

## BRIDGING WORK and ACADEMIC READING

Please include your Bridging work here...

### BUSINESS DEPARTMENT

### BRIDGING WORK – SUMMER 2022

### THE BATTLE FOR THE HIGH STREET

Figures over the last decade have shown a rapid increase in the percentage of retail goods which are being bought online. Some retail experts are suggesting that these changes will mean the death of the High street store as we know it, and big reductions in profits for stores based in shopping malls.

The implementation of Brexit, lockdowns caused by COVID-19 and the current problems caused by inflation, the energy crisis and potential strike action in a variety of industries are further blows to the future of Britain's High Street.

Using the information provided, and your own research, carry out the work detailed in the back of this booklet and make your own decision on whether the future of shopping is online, or if there will be a place for physical shops in the future?



#### The battle for retail – 'on-line v physical'

#### Is there a future for the physical retail experience?

#### Martin Hayward, Founder – Hayward Strategy and Futures

There is a tendency for most of us to over-estimate the impact of trends in the short term, and to underestimate them in the longer term. At times of change, far from being clear strategic thinkers, most of us end up being swept up in both the euphoria and the fear of the new.

We are at one of those points now in the retail world as we debate the future role of the store. As technological innovation re-shapes consumer buying behaviour through on-line shopping and an

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ever increasing array of new ways to interact with brands and companies, there is genuine fear amongst the retail community that this is the beginning of the end for the store. Many are simply blindly extrapolating current trends to that point.

As exciting and wondrous as many of the new capabilities are, it's time to pause and take a reality check.

There was an interesting phase in the late 1980s when corner shops were closing at a rapid rate and the grocery world was convinced that superstores on new edge of town developments were the future. At the time, the best action would have been to snap up a portfolio of corner shop locations, which are now being fought over, as consumers have reverted to shopping more often for fewer items.

When video arrived, it was sure to be the end of the cinema. Ready meals were going to kill eating out and video-conferencing was going to destroy business travel.

The reality is that stores will remain a very important part of life for the foreseeable future. They will change and evolve, and poor ones will close as was ever the case, but there are fundamental social, emotional and logistical reasons why the store is an important part of life.

It is such early days in the evolution of online shopping it is very dangerous to extrapolate from the current trends. It's all new and quite exciting to talk of drones, robots, AI, self-ordering fridges, and virtual changing rooms but there are many reasons why the consumer will still visit the store.

A selection of the issues currently being hidden by the 'white heat' of technology includes:

### **Economics:**

- The real cost of home delivery is yet to be truly factored in to costs and as it becomes clearer we will see increases in charges and continuing migration to click and collect models.

### **Politics:**

- The large new competitors in online retail continue to avoid onerous taxation, dividend and employee protection costs, as they exploit government's tardiness in reacting to these new global suppliers. This will change and they will gradually find their models having to play by the same rules.

### **Sociological:**

- Whilst it is already feasible to sit in an armchair and order endless pizzas and ill-fitting clothing from Amazon's Alexa or Google's Home, most people don't want to never go out.
- People like to see, touch, smell, taste and interact with things they're about to buy.
- You can't see if your bum looks big in something online.
- Most Amazon Prime members' neighbours are fed up with having to take in their deliveries.
- The thrill of eating lukewarm food delivered by a sweaty cyclist will quickly diminish.
- Pop-ups are popping up everywhere to create theatre.

- The young and the old particularly enjoy the buzz of the marketplace to meet and talk with people.
- Virtual books are being replaced by real ones. Bookstores are reopening.
- Amazon, Apple, Boo and Misguided are opening real stores.

There are many more signals being suppressed by the current fascination with tech innovation, but they shouldn't be ignored.

The store of the future will undoubtedly have more tech embedded in its service. It will have to be part of a seamless system with on-line and mobile offers. But if it's a nice environment with pleasant, knowledgeable staff, and is an enjoyable experience they will still come.

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The following are examples of data made available online:

### HOW THE GROWTH OF E-COMMERCE HAS AFFECTED THE HIGH STREET

Leanne Mordue  
01-Dec-2021 09:00:00



Many British High Street retailers are currently struggling to survive. There are many possible reasons for this, including the impact of high business rates on smaller businesses, and larger retail chains overreaching their capabilities to respond flexibly to changing demand. However, probably the biggest challenge faced by high street retailers this century is the growth of online shopping. Let's look at how e-commerce contributed to the failure of some bricks-and-mortar stores and what you can learn from the situation.

<https://blog.jdrgroup.co.uk/digital-prosperity-blog/how-is-ecommerce-affecting-the-high-street>

### Why online retail has an advantage over the high street

Updated on April 27, 2022 | 3 minute read

<https://www.bidnamic.com/resources/why-online-retail-has-an-advantage-over-the-high-street>

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E-Commerce > Key Figures of E-Commerce

Internet retail sales as a percentage of total retail sales in the United Kingdom (UK) from January 2018 to January 2022

<https://www.statista.com/statistics/286384/internet-share-of-retail-sales-monthly-in-the-united-kingdom-uk/>

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Use these resources and find up to date information? Can you find an argument supporting the High Street?

What do these articles tell you?

Have recent events changed things even more?

What can you find online in the summer of 2022, which might give us more clues about the future of the High Street in the UK?

## Business Studies Bridging Work Summer 2022

### WHAT YOU NEED TO DO

For your Business Studies bridging work:

- 1) Keep a scrapbook, (paper based or virtual), of news articles relating to the situation facing High Street stores and shopping malls in the UK, and the growth of e-commerce and m-commerce.
- 2) From your research, to what extent do you think that e-commerce and m-commerce are taking over from traditional methods of shopping?
- 3) Using the resources you have collected do you believe that traditional shopping as we know it about to die out, or is there still a future for physical shopping?

For Task 2 and 3, try and split your answer into 3 in-depth sections:

- *Yes it is because . . .*
- *No it isn't because . . .*
- *Overall I think that . . .*

#### Academic Reading List

Please use the time available to read on line business and current affairs news. Download a business news app to your phone and use it to keep up to date with what is happening in the Business world. Monitor how current affairs are impacting on businesses. Also, look at how the current economic climate is impacting on people's disposable income, and their ability to 'spend'.