Retail Trends and Town Centres

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Retailing is Important to Scotland

• Retailing in Scotland:
  – c24K shops
  – Sales of c£28bn
  – Employs c240,000 people
  – GVA 15% of Scottish economy
  – 43m sq ft space

Source: British Retail Consortium

Retailing

• New locations and formats
• Role of convenience
• On-line retailing
• New “shopping” models
• What do we need for what groups of Consumers?
• Questions of space and place

Consumers Embrace a Shopping and Retailing Revolution

• Product and process innovation
  – Digital revolution
  – Business transformation
  – Blended channels
  – Social media
  – Mobile technologies
The Blended Retail Revolution

- Has changed:
  - How we shop
  - How we think about shopping
  - How we tell others about shopping and retailing
  - How retailers sell
  - Retail operations and practices

Economic Structure and Trends

The Recession is Over (Not)

- Structural Issue
  - Population in wrong place, of wrong type and with less money
  - Dereliction, blight and arrested decay
  - Tipping point for locations and what is in them
  - Cost pressures piling on, short and medium term

Too Many Shops/Too Much (Wrong) Space

- Structural Change
  - Consumer behaviour
  - Business reactions
- Spatial Change
  - We need less space
  - We need better fit space
- Recessionary Overlay
  - Consumer concerns
  - The new realities in property and banking
Let’s Pause …

- Long run change in what we think retail is about (agents of social cohesion and change or agents of social harm?)
- Long and medium run change in retail operations and practices (how many shops do we need? where?)
- New channels and issues about blending (collection and returns for example)
- The worst (rec)(depr)ession we’ve ever seen (and it could go on the rest of the decade in Scotland)

Retailing in the Modern Scottish Economy

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Retail Issues</th>
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<tbody>
<tr>
<td>Wealthier and Fairer</td>
<td>Vitality of places and wide social access to retail spaces, across Scotland</td>
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<tr>
<td>Healthier</td>
<td>Retailers and places as agency of change</td>
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<tr>
<td>Safer and Stronger</td>
<td>The need to develop communities and places</td>
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<td>Smarter</td>
<td>The role of retailing in providing education and careers, and in creating and empowering educated consumers</td>
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<td>Greener</td>
<td>Reducing the (anti)social and adverse public impact of retail activities</td>
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The Issue?

“Town centres, as we currently see them, and as most people nostalgically romanticise them, are in the main anachronistic irrelevancies unsuited to the changed consumer, business, social and economic world. We do no one any favours by clinging to an outdated vision of a past that arguably never existed, and certainly does not match our modern twenty-first century society.”

Why do Places Matter?

- Defining Feature
- Vital Resource
- Social and Economic Benefits
- Improve Quality of Life
- Heart of Scotland and Scottish Life
- Meeting Scottish Government Priorities
Decentralisation

- We’ve encouraged fragmentation, decentralisation, neglect and decline
- Schools, Hospitals, Living Space, Cinemas, Football Grounds, Offices, Hotels, Colleges and Universities, not only Shops, have been “moved out”

Scotland’s Town Centre Futures?

- New versus Old Space – how do we get a balance?
- Towns and High Streets and the Modern Consumer – what do we want from a town centre?
- Entrepreneurial Activity and Diversity – need to enable local development, especially in places away from “destinations”

Broad Requirements

- Policies aligned
- Barriers and obstacles removed
- Concerted, co-ordinated action to support towns
- Data to understand what is going on
- Funding streams need repositioning (national and local)
- Rethinking the BALANCE of taxation and charging

Local Agenda?

- Entrepreneurial Activity and Diversity
  - Need to enable local development
  - Encourage and mentor local businesses
  - Bring town centres together
  - Solve the “social capital” deficit
Contact Points

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