

WHAT COMES FIRST: FOOTFALL OR RETAILERS?



TANK WARBOX

Consumer shopping habits were changed irreversibly by the pandemic back in 2020, and there's no denying that this created challenges in every corner of the retail sector. Retailers had to quickly adapt and take their operations online, while retail destinations were navigating the issue of declining footfall and empty units, as social distancing restrictions were lifted and life slowly returned to normal.

That being said, the decline of shopping centres in particular can actually be traced much further back, some 15 years prior to the pandemic.

In fact, one study found that since 2005 the value of "all shopping centres" group - an umbrella term given to the brands that own, manage, or develop multiple shopping centres - had declined by 67%.

What's interesting is that this decline isn't evenly distributed. The top quartile only saw a 12% decline, while the bottom quartile's value fell by a staggering 91%.

It's not all bad news though. According to commercial real estate consultants, Lambert Smith Hampton, shopping centre investment volumes hit a 7 year high in 2024, with £1.3bn of assets transacted between Q1 and Q3. Alongside local authorities, private investors are increasingly exploring repurposing opportunities - something that is seen as crucial to revitalise tired or rundown spaces - with landlords striving to move away from single-use retail locations and develop diverse mixed-use destinations that feature everything from food and leisure, to office space and healthcare facilities.

The first round table of 2025, hosted by Tank and Warbox, saw experts from across the retail, property, leisure and business sectors discussing the challenges currently facing retailers and shopping centres.

Exploring a range of topics, the following report summarises the discussion, touching on key themes such as the role of data in decision making, the power of marketing and branding in understanding and reaching desired audiences, and the need for collaboration if shopping centres are to make a true resurgence.



FEATURED PANELLISTS



Karl McKeever

Global retail consultant



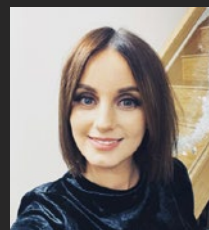
Kevin Greathead

Managing director
at Retail Assist



Alicia Lewis

Retail property
specialist at NG
Chartered Surveyors



Charlie Truman

Retail liaison and
marketing manager
at the Cornerhouse



Alex Flint

Chief executive officer
at It's in Nottingham



Martin Stone

Managing director at
digital marketing and
PR agency Tank



Mark Fensom

Managing director at
brand communications
agency Warbox



Michaela Spencer

Business development
manager at DoughNotts
and former shopping
centre marketing manager

WHAT COMES FIRST, IS IT THE DESIRABLE RETAIL BRANDS OR AN ATTRACTIVE SHOPPING AND LEISURE DESTINATION? ARE ASSET MANAGERS HAVING TO WORK HARDER TO ATTRACT BRANDS INTO UNITS?

Karl

"If you were to have asked this question 20 years ago, I'd say more decisions were made on gut instinct. People might visit the area, talk to the retail or property director, and then sniff out the 'vibe' of the neighbourhood before investing. These days they'll be much more scientific.

"They'll want to look at future employment prospects, the amount of residential space versus commercial office space, what kind of incentives might be available to them. It's much more precise and what you would hope from that is that when the retailer comes to town, they will stay for the long term.

"One of the things that has certainly blighted UK retail in recent years is the amount of closures and these are bad for business, bad for shoppers and bad for brands, so the more closures that can be avoided by data driven decision making, the better.

"Therefore, I think for any brand considering a new retail location, data needs to be key to the decision making process. There's now a lot of data to support what investment decision should be made, and there's so many different factors to consider. If a brand is targeting the mainstream market, their priorities will be completely different to one looking at a more niche audience and this might impact if they choose a shopping centre or high street location.

"Brands then need to invest time and analysis in understanding the type of consumers shopping in each location to understand the potential return on investment. Alongside this, there will be decisions about the terms and the duration of the tenure. This is an important detail as some retailers might not be looking to down roots long-term, they may prefer a pop-up presence to establish a name and foothold in the area, which we are certainly seeing more of."

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Karl

WHERE IS THE BEST PLACE TO SOURCE THIS DATA? DO ORGANISATIONS HAVE TO PAY FOR IT, OR IS IT PUBLICLY AVAILABLE?

Karl

"The data is available from a variety of sources such as official retail, or government bodies. Another avenue some brands are going down is commissioning their own data, as this will give them a clear idea of their own consumer demographic. This insight can help brands understand more about shopping behaviours and motivations, such as whether or not they're visiting a city for a specific reason, residing in the city, or maybe they commute in for educational purposes or work. It's also good to cross reference information available from landlords, property agents, and other development funds.

"Nottingham is a great example as it's going through a massive transformation. The former manufacturing and industrial heritage is being rapidly transformed by commercial and residential investment. There will be a lot of reports and data available to support what those future plans look like, and that's what retailers are buying into."

HOW HESITANT ARE RETAILERS TO TAKE RISKS?

Alex

"I work with a lot of Nottingham-based businesses and it's interesting to hear about their hesitancy towards taking risks. For example, there's certainly a growing trend whereby brands are opting to rent space within another retailer, if they know the brands are well aligned and targeting similar customer bases."

Karl

"Yes, there are certainly a lot of benefits to this approach as the space is already fully managed and the brand renting the space isn't responsible for the keys, the occupancy costs or the leasehold. This works particularly well if the target customers of both brands are well aligned as a decent level of footfall will already be there. It's a win-win for both businesses and a model I expect to see more of in future."

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"There's certainly a growing trend whereby brands are opting to rent space within another retailer, if they know the brands are well aligned and targeting similar customer bases."

Alex

ACCORDING TO ONE REPORT, UK SHOPPING CENTRE OWNERS ARE INVESTING IN REPURPOSING ACTIVITY, WITH AN INCREASINGLY VARIED RANGE OF NEW USES BEING EXPLORED. DO WE SEE MUCH OF THIS IN NOTTINGHAM?

Charlie

“The Cornerhouse is an interesting example, as we have such a range of units.

There’s the outside units and these are naturally the most popular, as they benefit from lots of passing footfall. This footfall isn’t only from one demographic, the route is covered by students heading to university or their halls of residence, as well as those going to the theatre, or people simply looking to enjoy an evening meal.

“The inside units are a bit more complicated as there isn’t the same level of passing trade. This is where it falls on the destination to attract brands and provide an inviting space to rent. What we’re increasingly finding is that we need to be offering a good customer journey to give brands peace of mind that their investment in a unit will be worthwhile. As part of the lease, we might offer additional marketing or advertising opportunities to attract customers off the ground floor and up to the higher levels.”

Alicia

“From a landlord’s perspective, the past few years have been a struggle and this has forced some to reconsider the incentives they’re offering to tenants. To remain competitive, some are considering shorter leases or break clauses, as there’s a hesitancy to sign for a long period of time.

“Obviously the most important thing for a landlord is the tenants’ covenant and the capital of the investment. The main priority for landlords is that they don’t want an empty property.”

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“From a landlord’s perspective, the past few years have been a struggle and this has forced some to reconsider the incentives they’re offering to tenants.”

Alicia

Kevin

"We work with a lot of big retailers who have massively downsized recently, either in terms of the size of the unit they are renting or the number of different sites. A fantastic example of an attractive shopping destination that retailers want to be seen in is Meadowhall in Sheffield.

"I visited just before Christmas and it was great, there's so much to look at and the dining hall experience is also really good. There's a mix of high street fashion and high-end brands, it has everything."

Alicia

"I tend to work on a lot of high street transactions and there has definitely been a decline in interest in city centre locations. Tenants are increasingly looking out of town due to lower operational costs and decent levels of footfall. We've also seen different types of space being utilised, especially former industrial space. For example, I recently let a barber shop in the basement of a building. While the tenant doesn't have a physical shopfront, they still benefitted from a high street location."



DO YOU THINK THERE'S SOME COMPLACENCY AROUND THESE CHALLENGES?

Mark

"Yes, I'd say so but not just in retail. A lot of businesses I'm working with are investing more in understanding their audience and doing their research before they embark on any new ventures or campaigns.

"By investing this time in understanding who it is they're actually talking to, whether that's in the actual retail unit or via social media, the brand stands a much better chance of attracting the right demographic. I'm certainly seeing significantly more of this now than I was before the pandemic."

Martin

"At Tank, we are definitely seeing a change in the way businesses are looking to us for support. In the past, I think it's fair to say that a big, city centre shopping centre could simply issue a press release to announce a new retailer and that would have been enough. Now, due to the various challenges we've been discussing, these companies need to engage in a strategy that's more complex. Often this will involve a multi-channel approach to marketing, using digital disciplines like SEO and PPC, as well as influencer marketing and ensuring that their brand resonates more with the local community. The venue needs almost as much personality as the brands it is home to."

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Mark

SHOPPING CENTRES CAN'T CONTINUE TO DO WHAT THEY'VE 'ALWAYS DONE'



By Martin Stone

managing director at digital marketing and PR agency Tank

The ways people shop, and crucially how they decide to shop, has changed dramatically over the past 5 years. This means shopping centres have also had to adapt how they market themselves if they are to remain competitive.

It's no longer enough to run basic PR or social media campaigns and hope footfall will follow. Instead, shopping centres need a multi-channel marketing strategy that speaks to current consumer behaviour.

First and foremost, this is because they are no longer just competing with other shopping centres, retail parks or high streets. Now there's the influence of TikTok, ASOS, and last-minute Amazon deliveries - to name a few - that are stealing the attention of potential consumers and impacting buying decisions.

Reaching different points of the customer journey

A successful multi-channel strategy will weave together branding and PR, SEO and paid media to reach people at different points of the customer journey. PR and brand campaigns aren't just about feel-good stories, they build trust and visibility over time. SEO helps people find you when they're actively searching, and a well-executed paid media campaign will get you in front of the right eyes with tailored messages that convert to leads or sales.

It's not about picking one over the other, it's about making each of these disciplines work together in a joined-up and strategic way.

The rise of influencer marketing

We'll all be familiar with the rise of influencer marketing, however this has to be authentic and should feed into the wider marketing strategy. Local and micro influencers in particular can be a powerful way to promote centre-wide events, openings or pop-ups in a way that feels authentic and locally relevant. Get this right, and you won't just see a rise in engagement, you'll be getting people through the door with intent.

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Reporting success

For a long time, marketing teams have been under pressure to prove the ROI of campaigns in concrete terms and it was easy to fall back on either increasing or decreasing footfall as the hallmark of success.

Tools and analytics have come a long way, and over the next few years we're going to see even more detail, even more granularity. Shopping centre leaders will need to feel comfortable digging into this data on a regular basis, to understand what's driving engagement and conversions, as well as the more subtle signals that show whether a campaign is really working.

Full funnel measurement is key and this might mean looking at spikes in branded search terms after a campaign, tracking how many people are interacting with digital content on-site, or analysing CRM data to understand repeat behaviour.

Footfall is still important, but it's only a small piece of the puzzle.

Ultimately, the shopping centre of 2025 and beyond isn't just a place to buy things, it's a place to experience, connect, and spend time. So, yes, let's stop doing what we've always done and let's do what actually works... and be ready to prove it.



HOW HAS THE SHIFT TO ONLINE IMPACTED RETAIL DESTINATIONS' ABILITY TO ATTRACT FOOTFALL?

Michaela

"If you go back 10 years, having a few big named brands did a lot of the work in terms of attracting shoppers. Now, there's been a shift and I think all brands are having to be bolder in terms of defining who they are and who they're talking to.

"This is equally as important for the shopping centres, and they need to work on their own identity and clearly define themselves. Without this they will lack any real engagement with the local community."

Martin

"I think we all know the impact COVID had on the retail sector, but we've had to work so much harder to convince people to get off the sofa and get away from their laptop. It's not strong enough just to say you can come here and shop here, there has got to be an experience on offer that can't be replicated at home.

"I agree with the point Michaela makes. As well as more consumers opting to shop online during the pandemic, we also saw the buy local movement. The last thing people will engage with is a faceless destination lacking a clear brand identity."

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"It's not strong enough just to say you can come here and shop here, there has got to be an experience on offer that can't be replicated at home."

Martin

Karl

"Yes, every destination needs a clear proposition. That's really what it's about. The main thing is being very clear-sighted and very focused about what you plan to do, what you won't do and who you want to attract.

"In many respects, shopping centres can learn a lot from places like Stamford in Lincolnshire. Stamford is a great example of somewhere that has a really clear identity. Aside from the backdrop of beautiful historical buildings, people know Stamford and know what Stamford is. The brands on the highstreet all resonate with each other and this in turn attracts the shoppers. It's almost a lifestyle, niche, day out. Lincoln and Chester are similar, while Bath and York also have very clear, yet unique, identities."

Michaela

"I think this is where a lot of shopping centres fall down, as they try to be everything to everyone, rather than having the guts to say we're going to do just this really well."

Mark

"It's important to understand the role of a brand strategy and brand guidelines. You don't want a brand working too hard. If it's too creative, too strong or too all encompassing, there's no movement to breathe and there's every chance it dates quickly. Of course, this is a really difficult balancing act. But in my opinion, the role of brand guidelines is to provide the foundations and consistency from which marketing can do its job properly. A brand needs to build trust, reassurance and it does this by being both memorable and recognisable. The most effective brand guidelines are the ones that will allow for spikes around certain marketing campaigns, but maintain a level of familiarity, and this is always the approach I would suggest a shopping centre takes."



AREAS NEED TO INVEST IN ESTABLISHING A CLEAR BRAND IF THEY ARE TO MAINTAIN FOOTFALL



By Mark Fensom

managing
director at brand
communications
agency Warbox.

Knowing how to stay relevant when consumer habits are changing fast isn't easy and this applies to shopping centres, high streets and out-of-town retail destinations.

The first step in answering this is getting clarity on your purpose. When we embark on a new project - with any type of business – we often start by asking: why do you exist, what do you want to achieve, and what role do you want to play in people's lives?

These might sound like big questions, but they're essential when it comes to building a brand that people actually connect with. If a retail destination doesn't stand for something, or feel rooted in its community, it's going to struggle to hold attention – let alone maintain footfall.

The 'support local' movement

Over the past few years, we've seen a real shift towards supporting local. People are choosing to shop on their local high street, and back independents and smaller businesses that feel part of their everyday lives.

This has had a knock-on effect for city centres and larger retail hubs, particularly those that have struggled to carve out a clear identity or build a meaningful connection with the people they're trying to serve.

Avoiding a cookie cutter approach

One of the biggest issues we come across is the temptation to go with a 'cookie cutter' approach to shopping centre branding, with groups rolling out the same format in different towns and cities, without really considering what makes each area unique.

When defining a brand or marketing strategy, long term, you need to think about the purpose. Perhaps this is striking up a connection with the local community, or maybe it's to become the most ethical brand in your sector. Whatever it might be, it needs to be at the heart of everything that you do.

For example, a shopping centre in Nottingham that looks, feels, and communicates exactly the same as one in Newcastle might tick a box operationally, but if it doesn't reflect the character, values or needs of the local area, there's a risk it won't embed itself successfully within the local community.

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We always encourage clients to dig deeper. What does the local community care about? What's the area's story? How do people talk about where they live and spend time? This insight is key to shaping a brand that's relevant, relatable and ultimately, effective.

It also gives you a solid foundation for everything else, from brand voice and messaging documents, campaigns, events, and your digital presence.

This is the approach we took when supporting Victoria Centre with its 50 Years marketing campaign. The team developed a multi-channel campaign that celebrated the rich history of the business, its connection with its shoppers across generations and cemented its position as a real icon in Nottingham.

The year-long campaign featured different 'real-life' stories each month, carefully aligning to key seasons and events in the Centre's marketing calendar such as Mother's Day and Christmas.

'Brand' isn't just about what you look like

After all, a strong brand isn't just about what you look like. It's about how you make people feel, the tone of your marketing and the kind of experiences you offer. This is exactly what the 50 Years campaign was all about.

When this is done well, people notice. Not only do they feel more connected to space, they are more likely to return or recommend the area or destination.

The challenge of maintaining footfall isn't an easy one to navigate, yet the challenge becomes far greater if there's no overarching brand to work within. Like any business operating in any sector, investing in a brand isn't optional, it's essential.



LOCAL DATA COMPANY SHOWS THAT THERE HAS BEEN A CONTINUED RISE IN 'PERSISTENT' VACANCIES IN SHOPPING CENTRES, CURRENTLY STANDING AT 7.2%, COMPARED WITH 5.3% FOR HIGH STREET RETAIL AND JUST 3.2% FOR RETAIL PARKS. WHY DO YOU THINK THIS IS?

Kevin

"I think it all comes down to the reason why a person has chosen to go somewhere. Local high streets can offer something a bit different, while retail parks offer convenience."

Michaela

"Inner city shopping centres need to collaborate with what's around them if they are to succeed. In Derby, for example, the shopping centre has pretty much engulfed everything to the detriment of the rest of the city centre. Similarly, in Nottingham when Broadmarsh closed in 2020, footfall at that end of town drastically reduced. These destinations really need to compliment what's around them."

Martin

"That's exactly it. Shopping centres are key to a city but they need to understand where they fit and work in conjunction with other local businesses, councils and investment bodies to avoid further closures. It's a bit like a jigsaw, everyone has to work together to put on joint events, join up on marketing efforts and clearly communicate key messages to target audiences."

"Big shopping centre owners sometimes fall short as they operate a template model, whereby every shopping centre is exactly the same. You can't just lift one and put it somewhere else, people want to feel a personal connection."

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"Inner city shopping centres need to collaborate with what's around them if they are to succeed."

Michaela

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Karl

"If you operate a shopping centre it's relatively easy to manage the experience on offer as you can set controls in terms of standards, marketing, advertising and shopfronts. To many shoppers that's actually very attractive, because people like a level of consistency, quality and safety.

"On the other hand, you can sometimes find that these environments feel quite sanitised and people venture to other areas of a city to enjoy what they can offer. For example, Hockley in Nottingham offers independent bars, restaurants and shops, while Bridlesmith Gate was traditionally always home to the higher end fashion retailers. It's important to keep this alive if landlords are to avoid empty units."

Alex

"It's interesting that the likes of Flannels and Sports Direct have decided to open in areas where footfall has actually been declining in Nottingham city. However, as we said at the start of this discussion, they will have done their research and worked out that it's a cost effective and sensible business move. I also think it's important that landlords move away from the mentality of renting out a unit at all costs, as this can really bring down the surrounding area.

"Going back to the earlier point about safety, Nottingham has once again been awarded Purple Flag status and this is thanks to the work of a number of different organisations. Accreditations like this are really important to show that a city is an attractive place for people to visit - both day and night."

Alicia

"I find that some agents will lead with the mentality of 'just get it gone' or do whatever they can to get the deal over the line. I'm involved in quite a few online community pages and that's never what the community wants, businesses stand a much better chance of succeeding if they have buy-in from the local community."

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"I also think it's important that landlords move away from the mentality of renting out a unit at all costs, as this can really bring down the surrounding area."

Alex

WHAT'S THE NEXT BIG THING THAT WILL IMPACT THE SECTOR?

Kevin

"Well, if you look incredibly short-term, I think available finance and the Autumn Budget have both made a massive difference. With retailers having to pay higher national insurance contributions, they will have some difficult decisions to make.

"Then, if you look at the likely impact of new technologies, brands are certainly showing an appetite to invest in self-service systems and other automated solutions. To do this well, retailers will need a good back-end system and really good Wi-Fi, and both of these have become cheaper over recent years."

Michaela

"Sometimes you see brands cutting costs by implementing technology and avoiding re-investing the savings back into the business. The ones that are going to succeed will use this money to upskill staff, offer additional training or provide more competitive wages."

Kevin

"John Lewis is a great example of this, you genuinely get the feeling that the people working in-store care and want to help. This keeps standards high and ensures customers keep coming back. We've actually got a lot of customers investing in business intelligence to help them understand what they can do better."

Karl

"One of the greatest opportunities from technology and the data it collates is that retailers can gain a far clearer understanding of where there's growth potential and where there's opportunity for marginal gains. Similarly, they can spot emerging trends and capitalise on them.

"It's the same for those managing retail destinations, depending on consumer appetite, these businesses might consider letting units to alternative sectors, say wellness or healthcare."

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"One of the greatest opportunities from technology and the data it collates is that retailers can gain a far clearer understanding of where there's growth potential and where there's opportunity for marginal gains."

Karl

CONCLUSION

It's clear that many challenges lay ahead for both retailers and retail destinations, however the future looks bright. As we start to see more multi-use destinations incorporating retail, food, leisure, residential and office space, footfall will naturally increase and - in turn - units stand a higher chance of being let.

Data driven decision making is key

Data will continue to play an important part in this process, with business decisions made on concrete facts, rather than assumptions. This will involve a range of data points, from the incentives on offer and typical demographic of consumers, to the number of similar outlets within a certain radius and the number of recent closures. Conducting this level of analysis will hopefully ensure a long and successful tenure.

Understanding audiences will become a key part of business strategy

Retailers and retail destinations must invest in understanding who it is they are talking to, if they are to maintain a sense of brand identity and attract the desired footfall. This activity should feed into every aspect of brand and marketing activity, from in-store communications and signage, to SEO and paid media activity.

Repurposing activity will likely continue

Repurposing derelict or disused buildings will help to revitalise run down city centre locations and offers tenants a more cost effective option. Landlords might also have to consider greater flexibility if they are to avoid empty properties, such as shorter leases or break clauses.

Collaboration must continue

Ultimately, the only way to bring about a true revitalisation of city centre locations is for total collaboration between local government organisations, funding agencies, business leaders and retailers. While pockets of funding for certain projects are great, a joined-up strategy is required to ensure success.

