



# Life After Lockdown: What's Next for Retail?

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# Introduction

The 12th April marked a big day for non-essential retail. After closing its doors for many months during the national lockdown and, for some, for even longer during localised tier restrictions, the retail sector has never known such adversity. But, as bricks-and-mortar retail cautiously returns, how have consumers reacted?

With the latest stats and exclusive comments from retail experts, we explore if there will ever be a "return to normal" or if the face of retail as we know has changed forever.



## 12th April saw the return of retail

- When shops re-opened on April 12th, footfall was up 87.8% week-on-week
- Footfall across high street, retail parks and shopping centres was up 330% from 11-17 April versus the same week a year ago
- Overall demand remained 25% below 2019 levels, questioning consumer confidence

## What are the stats suggesting?

As predicted, shoppers came back in force to the high street, as non-essential retail reopened in the UK. As a result, high street footfall was up 87.8% week-on-week according to analyst Springboard. Footfall across the high street, retail parks and shopping centres was up 330% from 11-17 April versus the same week a year ago, albeit the country was in complete lockdown.

Springboard data stated that market towns saw the strongest growth in visitors, with the East Midlands, South East and South West with the greatest demand across England. However despite the surge, overall demand remained 25% below 2019 levels.

Diane Wehrle, insights director at Springboard, said: "These results provide concrete evidence of the desire of shoppers to return to bricks and mortar stores and destinations. The key issue for retail destinations will be whether this momentum can be sustained.

The reopening of indoor hospitality on 17 May will provide a further boost to retail destinations as many indoor venues are located in High Streets and shopping centres," she added.

"By mid-April, consumers will be looking for sensory and social retail experiences, reconnecting with their favourite brands and purchasing new wardrobes for a summer of social events. We are anticipating a strong initial uplift in April that will continue to rise over the summer months as the economy reopens in the UK."



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The countdown is on and the end is in sight! 🕒

Apart from seeing friends and family, we want to know what you're most excited about getting out and doing when all this is finally over 🙌  
#Retail #Hospitality

What are you most looking forward to post-lockdown...

## What are you most looking forward to post-lockdown?



Shopping in-store



Eating out



Pubs and bars



Cinemas



Holidays abroad

After a year of limited contact and a much more localised existence, the thought of being able to reconnect in real life is highly appealing. Surveying our social media followers, we found that 31% couldn't wait to get back to shopping in-store, whilst 29% were holding out for eating out, with just 11% saying the first place they'll go to is the pub.

That being said, the rise and popularity of online shopping is unmistakable. This is evidenced by the 253% growth that ASOS experienced during the pandemic, fuelled by leisurewear, and the ability of the retailer to pivot their offer rapidly to meet the change in demand.



The Office of National Statistics showed that as of February 2021, online shopping now accounts for 34.5% of total retail sales – a sharp rise from 19.1% in February 2020. So the question remains: will shoppers embrace the return to physical retail and the opportunities for socialising that it brings, or have we all become very used to having what we want, when we want it – all at the click of a button?

Anita Balchandani spoke to Retail Week stating that "The acceleration of digital has been one of the most striking trends of the past year. All the signs point to this shift being permanent – across age groups, 92% intend to continue purchasing online, with net intent to shop online staying positive in all categories except restaurants and alcoholic beverages.

This would reflect the post-Covid trend in China, where consumption is ahead of 2019 but store traffic remains 10% to 15% lower than pre-pandemic levels.

Many of these activities that unite online and offline experiences for the consumer will stick. In a world of socially distanced retail, innovation in areas such as frictionless checkout, democratisation of personal shopping enabled by technology and reconfiguration of stores to enable online fulfilment are to be prioritised."

She concluded that "In the wake of the crisis, being nimble is what makes you strong."



# Ask The Experts

Whilst no-one can be certain about what a post-lockdown retail landscape looks like, we speak to six retail experts to see their take, regarding thoughts and predictions regarding the reopening of retail.

## **Nelson Blackley, Independent Retail Analyst**

First up we spoke to independent retail analyst, Nelson Blackley, who has identified a new shopper loyalty factor which has emerged over the past year, and which he calls 'infection protection perception'. He has defined this as 'the customer's perceived safety from the risk of COVID-19 whilst visiting a specific store'. Blackley states "I actually think this is one of the most important considerations many shoppers now take into account when choosing which retail outlet to visit."

Retailers need to do everything possible to minimise the perceived risk of infection and so reduce emotional stress for their customers (and of course their staff) and the adverse impact that this might have on their shopping experience and loyalty.

He believes those retailers who fail to demonstrate this very best practice in delivering a 'COVID-safe' instore experience for their customers will feel the impact in loyalty, footfall, and sales – and for the foreseeable future too as wearing masks, using hand sanitisers, screens at checkouts and limiting the number of shoppers, could become commonplace as we experience variants and potential waves.



**Blackley goes on to suggest **Three Key Unknowns** for the future of UK retail 'post-COVID'.**

"I think there are still three hugely important 'unknowns' at this point which will hold the key to the future of UK retail sector 'post-COVID'.

"The first should begin to become clearer from mid-April, after 'non-essential' stores reopened (in England) and shoppers freely return to their local High Streets, town and city centres and shopping centres. Although these stores can trade again, will they all choose to do so? And just because non-essential retailers can open and shoppers can return, will they choose to do so?

"The second unknown is over the longer period and whether the millions of 'commuting office workers' across the UK either choose to return to their pre-COVID office locations - or are required to do so by their employers. However, already some major employers such as Nationwide, BP, RBS and IBM, are signalling that going back to a full five days a week in the office won't happen and some form of blended or mixed home and office-based work is the future. A full year of 'WFH' for so many people has changed the UK working landscape forever.

"The third unknown is whether the uncertainty of the past year will continue even as things start to move back to 'normal'. Consumer confidence is key to the future health of retail and I am not sure its level is clear at present.

Although many have accrued savings over the past year because of cancelled holidays, meals out, theatre and festivals etc. and there have been predictions of a post-Covid 'spending boom', there are also lots of consumers whose financial position has weakened because of unemployment or their job security had reduced with possible unemployment when the various furlough and business support schemes end."





## Miya Knights, Director and Publisher at Retail Technology Magazine



We caught up with Miya Knights, director and publisher at Retail Technology Magazine. In regards to retail re-opening there has been lots of references to 'the roaring twenties', people wanting to be free, where they would bob their hair in a response to feeling fresh and new – in a similar vein people want to feel this motion, and get out there and shop with their pent up demand, but this is set against an awareness of potential threat of new strains of the COVID-19 virus.

Against everything the UK has paid a high price for its recovery, and so for the next 18 months it will certainly be tough. She suggested that those who were winning at digital before, have certainly succeeded, and perhaps this pandemic has finished what Amazon started.

### **Data driven**

Those who are understanding the data within their business, is the way to success. Those who are gaining a single view of the customer, channel and orders are performing extremely well. It is all about being data driven – there is now no excuse not to know your customer. The more they interact, the more they leave a digital footprint or breadcrumb trail, so why not use this data to better understand your customer, and create much more tailored content, or ranges for them based on their preferences or interactions with the brand. It's all about driving 'why' they want you or your product, but the data driven approach certainly leads to understanding the who, what, when, why and how surrounding your product.



It's about how you use this data to run your business better, and ultimately know your customers better. You have to serve your customers in a way which drives the behaviour you seek. We are constantly giving away data about ourselves online, yet why are so many retailers treating customers like it is a one-off purchase – use your data to drive the future desired experience for your customers.

## Friction

Miya talked about the concept of friction within the customer shopping experience, and how sometimes, this isn't necessarily a bad thing. You will get some of your strongest advocates of the iPhone camping outside the Apple store as they are prepared for this level of 'friction' in the experience. It's all about understanding why, and what levels of friction are acceptable.

There needs to be a new dynamic between price and friction – you need to know how flexible and price sensitive the customer is. For example, the Primark customer, so far, is willing to wait in one of the biggest queues on the high street, as in store is currently the only option, yet that is also due to the price point of products being so low.

For many customers going into a store is already a much more researched experience. It's often an intentional visit with much of the research already done online, therefore when in store much of the friction in the process needs to be removed, when in store it is going to be a much higher intent purchase, therefore you really need to create an offer that relates to your customer.

## Scott Thompson, Editor at Retail Technology Innovation Hub



Next, we heard from Scott Thompson, who said "The narrative of online dominating the retail space as physical retailers become also-rans is too simplistic.

When non-essential stores were closed due to lockdowns, more consumers ventured online, many for the first time. This was due to their options being limited, it wasn't the result of natural shopper preferences.

"Online penetration will come down as restrictions are lifted. I think we will see the majority of shoppers make up for lost time as non-essential retailers start to reopen their stores.

"People will be keen to resume normal life, and a large part of that is physical experiences, the cinema, theatre, restaurants, going on holiday etc. This in turn will benefit non-food retailers, with fashion in particular, enjoying a resurgence. But that is not to underestimate the acceleration of e-commerce across all demographics. All physical retailers need to have a solid digital strategy in place or they won't survive. Well, all except Primark, but they've always marched to the beat of their own drum.

"Ultimately, though, it isn't about physical vs digital; the customer is the channel. Too often over the course of the past 12 months, the conversation has been focused on e-tailers thriving whilst their high street rivals struggled. When in fact retail is everywhere. Customer service has never been more important. In that respect, online-only works for some, bricks and mortar for some and a mixture of both for many others.



"Stores still have a vital role to play in terms of connecting with customers one on one. Retailers will therefore invest in various technologies that deliver personalised customer experiences and make shopping as convenient as possible. A good example of the latter being the recently launched Amazon Fresh stores in London.

"In the medium term, contactless shopping solutions will be in demand – ordering, paying, delivery etc. This will reassure many people when variants etc. continue to pose a threat. There will also be significant investment in omnichannel and supply chains, with stores being used to support online sales."



## Andrew Busby, Co-founder of SafePrem Solutions

Andrew Busby, is the co-founder of SafePrem Solutions, and we caught up with him on his thoughts on retail.

"Retail will never be the same ever again, the good ship analogue has long since sailed, of that we can be pretty certain. Because, if there's one thing that this pandemic has taught us, it's that those retail businesses still anchored in an analogue world will quickly disappear leaving room for the digital pioneers to take centre stage.



"Because, before any of that good digital development can really begin to motor, retail has to entice us back. Queuing and appointment apps, contactless commerce, in-store analytics, store occupancy management and air filtration are all measures to be taken to keep us safe. But here's the thing, they are all not only safe, but at the same time, they are smart measures, which retail will inevitably need in some way or other."

# Retail Viewpoint

## Alex Broxson, Chief Marketing Officer, Retail Assist

"We've been speaking to numerous retailers, including our customer base, surrounding their experiences on reopening so far. As expected, many of them have experienced an initial surge in demand, with an atmosphere on the high street of hope and relief, with many store locations being very busy. There has been a switch up in the types of clothing being purchased, as people are once again ready for going out and making a move away from leisurewear.



"Whilst online has boomed during lockdown, many retailers view that the stores actually help to drive online traffic and further sales, it's not a case of cannibalism but increasing the overall customer experience and satisfaction.

### **The question remains why would you now venture into a store?**

"The answer lies in that desire for experience, or social activity, as part of a day out with friends or family. Within a store environment it becomes about the convenience, and personal experience. So how do stores become much more of a one-to-one relationship, and have a connecting proposition?"

"Some of our retail clients have held personal shopping appointments upon reopening, and found that not only were they fully booked on these appointments, and store managers knew who to contact in terms of their regular customer base, but it also rapidly increased basket size. Again, the personalised experience drove much higher sales."

## How do you scale this up?

Here you could say it becomes about having the right data and insight at your fingertips in order to know your customers, on a large scale, and then coming up with an offer which you know they will be interested in.

You have to have the emotional connection to the customer to get them through the door, but many of the younger generations are very value driven, so it's very much a case of what the customer gets from the retailer, and this becomes the element of loyal.



## Tim Harrison, Co-founder of WatchPilot

Tim Harrison, co-founder of pure play retailer, [WatchPilot](#), commented "Seeing the positive reaction that consumers have given to the high street since lockdown restrictions have eased has been encouraging and has given us, as an ecommerce business, much food for thought. Whilst we're immensely proud of the digital and seamless experience that [WatchPilot](#) offers to our customers, this third dimension would extend the experience that we deliver to them and add a further dimension in how we interact with them. Having a bricks-and-mortar presence would be a worthwhile move for us."

And it's not just the potential gains in customer experience. Tim explains: "Having a bricks-and-mortar presence provides an opportunity to support not just our customers but offers high street representation for our brand partners, too. At [WatchPilot](#), we pride ourselves on the range of brands that we offer our customers. Many of our competitors have a physical store presence which, from both a customer and brand perspective, adds trust and integrity to a business; a physical presence will hopefully allow us to expand the range we offer, making a bricks-and-mortar footprint crucial for us as we continue to grow."

## So, What's Our Take?

Alex Broxson, chief marketing officer, [Retail Assist](#), " I still firmly believe that there is a great passion for the high street and physical retail. I personally was out shopping for clothes on the morning of 12th April. There was such a buzz on the high street, queues outside stores, and a general feeling of happiness and excitement in the air. You could see that people were looking at different clothing items, and we're happy to be out, with friends or family.

"I believe that a key take away from the pandemic for retail has to be around the ability to pivot your offer rapidly. Whether that's because you need to respond to any future lockdowns, pandemics, or simply that a key social influencer has posted about your item online, and you need to optimise that product rapidly and get it seen in an many marketplaces as possible. You need to be able to have solutions in place that allow you to respond or even predict future trends.

"Similarly, utilising the data within your business is going to be key. How are you going to understand all of the different customer touch points within your business, or the data going through various systems. It's only with this level of analytical data that you can start to look at the trends, and try to drive the future behaviour of your customers. Making small changes can actually make a huge difference in the purchasing decision, and reinforcing the behaviour you seek. Be agile, and have a seamless experience however your customer chooses to shop."



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