

The Snug Sessions

No.2 – The Future of Retail and the British High Street

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The Snug Sessions

Introduction

At Derwent London we believe that getting to the essence of places and buildings for people and business in a changing world is as much an art as a science.

The Snug Sessions exist to explore the art – as well as the science and humanities – of spaces and places now and in the future. The aim is to define new directions and forge positive pathways in an intelligent, cross-disciplinary and human-centred way.

‘Poetry is nearer the vital truth than history,’ wrote Plato (it is thought) in around 380 BC. So, to get the heart of the matter we asked modern-day poet Rhael LionHeart Cape to convene conversations with friends and collaborators.

In 2022, six sessions addressing different facets of our built environments were filmed at the Snug in DL/78 in Charlotte Street W1 – a convivial Derwent workplace setting designed for exploring ideas through dialogue.

Buildings and spaces don’t exist in a vacuum, they reflect people, feelings, cultures and expertise. Neither are they static – good buildings need to flex and adapt with the world as it changes. To borrow from the words of visionary thinker Stewart Brand, our buildings and spaces need to learn. Because what we do now ripples into the future.

Welcome to the Snug Sessions No 2:

The Future of Retail and the British High Street

At a glance

- Shopping streets are more aggregated and less monolithic, with a **diverse mix of complementary uses** including culture, learning and services
- Direct consumer-brand relationships are key in physical shopping space, with brands working hard to engage a **new consumer generation** super-conscious of values
- Successful 21st century shopping streets often involve **active collaboration and knowledge** sharing between tenants, landlords, local authorities and landowners
- **Multisensory and spatial experiences** are core differentiators in an **increasingly hybrid retail landscape**
- Shopping environments increasingly **blend physical space** with **virtual and digital experiences**
- **Origin stories, local identity and street presence** remain key for global brands, emerging or established

The Snug Sessions - The future of retail and the British high street

As LionHeart settles back in the Snug to talk retail with Mark Serrell of Kenningham Retail and Jack Purr of Derwent London, there's no doubt in anyone's minds that the sector experienced around a decade's worth of change within the timeframe of the pandemic. What LionHeart wants to find out is how that watershed moment is impacting our future retail landscapes, not only in London and the UK but across the world.



Accelerated change

“It’s an exciting time,” says Mark. “A time of re-setting the Rubik’s Cube of retail, making space for new technologies and new uses. There’s no denying that retail went into crisis mode – and the press agenda was certainly all doom and gloom – but the pandemic also accelerated some very positive change in the sector. It fast-forwarded what was already on the horizon.”

“The pandemic created an opportunity for landlords and retailers to really get to know each other”, says Jack Purr

A recent positive spotted by Mark is seeing the green shoots of new brands that took off online during the pandemic now taking their first steps towards physical presence. Another good outcome is planning reform, with leasing to a wider variety of uses on high streets now permitted under Class E. That shift alone will have a significant impact on the landscapes of our shopping streets, hugely expanding the diversity and range of activities. The example Mark cites is Monopoly Lifesized on Tottenham Court Road – a 4-D immersive experience with cross-generational appeal now firmly integrated into a district with a design and furniture-based heritage.

A definite plus within the changing picture for Jack is a new level of collaborative working across the sector: “The pandemic created an opportunity for landlords and retailers to really get to know each other and gain valuable insight into business models. Exchange of knowledge and expertise can only be a good thing – in the past I think some tenants saw the landlord as just a rent collector.” Mark agrees, pointing out that just like any relationship, a landlord-tenant partnership flourishes with good communication and mutual support. “The good landlords get that,” he says.

Selfridges, Oxford Street



New consumer sensibilities

Who stands to gain most from all this change in how we shop, LionHeart wants to know – is it consumers or retailers? Jack observes that the pandemic enforced new models of shopping, rather than just suggesting them. How things stack up in the longer term is still an open question: “Whether habits and sentiments remain fixed in that mode is partly in the hands of the sector and what it does next.”

Mark suggests that it is consumers – and particularly a new generation of super-informed consumer – who are ultimately leading change via the brands they adopt. With sustainability at the forefront of everyone’s minds, people increasingly want to know that a brand’s values align with their personal ‘brands’ on social.



Seymour Place, Marylebone

“What this means on the high street is that brands need to be slicker, more focused and need to work extra hard to promote their ethical values,” he observes. “There’s a lot of talk about experience in retail; it’s not really being quantified or qualified yet, but it’s things like going to a store for a workout to try sportswear or meeting the designer of that sportswear. Whether you end up purchasing in-store or online isn’t ultimately that relevant.”

Multisensory retail

“There are many things you can’t experience online,” adds Jack. “And that’s where the new high street environments come in.” The new retail spaces zone in on tangibility – touching, seeing and smelling products – and they tap into all important customer service experiences. “High street spaces are also about creating and emphasising points of difference in the physical world, and designing environments that increase dwell time, whether that’s via guest speakers or DJs or food pop-ups.”

“Stores need to be fun,” agrees Mark. “And that’s a shared responsibility between developers and occupiers. Local authorities are on the journey too – they understand that the future of retail is hybrid and that high street environments need to adapt to that. It’s no longer a case of ‘a shop is a shop is a shop’ – a lot of local authorities are actively involved in promoting inventive new uses that complement retail.”

It’s clear that our retail environments are moving away from a single-minded model of consumption towards a richer and far more experience-based landscape. Today’s new retail is increasingly blended with sociability, wellness and entertainment – whether that means a therapeutic or fitness activity, meeting up with friends for brunch, or heading for an immersive, multisensory experience that engages all the senses in real space and real time.

In-store / online hybrids

What's the level of interest in bricks and mortar, LionHeart asks, from online sellers who emerged with the digital revolution? Jack points out that even pre-pandemic the models were increasingly hybrid, with online retailers relying on physical presence to communicate their brand while tapping into a wider customer base – because not everybody loves to shop online.

“There are many things you can't experience online, and that's where the new high street environments come in”, says Jack Purr

“Big-ticket items like furniture are a really good example of that,” says Mark. “There's a lot of interest in the home right now, partly because the home is an extension of the personal brands of the new generation of consumers. But a long-term investment like a sofa really needs to be sat on – and you can't do that online.” Another example identified by Mark is Polette, a disruptor in the eyewear market. “They were an online start-up but found that going to the next level of digital presence and functionality costs a huge amount of money. To test the economics, they took a couple of small shops just off the beaten track in Paris and Amsterdam. And what they experienced is that the shops became the touchpoint for their brand, which then exploded online.”

“It's also that trust element,” LionHeart adds: “I can visit your store. If I've got a problem with my purchase I'm coming back there and I'm talking to you!”

Global-local retail models

What about the London picture? Will London retain its place among the top 5 shopping destinations in the world, asks LionHeart.

“London is leading the field in ripping up the retail rule book, so I think so,” says Mark. “Developers are creating best-in-class retail space and there are some unbelievable concepts coming through, with museums and experiences joining the major shopping thoroughfares.”

“Another factor is global-local retail models. A good example is skate brands. If you want to build a skate brand, regardless of whether you’re a company based in LA or Sydney, Soho is the place to be, says Mark. “If you have a London address you’re on the map; it qualifies the brand in the host country and increases sales there.”



The social infrastructure of shopping

As Derwent London's Retail Snug Session comes to a close it seems everyone agrees that shopping is about far more than consuming. It's about congregation, social connectivity and being part of a community – whether that's on the world stage of London's most upmarket shopping streets or seeking out niche emerging brands in areas like Hackney and Brixton.

An exciting aspect of retail today, the group acknowledges, is the way social media has granted new traction for innovative brands to be born anywhere. Brands like Lone Design Club and Gymshark that were seeded online can now metamorphose through mediums like pop-ups before they emerge fully formed into the real world – creating more jobs and contributing more to economies.

LionHeart is curious to know if the retail professionals think that the geography of start-ups might eventually dictate the future locations of London's shopping, with mini-West Ends popping up at the periphery of Central London. Does retail follow fashion?

“The richness of London's retail landscape has always been about a layering of identities, with something for everybody,” says Mark. “I don't think homogenisation is a good thing, and I believe we need to value places like Brixton Market or Redchurch Street in Shoreditch for how they are.”



Elizabeth line, Tottenham Court Road station

The aggregation of retail densities in the centre of our cities are the result of undeniable historic logic. While cultural adjacencies are clearly important, transport infrastructure is even more so. Areas like the West End provide central hubs where people can easily meet up, whether they're coming from Heathrow, Hampshire or Haringey.

Boosted by the transformative new transport infrastructure of the Elizabeth line, rising districts like the east end of Oxford Street, with its unparalleled connectivity to the cultural and business infrastructures of Bloomsbury, Fitzrovia, Soho and Noho, are being reinvented as locations where brands can engage and experiment with a whole new generation of consumers. "Retail is being reimaged across the globe but London is ahead of the game. West End shopping is definitely here to stay," concludes Mark.

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