



If UK retail were a factory, it would go on short time... ...or close a production unit!

Since the early nineties the capacity of UK retail has expanded at an alarming rate and is now left with too much legacy property, stores, many of which are in the wrong place and in marginalised shopping centres.

The "straw which broke the camel's back" is consumer acceptance of the internet as a viable retail channel. When acceptance began to bite in 2005/06 it added further capacity to already over supplied sector channels. Only major restructuring will fix this growing problem, and this will take years to achieve.

The added capacity arrived through a plethora of events, each at the time, taken individually, seemingly quite benign or even beneficial.

Sunday trading - retail did not increase by 14% when this began in 1994. And now fever surrounding the Olympics sees a potential of hours extending further.

Extended Hours - first into late night and then 24 hour shopping, again no increase.

Product diversification - supermarkets built mega stores to allow the move into non-food.

Outlet Malls - more an extension of retail than outlet!

Regional "Category Killer" Malls - Westfield, Eastfield, Liverpool One etc., etc. - not one town centre was torn down when these were built!

Internet Retail - in 2011 the internet channel for UK retail accounted for 8.9% of all spending, according to ONS figures. This was worth £27 billion, adding £4.7 billion on 2010. It has been categorically established that internet retail has added zilch to UK retail sales, merely moved the channel of purchase and added to retailers' overheads. In January 2012 its share was 11.9%

Taking each of the events above in isolation, they all benefit our shopping experience, but combined they account for an additional capacity of over 25% added to UK retail over 20 years. This as a measure, compares to UK population growth of only 4.2% in the same period!

Maybe we should legislate to limit opening hours, hence capacity?

Tuesday to Sunday 10.00 to 6.00. any takers?

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