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informed solutions

# Annex B

# Bath & North East Somerset
# Retail Strategy

## Retail Review & Customer Profile Report

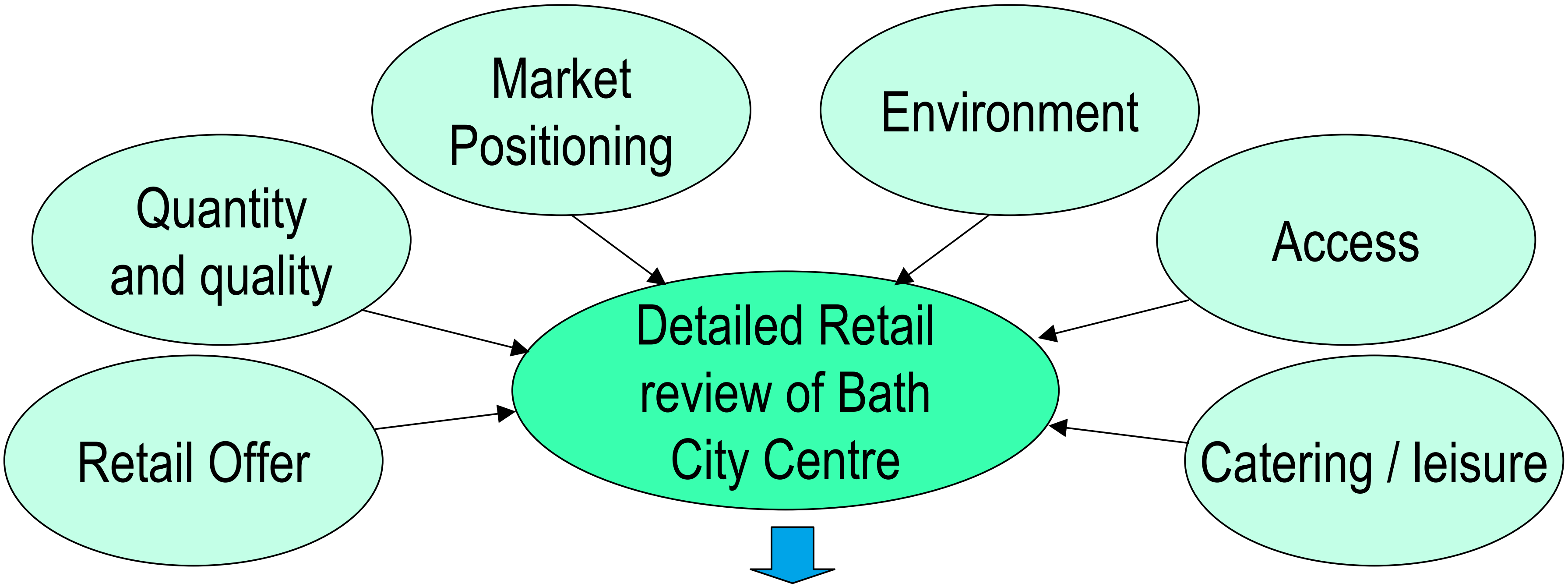
The Retail Group

# Contents

# The Retail Group's Aims & Objectives

- The Retail Group have been asked to assist in defining the Retail Strategy for Bath & North East Somerset
- Specifically we have carried out:
  - A detailed retail review of Bath City Centre, looking at the retail distribution across the city, type of retail, range of offer, market positioning and trading formats
  - Analysis of the catchment profile for Bath, looking at Mosaic profile and Expenditure patterns
  - Analysis of current and future trends which may affect the Bath shoppers and their shopping habits
- Combined analysis of these areas of research have enabled us to identify the opportunities for the city centre and identify target retailers today and in the future, in terms of product categories and market positioning
- In addition we have carried out a top line review of the offer / retail mix in the towns of Keynsham, Midsomer Norton and Radstock and identified the types of people living in these locations as an input into the strategy for these smaller towns

# Retail Review




*Assess existing performance and identify how well the current offer meets the future needs of the consumer*

*Identify any issues, failings and opportunities to improve*

# Bath Overview

- Bath is a regional city centre located in the North East of Somerset, approximately 12.5 miles south east of Bristol
- The city centre has 975,000 sq.ft. of retail floorspace
  - 654,000 sq.ft. comparison goods
  - 71,500 sq.ft. convenience
  - 200,500 services, including hair salons, banks / building societies, estate agents, catering, etc.
- The city centre benefits from being close to the train station (within walking distance), however road access is difficult due to a convoluted one-way system and a lack of good customer parking
- The city centre has a north-south linear arrangement, with the main axis being along Milsom Street / Union Street / Stall Street and Southgate
  - There are a number of side-streets off of these, however they do not lead to further retail, thus not creating a customer flow route
  - There is also further retail located in tertiary areas, which are not obvious to customers
- The city has an established customer base and also benefits from a visitor and tourist base and is regarded as a nice place to visit

# Milsom Street

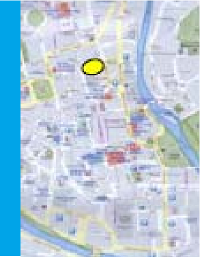
- Milsom Street is the furthest north part of the main retail spine
- The retail offer here is dominated by Bath's department store, Jolly's
  - This is a House of Fraser Brand
  - The store is relatively small, with only three floors and no space for a furniture offer
  - However the unit is in a traditional Bath-style building with a glass roof, spiral staircase and light, bright atmosphere
  - The store stocks many of the traditional House of Fraser brands, with an emphasis on the more mid to up market brands
- Other retail on Milsom Street includes mid to up market multiples such as Ted Baker, Reiss, Hobbs, TM Lewin, Jaeger, Kaliko and Waterstones
- There are a number of quality independents also, including Vinegar Hill, Blue and Me 2 U
- The retail offer is interspersed with services, predominantly banking and some evening catering including Café Rouge, Loch Fyne Seafood, Bengal Brasserie and The Litten Tree
- The street itself is quite busy with cars parked along the curbs and buses running through

Destination status store ✓ Mid / up market ✓ Independent retailers ✓

Catering ✓ Integrated ✓

Mass market × Environment × Services × Convenience ×

# Milsom Place



- Located off Milsom Street is Milsom Place.
- Originally a small courtyard and arcade, the area has been redeveloped to create a network of streets and spaces linking Milsom Street/Broad Street//Green Street.
- This has created an exemplary new development integrated within the historic fabric incorporating additional retail units and a Jamie Oliver restaurant as a key draw.
- Milsom Place accommodates a range of predominantly niche and specialist retailers including:
  - Image - women's fashion
  - Kath Kidson
  - Hobbs
  - Anenome
  - Alessi
  - Vom Fass - spirits, liqueurs, oils, vinegars
  - Vousden - eyewear

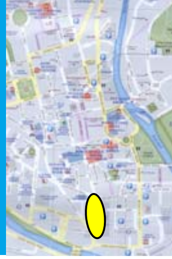
Destination status store ✓ Mid / up market ✓ Independent retailers ✓
Catering ✗ Integrated ✗
Mass market ✗ Environment ✗ Services ✗ Convenience ✗

# Union Street / Stall Street

- Milsom Street does not lead directly into Union Street, however Burton Street creates an easy link to the north-south axis
- Union Street and Stall Street have the majority of Bath's national multiple retail offer
- The focus is on mass to lower mid market brands such as Wallis, Clarks, Country Casuals, Next, Clinton Cards, Game, Evans, HMV, River Island, Monsoon and Accessorize
- Located on Stall Street is the Roman Baths, the city's key tourist attraction
  - There are a number of operators here targeting the tourist, such as The Roman Baths gift shop, The English Teddy Bear Company, Jim Garrah's Fudge Kitchen, The National Trust, Ben & Jerry's and Minerva Chocolate / Coffee Shop
  - While this is a good attraction for the city centre, it breaks the flow of retail
- Both Marks & Spencer and Bhs are located on Stall Street, providing two of the city's anchor stores
  - Bhs is currently undergoing refurbishment, creating a more modern environment over three floors
  - Marks & Spencer is a large store with the latest fit out and fixtures. The store stocks the full range including Autograph for men and women, Per Una, Blue Harbour, Collezione, Café Revive as well as all the usual collections and departments
- Both Union Street and Stall Street are pedestrianised and benefit from the traditional Bath architectural style

Destination status store ✓ Mass market ✓ Environment ✓ Integrated ✓
Mid / up market ✗ Independent retailers ✗ Catering ✗ Services ✗
Convenience ✗

# Southgate



- Southgate is the most southern part of the north-south axis and the majority is currently under extensive development
- Stores on the street that are still trading are mass market with a predominantly service focus, such as Vision Express, HSBC, McDonalds, Post Office, BSM and Toni & Guy
- The existing Southgate Shopping Centre is completely closed at present while work is underway
- The new scheme will comprise over 400,000 sq.ft. of new shops, anchored by Debenhams as well as 38,000 sq.ft. new leisure facilities, 25,000 sq.ft. of restaurant space and more than 90 new homes
- There will also be an integrated transport hub, including rail, bus station and taxis
- Parking facilities will also be available
- A new public square / 'piazza' will be created with trees, public seating and public art
- The scheme will be phased and complete in 2010

(TODAY) Mass market ✓ Integrated ✓
Services × Mid / up market × Independent retailers × Catering ×
Destination status store × Environment × Convenience ×
(FUTURE) Mass market ✓ Integrated ✓ Destination status store ✓
Catering ✓ Environment ✓
Services × Mid / up market × Independent retailers × Convenience ×

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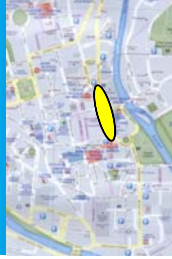
# The Podium Shopping Centre

- The Podium Shopping Centre is located in a secondary retail area, on Northgate Street
- The scheme is very small with only 14 retailers on ground floor level and 5 restaurants on the first floor
- The centre is anchored by Waitrose which has an outward facing unit
- Within the scheme the remaining operators are predominantly independents with some specialists such as Walters (cameras, telescopes, binoculars, etc), My Small World, toy store and Atrium art gallery
- Upstairs in the scheme are five restaurants, including three formal cafes and two restaurants
- The scheme is beginning to appear dated by today's standards
- Due to its size, the lack of national multiples and the inward facing units, this scheme lacks impact and appears to be under-utilised by customers


Mid / up market ✓ Independent retailers ✓ Catering ✓ Convenience ✓
Destination status store ✗ Environment ✗ Integrated ✗ Services ✗
Mass market ✗

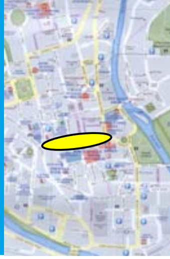
# High Street / Northgate Street



- High Street and Northgate are on the eastern edge of the town centre and are a secondary retail location
- Retail here includes a mix of up market independents, such as Square (menswear & footwear), Mallory jewellery and The White Company, next to some quite down market, poor quality independents such as New Saville Row hair dressing and Milsom & Son home entertainment
- There are also a few national multiples such as Millets and Caffe Nero
- This is a busy vehicle route, making it quite difficult to use as a customer
- Off Northgate Street is Northumberland Place and The Corridor
- On Northumberland Place are a few up market independent jewellery stores such as Gold & Platinum Studio, Harrington Glass and Tzarina and a couple of multiples such as Neals Yard and Animal
- In addition there are some small eateries, such as Epicurean Deli, La Croissanterie and Café Hub
- This area is very much hidden from the customers and is not well sign-posted

Lower mass market ✓ Services ✓ Mid / up market ✓ Independent retailers ✓ Catering ✓
Destination status store × Environment × Integrated × Convenience ×

# Cheap Street / Westgate Street / Saw Close



- Westgate Street and Cheap Street run east-west and cut through Stall Street / Union Street
- Cheap Street has a mid to up market offer with retailers such as Jo Jo Maman Bebe, One Small Step One Giant Leap, Ann Harvey and Jones Bootmaker
- Westgate Street is more run down with vacant units, charity shops and operators such as Superdrug, QS and Greggs
- Following Westgate Street around leads onto Seven Dials / Saw Close which has a more evening focus, including restaurants (Strada, Pizza Express, Raphael bar / restaurant, etc.), the Theatre and two cinemas in this area
- There is also a Sainsburys Local store at Seven Dials and a couple of bridalwear stores, including Drop Dead Gorgeous (lower mass market) and Caroline Castigliano (up / mid market)
- Seven Dials is however a busy vehicle route and using this area as a customer is difficult

Lower Mass market ✓ Services ✓ Mid / up market ✓ Independent retailers ✓ Catering ✓ Convenience ✓
Destination status store ✗ Environment ✗ Integrated ✗

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# Upper Borough Walls

- Upper Borough Walls is an east-west street located between Union Street and Burton Street / Old Bond Street, and leads towards the Podium
- The street is home to a number of mid / up market independents, particularly fashion oriented such as Gaff (stocking Replay and Diesel), Murphy & NYE (latest Americas Cup outfits and other up market sports wear), Zucci (stocking Paul Smith) and Chandni Chowk as well as some mid / up market multiples such as Rohan and Crew Clothing
- Services and catering are dotted throughout the offer here, including two bars and a restaurant, two opticians, travel agent, hair salon and amusement arcades

Mid / up market ✓ Independent retailers ✓ Services ✓
Destination status store ✗ Environment ✗ Integrated ✗ Mass market ✗ Convenience ✗ Catering ✗

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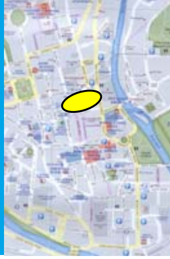
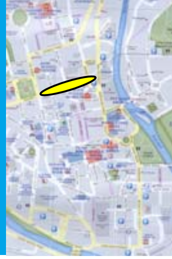


# New Bond Street / Old Bond Street / Burton Street

- New Bond Street runs from the bottom of Milsom Street and breaks up the north-south spine somewhat as it curves around west-east
- This street has a beauty focus with operators such as Lifestyle Pharmacy, L'Occitaine, The Company Beauty Store, Space NK and Molton Brown
- Other retailers here also have an upper mid market focus such as Laura Ashley, Jigsaw, Karen Millen and Coast
- Old Bond Street and Burton Street run parallel with each other to continue the north-south spine of Bath
- Old Bond Street continues the mid market offer with operators such as Gieves & Hawkes, Russell & Bromley and Square, while Burton Street's offer is more mass market – The Body Shop, Office and Vodafone
- This area has a couple of good quality gift / lifestyle stores including Octapus, Bloomsbury and Layout


Mid / up market ✓ Independent retailers ✓ Services ✓ Environment ✓/× Integrated ✓/× Destination status store × Mass market × Convenience × Catering ×

# Green Street / Quiet Street



- Green Street and Quiet Street are small side streets off Milsom Street
- These streets are not solely retail occupied, with some offices, estate agents and financial operators (building societies, mortgage lenders etc.) and therefore these streets feel very tertiary in their offer, despite being just off the main drag
- Quiet Street offers some good quality independents / specialists such as Paxton & Whitfield, The Dressing Room lingerie, RK Alliston and Bloomsbury jewellery
- Green Street's offer is more retail oriented with fashion operators such as Fat Face, French Connection and Venus ladieswear (stocking brands such as Noa Noa and Pink Soda
- Green Street also has a food focus with retailers such as The Sausage Shop and Bartlett & Sons butcher / deli as well as catering operators such as Fishworks Seafood Café and two pubs

Mid / up market ✓ Independent retailers ✓ Services ✓ Convenience ✓
Destination status store ✗ Environment ✗ Integrated ✗ Lower Mass market ✗ Catering ✗

# George Street / Broad Street / Walcott Street / Bartlett Street

- George Street is a major vehicle road at the top of Milsom Street
- Many of the buildings on the street are non-retail, including residential, office, hotel, service and catering
- What retail is there, is sporadic along the street, thus George Street does not feel like an extension of the retail offer
- Operators here however include some good quality independents such as Prey (gifts, clothing etc), The Inspired Maker (furniture), Barrique ( and Chandos Deli
- Catering is stronger in this area than elsewhere in the city including operators such as Wagamama, Revolution Bar, Adventure Café Bar, La Flamma Restaurant, Slug & Lettuce, Juice Kitchen and a thai restaurant Shangri La
- Broad Street runs parallel with Milsom Street, however is much quieter and more tertiary
- The retail offer on Broad Street is similarly mixed in amongst other uses, however it includes a number of quirky independent specialists such as Enkla (toys), The Knob Collection (door knobs) and Caroline Neville Miniatures (dolls houses)
- Walcott Street similarly has a number of specialists such as Crockadoodledoo (paint your own pottery), Yellow Shop (retro clothing) and The Pole Company (curtain poles)
- These streets have other retail as well including High & Mighty, Blooming Marvellous, Fired Earth, Fine Cheese Co., Spar, Detour (clothing), Definition (ladieswear) among others
- Bartlett Street is located off George Street and appears to be completely residential, however there are a couple of gems of retail hidden away here including Cath Kidston, Mee (ladies clothing, jewellery, accessories, gifts etc) and the café Same Same But Different
- These streets are quite typical of Bath's offer, i.e. good quality independents and specialists, but very much hidden away from the customer!

Mid / up market ✓ Independent retailers ✓ Catering ✓ Services ✓ Convenience ✓
Destination status store × Environment × Integrated × Mass market ×

# Gaps in The Offer

| | Mid / Up Market | Mass market | Destination Status Store | Independent retailers | Convenience | Catering | Services | Environment | Integrated |
|---|---|---|---|---|---|---|---|---|---|
| Milsom Street | ✓ | ✗ | ✓ | ✓ | ✗ | ✓ | ✗ | ✗ | ✓ |
| Shires Yard | ✓ | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Union St / Stall St | ✗ | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ |
| Southgate Today | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ |
| Southgate Future | ✗ | ✓ | ✓ | ✗ | ✗ | ✓ | ✗ | ✓ | ✓ |
| The Podium | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ |
| High St / Northgate St | ✓ | ✓ | ✗ | ✓ | ✗ | ✓ | ✓ | ✗ | ✗ |
| Cheap St / Westgate St / Saw Close | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ |
| Upper Borough Walls | ✓ | ✗ | ✗ | ✓ | ✗ | ✗ | ✓ | ✗ | ✗ |
| New Bond St / Old Bond St / Burton St | ✓ | ✗ | ✗ | ✓ | ✗ | ✗ | ✓ | ✓ / ✗ | ✓ / ✗ |
| Green St / Quiet St | ✓ | ✗ | ✗ | ✓ | ✓ | ✗ | ✓ | ✗ | ✗ |
| George St / Broad St / Walcott St / Bartlett St | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ |

# Gaps In The Offer contd.

- The table highlights that Bath has a strong:
  - Mid market positioning
  - Independents offer
- It has a reasonable catering and services offer, but could strengthen the offer in these categories
- It's weaknesses include:
  - A lack of mass market retailers
  - Few destination status stores
  - Poor convenience offer
  - A weak environment in parts (mainly due to on-street parking, traffic, etc rather than architectural style)
  - Lack of integration – no pedestrian flow routes and many retailers out on a limb
- Many of Bath's strengths are lost due to the lack of integration, such as the catering offer which has no impact as operators are sporadic throughout the city centre, and most often on the outskirts
- Similarly there are a number of service operators, however they are also interspersed in amongst the retail, meaning they are easily missed
- The mid market offer is strong predominantly because of the independents offer, but could be stronger in the multiples sector
- Many of the independent retailers are located out on a limb and are hard to locate
- There are few vacant units in the city centre, other than the development areas at Southgate and at the Post Office at Northgate St / New Bond St junction

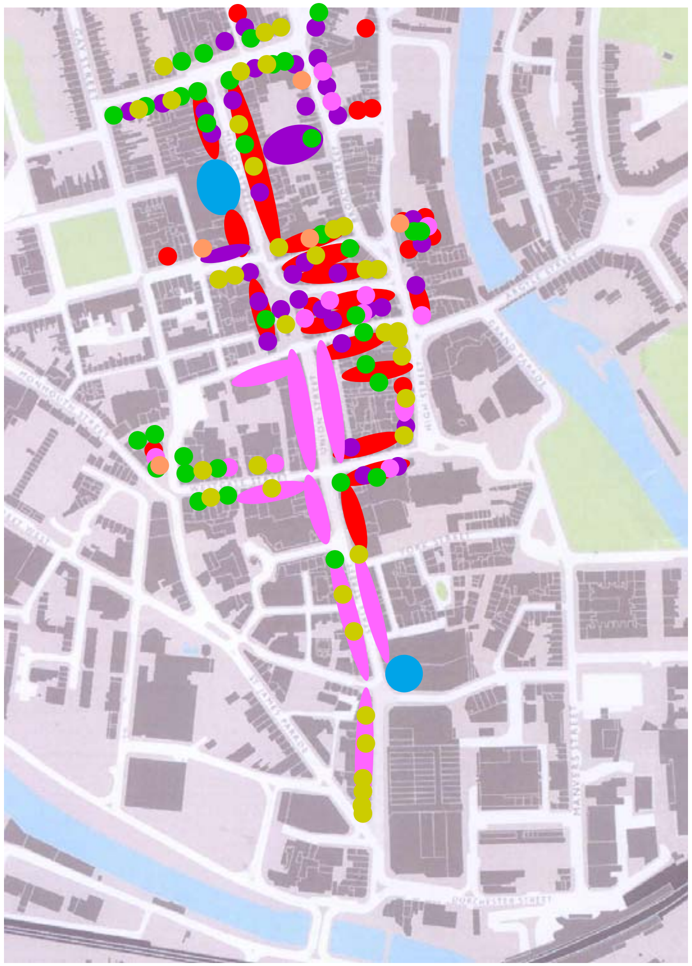
# Strength of Offer by Product Category & Market Positioning

| | Lower Mass | Mass | Lower Mid | Mid | Upper |
|---|---|---|---|---|---|
| Ladieswear | | ✓ | ✓ ✓ | ✓ ✓ | ✓ ✓ |
| Menswear | | ✓ | ✓ | ✓ ✓ | ✓ ✓ |
| Footwear & Accessories | | ✓ | ✓ ✓ | ✓ ✓ | ✓ |
| Furniture & Furnishings | | ✓ | ✓ | ✓ | ✓ ✓ |
| DIY / Household | | ✓ | ✓ | ✓ ✓ | ✓ ✓ |
| China / glass | | ✓ | | ✓ | |
| Mixed Goods | | ✓ | ✓ | ✓ | |
| Electricals | ✓ | ✓ | ✓ ✓ | ✓ ✓ | ✓ |
| Sports, Toys & Hobbies | | ✓ | ✓ | ✓ ✓ | ✓ ✓ |
| Paper Goods | ✓ | ✓ | ✓ | ✓ | |
| Health & Beauty | ✓ | ✓ ✓ | ✓ ✓ ✓ | ✓ ✓ ✓ | ✓ ✓ ✓ |
| Jewellery | | ✓ | ✓ ✓ | ✓ ✓ | ✓ |
| Children's Goods | | ✓ | ✓ | ✓ | ✓ ✓ |

# Strength of Offer by Product Category & Market Positioning contd.

- The table highlights that Bath has a reasonably strong offer for the lower mid to up market customer
- The offer for these customers could be improved however as its strength lies predominantly in the independents offer
- This is especially true for the fashion offer
- The table indicates that the furniture & furnishings offer is reasonable, however this is mainly due to the strength of independent gift / decorative goods operators rather than furniture or household textiles
- This is equally true of the DIY / household offer
- The table also indicates there is considerable room to improve the offer in the following categories:
  - China & glass
  - Mixed goods
  - Children's goods
  - Paper goods

# Integration



Key:

- Mid / Up Market
- Mass market
- Destination Status Store
- Independent retailers
- Convenience offer
- Catering
- Services

- This map illustrates the north-south axis of the retail offer of Bath
- There is some retail activity to the east of the spine, however it does not create a strong pedestrian route or enhance the offer
- The map also illustrates the sporadic nature of the services and catering offer and the lack of destination status stores and convenience offer in Bath

# Bath's Strengths & Weaknesses

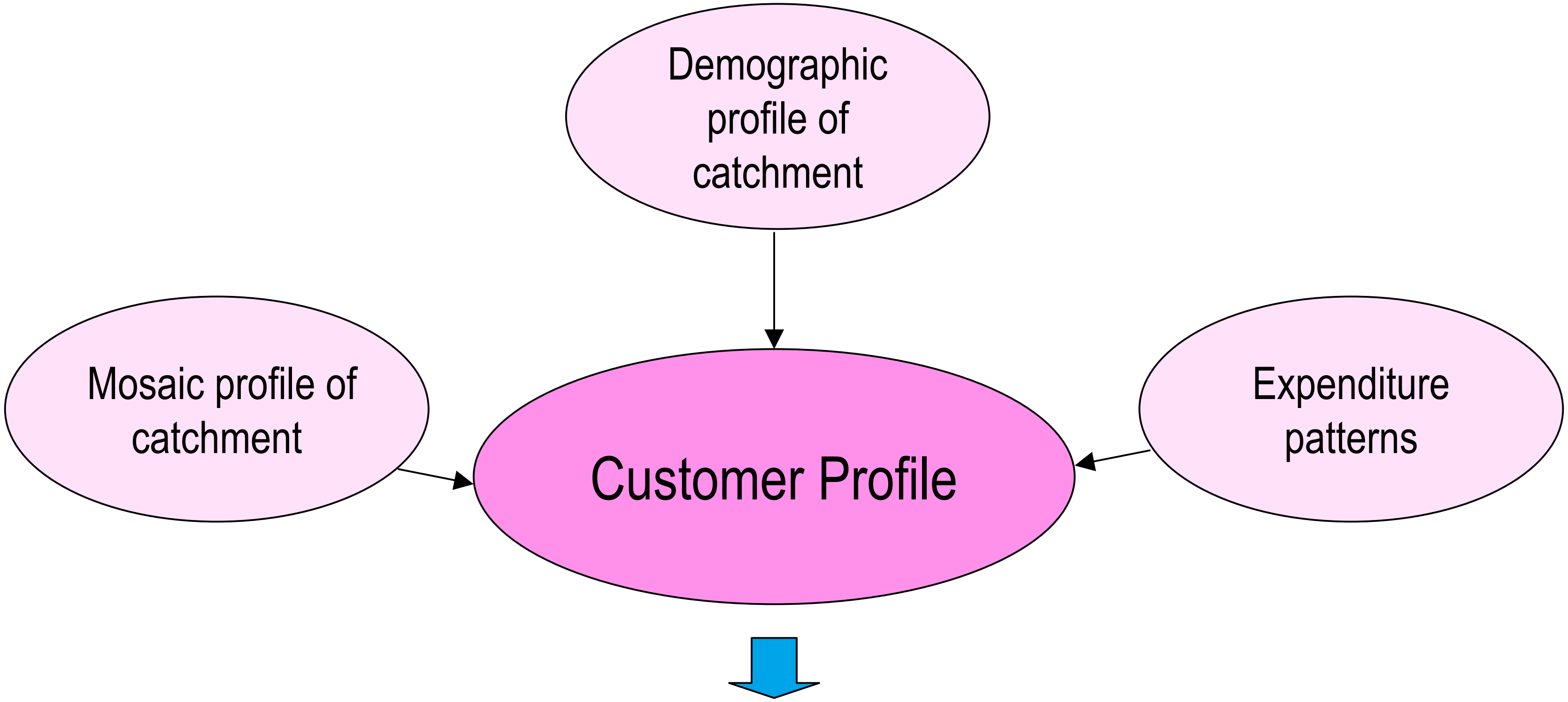
Strengths

- Pleasant architectural style
- Good range of independents
- Good mid market retail offer, particularly due to the independents offer
- Good public transport access
- Perceived as a nice place to visit
- Southgate development to enhance southern end of city centre
- Milsom Place development will improve access to tertiary areas of retail offer and improve environment
- Tourist attractions within the city centre
- Strong specialist operators – point of difference
- Strong fashion offer (independents)
- Strong gifts offer
- Multipurpose destination

Weaknesses

- Lack of clear customer flow routes
- Difficult to access by car
- Poor car parking facilities
- Lack of food operators in city centre
- North-south axis with little retail elsewhere
- Lack of integration of many parts of the offer
- Retailers out on a limb
- Lack of anchor / destination status stores
- Smaller than average store sizes for many operators
- Weak provision of high street national multiples, especially when compared to Bristol & Cribbs Causeway
- Catering offer lacks impact
- Lack of public spaces / outdoor dining etc.
- Service operators 'hidden' amongst other retailers
- Architectural style very similar throughout city centre – hard to differentiate one area from another
- Few customer facilities
- Poor directional signage
- Weak home / furniture / furnishings offer
- Not family / children friendly

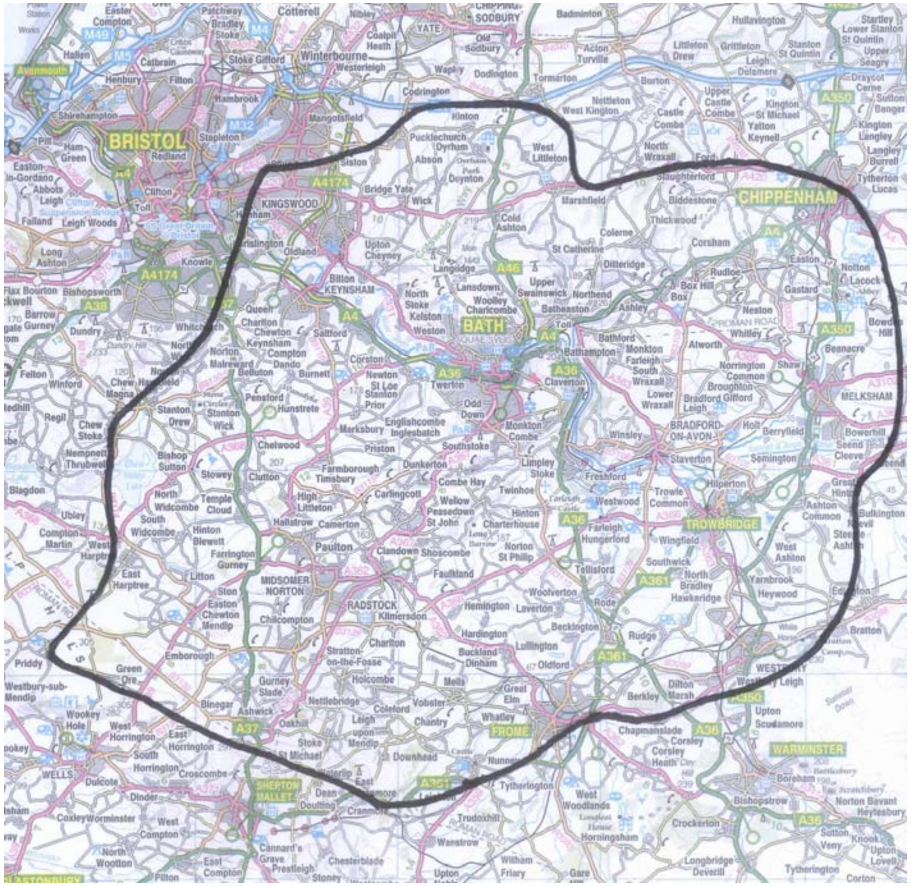
# Customer Profile




*To provide a clear understanding of who the customers are, their likes, aspirations, needs and expenditure habits*

# Bath’s Catchment Area

- Bath’s catchment area, as defined by Donaldsons has a population of 443,000 *(Donaldsons quote 430,000)*
- The area is extensive including the towns of:
  - Trowbridge and Westbury to the south-east
  - Melksham to the east
  - Chippenham and Corsham to the north-east
  - Keynsham and Kingswood to the north-west
  - Midsomer Norton and Bishop Sutton to the south-west



# Mosaic Lifestyle Profile.....What Is It?

- Mosaic is a system by which UK households can be categorised in terms of their consumption patterns, relative affluence, lifestyle, lifestage, economic outlook, retail requirements, aspirations and attributes
- Every postcode (usually representing circa 12-14 households) in the UK can be assigned to one of 11 Mosaic lifestyle groups, providing a more in depth and accurate assessment of the people living in those homes
- In addition, these 11 Mosiac lifestyle groups are further broken down into 61 subgroups, the characteristics of these subgroups provides more detailed and valuable insight into consumer behaviour and lifestyle
- The main attributes of the key lifestyle groups highlighted in the research have been extracted and summarised on the following pages

*“What it says on the tin” approach to consumer segmentation*

# Lifestyle Profile

| Mosaic Group | The Catchment | GB Average |
|---|---|---|
| Suburban Comfort | 21% | 16% |
| Happy Families | 18% | 12% |
| Ties of Community | 14% | 17% |
| Symbols of Success | 12% | 11% |
| Blue Collar Enterprise | 11% | 12% |
| Grey Perspectives | 7% | 7% |
| Urban Intelligence | 6% | 7% |
| Rural Isolation | 5% | 5% |
| Municipal Dependency | 2% | 6% |
| Welfare Borderline | 2% | 5% |
| Twilight Subsistence | 2% | 3% |

- The catchment area profile is broadly reflective of the national average
- The same five groups dominate
- These five groups account for circa 76% of the catchment compared to GB average of only 68%
- Two of these groups are at levels above national average (Suburban Comfort and Happy Families)
- The profile of these groups is explored over the next few slides

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# Suburban Comfort (21%; GB 16%)

*'Small Time Business' 5.5%, 'Sprawling Subtopia' 5%, 'Close to Retirement' 4.5%*

- Many older working ages with grown up children and possibly grandchildren
- Local business entrepreneurs
- Mainstream tastes
- Practical and pragmatic in their choices
- Shop regularly in Marks & Spencer
- Personal service and quality are more important than price or latest trends
- Value social responsibility
- Spend well on personal services, such as laundry, dry cleaning and hairdressing
- Good market for leisure and entertainment
- Good market for home improvements
- Fashion less important than hardy outerwear & equipment
- 'Buy British'
- Look for brands at the upper middle end of the market

# Happy Families (18%; GB 12%)

*'Middle Rung Families' 5.5%, 'Burdened Optimists' 4%, 'Families Making Good' 3.5%*

- Young families on high incomes
- Detached houses; two car families
- Financially confident
- Mainstream, unpretentious tastes
- Take advantage of credit and loans
- Like to have new consumer products & brands
- Home improvements – bathrooms, kitchens, extensions, gardens
- Busy, convenience is important
- Focus on the family; both what they buy and leisure activity
- Dedicated, experienced shoppers
- Good market for eating out and package holidays

# Ties of Community (14%; GB 17%)

*'Industrial Grit' 4.5%, 'Affluent Blue Collar' 4.5%, 'Respectable Rows' 3.5%*

- Close knit, established communities – **'local' orientation**
- Self sufficient and **family oriented** – many with young children
- Skilled craftsmen & supervisors and back-office jobs
- **Higher than average wages** for manual workers, below average unemployment
- Own their own homes, drive their own cars, responsible jobs
- Good market for most **mass market brands** and **some mid market** brands
- Value responsibility, reliability and consistency
- **Eat 'British'** food and drink 'British' beer (including the British favourite Tikka Masala of course!)
- Willing to try **new brands and products**
- Spend on **home entertainment, gardening and leisure**

# Symbols of Success (12%; GB 11%)

*'Semi-Rural Seclusion' 4%, 'Provincial Privilege' 2.5%, 'High Technologists' 2%*

- Full nest families with children in secondary school or older
- **Well paid executives** working in large corporations
- Large modern houses with company cars
- **High tech gadgets**
- Value brands that offer high levels of **flexibility and personalisation**
- Keen to try **new products and latest brands**
- Good market for home furnishings and **home improvements**
- Spend well on electricals and **leisure equipment** for children
- Many enjoy shopping in **department stores** or at **independent retail outlets**
- Spend highly on **antiques and collectibles, travel and eating out**
- **Concerned for the environment**

# Blue Collar Enterprise (11%; GB 12%)

*'White Van Culture' 4%, 'New Town Materialism' 3.5%*

- Married couples, some with children
- Exercised the right to buy their council houses
- Good local employment using manual skills or in transport & distribution
- Good market for **mass market products**
- **Eager to buy** what they see advertised
- Brand is less important than the product
- Respond to **promotional discounts**
- Spend well on **cheap fashion**
- View shopping as an event & **regularly enjoy shopping**
- Expenditure on **toiletries & cosmetics** is high


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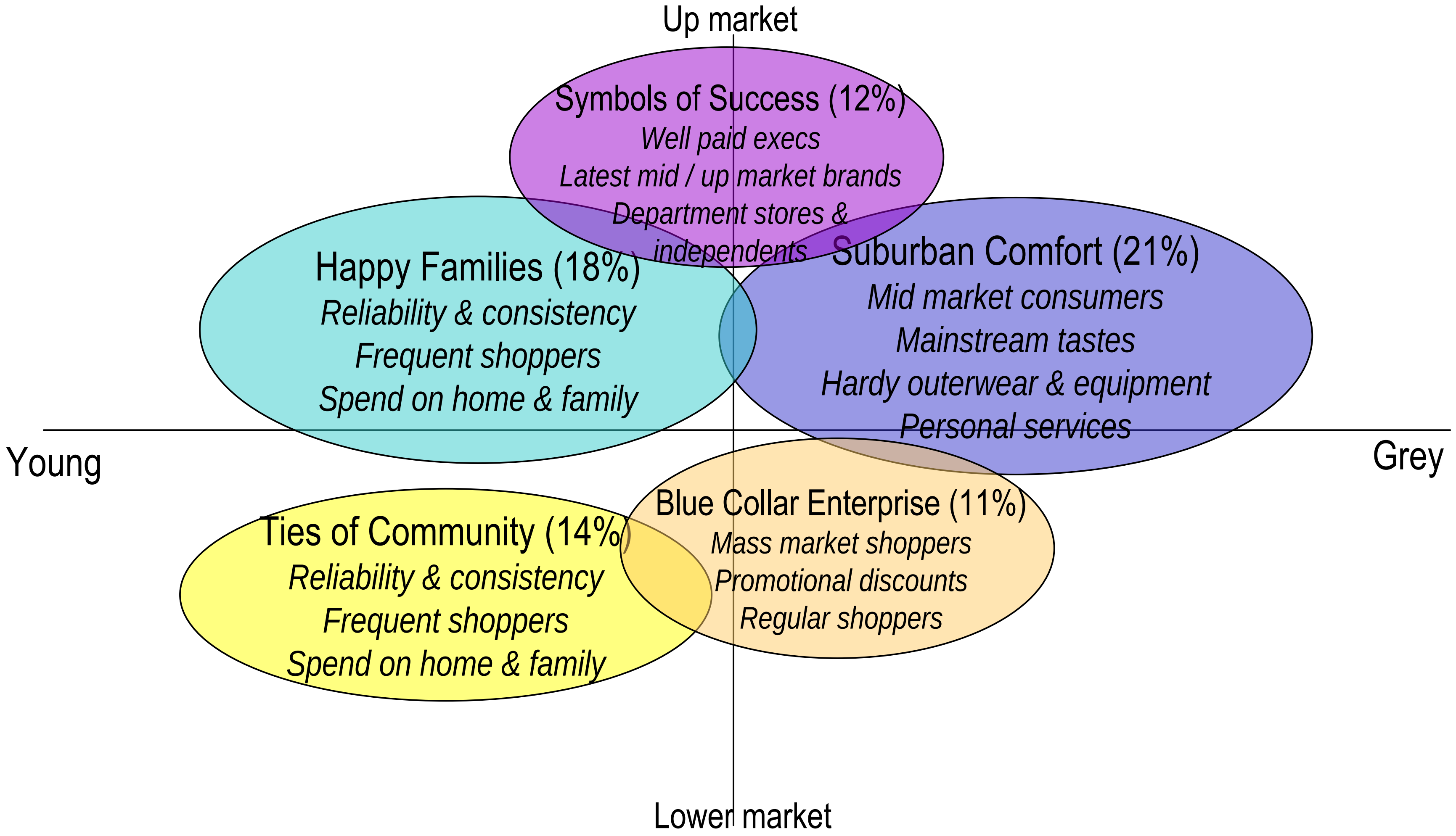
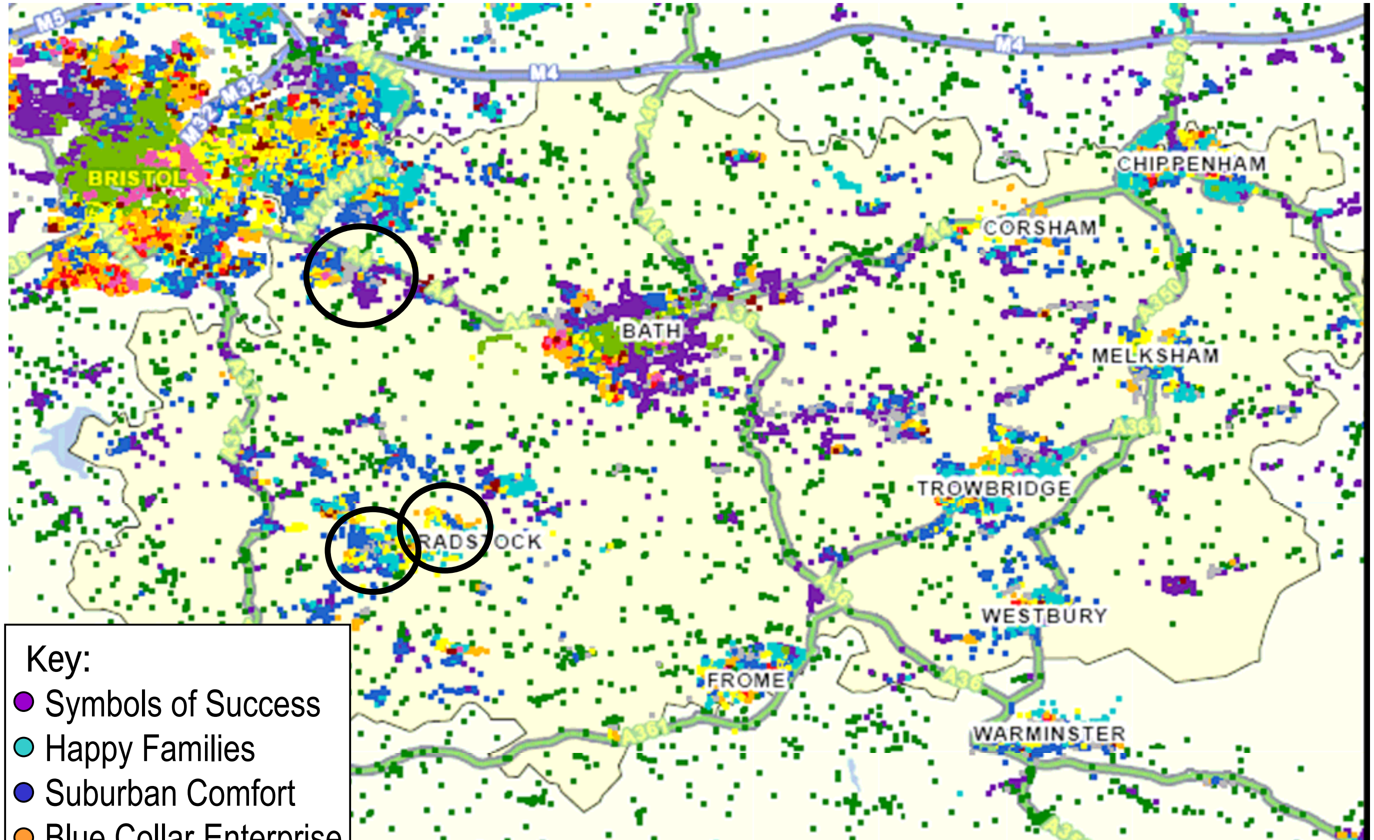
# Mosaic Profile Summary



# Mosaic Distribution

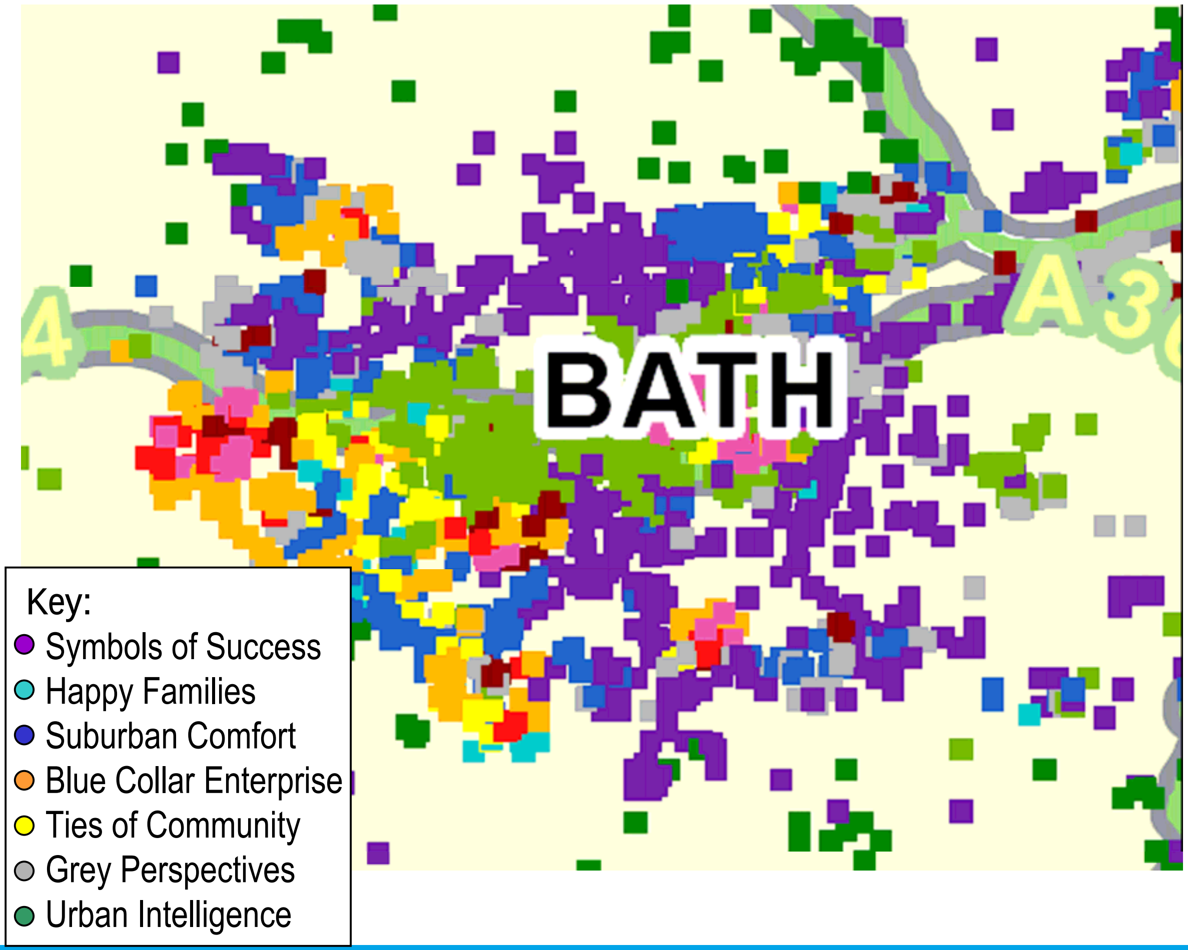



Key:
- Symbols of Success
- Happy Families
- Suburban Comfort
- Blue Collar Enterprise
- Ties of Community
- Grey Perspectives
- Urban Intelligence

- Bath City Centre has a particularly high concentration of Urban Intelligence residents
- There is also a high proportion of Symbols of Success living on the outskirts of the city
- To the south west of the city centre, there are a number of Blue Collar Enterprise and Ties of Community customers
- Midsomer Norton's profile is dominated by Suburban Comfort and Happy Families with some Ties of Community

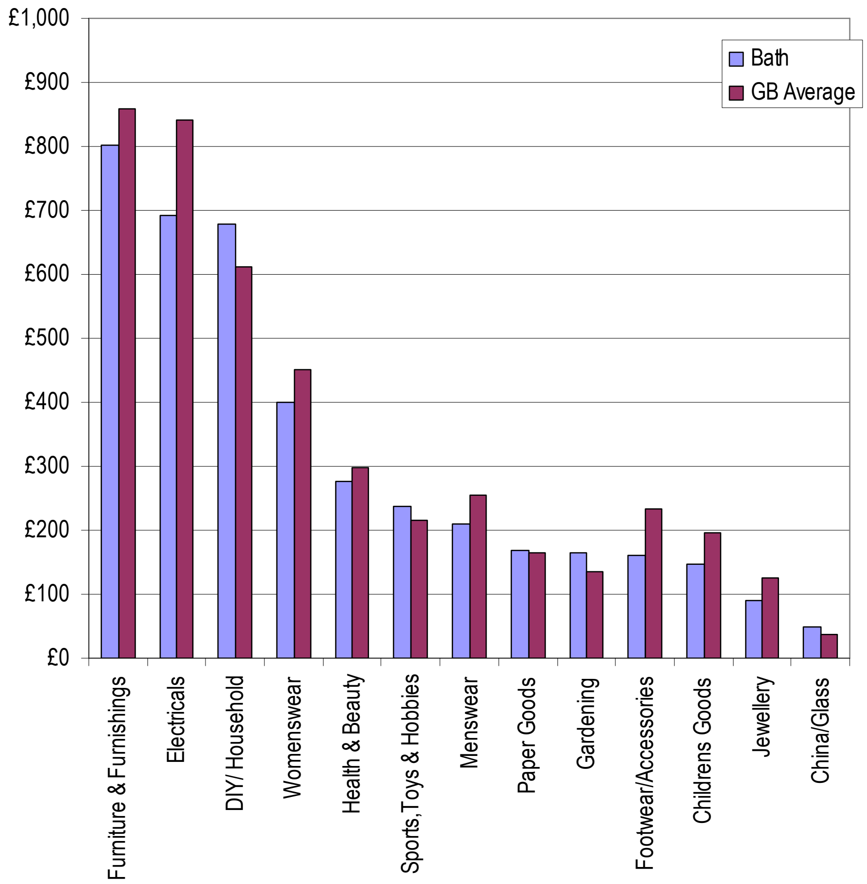
- Radstock is more heavily dominated by Ties of Community and Blue Collar Enterprise
- Keynsham's profile has clusters of Symbols of Success and Grey Perspectives

# Bath City Centre




- The city centre has a high proportion of the Mosaic group Urban Intelligence (6% of catchment)
- These customers can be described as:
  - Young professionals and older graduate students
  - Married / cohabiting or single
  - Concerned about social and environmental responsibility
  - Spend highly on foreign travel, individual designs for furnishings, books & magazines
  - Enthusiastic about organic, home-produced and local produce
  - Readers of The Independent and The Guardian

# Expenditure – Comparison Goods




- On average, the catchment spends 7% below GB average
- On comparison goods, the catchment spends 8% below average, however it spends well above average on particular product categories, including;
  - China / glass (+33%)
  - Gardening (+22%)
  - DIY / household (+11%)
  - Sports / toys / hobbies (+9%)
  - Paper goods (+2%)
- In addition, Furniture & Furnishings and Health & Beauty spend is above the Bath average (i.e. less than 8% below GB) and Furniture & Furnishings is still the highest expenditure category
- While not above GB average, the catchment is still spending £145 million on clothing, footwear and accessories per annum
- Categories which are significantly under GB average include:
  - Footwear & accessories (-31%)
  - Jewellery (-28%)
  - Children's goods (-25%)

THE RETAIL GROUP

# Other Expenditure

- Expenditure on convenience goods is in line with GB average (+1%)
- Spend on grocery and alcohol do particularly well (+2% and +3% respectively), while CTN is 5% below national average
- Services expenditure is relatively high, at £64 million per annum in the catchment (5% below average), including dry cleaning, hairdressing, gardening, opticians, repairs, etc.
- Catering is slightly below average at –13%, while leisure expenditure is at –17%
- Leisure expenditure includes pursuits such as sports admissions, cinema, theatre, museums, concerts, shows, bingo, clubs, etc.
- It is likely that with the dominance of the groups Urban Intelligence and Symbols of Success in Bath City Centre, that the customers living closest to the city centre would have slightly higher expenditure habits, in particular on fashion, catering and leisure

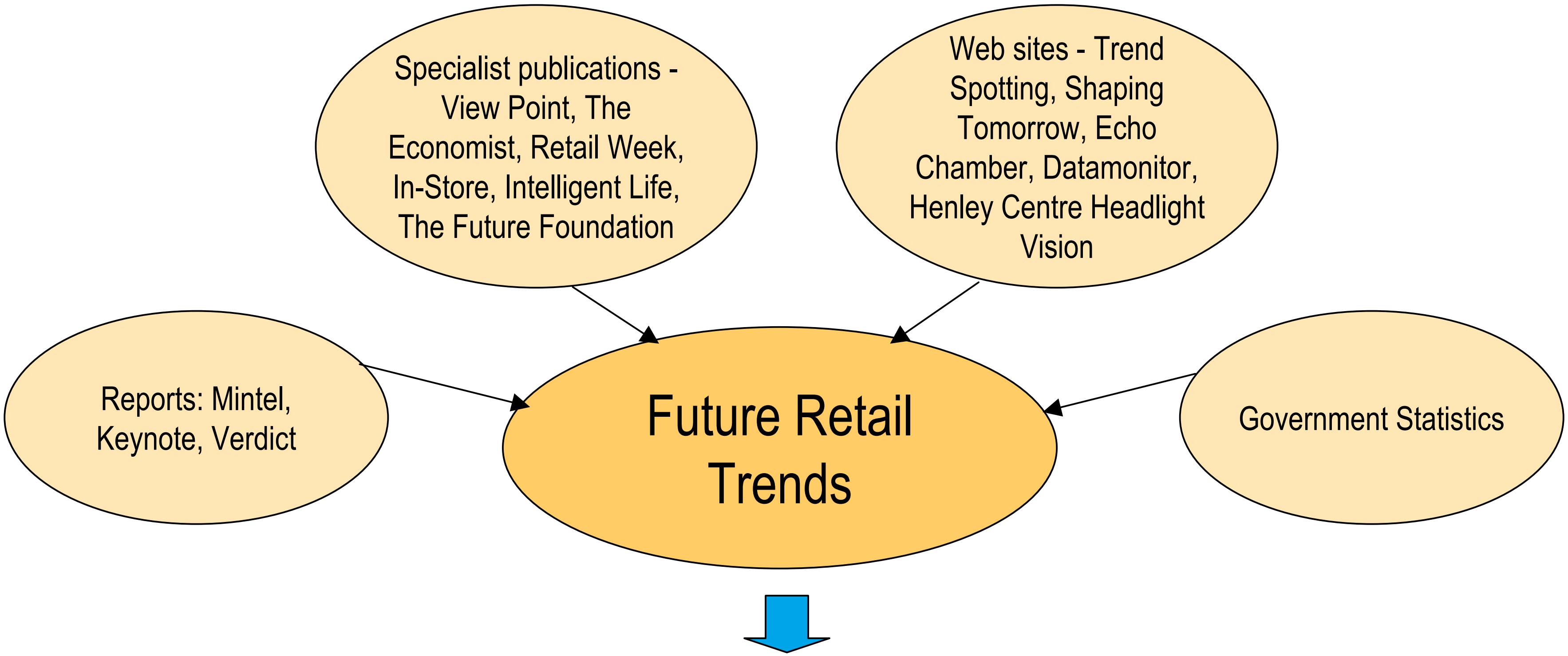
# Catchment Profile Summary

- Demographics broadly in line with GB average
- Slightly higher than average social profile
- Well educated and enjoying good employment
- Primary target consumers focus on five lifestyle groups, three of which share a mid market position
- Propensity to spend on the home (furniture, furnishings, DIY, gardening, china / glass) and sports and hobbies
- Mainstream, traditional tastes with a preference for mid market brands
- Enjoy shopping in independent retailers as well as national multiples
- Heavy users of personal services
- Average levels of disposable income
- Convenience and ease of use is important to many
- Healthy spenders – total of £1.72 billion

# Bath Vistors & Tourists

- Bath & North East Somerset attracts approximately 4 million visitors per annum
- These visitors spend approximately £280 million whilst in Bath, which as a spend per head is slightly higher than average across the country
- On average across the UK, visitors tend to have a slightly higher proportion of ABC1
- Whilst these visitors do make a contribution to the Bath economy, preliminary consultations have not identified them as being fundamentally important
- For this reason, The Retail Group has concentrated on the requirements of the catchment residents

# Future Retail Trends




Identify current and future trends

Assess how these may affect the future offer of Bath

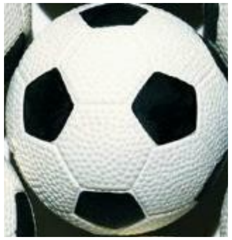
# Demographics 2000 to 2020

- Aging population;
  - Over 45’s increase by 6.3 million & under 45s decrease by 2.1 million
  - Significantly more 50 to 75 year olds
  - Living well & for longer
  - Working longer to fund increased lifespan
- Change in household composition;
  - Fewer traditional families, increased divorce, etc.
  - More single person households (will outnumber families by 2 to 1)
  - More adult children choosing to live at home
- 50-somethings - highest net household income & more disposable income

THE RETAIL GROUP

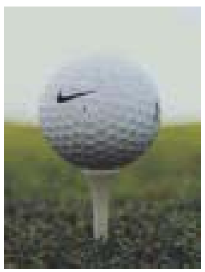
# How We Live

- ‘Rush, rush, rush’;
  - Hectic family lives
  - Applies to all ethnic groups
  - Both parents likely to be working
  - Busy schedule - work, school, social, leisure
  - Fuelling demand for ease and convenience




# How We Relax

- Longing for leisure;
  - More money, less time
  - Leisure time is precious - treat yourself with indulgences






- ‘We need to chill’;
  - Kids to adults
  - Evolving & more sophisticated forms of home entertainment, e.g. Playstation, internet, digital TV and radio, surround sound music systems
  - Want practical, speedy shopping, stores with full ranges, latest technology, flagship status and more specialist operators
- Non-retail activities increasingly attracting consumer attention
- Raft of leisure activities including eating out, cinema and travel – both short breaks and abroad

# How We Shop

- 'We're richer!';
  - $ABC_1$ consumers 53.3% of adults in 2003 versus 48.5% in 1999
  - 2020 – av.household income up from £29k to £47k


- 'Streetwise consumers';
  - Know what they want - well informed
  - Better quality information and service
- Internet explosion / multi-channel retailing
  - Currently not very threatening to the high street, but likely that major brands will offer more sophisticated and rewarding brand experiences in online shopping
- 'Early birding';
  - Advance ordering of brand new 'got to haves'
  - No longer limited to luxury cars - extended to books, DVD's, mobile phones
- Require full ranges, knowledgeable staff, excellent service and best in class facilities
- Choosier;
  - More particular and variety where we shop
  - Less likely to go to same habitual shopping locations, more likely to choose a destination for big shopping trip, another destination for a day out and another destination for convenience
  - Growing more to shopping independently

IN ASSOCIATION WITH amazon.com

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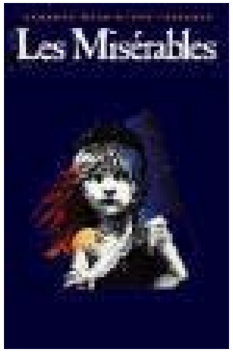
# How We Work

- '24 / 7 / 365';
  - Working harder and longer
  - Less of divide between home and work but more flexibility about when the work is done
  - Looking for retail & services that are convenient to work, I.e. nearby, easy to access, available, opening hours to suit the working day and with delivery options
- Seeking a work / life balance;
  - People want to have the time to enjoy home, family life, holidays, leisure days out
  - Quality time for friends, family or hobbies
  - Wish to make the necessary tasks faster and easier

# We're More Adventurous!

- 'Let's do it now!';
  - Spur of the moment approach to go somewhere / do something
  - Made easier by mobile phones, email, internet / online booking facilities
  - Greater spend on leisure & entertainment
  - Looking for something 'different' and more individual
  - More experiences and destinations
- 'More people eating out more often';
  - 1999 - 2003 restaurant meals market grew by 17%
  - Wide choice and variety
  - Willing to try new styles, tastes / cultures
  - More grazing throughout the day – coffee bars, juice bars, etc.
  - More healthy eating
  - More aware of ethical shopping, e.g. reducing food miles, organic, fair trade, non-GM etc.





# More Female Influence

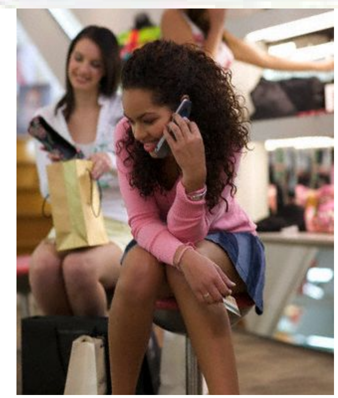
- 'Women Power';
  - Delaying marriage and children
  - Working harder, earning more and for longer
  - Greater freedom, choice and opportunity
- Today women continue to be decision makers for household spending


# New Consumer Groups Emerging

- Over 45s and the ‘grey consumer’;
  - By 2015, over 45’s will account for 65% of retail expenditure growth
  - Refusing to grow be old before their time - Madonna, Joanna Lumley, Simon Le Bon
  - Fitter, more youthful appearance
  - Fuelling demand for cosmetics, beauty treatments, health & fitness markets, lifestyle experiences
  - Higher expectations – more discerning as consumers
  - More money to spend on home, lifestyle, clothing, beauty treatments - help to ‘hold back the years’
  - Empty nesters means less financial pressure
  - Spending outside traditional retail, I.e. leisure such as holidays, eating out and services
  - Service and ethical factors becoming increasingly important
  - More demanding, more youthful and more likely to buy into traditionally younger categories, e.g. music and fashion

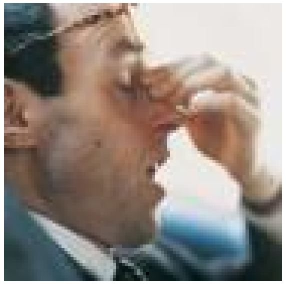
# New Consumer Groups Emerging contd.

- Singletons;
  - Delaying marriage & kids
  - LATS - ‘living apart together’
  - Affluent but overworked with ‘spend now’ mentality
  - Spend on acquiring material goods
  - Shopping and eating out are leisure activities by can be time-consuming
  - Busy lifestyles but happy to wait for things deemed worthwhile such as a real coffee, a fresh juice or a bespoke, designed sofa, but not for everything
  - While convenience is a major factor, catering to their emotional needs is important



# The Male Shopper

- Young men increasingly anxiety ridden - worry about employment issues and time pressures causing them to feel stressed & overworked;
  - More money & less time – looking for ways to relax & indulge
- They want it all – better job, better home, more holidays, more time for themselves
- Changing role in society – becoming softer (Metrosexuals!) & adopting more of the traditionally female roles, e.g. cooking & making more of the purchasing decisions
- More inclined to be ‘quick shoppers’ & need stores to provide easy access, efficient checkouts, simple merchandise schemes & good point of sale information
- Stores they enjoy spending most of their time include music & entertainment and book stores – looking for the latest gadgets;
  - Ipods
  - Camera phones
  - MP3’s
  - Plasma TV’s
  - Nintendo wii
  - Blackberrys






# Retail Trends

- More appealing stores, broader ranges, more choice
- Smaller, specialist operators - known entity, reliable
- Theatre,entertainment & participation, e.g. Borders - book signing, story time, JLP ‘sound room’, etc
- An ‘experience’ - Tiso, Aveda, Nike
- Retailers adapting to suit local market opportunity
- Fashion retail making way for leisure & lifestyle retail
- Big food retailers selling more non-food goods
- Major legacy retailers diversifying, e.g. Tesco utilities, M&S loans, John Lewis Greenbee Insurance
- Overt Celebrity endorsement, advertising and branded product ranges





# Retail Trends contd.

- Ambience increasingly important;
  - Mature consumers - different type of ambience - relaxed, warm, friendly, treats - less frenzy! - St Christopher's Place, Princes Square
  - Despite being time-poor, customers want an experience from their shopping – if it was just about the product, the internet would be a bigger threat, however customers want to do things, see things, try things taste things and be treated well
- Socially responsible products / brands;
  - The Real Meat Company, The Natural Shoe Store, Green Baby
- More organic products;
  - No longer limited to food - health & beauty, remedies, fabrics, children's goods
- More brand temples - Nokia, Apple, Timberland, Henri Lloyd, Puma, Adidas, etc
- Increasing importance of customer service
  - Brands such as Apple and Orange Pulse that offer guidance, training, after-sales, installation and upgrades
- More food in shopping centres, e.g. 20 years ago, food was 2% to 3% of tenants, now 10% to 15%

# Food Retailing Trends

- Consumers are shopping around more, in addition to their main store, consumers now typically use two other stores
- Consumers are demanding fresh, quality foods in convenient locations
- ‘Dashboard Dining’ is also important, with customers demanding high quality products in food-to-go ranges
- The organic market has now matured and is set for a 30% annual growth in the near future
- Organic consumers would prefer to shop at smaller, local suppliers
- Consumer awareness of ethical concerns is growing
- Ethical consumers are turning to alternative food distribution channels such as farmers markets, concerned by the tremendous power of large retail chains
- People are increasingly willing to pay a premium for ethical goods
- Despite the dominance of the supermarkets, sales through independent shops, farm shops, farmers markets and box schemes has increased in the last three years and is set to continue to increase
- The future will see more polarisation as price-wars may lead some supermarkets to a more bargain-basement approach


# How Can Bath Adapt to These Trends?

- Retailers that appeal to the sophisticated, grey consumer
- Convenience for families – including the unconventional family, e.g. ‘father & baby’ rooms
- Male and female friendly stores, easy to use and access, aesthetically pleasing
- Increased choice for mid / up market consumers
- Quality dining, fresh, organic and healthy options
- Experiential food retailing – excellent ingredients to take home and cook
- Local produce, ethical standards, organic groceries, sustainable build & design
- Specialist and independent operators to express individuality
- Knowledgeable staff and excellent service
- Multiple retailers that think and look like independents
- Operators that reflect holiday experiences, e.g. ‘taste of Italy’
- Activity ‘breaks’ or day experiences, e.g. cookery courses, tasting events, food fayres, can be in-store
- Supply of domestic services to make life easier, e.g. crèche, home delivery, dry cleaners as well as store specific, e.g. garden centres providing gardeners, provision of local produce, etc.
- Retailers that can adapt to the local market

# How Can Bath Adapt to These Trends? contd.

- Easy to use city centre, easy layout, push-chair friendly, good parking, good public services, excellent facilities
- Clustering of like retailers to assist ‘quick’ shopping for residents and workers on busy schedules
- City centre needs to be a multi-purpose destination covering all day parts for leisure and entertainment
- Spa and beauty treatment rooms – indulgent relaxation
- Cutting edge retailers, modern stores, environments, full ranges, latest technology, quick to react to consumer demands
- Theatre, entertainment and participation, store events – more than just the product on the shelf
- Retail and leisure experiences as well as quality boutique hotels that appeal to the day-tripper and short break visitor
- Supplying goods to accompany leisure activities, e.g. picnic hampers

*Key attributes could include ethical, high quality, independent, convenient, honest ‘feel good retailing’, service and interesting events*

# Conclusions

# Who Are The Shoppers?

- Families and older couples
- Younger singles / couples in the city centre
- Mass to mid market
- Mainstream tastes
- Frequent shoppers
- Use personal services
- More interested in hardy outerwear than fashion
- Practical and pragmatic
- Spend on the home – improvements, furniture / furnishings, gardening, etc
- Spend most of their money in national multiples and department stores
- Enjoy shopping in independents
- Value social and environmental responsibility
- Buy British
- Participate in leisure activities and spend on sports and hobbies related goods
- Travel frequently

# How Might They Be Affected By Future Trends?

- Looking for quality family time
- Looking for more leisure facilities and ways to unwind
- Becoming more self-indulgent as children move away / more disposable income / more hectic lifestyles – need a treat!
- Looking for more practical / convenient ways to shop – longer opening hours, better accessibility, more family friendly
- Will know what they want and what they can expect – large centres such as Bristol and Cribbs Causeway will have leading facilities, environment, etc. and customers will come to expect this
- Looking for excellent service – going the extra mile to make life easy
- Looking for ethical goods
- Supporting local suppliers
- Looking for fresh quality produce

# What Are The Opportunities For Bath?

- Create impact and critical mass for catering, services, multiples, independents and food retail by clustering like-retailers
- Create a flow route for customers – a loop if possible, most likely to the east of the established retail spine
- Improve the east-west axes
- Create directional routing for customers, either using signage or more subliminal methods – different paving, etc
- Improve the national multiple retail offer – satisfy the major needs of the catchment – including mass market, lower mid and mid market
- Provide more, larger and better anchor stores – add something different to Bristol
- Improve the impact, visibility and information available on the independent retailers
- Improve the leisure and catering offer
- Improve the home offer – furniture, furnishings, gardening, kitchens, bathrooms, etc.
- Improve public space, public realm and outdoor dining
- Make better use of the natural environment, in particular the river frontages
- Reduce the amount of traffic throughout the city centre and on-street parking
- Provide excellent customer parking facilities
- Provide a strong leisure offer, targeted at the mindset of the local catchment

# Anchor Stores

- ✓ Lack of major destination status stores
- ✓ Current offer poor and lacking width & depth of choice

HOOPERS

Fenwick

FORTNUM & MASON
PICCADILLY SINCE 1707

SELFRIDGES&Co

DEBENHAMS

# Fashion

- ✓ Proven major expenditure category
- ✓ Limited multiple mass-lower mid market stores
- ✓ More practical clothing

# Home Goods

- ✓ Proven expenditure
- ✓ Lack of dedicated outlets for furniture / furnishings
- ✓ Limited width & depth of offer in department stores

# Hobbies / Sports

- ✓ Proven expenditure – above national average
- ✓ Catchment participate in sports & hobbies
- ✓ Plenty of families in catchment
- ✓ Consumer demand, particularly for practical clothing / equipment

SNOW + ROCK

ellis brigham NEXT GENERATION MOUNTAIN SPORTS

nevisport

THE NORTH FACE

Virgin

GO Outdoors

THE RETAIL GROUP

# Catering

- ✓ Extend dwell time
- ✓ Increase currently limited offer for daytime catering
- ✓ Improved shopper experience
- ✓ Increase tourist appeal

Maison Blanc

PAUL

ASK

CAFFÈ UNO

Bettys

Carluccio's

ponti's

Patisserie Valerie™

THE RETAIL GROUP

# Food Retail

- ✓ Proven expenditure category
- ✓ Improve organic provision
- ✓ Provide local produce
- ✓ Appeal to environment / socially conscious customers
- ✓ Cluster specialists
- ✓ Local Indepdendents

Carluccio's

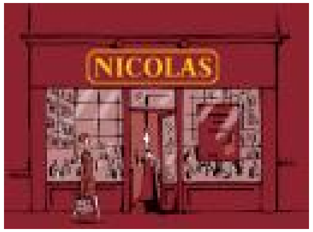
FRESH & WILD
THE REAL FOOD STORE

PRESTAT


BERRY BROS & RUDD
The Fine Wine Shop

WHOLE FOODS MARKET


VILLANDRY
FOODSTORE RESTAURANT BAR



# City Centre Leisure

- Current city centre leisure offer is limited - punching way below its weight given the size of the city centre
- Improve night time leisure offer;
  - On the edge of the city centre
  - Appeal to young ‘20 somethings’, students
- Opportunity to provide something for different consumer groups;
  - Young professionals - need relaxation & pampering
  - ‘Women over 45’ & ‘grey’ consumers - fuelling demand for beauty treatments
- Broad appeal - something for everyone on a family day out;
  - Entertain the whole family, e.g. Urban Golf, health & beauty spa, Vinopolis
- Interactive Zone for the kids / tweenagers;
  - ‘Fun zone - Climbing, running, jumping sliding enclosed colourful box of fun

# Opportunity for Green Park

Retailer / Operator Trading Criteria

- ✓ Target resident customer profile & proven spend categories – home, lifestyle, sports & hobbies
- ✓ Destination status, creates focus and critical mass
- ✓ Regional capital status
- ✓ Complements retail hinterland
- ✓ A drive-to destination, rather than part of the city centre
- ✓ Provides multi-purpose regional destination appeal

Mid market home,
hobbies and lifestyle offer

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# Indicative Operators / Product Categories

## Kitchen

- Hygena
- Moben
- Magnet
- Aga
- Matchmaker Kitchens
- Local Specialists

## Accessories

- Lakeland
- OKA
- Lombok
- Cargo Homeshop
- Habitat
- The Cotswold Company

## Furniture

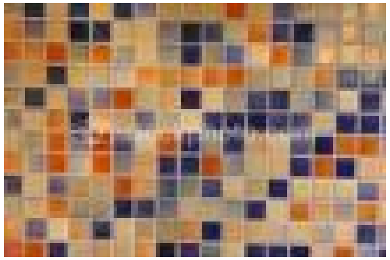
- Multiyork
- Sofa Workshop
- New Heights
- Warren Evans
- Sharps Bedrooms
- Sliderobes
- Californian Closets
- Ilva
- Heals
- John Lewis at Home
- Habitat

# Indicative Operators / Product Categories

## Soft Furnishing

- The White Company
- Cath Kidston
- The Linen Store
- Ditton Hill
- Curtain Exchange
- Peacock Blue

## Tiles



- Fired Earth
- Tile Depot
- Ceramica
- Mandarin Stone
- Stonehouse Tiles
- Porcelanosa

## Flooring

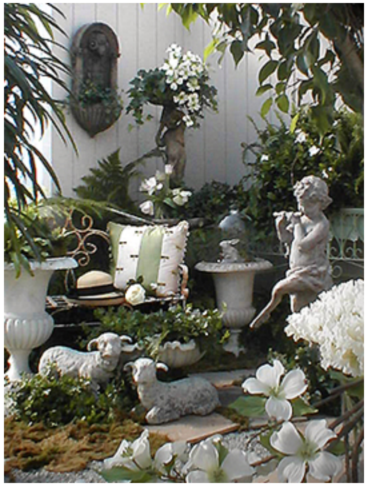
- Amtico
- Laminate Flooring
- Crucial Trading
- Tarrket

# Indicative Operators / Product Categories

Bathroom Specialist

- Bathstore.com
- Bathroom Collection
- Local Specialists

Garden / Outdoors



- Green Fingers
- Urban Gardener
- The Potting Shed
- Inside Outdoors

Lighting Specialists

- Christopher Wray
- Pagazzi
- Fiat Lux (Frome)

# Indicative Operators / Product Categories

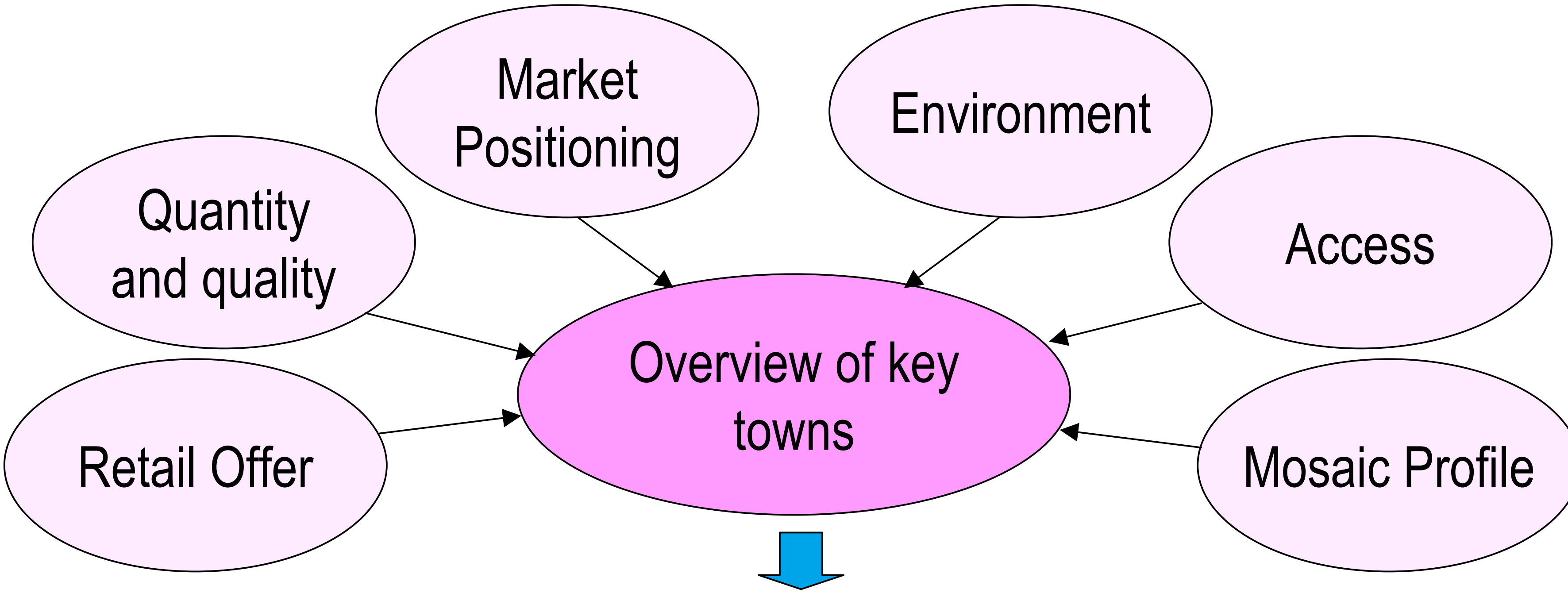
Kids Furniture Plus

- Wigwam Kids
- Aspace
- Letterbox
- The Little Trading Company

Specialists

- Farrow and Ball (paint)
- Fireplace and Stoves
- Stencil Specialist
- British Blind Company
- Art Shop
- Coffee Shop / Café

# Review of Keynsham, Midsomer Norton and Radstock

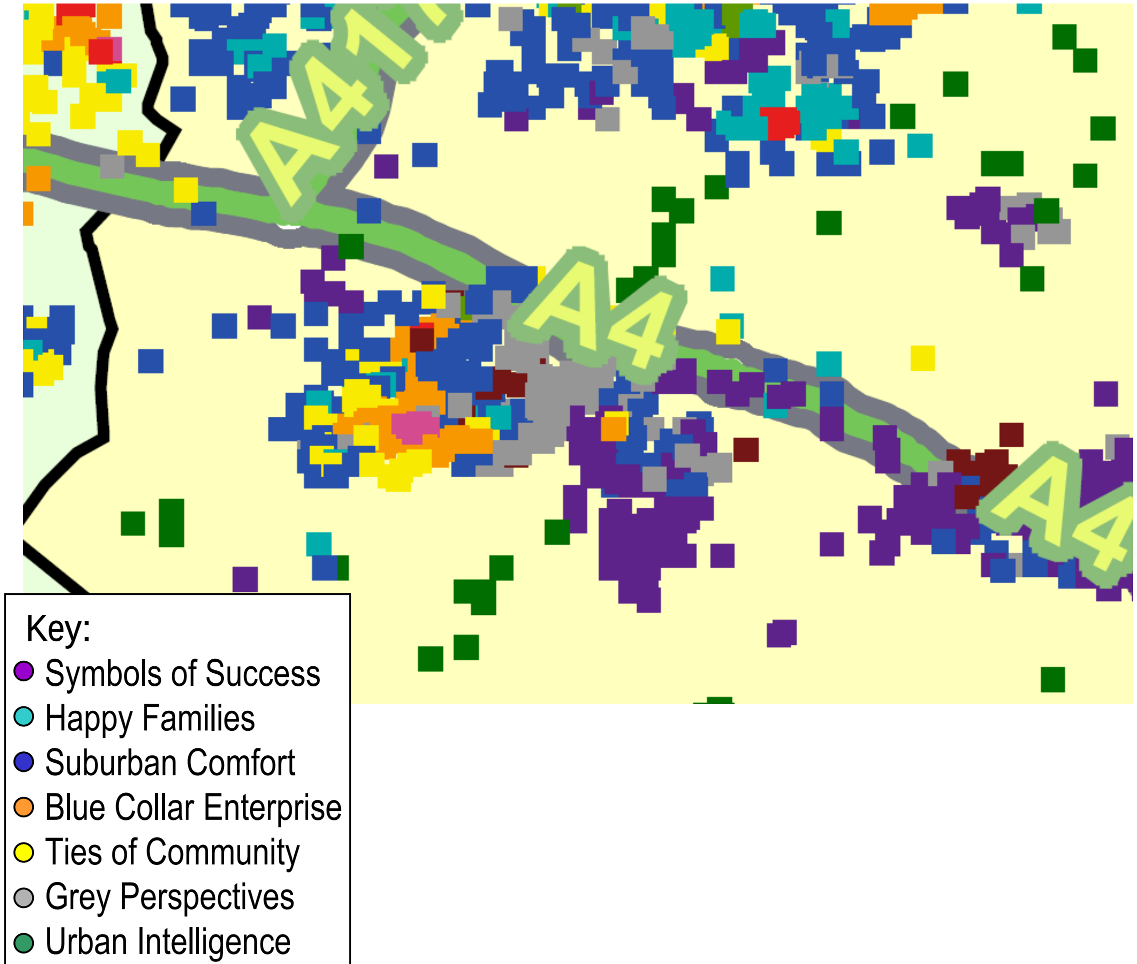



*A broad overview of the offers in Keynsham, Midsomer Norton & Radstock*
*And assessing the predominant resident groups in these areas*

# Keynsham

- Keynsham is located between Bath and Bristol (7 miles from Bath; 5 miles from Bristol)
- The town centre has a linear arrangement, with almost all retail located along the High Street
- The town has a service dominated offer, in particular there is a high number of hair / beauty salons, travel agents, banks and building societies as well as the Post Office
- The comparison goods offer is relatively limited, with some mass market operators such as Clinton Cards, Clarks, Peacocks The Entertainer and many charity stores (6)
- Convenience retail in the town centre comprises Iceland which is a small store with only five tills and Somerfield which is also small with only four tills, supplemented by specialist independents such as butchers, bakers, grocers, off license and a homebrew centre
- The town suffers from its linear layout and poor environment
- In particular, pavements are narrow and traffic is heavy, making it difficult for pedestrians and shoppers to see retailers on the other side of the street

# Keynsham




- Keynsham's customer appears to be dominated by Grey Perspectives, Suburban Comfort, Blue Collar Enterprise, Ties of Community
- Symbols of Success is also dominant on the outskirts
- The group Grey Perspectives can be described as:
  - Pensioners with low / middle incomes
  - Live in pleasant homes
  - Enjoy their gardens
  - Well integrated into their local communities
  - Spend little on consumer products

# Midsomer Norton

- Midsomer Norton is located to the south-west of Bath
- The town has a more dominant comparison goods offer, although this is still slightly below national average
- Comparison goods operators are typically mass market multiples and independents such as Argos, M&Co, The Entertainer
- There is little for the more discerning mid market resident or visitor
- The services provision is high, as expected in a small local centre, with many opticians, estate agents, hair salons and banks / building societies
- The town has a few mid market independent cafes, indicating the presence of a more discerning customer
- Within the town are a Lidl and Sainsburys, which are set back from the main street, breaking the retail flow as well as a large Tesco on the edge of town
- In addition, there are a couple of smaller indepdents supplying local produce, such as Market Garden and Dockys Deli
- The environment in Midsomer Norton is mixed, but overall not unpleasant
- Despite the number of car parks, there is a lot of on-street parking which deteriorates the environment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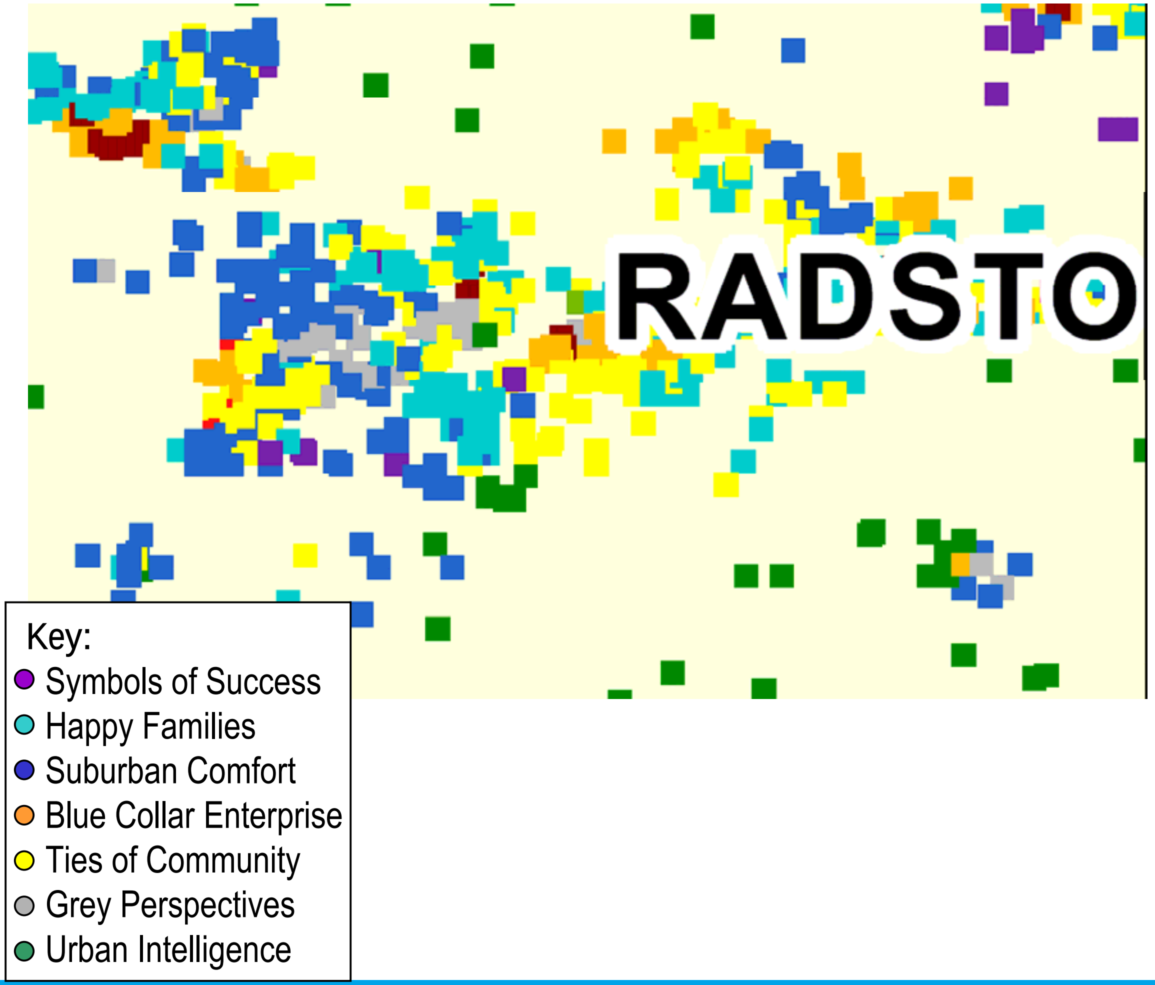
# Radstock

- Radstock is located only 2.5 miles from Midsomer Norton
- The town has a very small local needs driven retail offer
- The offer is dominated heavily by the in-town Rad-Co co-op store
  - Despite being called a Superstore, the store is medium sized with only 9 tills
  - As well as groceries, the store contains electricals (TV's, white appliances, etc), homestyle and clothing
  - In addition there is a Just Because gifts, coffee shop, tobacco kiosk and Travelcare concessions as well as The Post Office
- The rest of the town centre has less than 40 units
- These comprise a few comparison goods such as chemists, motor supplies and a bike shop, convenience goods such as traditional butchers and green grocer and services such as hair salons, opticians, banks / building societies and florists
- The layout of the town is such that busy roads intersect the offer, meaning that it is difficult for customers to see retail other than Rad-Co

# Midsomer Norton / Radstock




- Midsomer Norton appears to have a mixture of Suburban Comfort, Happy Families and Ties of Community customers
- The dominance is on Happy Families and Suburban Comfort, indicating a relatively mid market customer base
- Radstock appears to be predominantly Happy Families, Blue Collar Enterprise and Ties of Community, indicating a slightly more mass market resident

# The Retail Group

## Informed Solutions

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