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Can we save the independent high street?

Posted by Lucie Mitchell in [Finances](#), [Business trends](#), [Regulation](#) on Fri, 18/01/2013 - 11:38



As more large retailers collapse, do independent stores face the same fate? Lucie Mitchell investigates whether the high street can survive.

Related article: [Are retail pop-ups the solution to Britain's troubled high streets?](#)

It is no great secret that Britain's high streets are struggling. Small, independent retailers are increasingly having to compete with online businesses and out-of-town shopping centres. Add to this excessive business rates and rents, expensive parking provisions in many town centres, and of course the economic downturn, it is no wonder that many high streets are in crisis.

In fact, according to research by the Local Data Company, 20 shops close on Britain's high streets every day, whilst one in six premises now stand empty, compared to one in 20 at the start of the recession in 2009.

But are Britain's high streets beyond saving? To answer that question, we first need to look in a little more detail at why independent retailers are in trouble. Retail expert Clare Rayner, who champions smaller, independent retailers with campaigns such as [Independent Retailer Month](#) and [Independent Christmas](#), says that head and shoulders above anything else is business rates.

"It is not that business rates are a lot, it is that they are unfair. For example, a shop in a town centre might pay £1000 per square metre, and an out-of-town Amazon distribution centre might pay £40 per square metre. If the government is going to persist with increasing business rates, it needs to level the playing field so that it is perhaps turnover related or something similar.

"Businesses should be enabled to thrive but these rates are holding them back," she continues. "I know shops that would open additional stores, employ new staff and generate growth, if only they weren't burdened with these ridiculous rates."

She adds that it is not helped by the fact that the government has pushed back the dates that the re-

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evaluation of business rates will be done. "The date was due to be 2015, but it has been pushed back to 2017. That is madness. It needs to be brought even earlier if possible."

However, Alan Briggs, managing director of [Dynamic Business Strategies](#), believes that some independent retailers have not always helped their own cause.

"Even in today's difficult trading situation, the smaller retailer has often not adapted to the changed retail habits of today's consumer. The internet has made a massive difference to the way that consumers make purchases or shop in general. Many retailers have not recognised the need for a website or at best they just have a simple brochure website."

He continues: "The majority have not made provision for local or mobile search marketing; the impact of this has enabled shoppers to search for and compare shops and products/services. The result is the addition of a buying decision made before the shopper even visits the shop. The growth of the smart phone and tablet means that this process can happen more easily and even whilst walking around a town."

Parking

The high cost of parking in towns is also often cited as a barrier to a high street's success. A recent survey by the Association of Town Centre Management and the British Parking Association supports this theory by suggesting that there is a link between expensive car park charges and reduced footfall in local shops.

Meanwhile, research released earlier this month from the Institute of Advanced Motorists revealed that councils in England made record profits of £411m from car parking charges in 2011/12 - an increase of 14.9%.

Another issue to consider is whether consumers really want to shop at independent retailers. John Walker, national chairman of the Federation of Small Businesses (FSB), says that the long-term trend for retail spending is away from our high street due to stiff competition from out-of-town and online retailers, but this doesn't mean small independents should give up hope.

"With the right government support, all is not lost for high street retailers if they are prepared to innovate, as the high street still retains an emotional appeal for many consumers," he comments.

Rayner remarks that enough of the population would shop at independents if they were more accessible and visible. "Shoppers must also take the time to rediscover the retailers on their doorstep and understand they don't have to be that much more expensive, plus they may get a far better level of service."

She adds that town centres are partly to blame because they have in the past become 'clone towns'.

"But in the last few years, people have rejected clone towns, so the big retailers who were seen everywhere are pulling out, leaving holes that boutiques are filling, and that more unique ambiance of each town is coming back.

"But unfortunately it takes a while for customers to learn that and for them to come back. I think it is the duty of the retailers to really work hard to re-engage their local community and to showcase what they have got to offer."

Initiatives

There have been numerous campaigns launched to help save Britain's high streets, including Rayner's Independent Retailer Month in the UK, which is a global 'shop local' campaign run every year throughout July to showcase the importance of smaller, local, independent retailers.

The FSB also runs the [Keep Trade Local](#) campaign. "[This] campaign has played an important role in moving the challenges facing the high street up the public policy agenda and there is evidence that they are listening," says Walker.

"Across our regions we talk to councils about the importance of keeping parking affordable in cities and towns to support local retailers and make sure that people still visit the high street. The FSB has also been successful in lobbying the government for the introduction of small business rate relief which we have successfully campaigned to have extended for another year."

He adds that the [Portas Review](#) into the future of the high street, published just over a year ago, was encouraging but there is still a lot more to be done.

Earlier this month, shadow business secretary Chuka Umunna called for the UK to adopt America's ['Small Business Saturday' initiative](#), to support local, independent retailers. The campaign has been successful in the US, yet Rayner is sceptical whether it will work well in the UK.

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"We need [the British public] to engage with businesses because they enjoy it, because it is fun, because it is a great experience, not just because it is a Saturday. We have a far greater opportunity to push Saturdays to one side and look at later night openings as a regular thing, not just once a week or month. Shops pay rent 24/7 – they should be open during hours when their local people want to shop."

It is also important to encourage shoppers to shop locally due to the positive impact it can have on their community, says Rayner. "Your £1 spent locally is worth at least 10 times more to the local community than if you spent it elsewhere," she remarks.

One initiative that aims to support local independent businesses and strengthen the local economy is the **Bristol Pound**, which is the UK's first city wide local currency. Available in both paper and electronic form and equal in value to sterling, Bristol pounds can be purchased for sterling and then spent with the local, small businesses who are signed up to the scheme.

"The Bristol Pound is a means for people to get outside and go and explore their local high street," explains Mike Lloyd-Jones, trader manager at the Bristol Pound. "We have issued £100,000 worth of Bristol pounds that have definitely gone to local businesses, and the likelihood is that those local businesses will almost certainly have spent that again with other local businesses."

He adds that every Bristol pound that has been issued has made a positive difference to local businesses and is a commitment to the local economy.

"You could put £100,000 in the pockets of people who shop locally, and it may very well go to local businesses. But if you put 100,000 Bristol pounds into their pockets, it will definitely go to local businesses.

"And those local businesses are almost certainly going to re-spend it again, so it is increasing the likelihood of people spending locally, and then multiplying the benefit of that as it spent along the supply chains."

The survivors

When it comes to saving our high streets, it is also helpful to know which independent retailers are the ones who are having success, despite the current economic situation.

"The main success stories are the ones who find a market niche and exploit it," remarks Briggs. "The small independents will never have the muscle to take on the mass market. If they try to be the same, the customer will only have the price point to act as the differentiator and that is the road to ruin."

Rayner says that successful independents are the ones that have realised that if they can't compete with the big players on price, then they have to compete on service.

"The ones who are successful have picked their location very carefully, where there are a lot of the right customers for what they offer, and they have got their proposition absolutely right for that customer.

"They also tend to lead absolutely on service and experience, and they are engaged with digital, so they talk to their customers through Facebook or Twitter and offer them the option to browse in store and transact online or collect in store if they are bought online. So they are doing what the big guys are doing, but doing it in their own unique personal way."

Lloyd-Jones sums up by saying that, with a lack of consumer confidence in all business sectors, now is the time to try something new.

"There isn't going to be any cavalry over the next few years, so we need to be innovative, try something from the ground up and look amongst ourselves, rather than from on top. It is about being enterprising, innovative and fun."

Using crowdfunding to improve the high street

Spacehive is a funding platform for neighbourhood improvement projects. It has recently launched a crowdfunding campaign to revive the UK's high streets. "We've launched a national campaign to crowdfund physical improvements to the high street such as pop-up shops and town centre wi-fi networks," SpaceHive's founder Chris Gourlay said in an interview with Sky News. "The idea is to make it really quick and easy for people to make physical improvements to their town centres." He added that it is all about making high streets exciting places to visit.

"If you get that right, then you're driving footfall to town centres and you get interesting new things like pop-up shops. There are lots of new innovations that can be funded by taking our empty retail spaces and allowing people to very cheaply and easily start new businesses there."

However, Briggs says that while **government proposals** to make it easier for pop-up shops to take on empty premises is practical help, it is "early days" to determine whether pop-up shops really work.



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Death of the High Street?

-Excellent roundup. The one big advantage of independent retailers is that they can make the experience of being in the shop really personal and enjoyable.

Plus use modern technology to support that experience. We are all still sociable beings and want to know and be known for real. - Jean Wolfe <http://sparkintomarketing.com> Content Marketing

Posted by JeanWolfe on Fri, 18/01/2013 - 11:53

1 read

High Street

This problem has been looming for at least a decade - since the 'consumer' birth of the internet.

Electronics goods. A great example of:

- I need my local outlet to inspect the quality/functionality of the products.
- I purchase online because it is 15% cheaper.

I cannot see though how the internet provider can exist without the High Street retailers demonstrating the goods.

Some sort of 'preferential supplier' status by manufacturers? They need the High Street demonstrations also.

Posted by drian on Fri, 18/01/2013 - 12:16

1 read



Do we really want to save our existing high streets?

The high street in it's curreny form will die, however, a new more relevant high street will emerge. I don't believe it's for ministers to determine how they should look, but for businesses and entrepreneurs. Yes, support from Government and local authorities will be important, but we as shop owners and consumers need to

inform them as to what this should look like by first demonstrating, by doing. Small high street shops can open when they want, but they generally don't, why on earth is this?

It's folly to believe that trying to encourage consumers to buy from smaller independent shops will yield any results. I'm all for buying British, but I need a reason for doing it, so quality, price, exclusivity are just a few of the features I'd be looking for.

The out of town malls are introducing new services to entertain their customers when they're not shopping, the high streets need to get together with the local authorities to think about how they can do the same. We've all hears it before, but they need to become destinations.

I completelly agree with the argument about business rates for retailers, it's a disgrace, retail is charged above and beyond any other business sector. The parking issue is much the same, that said, in the major cities the challenge of finding a space is more of an iissue than the parking fee itself.

To summarise, we'll see the high street evolve, it will be market forces that determine this, so the onus is on the retailers (and new entrants) to get their heads together, collaborate and differentiate!

Neil

Posted by greywolf on Fri, 18/01/2013 - 18:02

2 reads

Websites

"Even in today's difficult trading situation, the smaller retailer has often not adapted to the changed retail habits of today's consumer. The internet has made a massive difference to the way that consumers make purchases or shop in general. Many retailers have not recognised the need for a website or at best they just have a simple brochure website."

Whoever wrote that has never tried running an e-commerce website.

The big businesses with deep pockets rule the roost, with pay-per-click adverts everywhere giving them pole position on just about every search engine. Small independent businesses simply do not have the resources to take on the giants like Amazon, who are happy to run at a loss if necessary to put the competition out of business. These people don't want to just beat their competitors, they want to eliminate them from the playing field completely.

Amazon should have its business rates increased about 10,000% - and give independent businesses a discount paid for by Amazon - that would level the playing field a bit, and save the high street and thousands of jobs.

Posted by andykos on Mon, 21/01/2013 - 00:14

1 read

Showrooms and Shops

I don't have a high street shop as such, but I run a small business with a showroom, and I am finding it increasingly common that customers will come in store to use my staff and resources to aid in their decision making process, and then search for the cheapest price online. If we can match the price, we keep the sale, albeit at negligible profit. If we don't match the price, we lose the sale, and we've done all the hard work for a faceless internet box shifter to get an easy sale.

We're finding now it's only in our interest to stock and demonstrate products that are 'niche' products and/or those with limited access to box-shifters. We've even started own branding products and pushing these instead. The end result is an online bunfight of who can be the cheapest, with a downward spiral of price drops.

In the USA it is possible to have a MAP (Minimum Advertised Price) - which at least sets a sensible starting point for prices. In Europe, everyone is fearful of anti-competition laws, so chaos is allowed to reign free 'in the interest of giving consumers the best deal'. When all the local stores have shut, and there is no option but to buy online, who is going to assist people in selecting the most appropriate product for their needs? Nobody!! but what's even better, all the consumers can exercise their rights under the Distance Selling Regulations to send goods back (even if used and tested?!?!?) when they realised they have bought the wrong product.

Legislation seems to be purely in favour of giving the consumers all the rights, and the best prices, with no concern as to how businesses are supposed to actually make any profit to keep the country running!

Posted by andykos on Mon, 21/01/2013 - 00:24

1 read

High Street shopping needs to be an 'experience'

I agree with Jean, the High Street is changing and customers (remember them?) are looking for an experience. Gone are the days of wandering along looking at one predictable shopfront after another.

Consider Apple stores - who don't even put their name up. They are packed full of people playing on the Macbook Air, the i-pad and i-phone - and there's not a hard-sell in sight. The normal greeting is, "have fun and, if you want any help, just ask."

Have fun, **have fun**? Since when did shopping become **fun**? Well, shopping on-line is heading that way and the small retailer has to match it - not in technology and not necessarily in price (try getting a discount in an Apple store....) but in the *experience*. Yes, the high street, as we have known it, may be dead and so may be the experience of seeing the same predictable shops, with the same items, laid out in the same way in any town in the country. If the high street of the future changes in

to a fun experience, personally, I can't wait!

Posted by Alan Wingrove on Mon, 21/01/2013 - 11:00

1 read

YourEly initiative

Great piece. In Ely in Cambridgeshire we're launching a new initiative in April 2013 called YourEly, which offers a website and social media platform to retailers and businesses in the city, giving everyone who joins the opportunity for promotion and for their products, news and offers to reach a much wider audience. We love our city and want to see it thrive - you can't just sit back and wait for everything to magically sort itself out can you?

For more information go to the [YourEly website](#), join us on [Facebook](#) or follow us on [Twitter](#).

Sue Keogh

Posted by Sue Keogh on Sun, 24/03/2013 - 09:33

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