

FSB's Deputy CEO speaks with the British Retail Consortium about 11 months of pandemic turmoil

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Kyle Monk, Director of Retail Insights and Analytics, the British Retail Consortium (courtesy of BRC)



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Male Voice Female Voice

The pandemic continues to rewrite the rules of retail. Covid-19 has plunged Britain into the deepest recession on record – and, when it comes to job losses, the retail sector has been the hardest hit. In a risky wait-and-see mode, the challenges faced by brick-and-mortar retailers have accelerated at shocking speed as consumers opt for stay-at-home orders 11 long months into the pandemic

To find out more, Mr Mohammed Zaidi, FSB's Deputy CEO speaks with Kyle Monk, Director of Retail Insights and Analytics, at the British Retail Consortium (BRC) – the go-to trade association for all UK retailers.

- **[MZ] As the trade association for retail businesses, what is the BRC's purpose?**

[KM] Retail is an exciting, dynamic and diverse industry. It is a driving force in our economy and the UK's largest private-sector employer. Retailers touch the lives of millions of people every day, supporting vibrant communities where they operate.

The industry is going through a turbulent period. Covid has changed the industry – forcing tens of thousands of shops to close and reopen during the past 12 months. This comes in the midst of a longer-term change, as technology transforms how people shop.

The BRC's purpose is to make a positive difference to the industry and the customers it serves, today and in the future. This means ensuring that the industry thrives through this period of change and it is a positive reinvention.

- **How is the BRC committed to ensuring the industry thrives through this period of transformation? You must be going through an extraordinary time with all that is going on?**

We campaign on a range of issues to ensure the industry thrives through this period of transformation. The industry needs to change. And it will take changes in government policy to support the short-term resilience of the industry as it recovers from the effects of the pandemic, and promote longer-term recovery and growth.

- **By counting how many people enter your shop – or footfall – what other key metrics are crucial for survival in today’s retail climate?**

We closely monitor footfall data, vacancy data and retail sales data in order to assess how retail is faring in today’s climate. For more information on the latest stats visit <https://brc.org.uk/retail-insight/retail-dashboard/>

- **According to the BRC ShopperTraK data year on year footfall for 2020 fell by 43.4% – does this spell disaster?**

Yes, it is certainly not good news. With all of non-essential retail in lockdown for the majority of the past 12 months, rent bills mounting and the threat of a return to full business rates liability from April, many firms will become unviable – potentially costing hundreds of thousands of jobs. Government must ensure continued support until businesses are permitted to open.

- **Is there a significant difference between high streets and retail parks? What about shopping centres?**

Retail parks benefit from having on-site parking and the presence of large essential retailers, such as supermarkets and health stores. Shopping centres generally have a higher

percentage of clothing outlets which is why they have been hit the hardest. And highstreets in town and city centres have also been hit hard as these locations tend to hold a large proportion of non-essential stores, and are mainly visited by office workers.

▪ The first two weeks of Dec 2020 seemed 'busy' to me?

Retailers were hopeful when December began as consumers took to the shops to carry out their Christmas shopping. However, numbers quickly dwindled as the month wore on due to varying levels of restriction and rising Covid cases across the country. This meant firms missed out on crucial days and weeks of trading which could have helped to offset some of the losses from the lockdowns.

▪ Is there a trend in footfall forming an equilibrium with online shopping?

The last decade has been a period of extraordinary change for retail. Digital transformation and evolving consumer behaviour have seen more of us shopping online than ever before. Prior to coronavirus, the proportion of retail sales made online had grown from 5% in 2008 to 19% by March 2020. Coronavirus accelerated this change. When many stores were forced to close, online retail became a lifeline for us all with one in every three pounds – from food to fashion – spent online in May. There is little sign that the double-digit growth in online sales will slow anytime soon, especially as the pandemic has given rise to a new group of online shoppers with many older people turning to e-commerce that had not before.

▪ So much is dampening consumer sentiment – what can recover and revitalise this?

We need to make sure consumers are aware that retail is safe. Firms have invested hundreds of millions of pounds in Covid safety measures and they are fully committed to the health and safety of their customers, their staff and the public at

large. Come April 12, we urge everyone to get out and support their local shopping centres and high streets – every purchase made helps to support businesses and jobs.

- **It has been a hard year for the entire country – but where any parts impacted more than others?**

The impact of the pandemic has been most greatly felt in the areas of the country which have been in stricter lockdown restrictions for longer periods of time.

- **The third lockdown will be one too many for some businesses?**

Yes, this lockdown has been the straw that has broken the camels back. Non-essential retailers have lost an estimated £22 billion in lockdowns. Many businesses had built up reserves which helped them battle through the first two lockdowns, However, these reserves have run out, and this lockdown is proving particularly testing.

- **Are the coronavirus business rates relief enough?**

If business rates relief are continued beyond April, many firms will breathe a sigh of relief. However, rent bills are still mounting and retailers need further grants. Government must extend rates relief for the worst-affected businesses beyond April, they must extend the moratorium on aggressive debt enforcement beyond April, and reverse the decision to apply EU state aid limits to lockdown grants.

- **Many of our students have independent retail businesses, what advice would you give them?**

Given the shift to online retail, all firms should ensure they have robust online and delivery systems. Also, those who can demonstrate the best safety measures in-store will have their own unique selling point.

Please email the author of this article kunal.mehta@fairfield.ac for any questions or comments or if you would like to take part in future interviews with industry leaders.