

THREESIXTY

CONSUMER & RETAIL TRENDS 2020



GREEN'S COURT W1
CITY OF WESTMINSTER

18



CONSUMER & RETAIL TRENDS 2020

THREESIXTY

AndrewSissons Consulting

ASC work with an extensive portfolio of leading developers, property funds and landowners to curate and repurpose retail quarters and city centres, along with local authorities on the debate around the future of the High Street.

Our partners KRPT° are a multidisciplinary agency that connect the dots within culture, matching deep level insight with stand out community led experiences.

We also work with an array of innovative retail brands, restaurants, cafes, leisure, hospitality, streetfood and hotel operators, to lead bespoke site searches and support these brands to roll out new and existing concepts.

We also undertake market leading research in-house, to understand and accurately predict current and future consumer trends in the various sectors we are active within.

KRPT°

What We Do

Leasing and leasing strategy

Retail strategy

Tenant curation

Future of the High Street visioning

Retail brand concept development

Pop-ups and meanwhile use

Placemaking

Location searches

Focus groups

Cultural and activation strategies

Place brand development and comms

Content creation and social media strategy

Cultural and consumer trend reports

RETAIL TRENDS



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Retail

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INDEPENDENT RETAIL



2019 was a tough year for independent retail and business rates are still a major concern. However, in certain sectors independents are doing very well.



There are lots of opportunities in new developments and High Streets.



Rents are becoming more realistic as are landlords, who are becoming more supportive.



Entrepreneurs and small businesses are starting to look for opportunities.



Consumers increasingly want to buy from independent stores, and we are cautiously optimistic for the sector in 2020.

1. Wavey Garms

Wavey Garms has garnered cult status as a one-stop shop for trading hard-to-find '80s and '90s streetwear. They host nights, pop-up events and offer a consultancy service – all of which have cemented their reputation as a global lifestyle community.

2. Labour and Wait

From hardware to clothing, Labour & Wait offer a selection of timeless products, both new and vintage, that celebrate functional design and beauty.

3. Goodhood

Goodhood doesn't only sell fashion, lifestyle items and homeware. It is a reinvention of the department store for the independent spirit – bringing labels and one-off pieces under the same roof as design and creative services.

1. WAVEY GARMS



2. LABOUR AND WAIT



3. GOODHOOD



ARTISAN/ MAKER RETAIL



There has been strong growth in this sector, with consumers demanding more independent products and services.



Consumers are increasingly keen on products that are artisanal, sustainable and with good local provenance.



These stores comprise of retail space combined with maker space where the product is made.



This artisanal goods trend sees new entrepreneurs entering the market with bespoke and craft products retailing directly to the public from their workshops.

1. E5 Bakehouse

E5 Bakehouse is an east London artisan bakery, cafe and mill. They also run a variety of cookery classes.

2. Earl of East London

These candlemakers have four brand pillars: Create, Curate, Collaborate and Community. They host workshops, make products and encourage brand partnerships from their Hackney studio.

3. Hackney Made Collective

This collective of independent brands, artists and makers create ethical products and promote an eco-conscious lifestyle. They also run a shop and event space in Spitalfields which hosts exhibitions and workshops.

1. E5 BAKEHOUSE



2. EARL OF EAST LONDON



3. HACKNEY MADE COLLECTIVE





Gen Z stores will increasingly become the norm on the high street.



Despite shopping mostly online - Gen Z do visit bricks and mortar stores.



As this group comes of age and acquire more spending power, increasingly goods and services will be targeted at them.



This will fuel growth in unconventional stores such as resale and rental stores, particularly in clothing and luxury accessories.



There is huge demand for unique products particularly in clothing, homeware, furniture and lifestyle accessories.

1. Levi's Print Bar

Levi's have set up a series of print bars inside their stores worldwide, so that customers can personalise their items while they wait.

2. Nike

Nike have several concept stores. Nike Live in LA is a members-only store which curates its fortnightly stock rotation around mobile data from users. In NYC the space is experience driven - with a basketball court, a football area and a touch screen shoe bar where you can customize your trainers.

3. Studs

Studs specialises in affordable piercing and jewellery with friendly and unintimidating service. They combine in-person experiences with fashion-forward products for the new generation.

1. LEVI'S PRINT BAR



2. NIKE



3. STUDS



ONLINE ON THE HIGH STREET



1. Amazon Go

Amazon Go is a chain of convenience stores that have no checkouts or queues. Through automation, customers can simply pick up the products that they want, and a series of sensors and cameras add these items to their cart. When the customer leaves, they are charged through the Amazon app.

2. Depop Selfridges Pop-up

Depop is the home of 15 million stylists, designers and vintage sellers of unique items. Following two physical pop-ups in USA, Depop opened a third inside Selfridges, selling vintage, luxury, reworked, streetwear and independent designers.

3. Farfetch Store of the Future

Farfetch believe the future of luxury fashion lies in something they called augmented retail. By combining the physical shopping experience with data and tech, they have created a store that provides ultra-personalised experiences.

Online shopping has now breached 20% of the market with £1 of every £5 spent online.



90% of all UK retail spend is still influenced by bricks and mortar stores.



The key opportunity is where offline converges with online.



Online should not be seen as a threat, but as a huge opportunity to bring new consumers to the High Street.



We predict in 2020 this will grow exponentially.

1. AMAZON GO



2. DEPOP SELFRIDGES POP-UP



3. FARFETCH STORE OF THE FUTURE





Convenience is the driver for 65% of all retail spend.



We are seeing a massive growth in high quality, independent convenience stores.



We have seen the rise of zero waste and unpackaged retail concepts.



Overall there is strong growth in all convenience sectors.

1. The Battersea General Store

Set inside the historic Battersea Power Station, the store offers a wide range of specialist foods from around the world, while also celebrating local craft produce. The store is beautifully designed and feels like a deli in NYC.

2. Simply Fresh

Simply Fresh is an upmarket grocery store concept focusing on local and British products, anchored by an organic healthy range of food.

3. The Clean Kilo

The Clean Kilo, based in Birmingham, is the largest zero-waste supermarket in the UK. Set up to drastically reduce the amount of plastic used in food packaging, along with food waste, customers bring their own reusable containers to fill up.

1. THE BATTERSEA GENERAL STORE



2. SIMPLY FRESH



3. THE CLEAN KILO





Food & Drink

Street Food

Grab & Go

Cafés

Restaurants

Bars, Cocktail Bars & Pubs



The original concept of alcohol and fast often unhealthy food needs to change, as consumer trends shift towards healthy food and drinking fewer alcoholic drinks.



We will see more healthy options along with vegan/vegetarian street food locations.



There is likely to be more collaboration with experiential, competitive leisure and socialising operators.



There has been growth in upmarket street food based in luxury settings.



Shopping centres are now ripe locations for major street food operations, as they have the space and infrastructure to create exciting destinations.

1. TimeOut Market

Time Out Markets endeavour to bring together the best of each city under one roof. The result is a unique dining and cultural venue, curated by editors who make it their mission to champion the exceptional.

2. Mercato Metropolitano

A 45,000 sq. ft. street food market that offers a mix of Italian and artisan foods. Mercato is London's first sustainable street food market and has a major community focus doing good work in their local neighbourhood.

3. Seven Dials Market

Upmarket food court and bar in Covent Garden by the original street food pioneers KERB. Seven Dials mixes street food and local artisanal deli-style offerings, set in an innovative space that includes a modern take on a traditional London arcade and a chic subterranean space to eat and drink.

1. TIMEOUT MARKET



2. MERCATO METROPOLITANO



3. SEVEN DIALS MARKET





The 'Grab and Go' sector, has been one of the High Street and F & B performers of the year.



These operators focus on one product done really well, with great provenance and quick service.



These are mainly small operations, but we expect some serious investor funding and new concepts to roll out in 2020.



There were lots of new entries into the market in 2019.

1. Pali Kitchen

Pali Kitchen serves Indian food in the popular build-your-own format. It provides customers with a bespoke grab and go offer with authentic dishes and drinks.

2. Beigel Bake

This famous East End institution serves bagels 24/7 on Brick Lane. One of the original grab and go venues in London.

3. Island Poke

Island Poke started out with an aim to revolutionise fast food, whilst operating sustainably. From being a street food market stall in 2015 to having eight venues across London, this lunchtime favourite looks to still be on the rise.

1. PALI KITCHEN



2. BEIGEL BAKE



3. ISLAND POKE





We still don't have enough cafés!



Cafés have become the new work and meeting places and the sector remains buoyant, particularly for high quality independent operators.



There is plenty of space in the market for great operators who can provide a lounge like setting that caters for freelancers and workers, as well as demand from people that simply want to drink coffee in a nice setting.



We predict that next year coffee shops will start to open much later into the evening to capture the people who want to go out, but not to a pub, bar or restaurant.

1. Lion Coffee + Records

Run by a husband and wife team with their roots in the music industry, this café has its walls lined with records for sale. With a bar nestled at the back, the volume dials up in the evenings for themed cocktail nights, private parties and album launches.

2. Kipferl

The concept is based on the Viennese coffee house, where the kitchen is open all day and you can sit for hours with a mug of coffee whilst reading a newspaper. Kipferl is open until 10pm during the week and 11pm at the weekends.

3. The Gentlemen Baristas

This team now have 10 venues across the capital, and also sell their beans in store, on their website and wholesale. They also run a coffee school that demonstrates the whole coffee-making process, from grinding to brewing.

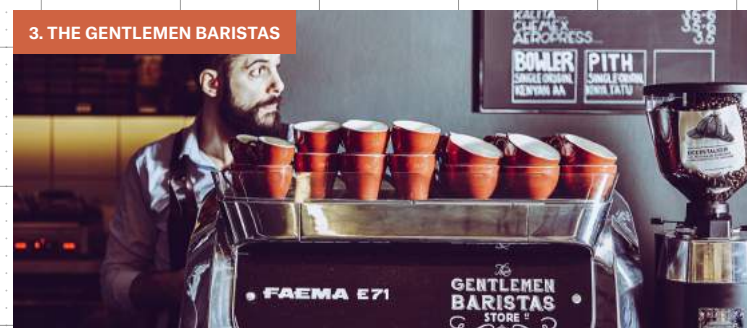
1. LION COFFEE + RECORDS



2. KIPFERL



3. THE GENTLEMEN BARISTAS





There is still demand from independent operators for new locations - the key issue is changing consumer demand and adapting to this.



The national chains are really struggling.



Vouchers and special offers are expected as part of the norm.



The chains that thrive will be the ones that can constantly adapt to ever changing consumer demand.



Restaurant quality home food delivery such as Deliveroo has changed the landscape hugely.



Key trends include healthy eating, vegan and vegetarianism, provenance of product and creating a sustainable proposition.

1. Redemption

Redemption is one of London's healthiest restaurants – serving vegan, sugar-free and wheat-free dishes alongside an alcohol-free bar. Their aim is to challenge the view that healthy food is boring and provide an environment to enjoy socialising without it being at the expense of your wellbeing.

2. Grind

Grind started out as a small coffee shop in Shoreditch and due to their massive following now have expanded all across London. They have managed to transcend being 'just' a café and now have a range of sleek restaurants and quirky cocktail bars. They also sell coffee beans from their roastery both online and in store.

3. Misi

Misi is a chic Italian restaurant with a limited pasta menu – all handmade freshly on-site in their Brooklyn space. The kitchen is open with bar seating overlooking it, and the pasta-making workshop has a floor to ceiling glass wall, so that patrons can watch the chefs work.

1. REDEMPTION



2. GRIND



3. MISI



BARS, COCKTAIL BARS & PUBS

London closures seem to have stabilised - we now have more operating pubs that we did a year ago.



The tap room concept continues to grow as consumers remain keen to drink craft beers and lagers.



Certain parts of London are over saturated with cocktail bars.



We are seeing growth in new wine bar concepts and particularly natural wines.



Consumers will always want fun and interesting places to drink and the sector will continue to grow in the next year.

1. The Laughing Heart

The Laughing Heart is a late-night wine bar, restaurant and off licence. They support artisan farmers who grow organic wines and also have an event space available for private hire called The Cave.

2. Tonight Josephine

This bar was inspired by the first Empress of France, Josephine De Beauharnais, who was a renowned party animal. Each room provides the perfect Instagram backdrop - with glitter encrusted walls and pink neon signs bearing mottos of female empowerment.

3. German Kraft

Known as the team that run the bars that service Mercato Metropolitano markets, these brewers have their roots in German tradition. The beer and gin is created on-site in Elephant and Castle.

1. THE LAUGHING HEART



2. TONIGHT JOSEPHINE



3. GERMAN KRAFT





Leisure

Experiential

Competitive Socialising

Wellbeing

Boutique Fitness

Music Venues



Consumers are increasingly spending their income on experiences rather than products.



The UK leisure sector is set to top £141 billion by 2022, driven by consumer quest for experience-based leisure.



Consumers continue to seek new ways to enjoy themselves.



We expect retail brands will re-allocate much more space in their stores to become experience led.



A key growth sector will be where leisure and retail converge to create experiences that friends and family can share.



We expect many landlords to repurpose places to include a greater experiential component.

1. The Experience Desk, John Lewis

The Experience Desk offers a concierge service - enhancing the shopping experience with a personalised service. From tech training workshops to express nail and brow bars, the service is designed to inspire customers rather than merely push sales.

2. Museum of Ice Cream

The Museum of Ice Cream is an interactive and immersive art exhibit, set in a maze of brightly coloured rooms. It was one of the first pop-up museums, and the insta-ready backdrops continue to be extremely popular.

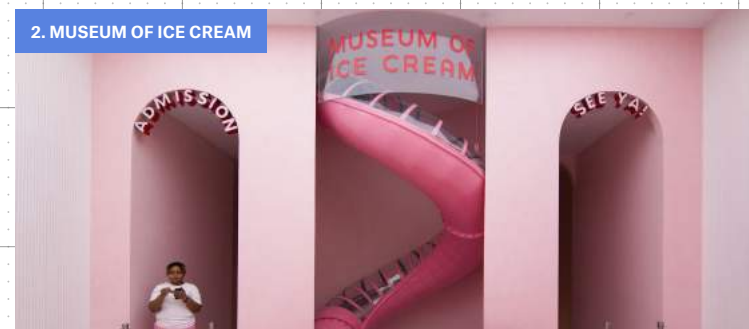
3. ABQ London

This Breaking Bad themed cocktail bar immerses you in the experience from the moment you enter the specially adapted motorhome. Patrons are given hazmat suits to put on, before being set up with a series of test tubes and other science equipment to "cook up" their molecular cocktails in.

1. JOHN LEWIS EXPERIENCES



2. MUSEUM OF ICE CREAM



3. ABQ LONDON



COMPETITIVE SOCIALISING



The rise of competitive socialising continues with the growth of pioneer brands such as Swingers and Junk Yard Golf.



Consumers seek unique and immersive experiences.



One of the big new trends of the year has been the rise of the escape room.



We expect 2020 to see serious investor funding in the sector.



We expect 2020 to see serious investor funding in the sector.



New formats of e-gaming will become prominent in High Streets and city centres in 2020.

1. Junk Yard Golf

Created with fun and bizarre second-hand and recycled objects, these themed 9-hole crazy golf courses are rapidly expanding across the UK to meet consumer demand for competitive leisure concepts.

2. Flight Club

The bar and social darts brand have recently opened their 4th location in the UK. Flight Club have fused a great concept with technology, to create a wildly popular night out that is the type of experience consumers are seeking.

3. Dabbers Social Bingo

We wouldn't have predicted this five years ago, but Bingo is back with a vengeance and reimagined by Dabbers for the Millennial generation. Think cocktails, great food and a party atmosphere.

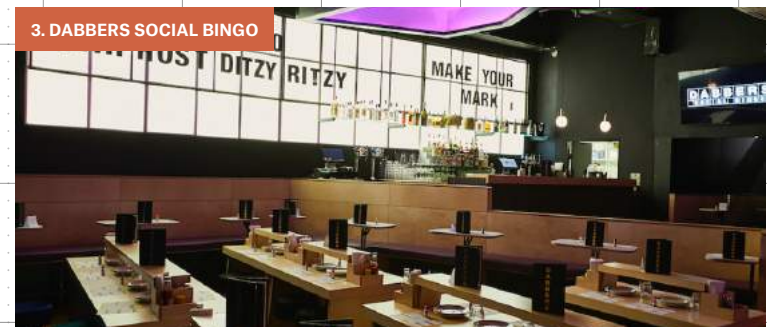
1. JUNK YARD GOLF



2. FLIGHT CLUB



3. DABBERS SOCIAL BINGO





Wellbeing will be a key growth sector in 2020.



The nail bar is now an essential part of every High Street and we predict these will develop into a more upmarket offer going forward.



We predict continued growth in health, wellbeing and beauty operators including tanning, hair and affordable spa treatments.



We continue to see a growth in mid/luxury market barber stores, as male consumers have increased the amount they will spend on these services.



We predict that many new operators move into the market to capture consumer spend on wellbeing. The winners will be operators that can provide mid-market spa experience and prices on the High Street in a luxury setting.

1. Fellow Barber

Fellow Barber opened to bridge the gap in male grooming, helping to create the contemporary barber culture that is now popular. They provide highly skilled barbers and their own product line; Fellow have now launched an instore offer in partnership with J Crew in Brooklyn.

2. Duck & Dry

Duck & Dry is a blow-dry bar and social beauty space. The interiors are stylishly designed and create a place where you want to enjoy a glass of prosecco and meet with friends.

3. Linnaean

Linnaean focus on health, beauty and lifestyle. They have a healthy café, medically informed treatments and a lifestyle boutique.

1. FELLOW BARBER



2. DUCK & DRY



3. LINNAEAN



BOUTIQUE FITNESS



Specialist boutique fitness centres are becoming increasingly popular, as people want variety and flexibility.



These offer services that can be paid for by the class and without a membership or a contract.



Consumers need classes that fit around changing lifestyles, as people prefer not to have to commit in advance or to long-term annual contracts.



The evolution and growth of yoga studios, boxing gyms, spin class centres and high intensity training centres continues at pace.

1. Flykick

Fitness classes that combine kickboxing with mindfulness and well-being.

2. KXU

KXU offer holistic wellness with a group fitness approach. Focusing on Spinning, Sparring, Dumbbells and Deadlifts – It has a pay as you go model that is increasingly popular with young professionals who require flexibility in their schedules.

3. Three Jewels Yoga

A non-profit organisation that provides services to the city and internationally by giving free meditation and yoga classes to homeless families, school teachers, children, people recovering from addiction, trauma-sensitive care to refugees and earthquake survivors.

1. FLYKICK



2. KXU



3. THREE JEWELS YOGA





Music venues are continuing to sell out nationally and the demand for diverse event spaces is rising.



The night-time industry has an immense opportunity to host events. People are increasingly being drawn to one-off events which will attract more people to enjoy the night-time industry



Pop up venues are increasing in popularity due to their ability to adapt to fluctuations and provide variety throughout the year.



Developers are allowing place makers to take on empty retail units free of charge, or use land pre-development to generate the excitement of things to come.



Informal Events bring the UK £5.7 Billion Per Annum in Revenue

1. Magazine

Magazine London is a new event space for the capital. This purpose-built, 19,994 sq m destination is the largest of its kind in London, offering a striking blank canvas for culture and commerce; it is a unique opportunity for brands and businesses to interact with global and local audiences

2. The Depot

Multi-purpose event space suitable for large scale indoor music and cultural events along with the 10-acre outdoor space that is suitable for large music festivals.

3. Buster Mantis

Family run venue that is made up of a bar, café and eatery, with the other arch serving as a gallery and creative space, hosting regular events, art exhibitions and screenings. Known for championing local musicians and talent.

1. MAGAZINE



2. THE DEPOT



3. BUSTER MANTIS





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13 COOCO EYEWEAR 12 DECIEN 11 NORDIC POETRY 10 SUGAR & STYLE 09 WANDERING MINDS 08 CAMDEN WATCH CO. 07 PAPERSMITHS 06 RYPE 05

ASC is working with many developers, local authorities and retailers around the future of the High Street. Our view is that shopping centres and the High Street must adapt and repurpose, in order to meet customer and operator demands.



FUTURE OF THE HIGH STREET

Our research so far concludes that town centres need to focus on:



Experiential and activations



More use of technology, such as beacon tech and ad tech



More health and wellbeing



Focused cultural and community offer



Repurpose away from just retail - more workspace or civic activity



More food and drink



More artisan and maker retail



Better balance between national and independent retail



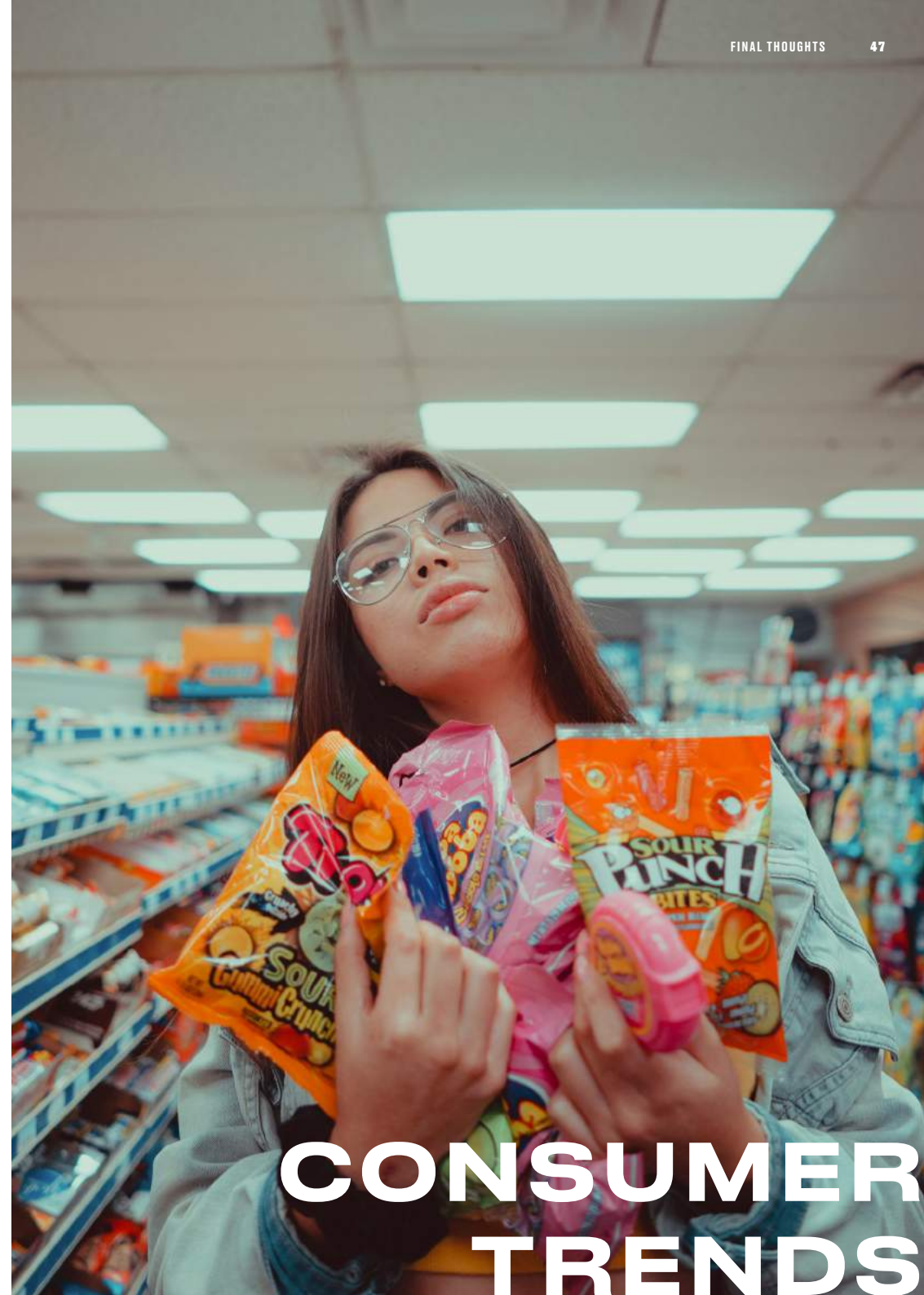
More competitive leisure and activity spaces



Co-living/BTR

We predict an increase in peer to peer selling and the circular economy and this will start to translate in some format to the High Street.

- Consumers will continue to seek experiences that can be shared with families and friends.
- Consumers values will change in the 20's - a shift away from mobile phone dependency as people will seek new ways to connect with people and services.
- Consumer trends are shifting fast and we are seeing a changing mindset in society. We will see consumers seek to move from individualism to seeking a collective strength and bargaining.
- We will see a continued focus on mindfulness, health and wellbeing.
- Hyper convenience will continue to grow in all consumer channels and sectors.
- Brand loyalty will become increasingly difficult to maintain - brands will need to work harder to attract and maintain their customers.
- Consumers will demand better customer service and experience.
- As Gen Z consumers come of age, retail and leisure in all sectors will change dramatically to meet their expectations.
- Sustainability is king - provenance, packaging, supply chain will become increasingly important to consumers – see brands such as Patagonia.
- Consumers want more and more information and they will research in detail before they commit to purchasing a product or service. People are increasingly concerned about morality and the impact of innovation - this translates as meaningful purchases that are unique or minimise impact on society.



CONSUMER TRENDS

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KRPT°

KRPT° focus on insights, creative, partnerships and experiences to connect the dots between brands and culture, creating Art, Not Ads.

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