



Future of British Independent Retail report



ankorstore

**Mary
Portas**





Introduction

Welcome to Ankorstore's Future of Independent British Retail report. In this report, we'll be looking ahead to 2023 and revealing the top consumer and retail trends that will define the upcoming year. With a love for local still at the forefront of consumers' minds, the opportunity for independent retailers remains high despite the ongoing economic downturn.

With survey results from British independent retailers and consumers, we'll be looking at insights into product trends and the new technologies that will change the retail industry for good. Plus, British retail expert and broadcaster, Mary Portas, and Ankorstore's UK General Manager, Tarun Gidoomal, will be sharing their key takeaways from our findings.



Consumer habits for 2023



Whilst the new year is likely to ring in with further uncertainties, one thing independent retailers can be sure of is support from their customers. A huge 92% of Brits believe it's important to support independent businesses and their local high streets in 2023.

Having access to locally sourced products is the most important for older generations, with 61% of over 65s citing their love for local as their main motivation for shopping.

Consumers will continue to be mindful of rising costs and are planning to spend less on items including jewellery (55%), fashion and accessories (54%) and homeware & kitchen items (50%). But when they do spend, there are three top values that consumers won't be willing to compromise on:

79%

are looking for high quality products.

47%

want to buy items with great reviews.

47%

cite sustainability as the most important factor.



Celebrating all life's moments

Amidst the **economic downturn and political challenges** that will continue to impact retailers and consumers in 2023, there is hope to be found in the celebrations of seasonal holidays and personal events. In 2023, **consumers are planning to spend more on these key calendar moments** than in comparison to 2022.

Anniversaries, birthdays and religious holidays top the spending projections from surveyed consumers. Interestingly, projected spending for pet birthdays (£71.62) has nearly doubled since 2022, showing that furry friends are just as much a part of the family as their human counterparts. The boom of calendar celebrations could point to **a need for small moments of joy and togetherness during tougher times**, a similar pattern to what was seen during the Covid-19 pandemic.

Looking ahead, independent retailers should ensure their shelves are stocked with giftable items and seasonal merchandise in order to benefit from these key shopping moments in 2023.

Brits plan to spend an average of £354.60 on religious holidays in 2023.

Valentine's Day will be a bigger commercial event with average spend increasing to £92.62, compared to £74.25 in 2022.



Future tech to change the face of retail

New and emerging technologies are set to deliver enhanced and unique experiences both in store and online during the year ahead.

Independent retailers are most likely to explore social commerce (80%), followed by AR/VR (47%), virtual dressing rooms (35%) and blockchain database technology (22%) in 2023. Plus, 21% of independent retailers who have already started investing in new tech plan to keep investing in the future.

However, **financial pressures are likely to have a knock-on effect on this trend**, with a third of independent retailers not planning to invest in new technologies until the cost of living decreases.

41%

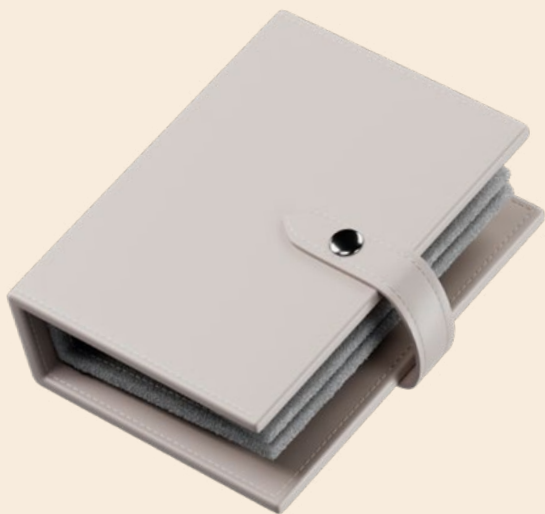
of consumers are looking for more personalised shopping experiences in 2023.

1/3

of independent retailers are planning to continue to invest in new technologies.

80%

of independent retailers are most interested in exploring social commerce.



The rise of the 15-minute city

The 15-minute city, an area where daily necessities and shops can be reached by either cycling or walking from a resident's home in just 15 minutes, is a **growing concept that 65% of independent retailers believe could help save our high streets.**

Independent retailers in London are already benefitting from this concept, with 75% believing that they already live in a 15-minute city and can see the positive impact of it on their local high streets. The 15-minute city will also play a huge part in **bolstering community spirit,** which has been reignited in many local areas following the Covid-19 pandemic. However, **there is a generational divide in the positivity around the 15-minute city concept,** with 67% of over 65s stating they don't like the idea, in comparison to just 24% of those aged 18-24.

75%

of independent retailers think that the concept is a great way to foster stronger communities.

65%

of independent retailers believe 15-minute cities could save our high streets.

Reshaping consumer finance options

Buy Now Pay Later (BNPL) finance options have become a leading payment method for larger stores, and in 2023 we expect to see more independent retailers adopting this concept as consumers look for more creative ways to manage their finances.

Almost all independent retailers (96%) believe that BNPL won't negatively impact their bottom line, and 93% don't believe that it will be disadvantageous for their customers in the long term. Faced with rising prices and soaring inflation, **only a small proportion of independent retailers (18%) are not interested in utilising BNPL** as a lifeline (both for themselves and their customers).

43% of independent retailers are looking to **explore this payment method to encourage footfall and increase sales**, while 26% already offer BNPL services in their store. For retailers looking to invest in BNPL in the future, a third (33%) believe this could **increase their revenue**, while 31% believe it could support their customers facing rising prices.

29%

of independent retailers believe that BNPL will attract more Gen Z and Millennial customers.

96%

of independent retailers don't think that BNPL will negatively impact their bottom line.



The key takeaways from our experts

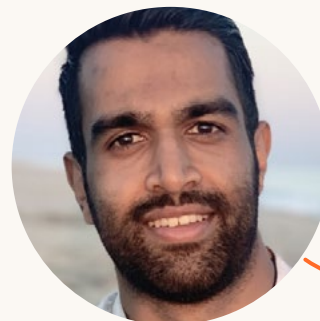


Mary Portas
British retail expert
and broadcaster

“We know there is hope for our local high streets post-Covid. Shoppers want to support them and almost half of retailers are positive about 2023. But - and it's a big but - the government has to support them. If the Energy Bill Relief Scheme isn't extended for instance, almost half of all independent retailers say they will either close or consider closing. That would have huge consequences for the communities who depend on these shops - and the social infrastructure they provide. Because shops are about so much more than what is sold.”

“Retailers can survive and thrive beyond difficult times and often, crisis presents an opportunity to innovate. What is clear from our research is that the most successful independent retailers are embracing new technologies or doubling down on customer service.

“Consumers want to support independent retailers and I'm in no doubt that they will do that this winter. However, we know our retailers always need to have one eye on the future and the sector is still in need of government support to get them through this crisis, so they can grow their businesses in 2023 and continue to differentiate themselves from big box retailers.”



Tarun Gidoomal
Ankorstore UK General
Manager

About Ankorstore

Founded in 2019, Ankorstore Rewilds Retail by restoring it to its natural order, deliberately harnessing the power of technology to return independent shops to the centre of their communities by creating an ecosystem that enables them to thrive. Today, Ankorstore works with 300,000 independent retailers and 30,000 brands across 28 countries in Europe. The company has offices in Paris, London, Barcelona and Berlin. To learn more visit: www.ankorstore.com

Methodology

Europe-wide research:

The research for Ankorstore was carried out online by Vitreous World between 18/10/22 and 24/10/22, and features a total of 2,200 respondents made up of 2,000 nationally representative UK consumers (Margin of Error +/- 2.2%), and 202 UK SME Business owners in retail (Margin of Error +/- 6.9%). All research conducted adheres to the MRS Codes of Conduct (2019) in the UK and ICC/ESOMAR World Research Guidelines.



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