SPOTLIGHT ON RETAIL: REVIVAL OF THE FITTEST

BE NEWS

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INDUSTRY GUESTS:

Amanda Argent, retail director, Baird Group (keynote speaker)

Dr Clive Black, director, Shore Capital

Enrique Del Rio Mancebon, managing director – data commercialisation, Lloyds Bank (keynote speaker)

Charles Elgood, partner, Maples Teesdale

Vivienne King, founder, Impactful Places; and chair, Revo

Allan Lockhart, chief executive, NewRiver REIT

Jenni Matthews, marketing and insights director, MRI Software

Rob Wingrave, chief executive, Time Retail Partners

Liz Hamson, editor-in-chief, *BE News* (chair)

Using the word 'revival' rather than 'survival' when discussing the retail sector is a significant shift. The headlines have been dominated by tales of woe about closures and administrations – think River Island, Poundland and WHSmith.

However, reports of the death of the high street have been greatly exaggerated. In the past 18 months, the sector has started to show signs of recovery. But the question is: how can this retail revival continue to gather momentum and how can we use AI, tech and data to better understand consumer needs?

Senior retail figures set out to find answers to these questions, in a Spotlight on Retail event sponsored by NewRiver REIT, Maples Teesdale, Lloyds Bank and MRI Software and hosted by LCA.

Enrique Del Rio Mancebon

The event kicked off with keynote speeches by Enrique Del Rio Mancebon, managing director – data commercialisation, at Lloyds Bank, and Amanda Argent, retail director at Baird Group.

Del Rio Mancebon highlighted trends in customer data collected by Lloyds Bank. "What we have noticed this year, and it's happened every month, is total spend from all customers has risen from last year", he said.

While essential spend on things such as utility bills and groceries is "flattish", he added, "non-essential spend on restaurants, cinemas, movies or leisure time is increasing".

Within retail, clothing spend is also relatively flat, but spend on furniture is rising, as is spend on health and beauty, which was up 13% in July 2025 (YoY) and up 16% in August (YoY).

"We work with businesses all over the UK who are demonstrating resilience and looking to take advantage of the opportuniites ahead," said Del Rio Mancebon.

Argent said during her speech that it was good to hear people were still spending, but she emphasised retailers must take responsibility for attracting customers into physical stores.

"Particularly post-Covid, people want to speak to people; they want to go out and have that experience," she added.

In 2025, it is not just about the transaction, but also the environment of that store, according to Argent. "Retailers must ensure their shop fit is exciting and their layouts are taking the customer on a journey from the front to the back of the store," she explained.

Argent said that the importance of omnichannel cannot be ignored, either. "The customer who shops across all the channels of a retailer spends more money and shops more frequently," she said.

She added that the retailers that will win will be the ones with true omnichannel systems that talk to each other and have synergy between their online offer and their physical spaces.

Following the conclusion of Baird's speech, the panel debate, chaired by *BE News* editor-in-chief Liz Hamson, got under way.


Amanda Argent

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>
> *Amanda Argent*

QUESTION: How is the market responding to changing consumer needs and what should retail owners and managers be doing to meet them?

LOCKHART: Retail real estate is probably the most operational asset class for commercial real estate and therefore for retail real estate owners. As a business, we are increasingly focused on customer experience, attracting them into our shopping centres or retail parks. Increasing dwell time means they spend more, which flows through the tills. What is ultimately good for our occupiers will be good for us.

BLACK: We are talking about the broad spectrum of consumer activity. We classify

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Vivienne King

retail into three areas: non-discretionary, in terms of grocery; discretionary consumer goods; and discretionary consumer services.

Within those silos, there are very different demand dynamics and capital dynamics. I am not going to lecture people on how they should run their own business, but within that context, understanding customers and their insights – not insight provided by middle people – is important. That is what can tailor assortments, services and experience.

QUESTION: How can technology help in the drive to achieve greater efficiencies across physical retail, reduce costs and meet energy management and net zero targets?

MATTHEWS: From a technological perspective, we look at more than just footfall - we take into account energy and facilities management and Internet of Things [IoT]. How does that make the retail destination a better place for the consumer? It takes in the temperature-controlled environments that you are operating within. As net zero targets come closer, what retail leaders need to consider is: have we got the right technologies, operations and facilities to manage our destinations properly?

QUESTION: How big a driver is climate change?

KING: Revo published an insight report to gauge what the market for retail and the environment could be in 2034. We wanted to identify the challenges, the opportunities and the makers or breakers over that time, including the impact of generative AI.

But also we wanted to look at climate change and, in particular, extreme weather conditions, which are a massive risk, not just for us all but also for retail. We must adapt the assets we own to accommodate those risks. We need to ask: will they be sustainable in every sense, to avoid obsolescence, or create havens for communities?

QUESTION: What sort of retail locations are poised to thrive/struggle?

ELGOOD: High streets are going to continue to struggle. You have fragmentation of ownership and that makes it harder to deal with things collectively, unlike in a retail park or a shopping centre environment.

But it does mean that where the high street is overweight with retail stores, there is an opportunity to repurpose to residential with retailers like John Lewis pushing into the build-to-rent space.

That is not without its challenges. Health and safety is a big consideration when it comes to converting retail space, and it is important to make the high street community-led. This means introducing more than just retail, so adding the living sector to the mix is a good thing.

QUESTION: How can we use data more effectively?

LOCKHART: We are procuring high-quality data from Lloyds every quarter for all our assets. We then utilise that for almost every decision made as an owner-manager of a multi-tenanted retail real estate asset.

It tells us where our customers are coming from and, importantly, where they are not coming from. We see their average transaction value and frequency of visits. Where do they typically make their first purchase? Do they then go and make a second purchase, or do they go to the car park and leave?

We use the data around improving our lease negotiating position to evaluate new acquisitions. Do we consider selling an asset because the underlying spend date is deteriorating?

We use it to help us around tenant mix – how we spend our marketing budgets so we can get a better return on investment on our car parking pricing and capital expenditure programmes. We also apply our own real estate experience.

AI is only going to improve that because we will be able to streamline data as it comes in, and hopefully over the next five years that data will get even bigger as we grow.

MATTHEWS: While many data resources give people like Allan the full picture, the AI ⊳

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Rob Wingrave

evolution is only going to increase the amount there will be. The technology in our retail stores, retail destinations, does not just count footfall; it counts dwell time and monitors how people move in and around those places. What are the underused spaces versus the overused spaces? Where is the best place to hold an event or an activity? The data informs the strategy.

QUESTION: How can data help us understand what retail investors are also looking for?

BLACK: AI is an evolving entity that mines data. That's all it does. When you ask questions, it starts to come up with answers and learns what those answers are. But what AI isn't is an entrepreneur and it never will be.

What successful businesses are about is entrepreneurship. AI and capital structures and the things Allan deals with are vitally important to consumer businesses, but entrepreneurship is the key to succeeding.

QUESTION: What is the single greatest challenge, and the single greatest opportunity, for retail in the next few years? And looking ahead to 2030, how well do you think retail will be performing compared with other sectors?

ELGOOD: Challenge and opportunity can be summed up in one word: tech. If we embrace it, tech is an opportunity. If we don't, tech will be a problem and a hindrance. Looking forward, prospects are great, partly dependent on how those opportunities and challenges are addressed, which again will be significantly determined by tech.

WINGRAVE: Uncertainty is the biggest challenge for retail. You can't plan. The government is doing what they are doing. There are US policies and the Ukraine-Russia war. It means the biggest hurdle for retailers is how to focus.

The flipside is that while others look to focus, if you have a clear vision, clear plan, you can go for it and take market share. It is about being brave, being bold and seizing the opportunity. □