& PEOPLE PLACES

Balancing health & wealth on the High Street

(Insights into changing customer behaviour & business performance)

June 2020

BOUNCING BACK after COVID-19

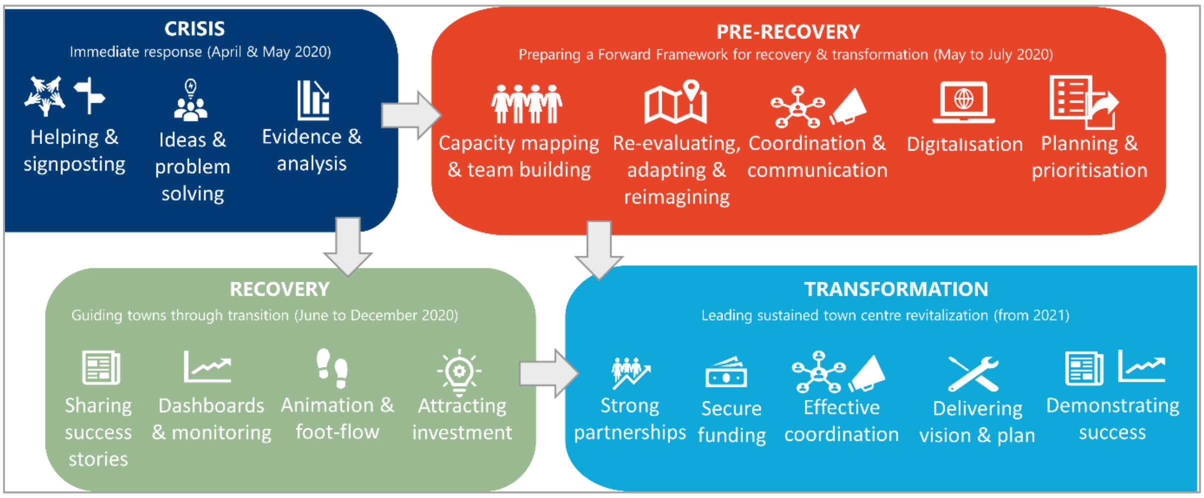
Balancing health & wealth on the High Street

(Insights into changing customer behaviour & business performance)

Introduction

As recent research and media coverage increasingly refer to a need to balance reducing COVID 19 infection levels with a desire to restart local economies, we consider objective evedence to help developing our understnding of how to balance 'health' and 'wealth' on the High Street. To do this provide insights into changing customer behaviour and business performance based on a round-up of national level surveys and data. This follows on from a similar report published in early May 2020.

These insight into the current crisis are framed in the context of the national guidance on *Revitalising Town Centres Handbook & Online Toolkit* that we are currently updating on behalf of the Local Government Association (LGA) to take account of the impacts of COVID-19). This work is informed by discussions of policy and practice as part of the Association of Town Centre Management's (ATCM) national Advisory Council and participation in webinars on post-COVID 19 recovery planning as a Fellow of the Institute of Place Management (IPM).   As the schematic diagram below demonstrates, we are using use a methodology adapted from the IPM's national *Post-COVID 19 Recovery Framework* to help define the steps to recovery.



The IPM's Post-COVID 19 Recovery Framework, in common with the Forward Framework approach advocated in the Revitalising Town Centres Handbook, places a strong emphasis on evidence-based planning and delivery.

As we outlined in our earlier commentary on taking the first steps to recovery, there are two obvious ways that decision-makers might seek to respond to the COVID-19 crisis: react out of urgency with a desire to quickly restore 'business as usual'; identify with apparent behavioural changes that align with their perceived priorities for societal transformation.

In our response here and elsewhere, we acknowledge that time is undoubtedly of the essence and that equally the crisis can provide a catalyst for long-term change. We advocate a third approach though; one which equates to taking a moment to pause, assessing what has changed and responding promptly in a way that might help nurture positive progress. In-line with the thinking behind IPM's Post-COVID 19 Recovery Framework, we seek to contribute to knowledge base to help underpin evolving COVID-19 recovery planning.

Understanding health and wealth: Evidence & Analysis

Here we seek to provide an objective understanding of trends emerging from national survey work about changing customer behaviour/perceptions & potential implications for business practices and town centre performance post-crisis. We seek to structure this by the proposed phases of recovery planning, namely: crisis; pre-recovery or transition during 2020; and ultimately recovery and long-term transformation. It is an evidence base that will need to continue to evolve as the story unfolds and behaviours and practices continue to adapt.

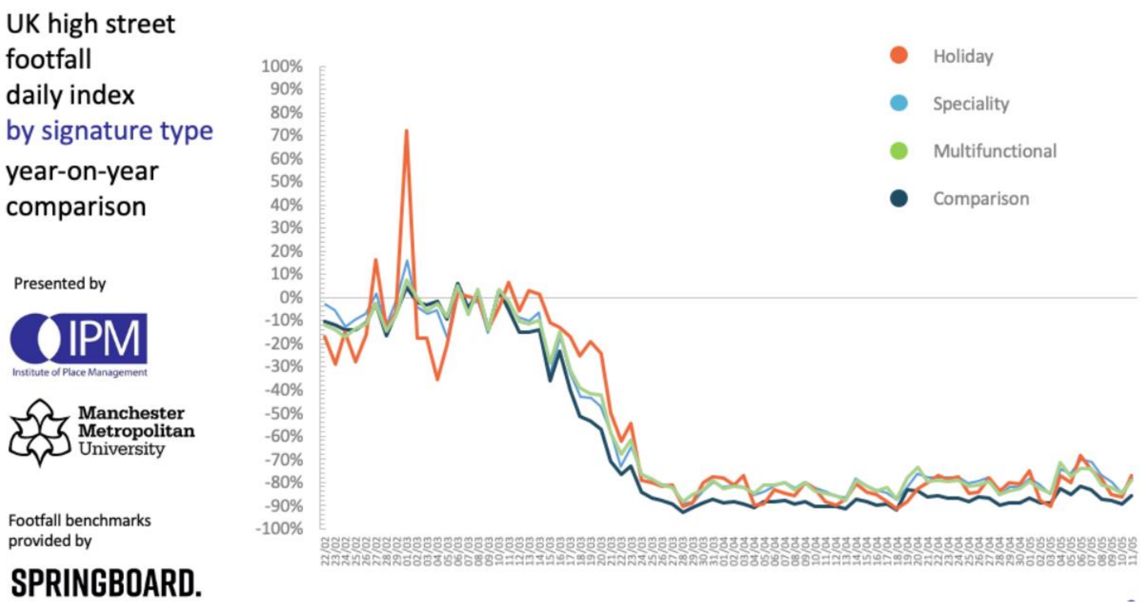
Current changes (*crisis phase*)

The Centre for Cities April analysis of which cities will benefit from the Business Rates holiday indicates different geographical impacts of support measures. More needs to be done to understand this across all support measures; places; business types and timescales.

The Centre for Cities analysis of likely impact of COVID-19 crisis on the economies of British cities and large towns indicates different levels of resilience in wider economies that will impact on local spend. This could equally be done for different types of town centre businesses, e.g. convenience v comparison retail.

A survey by the National Association of British Market Authorities (NABMA) shows that during lockdown, only 22% of markets are trading & that footfall in those markets has dropped 80%-90%. Critically, 35% of operators now fear their markets may never open again.

Transition during 2020 (*pre-recovery*)

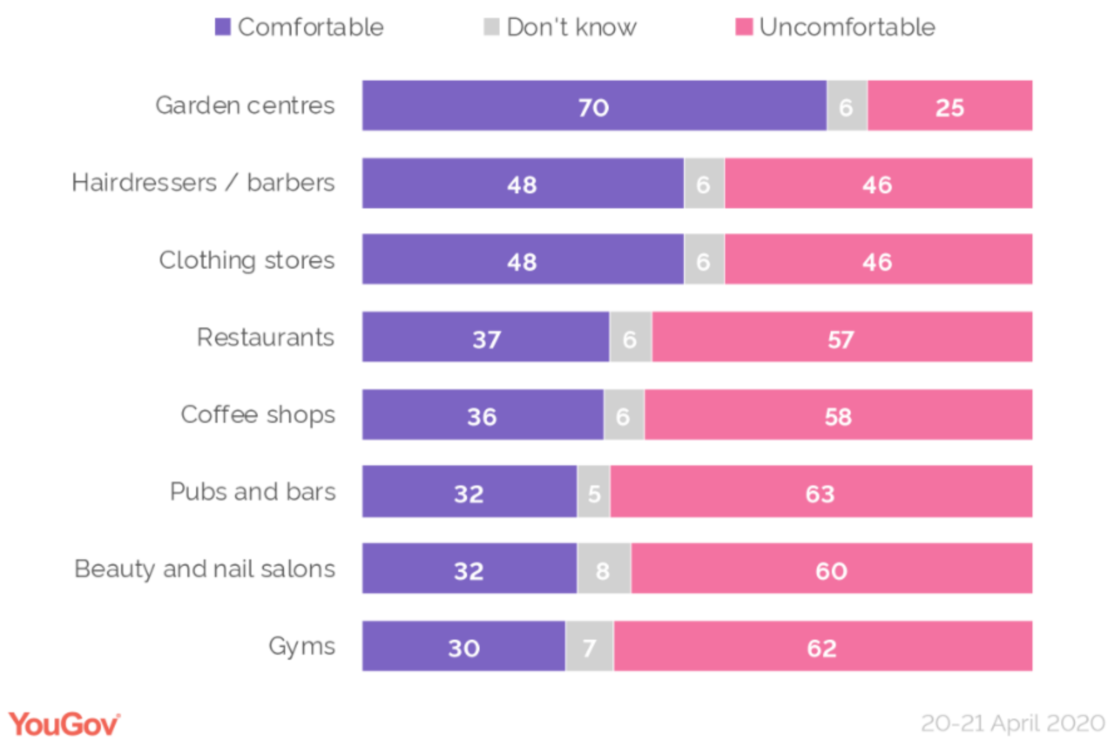


IPM/Springboard tracking UK high street footfall changes across four town types from February 22nd to April 22nd highlights how different places have been affected in different ways. We need to understand long-term differences.

In particular it makes a distinction between broad usage patterns for what are defined as holiday towns, speciality town, multifunctyional towns and comparison towns.

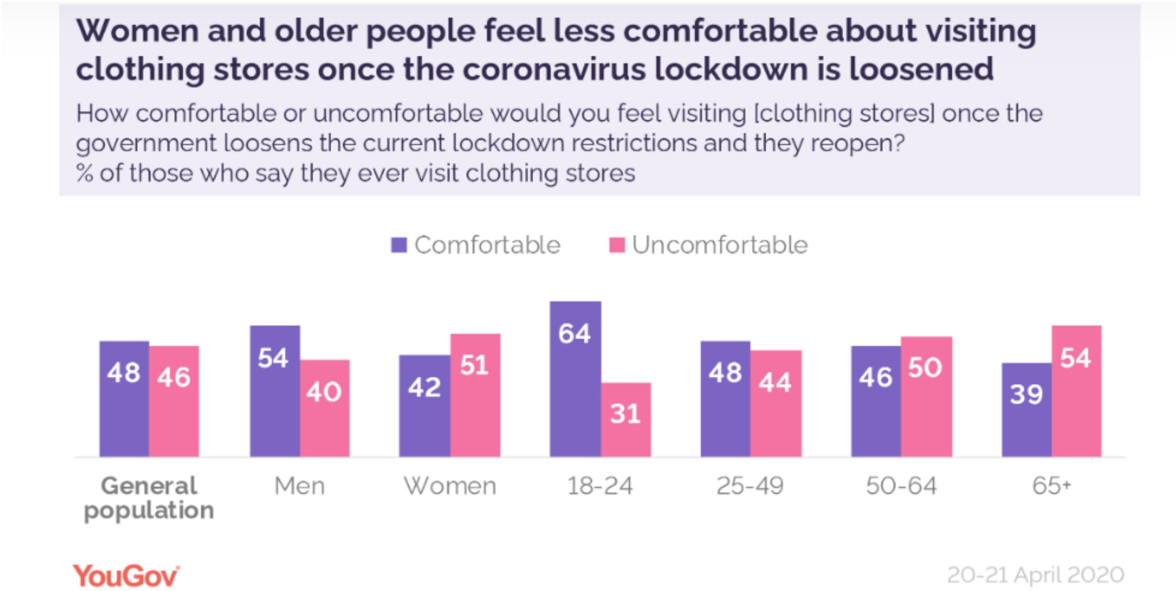
Whilst footfallis markedly down across all these town types, in terms of footfall at least, comparison towns have shown the greatest decline. Comparison towns have a predominance of comparison retailers selling clothes, electrical goods etc. They have a wide range of retail choice, leisure, food and beverage, strong retail anchor(s), and presence of international brands. People travel a considerable distance to visit and they serve a wide catchment area. Footfall is lkey to change markedly from June 15th when many of these "non-essential" comparison retailers are permitted to re-open.

Holiday towns have so far shown the most fluctuating levels of footfall with a large spike in footfall prior to lockdown followed by a sudden dip and then a decline in parallel with all town types. During lockdown these holiday towns have seen weekly fluctations and a gradual pater of uplift, albeit at a low level.   Such holiday towns focus on offering a good experience to visitors during the summer peak, rather than on their local catchment. Footfall is expected to rise over the summer and the trade-off between consumer caution and a reported appetite for "staycations" will be fascinating to track.



YouGov April 20th/21st findings on probable consumer responses post COVID-19 lockdown indicates probable medium-term impacts on different business types. This YouGov survey indicated that many UK residents will feel uncomfortable going to newly reopened shops and services once the lockdown is lifted.

The data indicated that the public are more concerned about visiting places where they would likely end up in closer contact with others. For example, just 32% said they would feel comfortable going back to pubs and bars, 32% for beauty and nail salons and 30% for gyms. The number saying they would feel comfortable were a bit higher for coffee shops (36%) and restaurants (37%) although a majority in both cases say they would feel uncomfortable. For clothing stores that rises to 46% saying they would feel uncomfortable, with 48% saying comfortable.

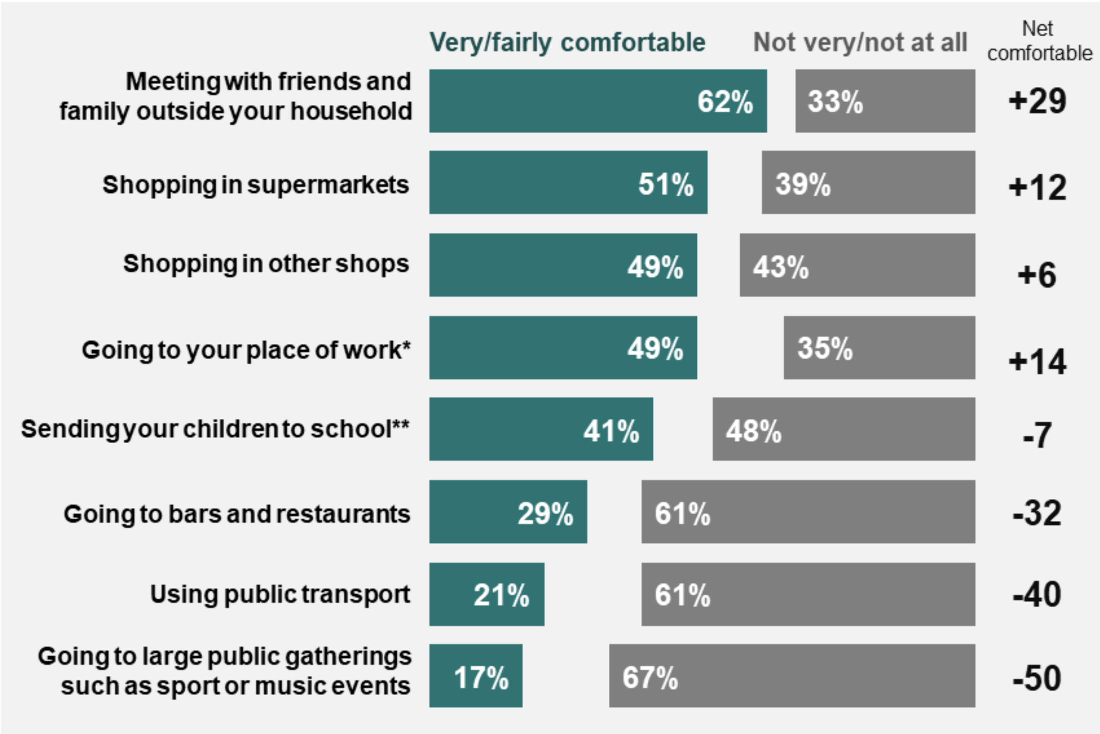


There is a noticeable gender difference across most of the areas we tested. For example, looking specifically at clothing stores, 54% of men saying they would feel comfortable going back, compared to 42% of women.

There is a similar age divide, with 64% of 18 to 24 year olds saying they would feel comfortable returning to clothing stores, compared to just 46% of those aged from 50 to 64. The numbers are even lower for those aged over 65, although most of that age group will likely still be in isolation after the lockdown has eased.

Both of these are in line with the overall coronavirus trends revealed by research, with men and younger people being far less scared of the virus. On many of these measures, women are less likely to feel comfortable doing them if lockdown restrictions end, than men. For example, women are more likely to say they wouldn't feel happy going to bars and restaurants (67% vs 52% of men) or going on foreign holidays (69% vs 55% of men).

From an expanded and updated review of this April research, there seems to be little change in the public's anticipated ease in behaviours like travelling on public transport (22% feel comfortable) or visiting bars and restaurants (29%).



Source: *Ipsos MORI*

Base: 1,066 Online British adults 18+, 24-27 April 2020
* Only asked to those currently employed (694)
**Only asked to those living with someone aged 17 or under (280)

Ipsos MORI

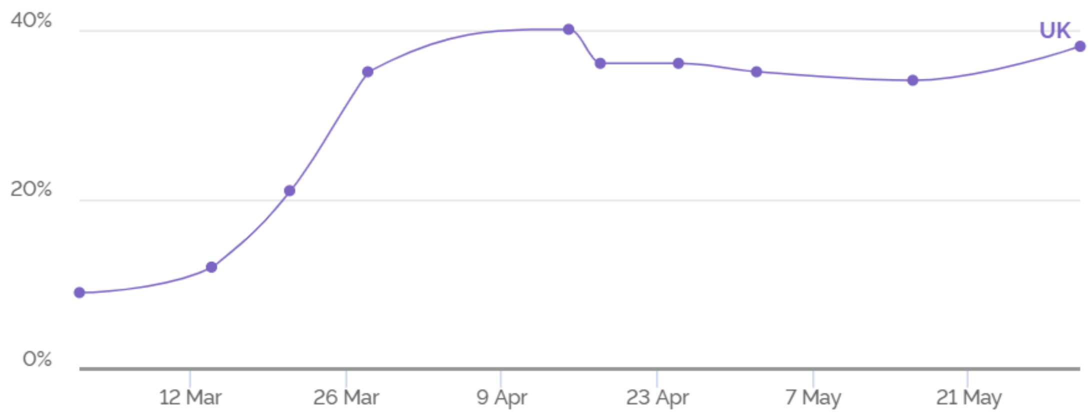
In late April polling by Ipsos MORI, 67% of Britons said they will feel uncomfortable going to large public gatherings, and 61% with using public transport or going to bars & restaurants.

Young people are most at ease, with 36% of 18-34-year olds feeling comfortable with returning to bars & restaurants. Similarly, young people are most willing to head to large public gatherings. A quarter of 18-34s (26%) would be comfortable going to a sports match or music event compared to only 9% of 55-75s.

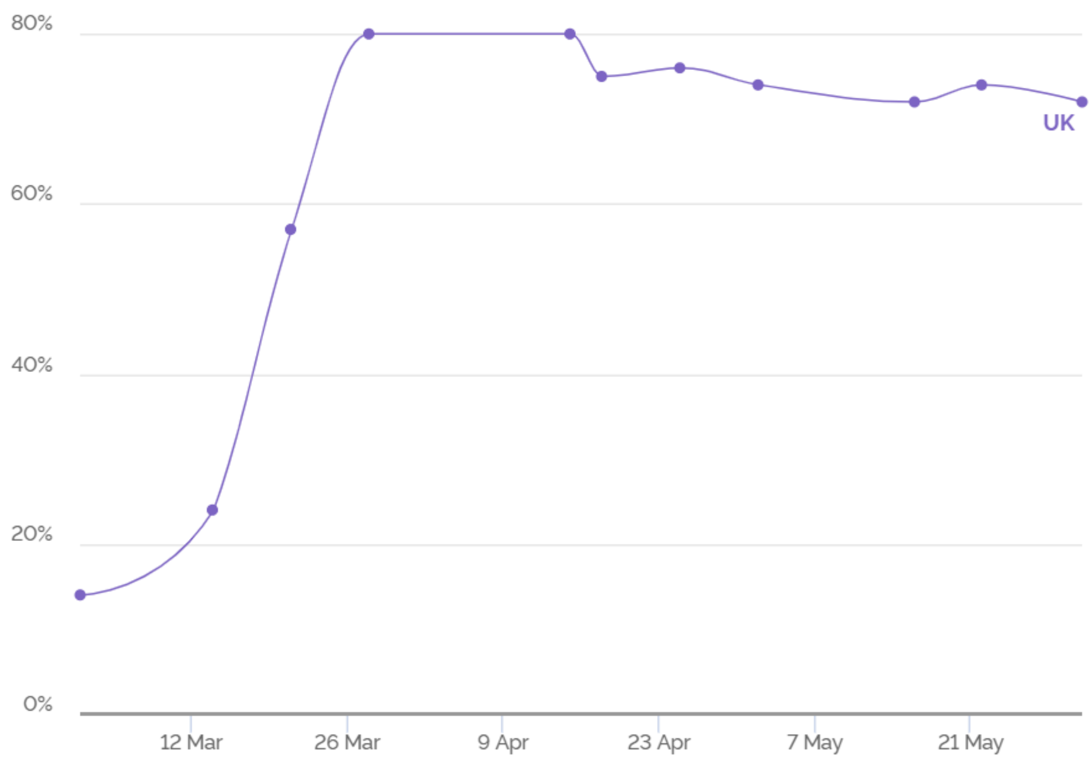
Almost two-thirds (62%) of Britons were comfortable with the idea of meeting friends and family outside of their household, however a third remain sceptical (33%). Around half are comfortable when it comes to shopping; 51% would be at ease with shopping in a supermarket while 49% are happy to go to other shops.

Updated responses to new online polling by Ipsos MORI from mid-May offer further insights about British publics' willingness to return to normal after lockdown. The survey found that just 20% of people would feel comfortable taking a holiday abroad if the lockdown restrictions were lifted in the next month. This compared with 45% of Britons saying they would feel comfortable holidaying in the UK, although a similar proportion (44%) would still have their worries.

YouGov behavioural change tracker showed percentage of people changing behaviour to avoid physical contacts with tourists stood at 38% on May 30th which is modest change from peak of 40% on April 14th.



The same survey showed percentage of people changing behaviour to avoid crowded public spaces was 72% on May 30th compared to 80% for just over two-weeks from March 27th.



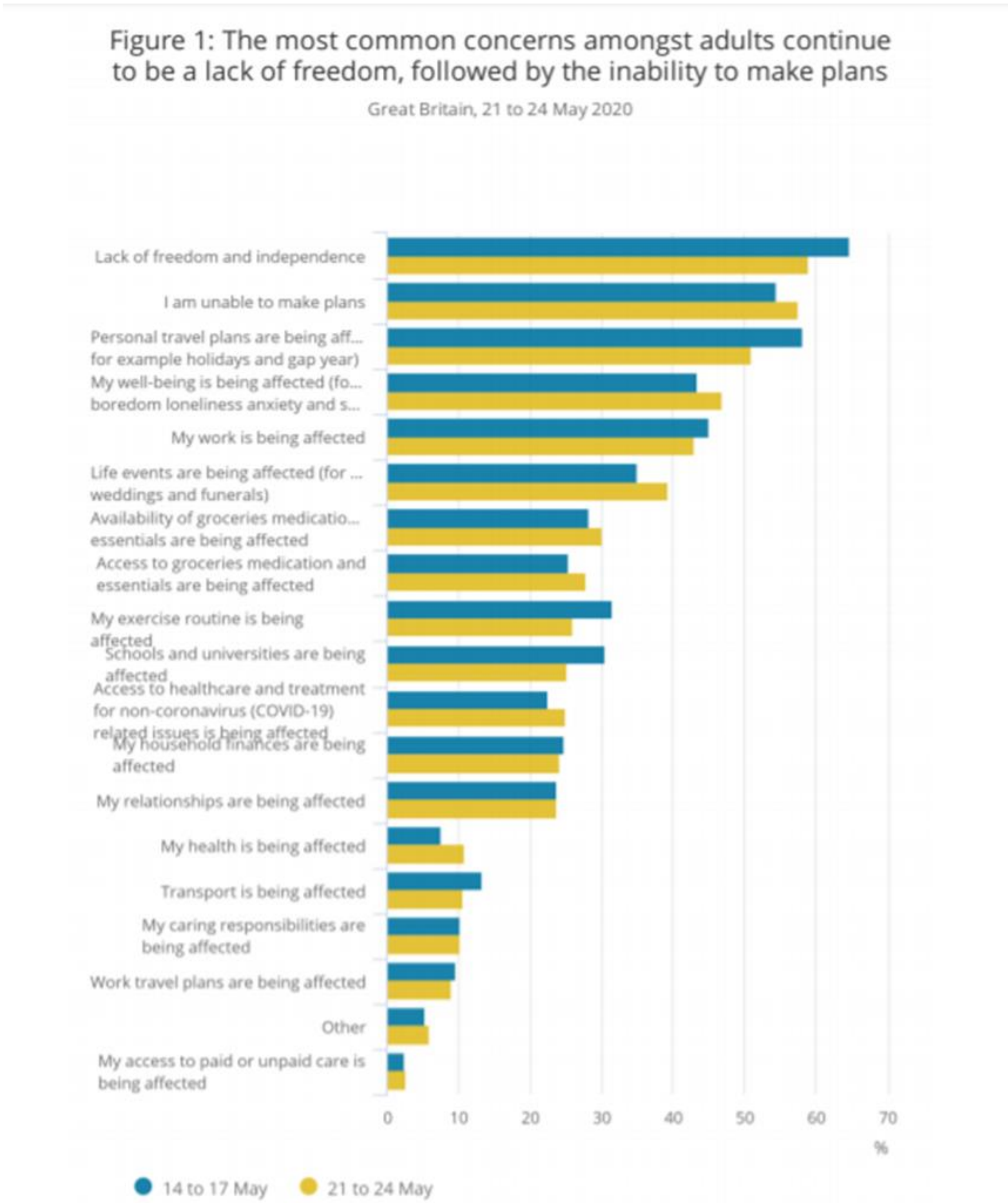
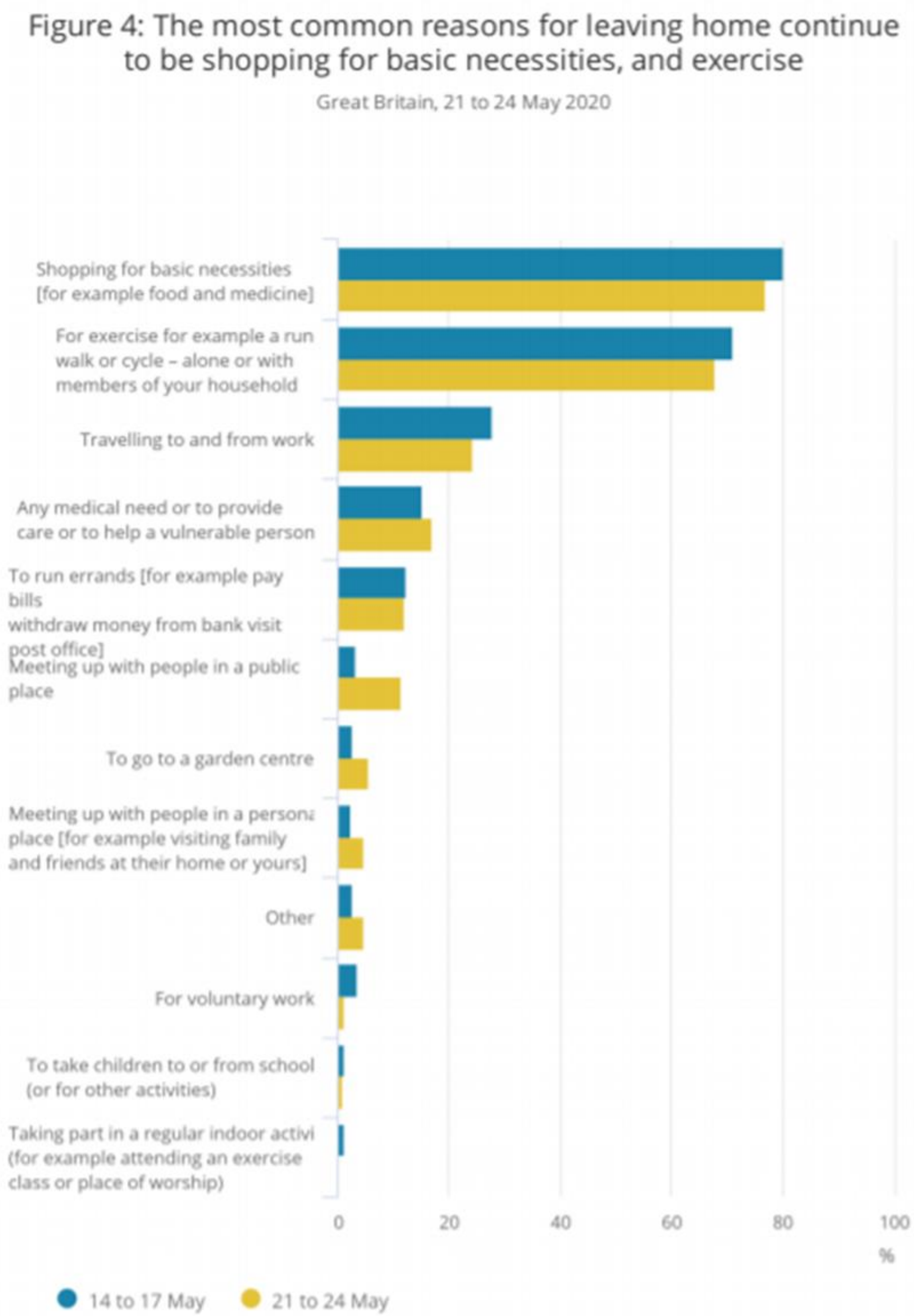


Figure 1: The most common concerns amongst adults continue to be a lack of freedom, followed by the inability to make plans

The ONS's most recent (May 29th, 2020) weekly findings on [Coronavirus & the social impacts on Great Britain]() provide high-level data that needs to be tracked & investigated at a local level. Similar information is available on the economic impacts.

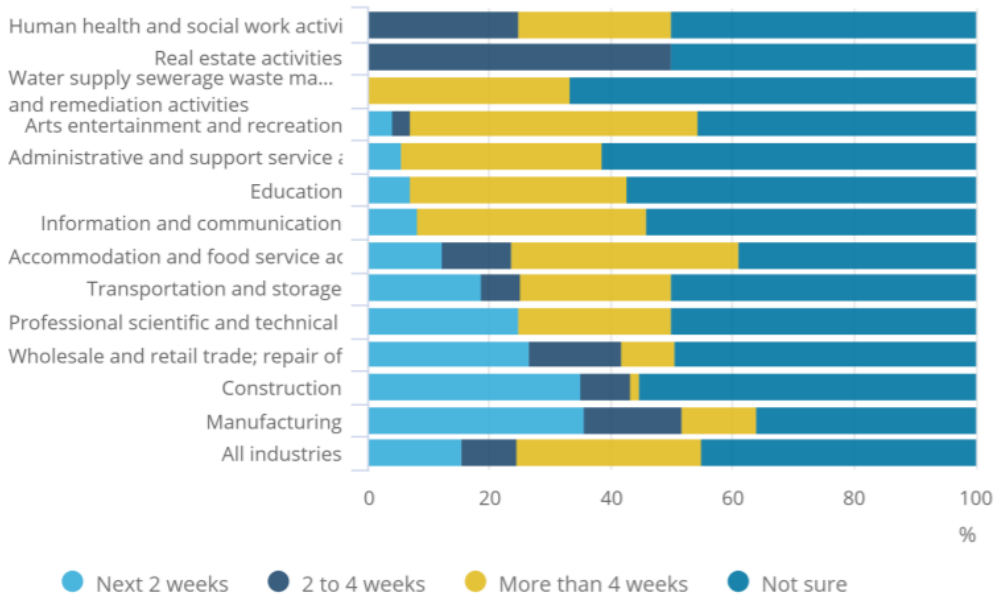
Two-thirds of adults (67%) said they were very or somewhat worried about the effect that the coronavirus (COVID-19) was having on their life now. This has fallen when compared with last week (72%) and continues the downward trend since data collection started (27 March). For a second week, the most common impact was a lack of freedom and independence with almost 6 in 10 adults (59%) reporting this. Other common issues were an inability to make plans (58%) and personal travel plans being affected (51%).



The most recent data shows that the proportion of people that said they had either not left their home or only left for the four main reasons that were permitted through the lockdown period (travel to and from work; to do essential shopping; for medical reasons or to exercise) is at its lowest level of 73%. This compares with 81% last week and a peak of 85% between 3 to 13 April. The largest increase in other reasons for leaving the home, is for people meeting others outside their household in a public place.

Figure 2: 16% of businesses who had temporarily closed or paused trading reported they expect to restart trading in the next two weeks

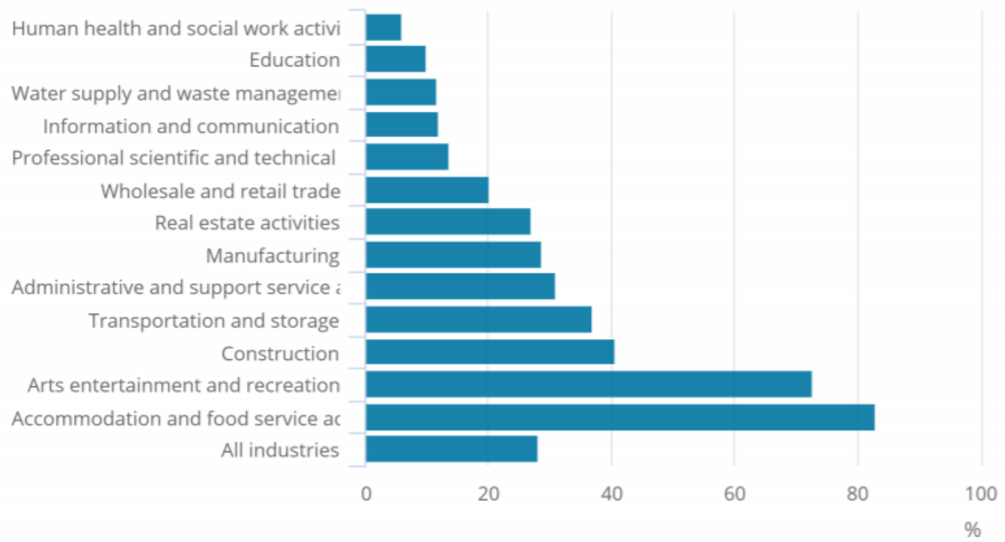
Businesses intending to restart trading, businesses temporarily closed or paused trading, broken down by industry, UK, 4 May to 17 May 2020



The most recent (June 4th, 2020) ONS survey findings on [Coronavirus and the economic impacts on the UK](), offers some broad insights on the way the variable impact on different sectors and especially the heightened impact on businesses commonly found in town and city centres.

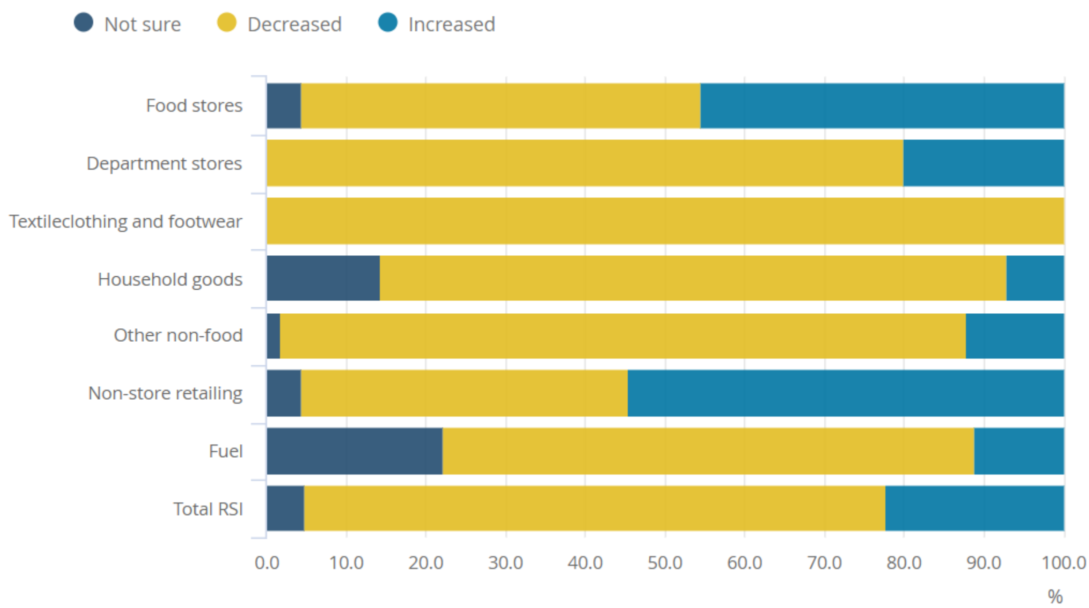
Figure 4: The accommodation and food services activities sector had the largest proportion of the workforce furloughed, at 83%

Proportion of workforce furloughed, businesses who have not permanently stopped trading, broken down by industry, apportioned by workforce, UK, 4 May to 17 May 2020



The data which was collected during the period 4th to 17th, indicates 16% of businesses expect to restart trading in the next two weeks; and 30% in more than four weeks. Businesses may have responded that they were not sure when they would restart trading prior to the government announcement about non-essential retailers on 26 May 2020. The retail trade sectors was amongst the top three industries reporting the largest percentages of businesses expecting to restart trading in the next two weeks (27%).

The main sectors to report the largest percentages the workforce furloughed for the period were the arts, entertainment and recreation, and the accommodation and food service activities sectors, at 73% and 83% respectively.

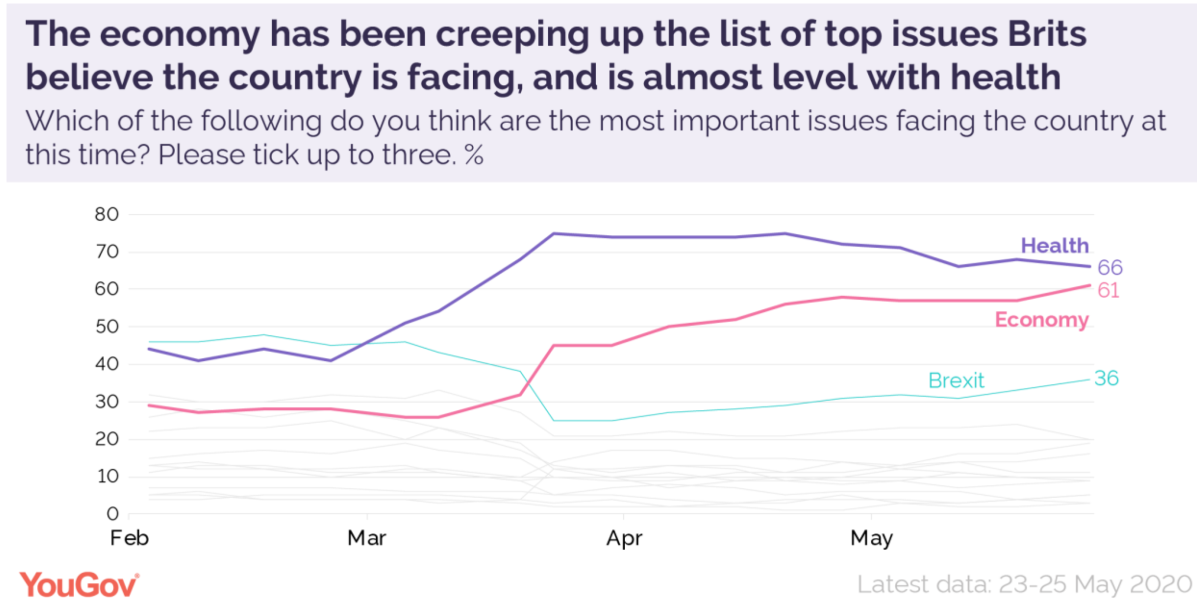


Data from the ONS Retail Sales, Great Britain survey for April 2020, gives more detailed early insights in to the impacts of different retail sectors.

Of those businesses that responded, non-food stores (which are department stores, textile, clothing and footwear, household goods and other non-food) were more negatively impacted by the coronavirus (COVID-19) pandemic, reporting larger proportions of decreased turnover in the reporting period. Food and non-store (online) retailing, on the other hand, reported the highest proportions of increased turnover.

According to a YouGov poll from May 30th, 2020, Britons are now almost as likely to say that 'the economy' is one of the top three issues facing the country (61%) as they are to say 'health' (66%).

Britons are far more concerned about both topics since the beginning of the year. Throughout January and February, 41-46% of Britons cited health as one of the top three issues facing the country. However, at the start of March that figure rose into the 50s, and then shot up to 68% in the middle of the month. Concern peaked at 74-75% between 21 March and 20 April and has since receded somewhat to 66%.



The Resisting (9%) The Accepting (48%) The Suffering (44%)

Research from Kings College identifies [three groups reacting to life under lockdown] in very different ways. This is a useful prompt for planning for different types of town centre user although the percentages may vary through the recovery phases.

"The Accepting" (48% of the UK):

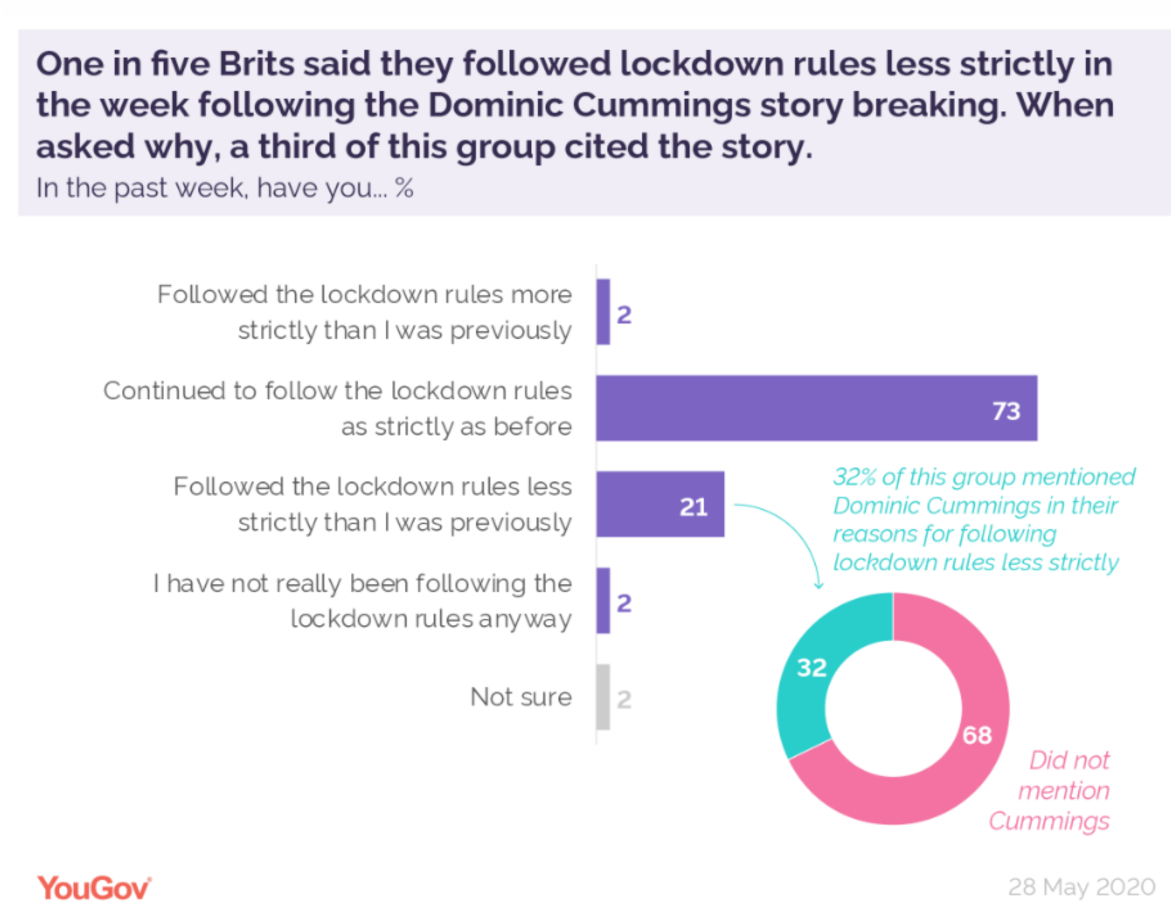
- Just 12% of this group say they're losing sleep over coronavirus.
- Very few feeling more anxious and depressed since lockdown began (8%).
- 87% say they're following lockdown rules completely or nearly all the time.

"The Suffering" (44%):

- 93% report feeling more anxious and depressed during lockdown began.
- 64% have slept less or worse than usual, the highest of the groups
- 93% and 85% support lockdown measures and additional police powers
- 93% say they're following lockdown rules completely or nearly all the time.

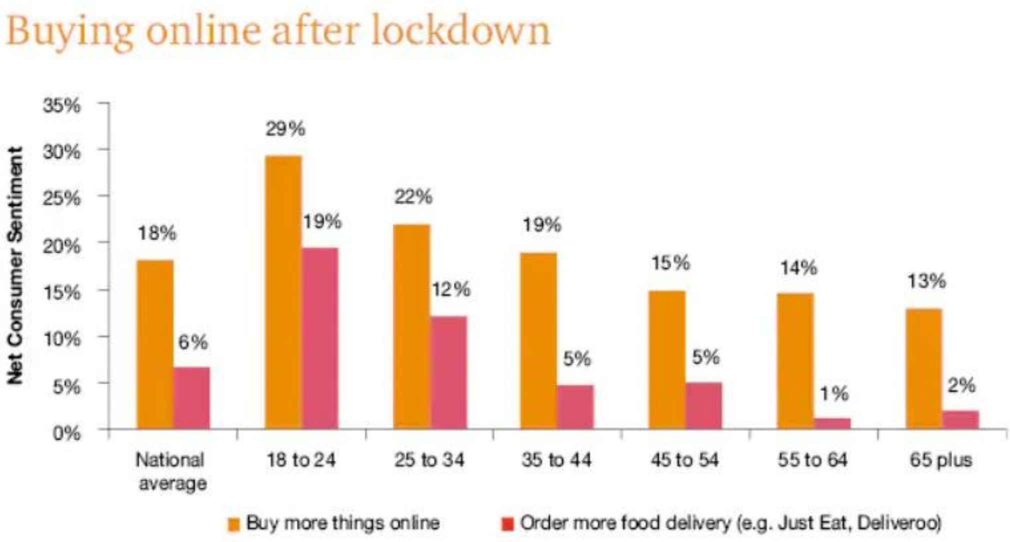
"The Resisting" (9%):

- Just 49% say they're following lockdown rules completely or mostly.
- Just 53% and 49% support lockdown measures and additional police powers.
- 58% think "too much fuss is being made about the risk of coronavirus", compared with only 14% of the UK population as a whole.
- This group is most likely to expect significant personal financial impact from the crisis (65%), which may help explain their resistance.



The latest YouGov poll on [public attitudes to lockdown]() shows that one in five (21%) are now following the l rules less strictly than previously. Meanwhile 2% are now following them more strictly and 73% say nothing has changed. The drop has been even more dramatic among the young, with 29% of 18 to 24 year olds and 25% of 25 to 49 year olds saying they are now following the rules less strictly. Those advising the government had always suggested that people would become less observant of the rules as time goes on, which was one of the reasons for delaying lockdown in the first place.

Recovery (2021>)

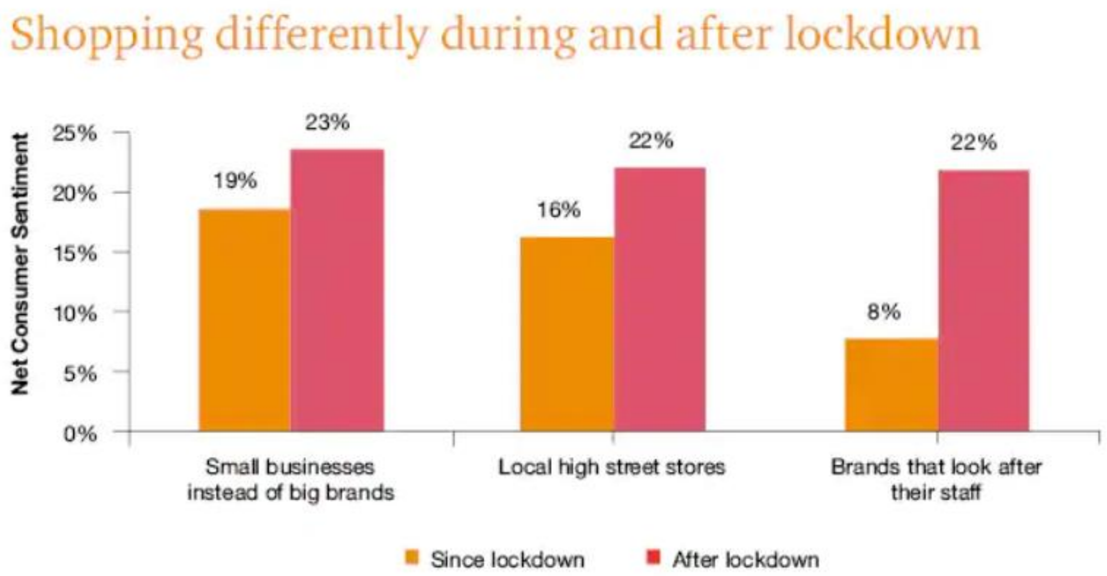


PWC's [consumer sentiment](#)survey for April 2020 indicated perceptions of customers about how their behaviour may change including in relation to different business ownerships, brands and locations. It also shows potential switch to online. This highlights key, current development challenges about maintaining and expanding customer engagement.

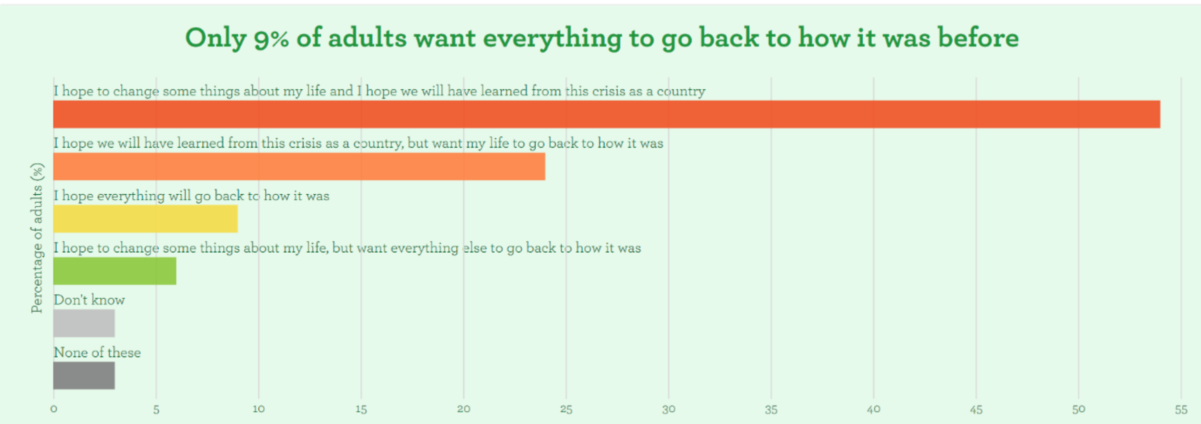
Unsurprisingly, the data showed a substantial increase in online transactions since the lockdown, with 38% of consumers buying more things online. Although only 18% think they will buy more online after the lockdown, this varies by age (29% of under 25s vs 14% for over 45s).

One interpretation made by PWC is that it could be that COVID-19 accelerates the trend towards online - for example, in young fashion and beauty - potentially making it more difficult for store-based retailers to regain share post-lockdown. PWC also suggest that some retailers may accelerate their move to online thanks to the success of 'forced experimentation'. They also predict that we are likely to see the embracing of online grocery deliveries for older generations, particularly those who have had positive experiences over the months.

There's also been an increase in home delivery of prepared meals, particularly among the younger age groups. While only 12% of all consumers have spent more on home delivery of meals through platforms such as Just Eat and Deliveroo since the lockdown, nearly a third of under 25s and 17% of 25-34s have increased their spend on meal delivery. Only 6% of all UK consumers say they'll continue to spend more on home delivery of meals when the lockdown ends; though this includes 19% of under 25s and 12% of 25-34s.



Following the conscientious consumer trends, PWC also report that 16% of UK consumers say they're spending more on local high streets. This trend is reasonably consistent across the board, but it's being driven slightly by the middle-aged ranges, particularly 45-54s (21%) and 55-64s (18%). They predict that it's a trend that looks set to continue after lockdown, with 22% of all UK consumers saying they'll spend more on local high streets. PWC forecast that, as consumers move towards independents, we may see an acceleration of store closures of multiple retailers. They comment that this may also lead to also the possibility of a revival in local high streets as independents and other leisure and work activities supplement the offerings of larger retailers and brands, attracting consumers who have rediscovered nearby high streets as a result of lockdown restrictions.



The YouGov survey commissioned by the RSA's Food, Farming and Countryside Commission (FFCC) on the impact of Coronavirus on food behaviours and attitudes points to possible, broad changes in public behaviour and aspirations.

The poll found a clear majority (85%) want to see at least some of the personal or social changes they have experienced continue afterwards, while just 9% want a complete return to normal. It also identifies significant changes to our relationship with food, family and the environment:

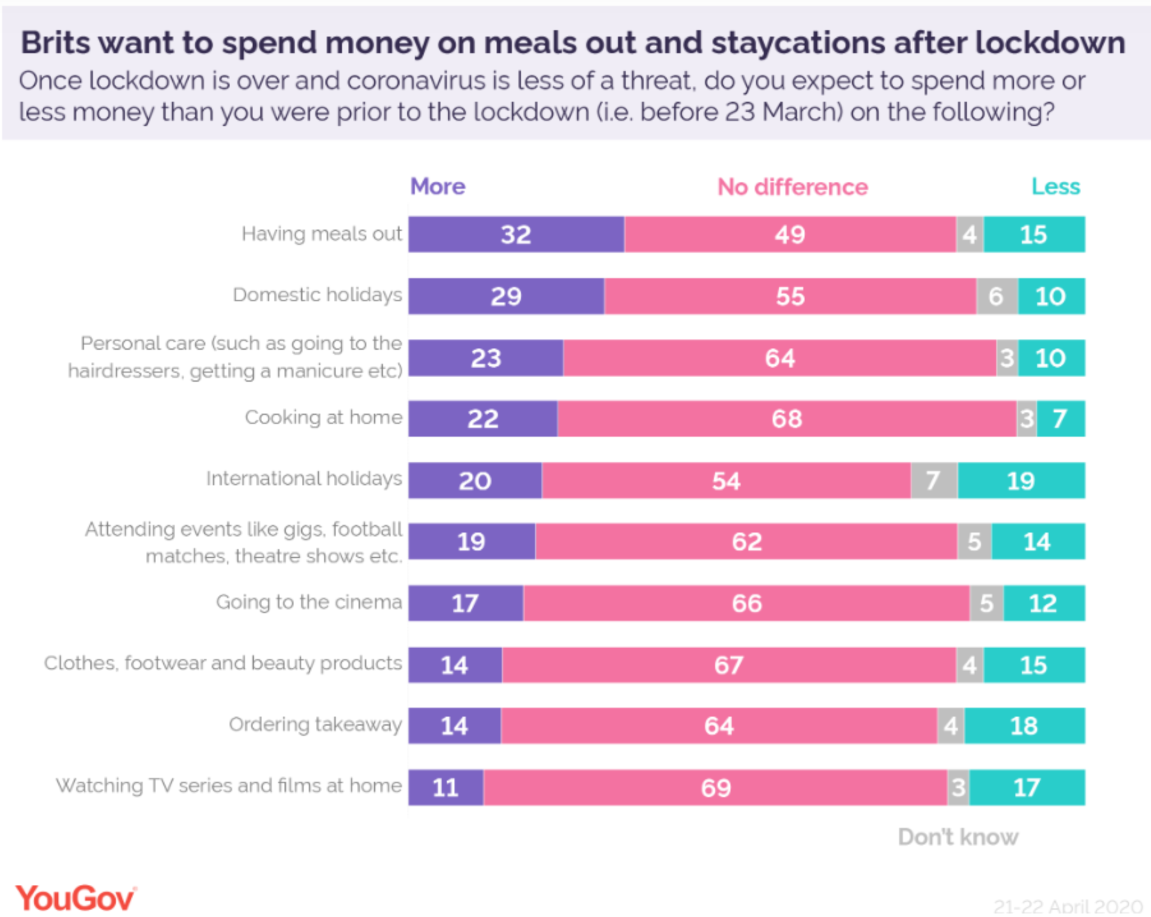
51% say they have noticed cleaner air, and 27% more wildlife, since the lockdown began

Social bonds are stronger, with 40% feeling a stronger sense of local community and 39% more in touch with friends and family

42% say the outbreak has made them value food more, and one in ten have shared something like food or shopping with a neighbour for the first time

More than 19 million of us (38%) say they are cooking more from scratch and 17 million are throwing away less food (33%). 6%, or 3 million people, have tried a veg box scheme or ordered food from a local farm for the very first time

But although 9% feel fitter and 27% are getting more exercise, more people (36%) say they are getting less exercise than before.



A YouGov survey of projected consumer responses post-lockdown suggests that about a third of Brits (32%) expect to spend more on having meals out than they did before lockdown, while one in seven (15%) believe they will spend less.

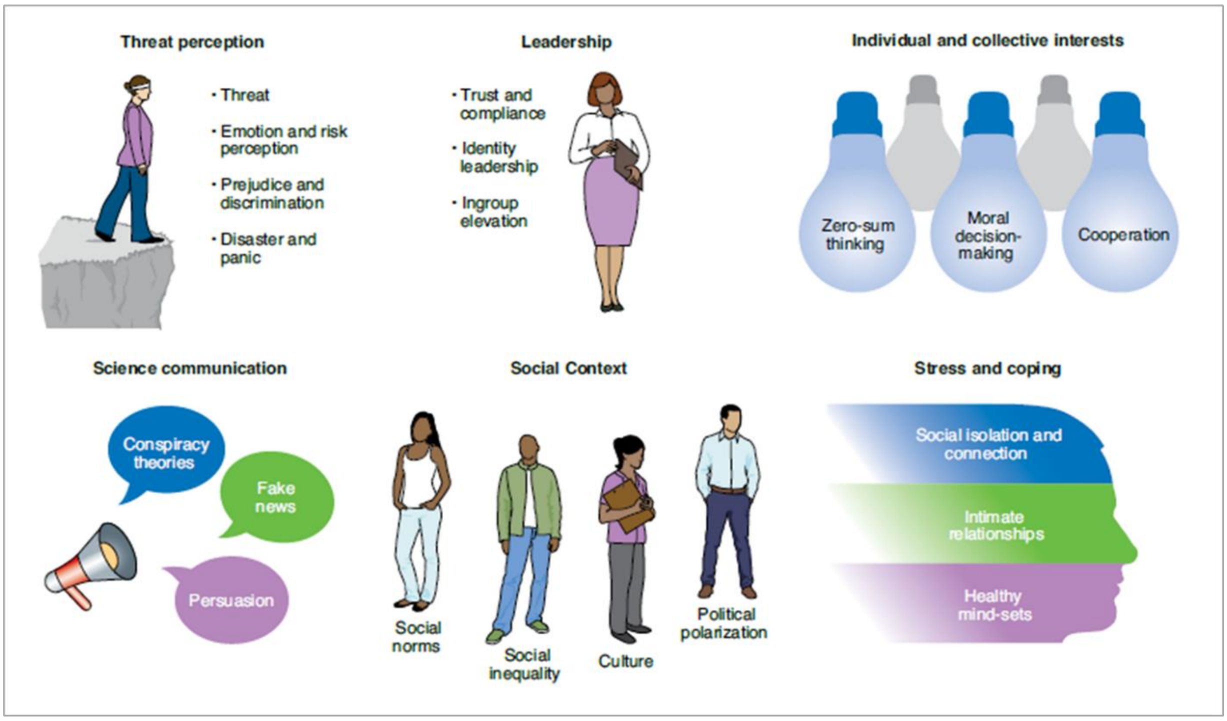
The domestic tourist industry may find some comfort in the fact that 29% of the public plan to spend more than they did previously on domestic holidays, while only 10% intend to spend less. This is the largest net surplus (+19) across all of the categories. International travel will take longer to recover, it appears.

Polling by Ipsos shows that only 58% of Britons agreed that it is important that climate change is prioritised in the economic recovery after Coronavirus. 66% of Britons, however, believe that in the long-term climate change is as serious a crisis as COVID-19. The polling also shows that Briton's are split on whether or not the government should take actions which might harm the environment to help the economy recover, with opinions split with 46% agreeing and 43% disagreeing.

Understanding social & behavioural change

In some senses the handling of the initial crisis was challenging though clear-cut with little need for nuanced messaging or actions: "stay at home and protect the NHS". As the UK Governments seeks to support a transitional pre-recovery stage in response to the COVID-19 crisis, the rules and their application are going to be nuanced and transitory. As a result, the messages from public, community and business groups will have to become more sophisticated; targeted at different groups including by age and lifestyle; engender understanding; and enable adoption as new social norms.

Here we look at insights from an authoritative article in the Nature scientific journal on using social and behavioural science to support COVID-19 pandemic response and begin to consider how this might be applied by place partnerships including public, community and business groups as we move in to the pre-recovery and recovery phases of the COVID-19 pandemic.



Rapid adaptation during the crisis stage

The crisis phase necessitated rapid adaptation to new social norms strong messages to reinforce this. The data from the national surveys reviewed above show that it was effective in the United Kingdom and changed the way people behave. This was achieved by a combination of factors which arguably left some people with sentiments that will be challenging to reverse.

Fear: Appealing to fear leads people to change their behaviour if they feel capable of dealing with the threat but leads to defensive reactions when they feel helpless to act.

Panic: The concept of 'panic' has largely been abandoned by researchers because it neither describes nor explains what people usually do in crisis. Stocking-up on supplies is adaptive in preparation for potential self-isolation.

Social norms: Cooperation and orderly, norm-governed behaviour are common during a crisis; and there are many instances when people display remarkable altruism

Persuasion: Research is needed to determine how a more positive frame could educate the public and relieve negative emotions while increasing public health behaviours.

Social isolation: The use of the term 'social distancing' might imply that one needs to cut off meaningful interactions. A preferable term is 'physical distancing' because it allows for the fact that social connection is possible even when people are physically separated.

Nuanced behavioural change during recovery

The message from behavioural science appears to be that place managers will have to be subtle and sophisticated in their messaging during the recovery stage to welcome users safely back to town and city centres. A key part of this will be consistent messaging and informing users so that they are confident of a new, collective attitude that is reinforced by clear on-street guidance and interactions with public services and businesses.

Persuasion: Messages that (i) emphasise benefits to the recipient, (ii) focus on protecting others, (iii) align with the recipient's moral values, (iv) appeal to social consensus or scientific norms and/or (v) highlight the prospect of social group approval tend to be persuasive.

Trust: Methods to increase certainty include helping people feel knowledgeable about their new attitude and making them feel that their new attitude is the 'moral' one to have.

Fake news: Preparing people for misinformation and ensuring they have accurate information and counter arguments against false information before they encounter conspiracy theories, fake news, or other forms of misinformation, can help 'inoculate' them against false information.

Role models: Norms of prosocial behaviour are more effective when coupled with the expectation of social approval and modelled by 'in-group' members who are central in social networks.

Marginalisation: There is a need for more targeted public health information within distinct groups or marginalized communities and for partnerships between public health authorities and trusted organizations that are internal to these communities.

Leadership: Reliable information and public health messages are needed from national leaders and central health officials. But local voices can amplify these messages and help build the trust that is needed to spur behavioural change.

Shared identity: A shared sense of identity or purpose can be encouraged by addressing the public in collective terms and by urging 'us' to act for the common good.

Nudging: 'Nudges' can be an alternative to more coercive means of behaviour change or used to complement regulatory, legal and other imposed policies when widespread changes must occur rapidly.

Learning: Instead of the passive use of social media, technologies that are informationally rich and foster learning may be better suited to generating empathy and connection.

Long-term behavioural change through to revitalisation

The long-term challenge is to bring together views that are sometimes seen to be competing and create a consensus. For town centres, this might typically be about bringing together the 'health' and wealth agendas: safe and welcoming places are also likely to be the most prosperous.

Polarisation: A pandemic can lead to different segments of the population arriving at different conclusions about the threat in the situation and the appropriate actions and long-term implications that suit their existing narrative. Actionable steps that could reduce polarization include highlighting a common identity and 'inoculating' against fake news.

Bipartisan: Leaders and members of the media should highlight bipartisan support for COVID-related measures, when they exist, as such endorsements in other contexts have reduced polarisation and led to less-biased reasoning.

Taking the First Step to Recovery: Evidence & Analysis

As outlined in the introduction to this report, there are two obvious ways that decision-makers might seek to respond to the COVID-19 crisis:

- React out of urgency with a desire to quickly restore ‘business as usual’.
- Identify with apparent behavioural changes that align with their perceived priorities for societal transformation

Time is undoubtedly of the essence and equally crisis can provide a catalyst for long-term change. We believe that there is a third approach which equates to taking a moment to pause, assessing what has changed and responding promptly in a way that might help nurture positive progress. The first step that we advocate therefore, is to seek to provide a knowledge base for future resilience/recovery planning. This involves understanding what has changed by looking objectively at the readily available national data and continuing to track it. We will help to do this through our web page tracking national town centre tends.

Adapting & applying locally

The vital next stage is to begin to locally adapt and apply this knowledge from the national evidence base and scientific understanding of behavioural changes. This begins by looking at what we know already from national findings; what we don’t know but would be helpful to understand; and how we might develop the local evidence-base and understanding in towns in ways which might also inform the national picture.

These areas for further locally-based research can be developed as a basis for local stakeholder interviews and surveys including the business community, local residents and visitors. Where possible this should be achieved in a way that continues do draw-on national-level findings and benchmarks against them. Cooperation and sharing of survey templates between neighbouring towns and hopefully more widely, will enable comparisons and shared understanding.

The local understanding from such survey work during the crisis and pre-recovery phases should be used alongside existing knowledge of stakeholder experiences and perceptions as well as town centre metrics such as analysis of business types, foot-flow and parking usage. Together this data and understanding can form the basis for future monitoring and management of town centres in the recovery and transformational phases using data dashboards that ultimately help to demonstrate success and determine long-term priorities for action.

Further guidance and support

The People & Places Partnership has pulled together a wealth of free-to-use resources on its web page looking beyond COVID-19 including a free, downloadable checklist for managing town centre streets and public spaces in 2020. We have set-out a comprehensive methodology for working with communities and looking beyond the COVID-19 crisis in the national Revitalising Town Centres Toolkit prepared for the Local Government Association.

People & Places can also provide use its national know-how to help towns across the country by providing tailored COVID-19 recovery planning support, including creating safer and welcoming town centres using the new government funding.