

A New Dawn For Retail

In our first retail insight piece of 2021, Tamra Booth, Managing Director of Sorbon Estates shares her thoughts on the future of retail in these unusual times.



Retailers have had to endure a real rollercoaster ride over the last year or so and, sadly, it's not over yet. While vaccination programmes should bring some level of normality, the ongoing consequences of the pandemic remain unclear for now. When retail re-opens, an initial period of pent-up demand for shopping is likely, but it may well be tempered by cautious consumer spending.

Retailers should expect to see rents level out or reduce to lessen risk, providing opportunities for new and/or innovative retail brands to reach a high street audience in a bricks & mortar setting. Do not believe the hype about the 'death of the high street', there is no better way to interact with your customers and follow your excitement with a product or service that you are passionate about.

While the fall of the debt-laden chain stores has resulted in many casualties, leaving high streets and shopping centres with multiple vacant properties, the inevitable surge of start-ups that follow an economic downturn could soon fill these with interesting and resilient independent retailers. Retail is by no means dead because people will always love to shop, but the government has to put its best foot forward on rates to maintain recovery.

The other opportunity now is for retailers to excel at customer service, to really draw customers in and to keep them coming. Customer experience is all-important to combat the convenience of online, which means that omni-channel business models incorporating both e-commerce and bricks & mortar work extremely well. We have seen this trend with several of our retail tenants over the last three years, where they launched online and still wanted a 'real life' shop window to stand out amongst the online noise.

In the same vein, many smaller retailers are adopting the omni-channel approach from the other direction, having used the enforced lockdown to finally create their website and online presence. This is a fantastic step forward, equipping them to compete better with their own personal touch on all levels.

There will always be significant demand for 'bricks and mortar' retail, you cannot beat that experience. Its outward appearance and offering may evolve, but high street retail is here to stay, and omni-channel retail is the way forward here. As retail technology continues its rapid evolution, I predict the industry will see further exciting changes to this multi-channel approach in the next few years.

In a similar way, shopping centres and town centres will further embrace the multi-use movement on the ground, diversifying to include leisure and offices to fill vacant space. This approach can positively impact footfall and sales figures organically, as residents and workers will automatically turn to their nearest stores, thus helping town centres and retail schemes to thrive.

No current discussion around the future of retail would be complete without reference to Brexit. Covid-19 has somewhat overshadowed the fear of Brexit and, in a strange way, may have helped the transition. Overnight, global transactions and logistics were thrown in the air and many retailers have had to find urgent ways to source locally and overcome international supply chain issues. The French border closure in late December 2020, which stopped many retail deliveries in their tracks, is just one of many issues retail brands have had to face in recent months. This has woken many retailers up to having to react fast to problems, and Brexit is now just another one of those problems.

The resurgence we've all witnessed in supporting local businesses and reducing environmental impact should also ease the pain of our break away from Europe. Whilst measures have been put in place regarding customs tax, and to maintain the flow of goods to and from Europe, there is no doubt we are currently considering how we can become more self-sufficient, which can only be good for UK industries. Perhaps we will even see a resurrection of industries that had previously died away, and which could now add a fresh homegrown edge to UK retail in the future.

The trend for shopping local provides a real opportunity for dynamic and brave retail start-ups to do something different and daring. While today is worrying, with all hands-on deck, there are exciting opportunities for retail on the horizon. Existing retailers who ride out this extraordinary time, get creative and stay focused on their businesses will emerge stronger and better. No one could have predicted the trials and tribulations that 2020 threw at the industry, but I bet when we look back, we will be thankful for the lessons we have learned and how resilient it will make retail in the years to come.

