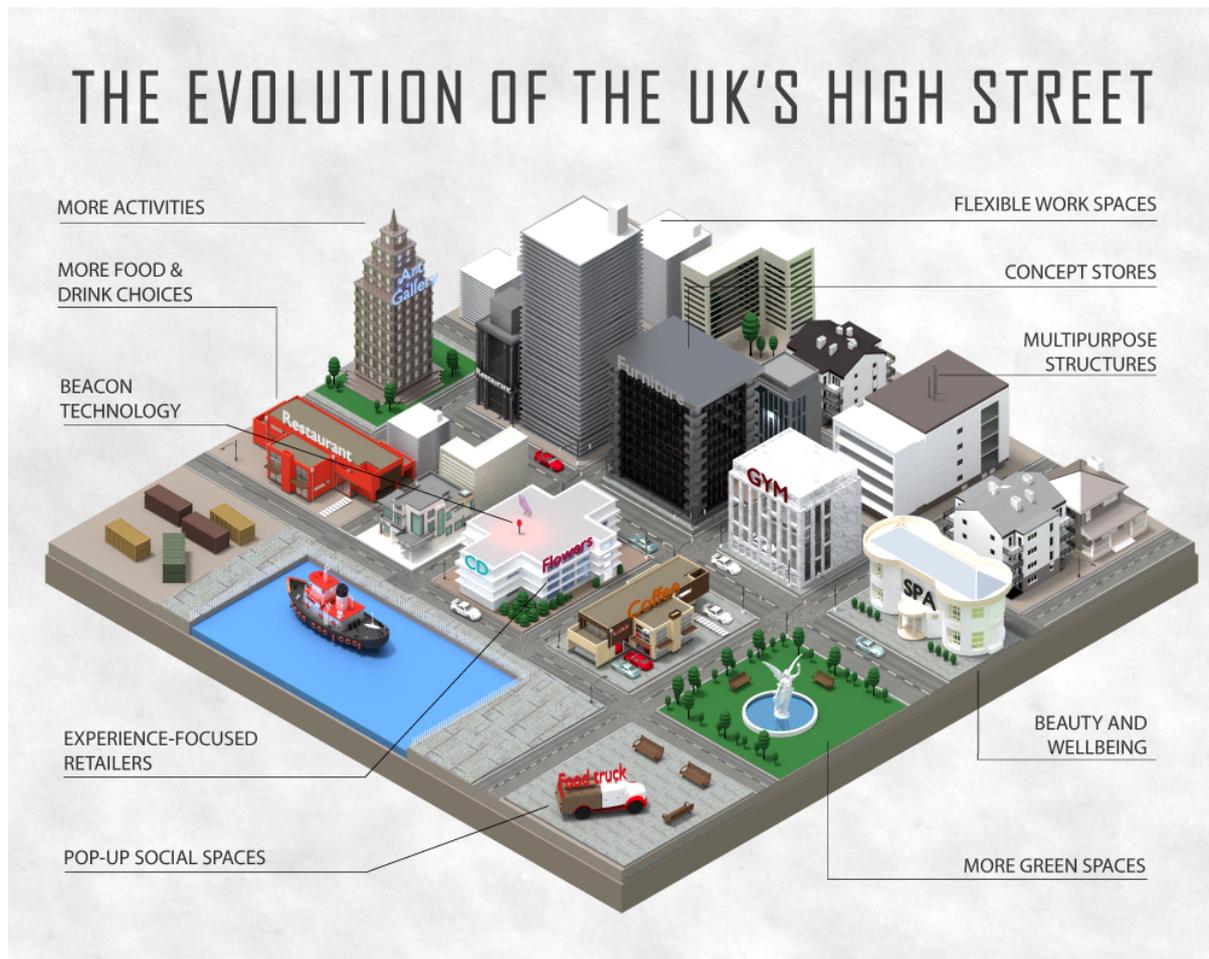
WHAT THE FUTURE OF UK HIGH STREETS LOOKS LIKE

With **3/4** of our respondents claiming to be saddened by the decline of UK high streets, something has to be done to bring them up with speed with the times.

£1 in every £5 is now being spent online by UK shoppers according to the ONS and this shows no signs of slowing. So, it won't come as a surprise that **38%** of respondents to our survey admitted to doing most or all of their shopping online – more than the **28%** who favour in-store purchases and the **34%** who claim it's a 50/50 split.

Councils and local authorities need to look at ways to draw people away from their screens and back to town centres before there are no high streets left to save.

Based on the types of businesses that are still thriving despite a gruelling few years, expert opinion and the results of our survey – here is our prediction for how the UK's high streets will change for the better over the next few years.



Now that you've got an idea of what to expect, let's delve into each element to understand why city centres are shifting towards this increasingly social, experience-driven model. These suggestions are [based on](#) numerous [studies](#) and [think pieces](#) from [industry experts](#).

MORE FOOD & DRINK CHOICES

Studies have shown that the 'night time economy' is a big factor in keeping **our** city centres afloat. At its most basic level, this means places to eat, drink and socialise. A diverse range of restaurants, food markets and up-market bars offer people a space to unwind and incentivises them to frequent the high street.

EXPERIENCE-FOCUSED RETAILERS

It's simply not enough to just stock what people are looking for – online retailers have that covered and then some – it's crucial that stores incentivise visits by taking into account concepts like immersive layouts, loyalty schemes and personalised service.

CONCEPT STORES

Online-only stores can benefit from a physical presence when it comes to getting products in front of their customers. Known as “showrooming”, it's becoming more common to see these immersive spaces where people can interact with the goods before deciding on a purchase gives people the peace of mind that you just don't get from anonymous reviews.

BEACON TECHNOLOGY

While there are still some privacy concerns regarding technology that directly interacts with your mobile device, beacon tech has proven to create an immersive shopping experience. As you walk past the various stores and eateries, you'll receive personalised offers to incentivise you to visit, driving up footfall for businesses and saving you a few quid – win, win.

POP-UP SOCIAL SPACES

Areas in which stores and caterers can trade from a temporary unit (i.e. shipping container structures, indoor hawker-style markets) are a great way to bring exposure to brands that might not have the opportunity otherwise, while providing a social space for people to meet up and browse a varied range of pop-up experiences.

MORE GREEN SPACES

The positive effects of green space cannot be overstated and incorporating more of this into the traditional town centre would make for a much more relaxing retail experience.

MORE ACTIVITIES

Consumers are much more interested in ‘experiences’ than ‘things’ these days so it's crucial that the high street evolves to cater for this. Activities like escape rooms and climbing centres are growing in popularity and are a great way to foster a community atmosphere.

BEAUTY & WELLBEING

While there is no shortage of hair and nail salons on UK high streets (one of the businesses thriving in these tough times) a wider range of options that branched into wellbeing and spa treatments would prove popular with today's health-conscious, wellness-first consumer.

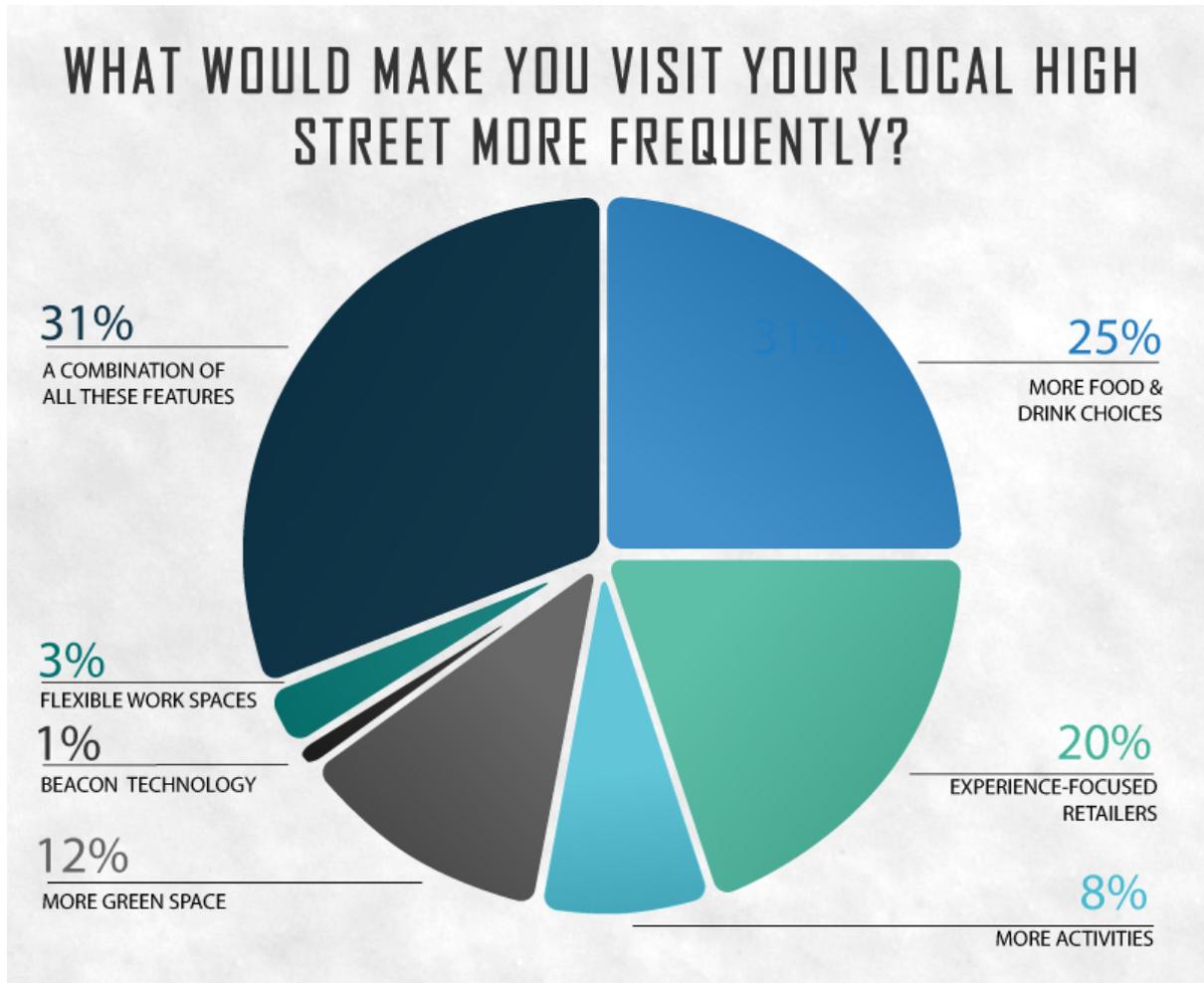
FLEXIBLE WORK SPACES

With a cultural shift towards more flexible working, it makes sense that there are spaces built to accommodate this. Shared office spaces that embrace a more social, collaborative approach to employment, allowing smaller companies and solo operators to exchange ideas and feel comfortable in their workplace.

MULTIPURPOSE STRUCTURES

A combination of the examples listed above, these amenities won't sit in isolation – they'll be part of multipurpose structures making the most of the space available. People will be able to live, work and socialise in hubs that meet their needs – whether that be retail therapy, entertainment or fitness. This will also benefit smaller businesses who will be able to ‘shop share’ to reduce overheads.

When asked about which of these features would make them more likely to visit their local high street, almost 1/3 of respondents would support all of them being put into place. Here's what they thought:



This desire for a more personal experience when shopping is being recognised by industry professionals – we talked with an e-commerce and customer service professional who had this to say:

“Online retailers like Amazon (one example of many) are still growing, but I really do feel as though people are falling out of love with them. I work closely with consumers on a daily basis and, increasingly, I’m hearing that people would much rather go and experience something or test the product out in person. One comparison that springs to mind is how vinyl records have made a comeback – are they better or more convenient? No. It’s all about the experience.” – **Jack Rogers, Customer Service and E-commerce Manager, Kent**

If the UK’s high streets have any hope of ending their current slump, they must adapt to changing customer trends. While we may mourn the halcyon days of streets packed with shops, the future is more experience-driven, social and – if the powers that be get their act soon – this progress will act as a well-needed shot in the arm to get our town centres thriving once again.