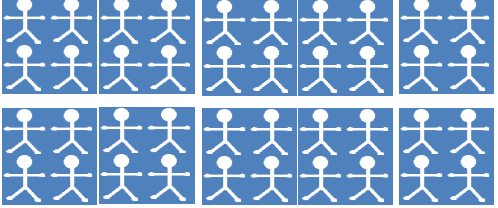
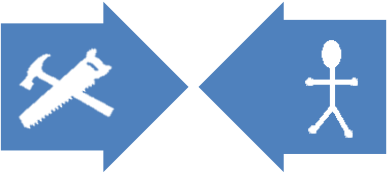


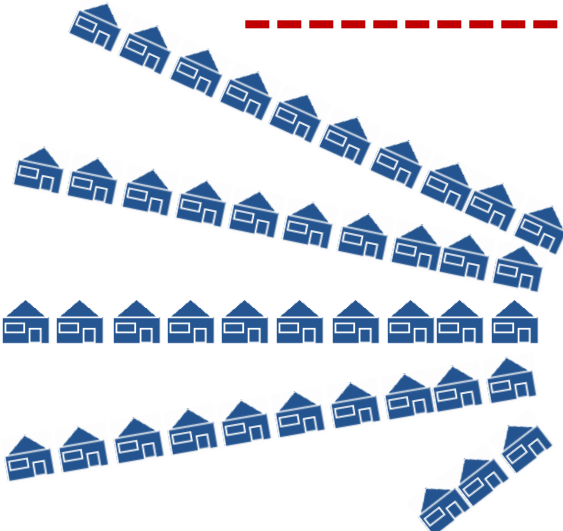
# Retail in London Today

Retail links producers and consumers



Retail provides employment for around 400,000 individuals in London

Retail and wholesale account for around 8% of London's economy

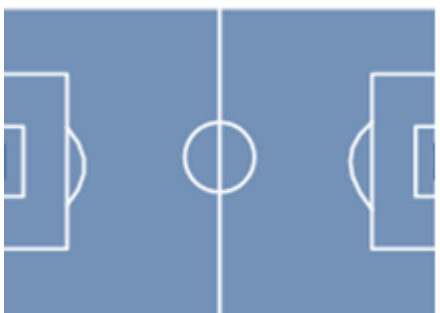


London has around 43,000 retail establishments

Tourists and commuters together make up around 18% of comparison goods spending in London

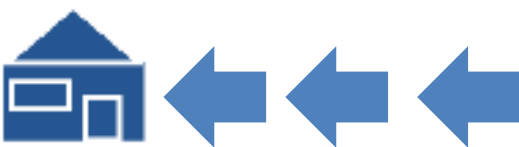


Retail establishments use enough floorspace to cover almost 2,400 football pitches



Around 20% of journeys in London using mechanised transport modes are for shopping and personal business

The construction industry, transport firms, producers and storage firms are among the important suppliers for retailers

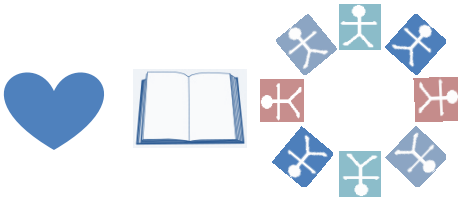


# Changing Customers



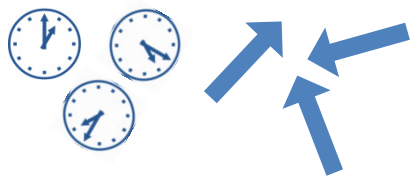
London retailers will have more customers as a result of population growth and increased tourist inflows

After a period of stagnation, consumer incomes seem set to rise again

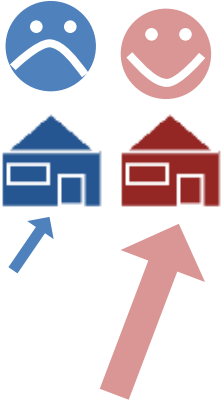


Customers will become healthier, better educated and more diverse – and older people will make up a greater share of the customer base

Customers are increasingly fragmenting their activities across time and space – facilitated by technology



Experts suggest customers are shopping for groceries more frequently – if this is due to fragmenting behaviour it may persist



Providing enjoyable experiences will become even more important for attracting customers to physical stores

Customers have picked up frugal shopping habits which may slowly change as incomes recover



Consumers may increasingly take the opportunities offered by the sharing economy

# Changing Environment

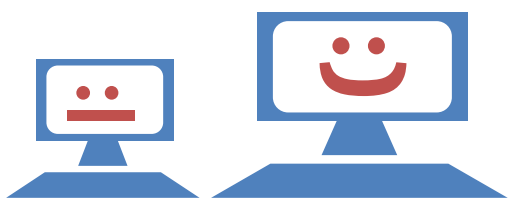


The tentative recovery looks set to continue and lending conditions are improving but eventually interest rates will increase

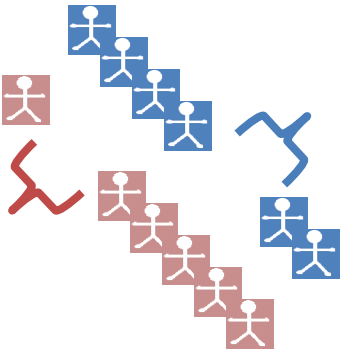
Relatively restrictive planning conditions may ease as a result of Business Rates Retention and new permitted development rights



Continuing advances in ICT are expected, lowering costs and increasing usage



Retailers should face good overall labour availability but possibly some skill gaps in areas such as E-commerce and data analysis



House price growth is likely to continue to outstrip changes in retail property prices in the near term



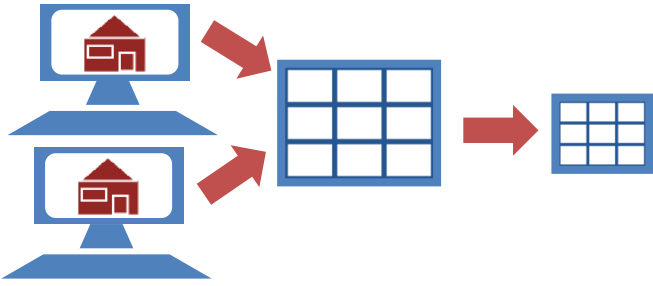
London retailers will benefit from the delayed Business Rates revaluation but the nature of the tax will still encourage them to inefficiently economise on space usage



Significant investments in all kinds of transport infrastructure to come

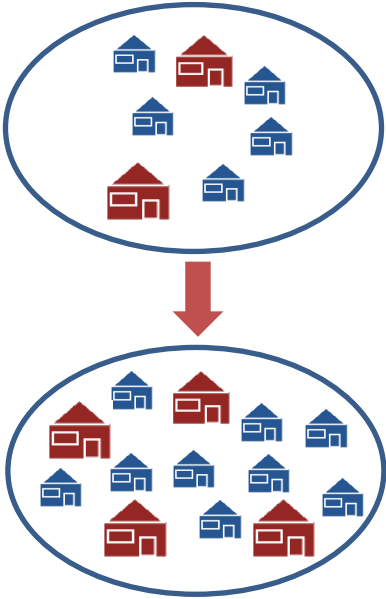
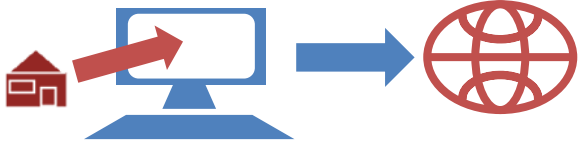
Please see the main report for source information

# Retail Responses

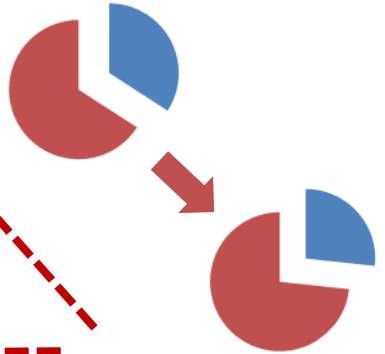


The emergence of E-commerce has permanently lowered the barriers to entry of the retail sector

Traditional retailers have also embraced E-commerce and will increasingly look to use their E-commerce offerings internationally



There are now more retailers and a greater proportion are large firms  
Leading retail areas have become even more retail-dense - trends which look set to continue

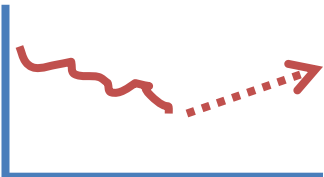


Market shares have shifted further toward large firms which now account for 73% of retail turnover

Firms will increasingly look to exploit complementarities between physical and online retailing such as click and collect



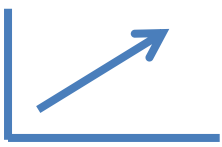
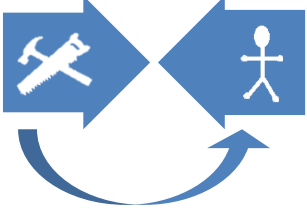
Firms will aim to minimise conflict between sales channels to become 'omnichannel' retailers



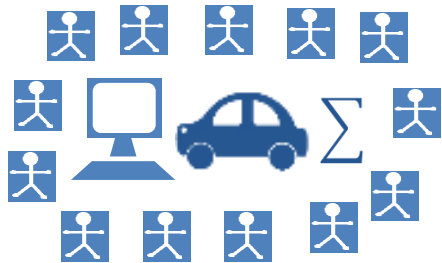
Retailers will deploy additional technology inside and outside stores to bring productivity growth back up

# Retail in London Tomorrow

Retail will still link producers and consumers but producers will be better able to sell directly

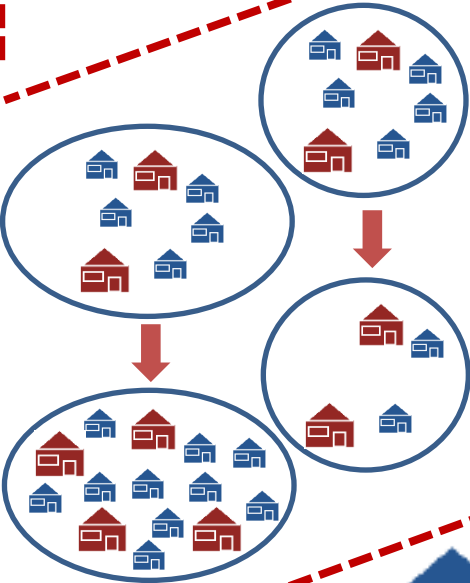


Growth is expected in retail due to factors such as increasing demand and productivity increases

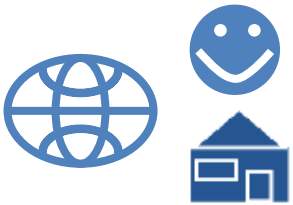


Retail will provide work for even more Londoners with more roles in areas like ICT, logistics and data analysis

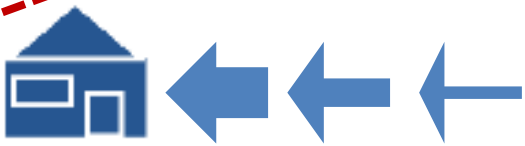
Individual firms may use less retail space but demand growth and other factors mean that overall demand for retail space will increase – though not in all parts of London, making room for other uses



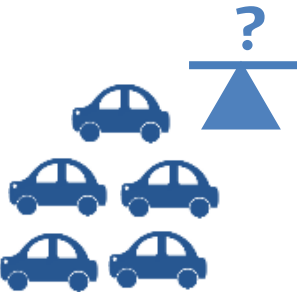
The importance of delivery performance in E-commerce may spur demand for warehousing space in and around London



Though foreign consumers will increasingly be able to access brands without travel, London's retail offer will continue to appeal through the enjoyable experiences it provides



Sectors such as logistics, ICT construction and advertising may become even more important suppliers to retailers



Growth in retail demand will spur additional transport but changes to the transport-intensity of retail are harder to judge