Economy

DEC 2024

Future-Fit Retail Roadmap

Re-imagining purpose, embracing opportunity

R.190/2024

Our Mission

To nurture a strong retail economy, fit for the future: fostering prosperity through vibrancy, productivity and a customer-led approach.

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Executive Summary

The retail sector is a cornerstone of Jersey's economy. It is essential for daily life and prosperity and both businesses and Government must work together to ensure it is future proofed.

Consumers' interaction with retailers has evolved significantly over the past decade, necessitating a new plan to build on the last Interim Retail Strategy, published in 2021.

More than 900 retail businesses cater for diverse customer needs through a range of avenues, from online marketplaces to boutique stores, and this roadmap aims to support those businesses for a brighter future. Protecting the supply of essential goods must be a core focus across the sector, while highlighting the need for high-street businesses to adapt to ever-changing environments and spending habits.

Retail is a major economic driver in Jersey. The third largest private-sector employer, with over 7,000 jobs, it contributes £375 million in Gross Value Added, generates significant GST revenue and supports the commercial property market.

A thriving retail sector is also crucial for Jersey's visitor economy, enhancing the island's appeal to tourists while unlocking new markets. The plan envisions a prosperous retail environment that supports the community and enhances the visitor experience, centred around a vibrant St Helier. It is a vision that sets us on a path to have a consistently high-performing, environmentally-sustainable and technologically advanced small island economy by 2040, as set out in the Strategy for Sustainable Economic Development.

Jersey's high-street enjoys footfall of circa-7.5million visitors per year and shopping is identified as a top activity for tourists. Opportunities to capitalise are strengthened by the fact that one third of Islanders live in St Helier and two thirds of Jersey's population work in town.

However, the proportion of overall household expenditure attributed to online spending in Jersey has risen by 5% since 2014/15, to an average of £106 per week. It is, therefore, necessary for businesses to diversify their offering and we all have a role to play in fostering innovation.

Traditional retail, which incorporates transactional goods such as food, drink, clothing and footwear, currently accounts for 16% of household spending but trends appear to have changed since the pandemic. There is now increased spending on experiences and travel, compared to before the pandemic, and the reimagined retail sector – a core focus of this roadmap – should integrate more with hospitality, recreation, health and education. This new approach will create a seamless blend of services and capture a larger share of household spending by offering diverse, interconnected experiences. Businesses have significant opportunities to capitalise on this evolving landscape.

Jersey's future retail environment must also encourage entrepreneurialism and creativity, support startups and incentivise established firms to innovate. This will drive economic growth, attract investment, and create a dynamic marketplace.

A fair economy will be supported by prioritising accessibility, supporting local businesses, and ensuring fair wages. Inclusive hiring practices and pathways for career development must be encouraged – reducing inequality and supporting a balanced distribution of wealth. Promoting lifelong learning and digital literacy will help older employees remain productive and engaged, ensuring continued growth and stability in the retail sector.

Internationally, the plan aims to enhance Jersey's global reputation and expand export opportunities by encouraging innovation and quality in local products. This will attract international consumers and strengthen the Island's brand.

The Jersey: Future-Fit Retail Roadmap focuses on three strategic goals:

Vibrant

Enhance the vibrancy of our streets by addressing vacancies and working with landlords and businesses. This includes integrating retail into the Plan for St Helier and public realm improvements. We will drive innovation and entrepreneurship through policy, support customer-experience training, and encourage participation in the nighttime economy. Collaborations with the arts, culture, and heritage sectors will maximize retail opportunities alongside hospitality.

Customer first

Prioritise the needs of Jersey's residents and visitors, focusing on hyper-convenience and seamless engagement. Our goal is to create a community-centric environment, making access to products and services easy and enjoyable. We will enhance public-realm attractiveness and will encourage businesses to elevate customer service standards and stay attuned to consumer trends to remain competitive.

Productive

Support business growth across a variety of channels, embracing automation and circular economy principles to enhance productivity and build a resilient, more self-sufficient supply chain. This approach will reduce reliance on imports and tackle the climate crisis, ensuring a sustainable future for Jersey's retail sector.

Success in transforming Jersey's retail sector focuses on vibrancy, community wellbeing, and customer satisfaction, rather than just increasing shop numbers. Businesses should align their strategies with these goals and contribute to the sector's overall transformation. Annual and ad-hoc updates will track progress, with relevant parties responsible for delivering and reporting on actions. Continuous review of internal strategies will help businesses thrive and support the collective success of Jersey's retail landscape.

Deputy Kirsten Morel
Minister for Sustainable Economic Development

Background and Context


GOLDSMITHS
MANNA

Why is retail important to Jersey?

The Retail sector is fundamental to Jersey's economy. Simply, it is impossible to live without it. More complicated though is our interaction and our relationship with retailers and how we become aware of, choose, and access goods and services. This landscape shifts constantly and is no longer recognisable from the landscape we had ten years ago. The need for a roadmap is clear, as we have not had one since the Interim Retail Strategy published in 2021, or indeed since the seismic shifts we have experienced in the sector post-pandemic. It is time for that vision and time to re-imagine retail for the Jersey of the future.

Retail is the everywhere economy. People interact with it daily and often subconsciously. It can be taken for granted, but it is certainly missed when we cannot access the products and services we require. On an Island with a history of Occupation and thus scarcity, our need is to always have a secure supply of essential goods. This is a challenge that the roadmap aims to address.

Retail also matters because it is a major contributor to economic prosperity in Jersey. It is the third largest private sector employer, with over 7,000 jobs in the sector (11% of total Island employment) and generates over £375 Million in Gross Value Added. Moreover, retail activity sustains a significant proportion of the Island's commercial property market and contributes to the vibrancy of new areas of development for housing and offices. Broadly, half of the total GST collected across the economy is generated by the retail and wholesale sector[1] (the total GST estimated this year at over £125 Million) and further retail contributions to States and Parish incomes are generated by Corporate Income Tax on large retailer profits, commercial rates and via income tax paid by the employees.

With over 900 retail businesses across the Island, this resilient sector often shape-shifts and adapts to the needs of the customer, whether that be an online marketplace, a smaller boutique or specialist store to a bigger branded chain or department store. From pop-up to permanent, lifeline good to lifestyle good, retailers will be there to serve us.

The retail sector has a vital role to play in our macroeconomic challenges and can help steer our economy into a strong position for the future. There is a clear ambition to ensure it is successful and profitable for the good of our communities, our town and our parishes, as well as our Island economy.

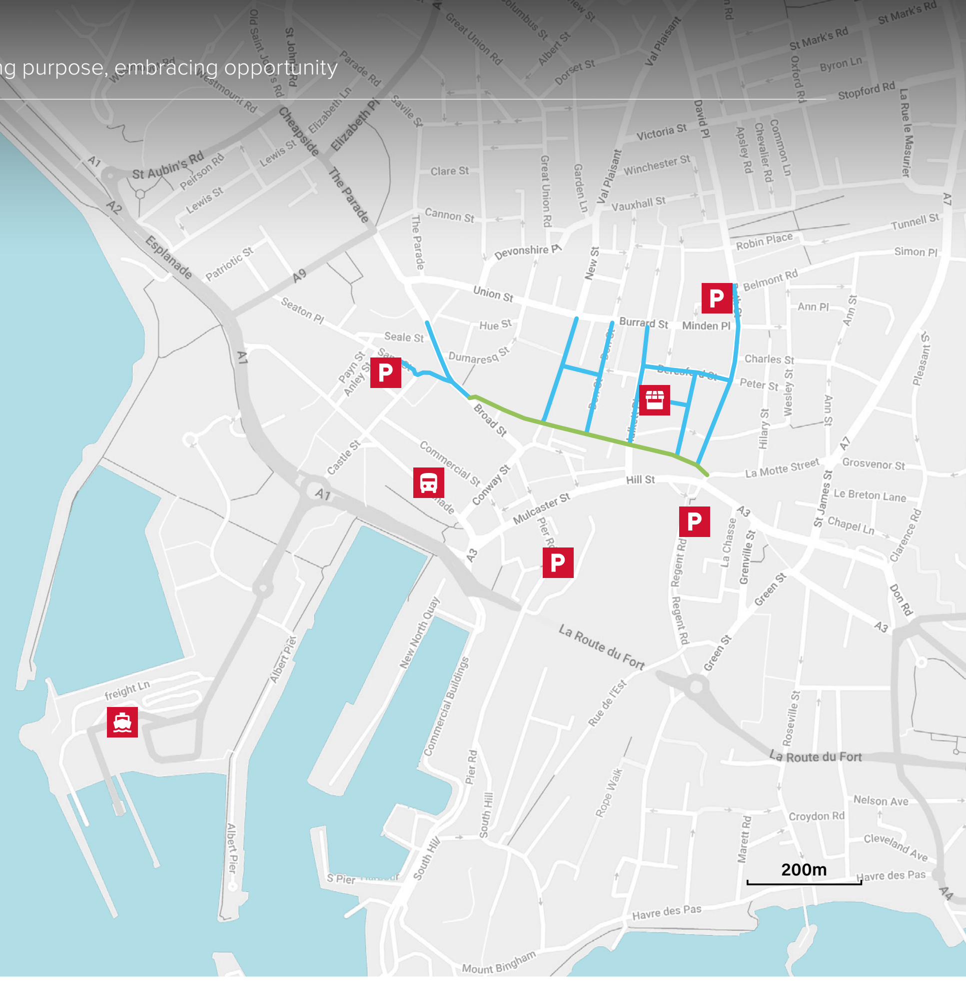
Moreover, a prosperous retail sector is synonymous with a vibrant Visitor Economy, blending experiencing the natural landscapes and attractions with leisure activities and hospitality for those visiting the Island. The future retail sector also has the potential to unlock interest in untapped markets for visitor spend, such as Asia and the Middle East, providing the product, services and tax-free shopping facilities are appealing.

At the core of the retail sector is St Helier's main high street and side streets, which are well supported with infrastructure.

[1] See Tax Statistical Digest on gov.je

St Helier

- Bus Terminal
- Shopper Parking
- Elizabeth Harbour Freight Terminal
- Central Market
- Jersey's high street (King Street and Queen Street)
- Other Retail



St Helier retail

7.5 million+

High street visits each year

Shopping

Shopping is the top activity for visitors

Captive audience

1/3 of Islanders are St Helier residents, and more than 2/3 work in town

1,000+

Shopper parking spaces in walking distance

Central bus station

Three minute walk to the high street

Daily freight services

From UK and additional services from France

St Helier is a major driver of economic activity for retail due to the volume of the population who live and/or work in the town. However, we also have a plethora of interesting and essential retail outside of the core. The overall contribution of the sector to Jersey's economy is summarised below:

Economic Contribution	**375 million** in GVA	Highest contributor to GST receipts at **approx 50%**
People and Skills	**7,000+** job roles	**3rd largest** private sector employer
Business Environment	**Over 900** retail businesses in Jersey	2% of firms with **50 employees or more**

Re-imagining Retail

Traditional Retail Sector

Selling goods, mostly transactional (e.g. food and drink, clothing)

Traditional retail transactions currently make up 16% of total household average weekly spend[2]. It is worth noting that spending on experiences (recreation and culture in the charts below) and travel continues to increase post-pandemic.

The re-imagined Retail Sector

Will focus on content and include more frequent convergence with hospitality, recreation, care, health, education, co-working and other habitual opportunities for Islanders.

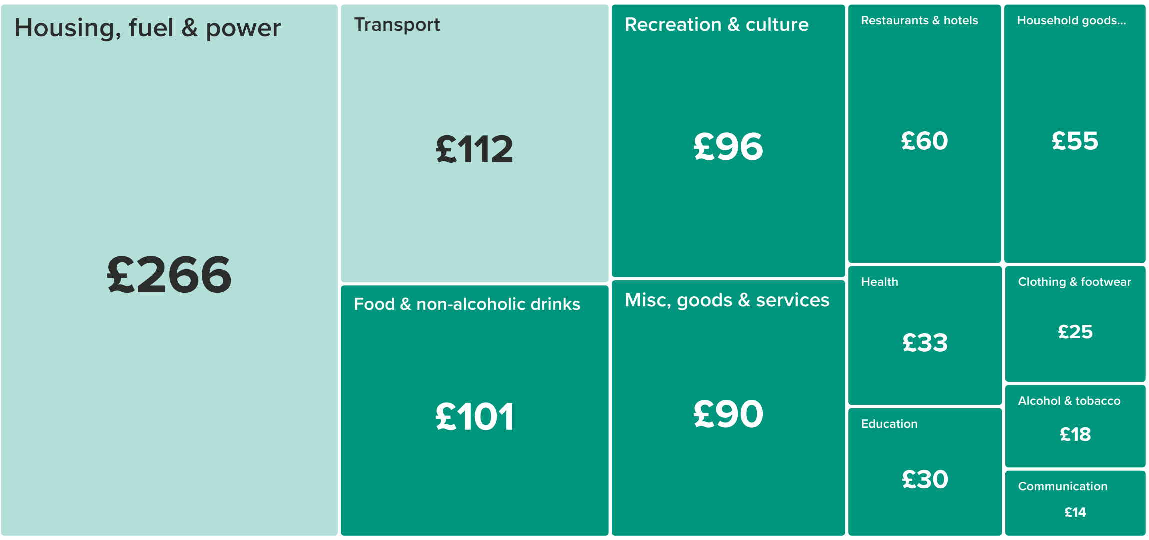
In the new definition of retail's purpose, which we will explore throughout this roadmap, more of the household spend will be in this re-imagined landscape. It is a space over where half of the chart below becomes a potential retail opportunity; a place where lines between hospitality, recreation, health, education and transaction are blurred, interconnected and ubiquitous. There is a glaring opportunity for businesses to find their gap in the future space and seize it. It might be a boutique cinema in a department store (as Selfridges has done) or a candle making workshop space integrated in a store, as we have already seen in Jersey.

[2] Statistics Jersey Household Spending Report

Breakdown of average weekly household spending by expenditure group (£ per week)

Traditional Retail Scope

Breakdown of average weekly household spending by expenditure group (£ per week)

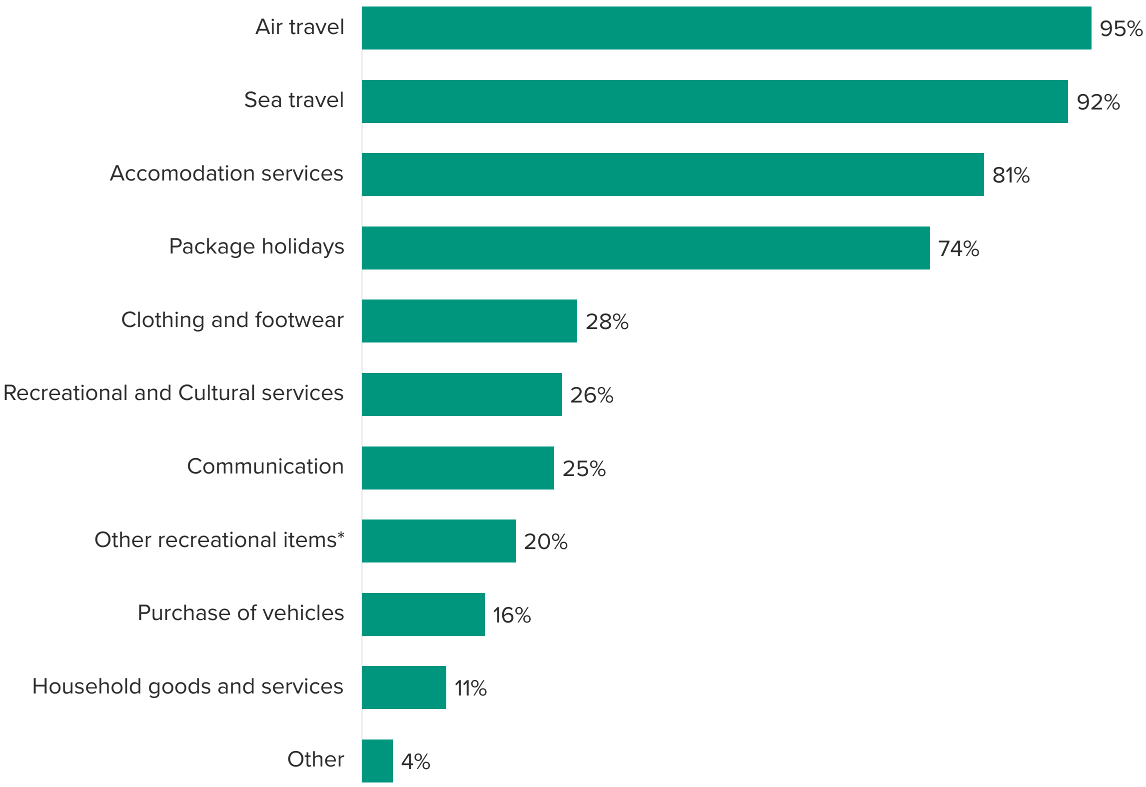


Future Retail Scope

Online Spending

Data from the Jersey Household Spending Report 2021/2022 shows that overall online spending amounted to £106 per week, accounting for 12% of all household expenditure. This represents a substantial increase since the 2014/15 survey, when online spending accounted for 7% of all household expenditure. If we have already seen a near doubling of this percentage in that time, we can anticipate this will have further increased.

The breakdown of online spending is as follows:



*Includes computer software, sporting equipment, toys and open air recreation

Examining the spending categories in more detail, online spending accounts for:

- over half of expenditure on books (58%)
- over two-thirds (69%) of spending on computer software and games and almost a third (32%) of expenditure on computers
- almost half (49%) of the total spending on photographic, cine and optical equipment
- over a third (36%) of spending on games, toys and hobbies
- a quarter (25%) of expenditure on equipment for sport, camping and open-air recreation.

Wider government policy context

Although responsibility for the sector lies primarily with the Minister for Sustainable Economic Development, it also interacts with several other Government departments and relies on Government interconnectedness to deliver the vision set out here.

Infrastructure

Responsible for parking, layout of roads, Jersey Property Holdings buildings and amenities, such as the Central Markets, public toilets and beach cafés. This department is also responsible for public realm improvements and standards.

Environment/SPPP

Responsible for Planning Policy and Planning decisions.

Treasury and Exchequer

Responsible for tax matters: GST, Retail Tax and tax refunds for visitors.

The Cabinet Office

Ensuring the strategic direction of the new retail roadmap aligns with the Common Strategic Priorities and feeds into the Future Economy Programme (led by the Department for the Economy.)

Department for Children, Young People, Education and Skills

Skills Jersey, which facilitates an apprenticeship scheme but can also help with careers in retail and lifelong learning.

Department of Customer and Local Services

Helping people back into work (skills and training.) Also responsible for licencing and staffing permissions.

External Relations

Serving Jersey's best economic interests by promoting a strong, diversified and internationally connected economy, safeguarding its competitive position as a platform for global business and promoting growth through trade and investment. Promoting Jersey's island identity abroad, together with a greater spirit of international awareness at home.

The Parish of St Helier, other parishes and ALO's such as Jersey Business, Visit Jersey and Digital Jersey also have a huge role to play in the success of Jersey Retail.


Voisins
CharlotteTilbury
CharlotteTilbury
CHARLOTTE TILBURY
DELSEY
LITTER
PARISH OF ST HELIER
PRADA

Future Economy Programme

The Jersey: Future-Fit Retail Roadmap is part of delivering against the long-term challenges set out in the Strategy for Sustainable Economic Development, and is aligned with the overarching economic vision and five guiding themes of Government. Publishing and delivering the Retail plan is recognised as a key action in section 2.5 of the Delivery Framework and is part of delivering against the long-term challenges identified therein.

OUR VISION

To be a consistently high-performing, environmentally sustainable and technologically advanced small island economy by 2040.

Strategy for Sustainable Economic Development - 5 Guiding Themes

1. Resilient economy

An economy resilient to economic shocks and global trends, and agile to change.

Our future retail roadmap can significantly contribute to a resilient economy by fostering adaptability and innovation, which are essential in responding to economic shocks and global trends. By **integrating digital technologies, supporting local supply** chains, and **enhancing customer experience**, the plan will encourage businesses to quickly pivot in response to market changes, thereby maintaining stability. Additionally, by focusing on **sustainability and local sourcing**, it reduces dependency on global supply chains, making the economy more agile and capable of weathering disruptions. This forward-thinking approach not only strengthens individual businesses but also bolsters the overall economy's ability to thrive in an unpredictable global landscape.

2. Innovative economy

An economy with a culture of entrepreneurialism and innovation.

This strategy can be a catalyst for an innovative economy by nurturing a culture of entrepreneurialism and creativity. By encouraging businesses to **embrace new technologies**, explore alternative business models, and prioritise **customer-centric innovation**, the roadmap fosters an environment where **experimentation and agility are rewarded**. It supports startups and small businesses in testing new ideas, while established firms are **incentivised to innovate** to stay competitive. This continuous push for innovation drives economic growth, attracts investment, and cultivates a vibrant marketplace where new ideas can flourish, ultimately creating a dynamic and forward-looking economy.

3. Skilled economy

A culture of lifelong learning, supporting the future needs of the Island.

A future-fit retail environment can significantly contribute to a skilled economy by emphasising the importance of **retail skills as highly transferable** and valuable for any future career choice. The plan promotes lifelong learning and professional development, ensuring that the workforce acquires a versatile skill set that is applicable across various industries. Retail experience cultivates essential competencies such as **customer service, problem-solving, communication, and adaptability**, all of which are critical in today's dynamic job market. By nurturing these transferable skills, the retail sector not only prepares individuals for success within the industry but also equips them with the tools needed to thrive in any future career path, supporting the long-term economic resilience of the Island.

4. Fair economy

An economy with growth that benefits all Islanders equitably.

A stable retail landscape can significantly contribute to a fair economy by fostering growth that benefits all Islanders equitably. By **prioritising accessibility, supporting local businesses and ensuring fair wages**, the roadmap helps create opportunities for all segments of the population. The Government's recent commitment to a **Living Wage transition** will have a significant impact on the incomes of employees of this vast sector. It will also encourage inclusive hiring practices and provide pathways for career development, enabling more Islanders to participate in and benefit from economic growth. Moreover, by **promoting local entrepreneurship and ensuring that economic gains are distributed more evenly**, the strategy helps reduce inequality and supports a more balanced and fair distribution of wealth across the community. This approach ensures that as the economy grows, its benefits are felt by everyone, not just a select few.

5. International economy

Protect our global reputation and diversify our export opportunities.

A secure retail and wholesale industry can contribute to an international economy by enhancing **Jersey's global reputation and expanding export opportunities**. By encouraging **innovation and quality in local products**, the roadmap helps position Jersey as a leader in sustainable and high-quality goods. This not only attracts international consumers but also strengthens the Island's brand on the global stage. Additionally, by diversifying the range of products available for export and leveraging digital platforms for global reach, the plan **enables local businesses to tap into new markets**. This proactive approach helps protect and enhance Jersey's international reputation while fostering economic resilience through diversified export channels.

Productivity

Reversing the trend of declining productivity is one of the keys to unlocking economic growth identified in the Strategy for Sustainable Economic Development. We will explore improving productivity as one of the key goals of this roadmap.

Ageing population

This roadmap addresses the challenges of an ageing population and the associated increase in the Dependency ratio (the number of non-workers to workers) by integrating technology and flexible work practices that accommodate older workers. By promoting lifelong learning and digital literacy, the strategy can help older employees remain productive and engaged, allowing them to contribute valuable experience while adapting to new retail technologies. Additionally, by fostering age-friendly retail environments and encouraging part-time or flexible work options, the plan helps retain older workers, thereby mitigating the increase in the Dependency Ratio. This approach not only sustains economic output but also leverages the unique strengths of an ageing workforce, ensuring continued growth and stability in the retail sector.

Jersey's Performance Framework

The retail sector plays a crucial role in aligning with Jersey's performance framework by driving economic growth, supporting community well-being, and fostering regenerative practices.

Retail contributes to the framework's goals of increasing productivity, ensuring inclusive economic participation, and enhancing quality of life for residents. The Sector promotes local entrepreneurship and provides employment opportunities, boosting equitable growth and social inclusion, and through initiatives focused on circular practices and digital transformation it also supports environmental, and innovation targets.

The Vision

Our Mission

To nurture a strong retail economy, fit for the future: fostering prosperity through vibrancy, productivity and a customer-led approach.

1. The Vision

In our vision for retail in Jersey, we see a vibrant tapestry of community engagement, enterprising spirit, and regenerative practices. Our roadmap is not merely about transactions; it is about cultivating an ecosystem where ideas flourish, where play sparks innovation, and where every citizen contributes to the prosperity of our future.

2. Place-making and Community

Our retail roadmap revolves around fostering deep connections within our community. We envision a network of local businesses, artisans, and entrepreneurs collaborating to create a thriving economic ecosystem. Through shared resources, knowledge exchange, and mutual support, we will strengthen the bonds that tie us together, ensuring that every member of our community has a stake in our collective success.

3. Regenerative Practices and Sustainable Development

Central to our vision is a commitment to regenerative practices that nurture rather than deplete our natural resources. We will prioritise sustainability in every aspect of our retail landscape, encouraging sourcing products responsibly and reducing waste to investing in renewable energy and green infrastructure as we decarbonise and transition to a net zero economy[3]. By embracing environment friendly practices, we will minimise our environmental footprint while maximising long-term prosperity for generations to come.

4. Cultivating Entrepreneurship and Innovation

Our Island economy will be a productive environment for entrepreneurship and innovation, where bold ideas are encouraged, and creativity is celebrated. We will provide aspiring entrepreneurs with the resources, mentorship, and support they need to turn their visions into reality, whether through incubator programs, funding initiatives, or collaborative spaces. By nurturing a culture of experimentation and considered risk-taking, we will fuel economic growth and drive forward-thinking solutions to meet the challenges of tomorrow.

[3] Policy HT2 pg.117

5. Celebrating Culture, Heritage, and the Arts

At the heart of our retail roadmap lies a deep appreciation for the rich tapestry of culture, heritage, and the arts that define our island identity. We will support spaces where local artists and craftsmen can showcase their talents, where traditional practices are preserved and celebrated, and where cultural exchange flourishes. Through mindful collaboration with cultural institutions, community organisations, and Jersey communities, we will celebrate our heritage while embracing the diversity of our present.

6. Engaging Future Citizens and Their Habits

As we look to the future, we recognise the importance of engaging the next generation of citizens and understanding their evolving habits and preferences. The ambition of this roadmap is to move from a responsive position, to a predictive one, where we fully acknowledge the rapidly changing relationship that consumers have with brands, places and with each other. Our retail strategy will leverage digital technologies and social media platforms to reach and connect with younger demographics, while also prioritising experiential offerings that cater to their desire for authenticity and uniqueness. By co-creating and listening attentively to Islanders' needs, we will ensure that our retail sector remains vibrant and relevant in the years to come. Where our citizens are transacting increasingly online, the High Street will evolve to have fewer but better shops that respond to the socialising desires of its audiences. The most notable change in customer expectations we have witnessed in the most recent times is the demand for hyper-convenience. Consumer intolerance occurs when we have access to things at pace and then they do not work or work less effectively than we expect them to. In other words, the moment the access is unlocked, our expectations are raised and remain high. Businesses are having to meet these expectations more quickly than ever before. Our desire for newness is also insatiable, so the need for speed is critical in delivering the recommendations in this plan.

7. Curating Events and Experiences

Events will serve as the heartbeat of our retail roadmap, bringing together members of our community in celebration, exploration, and learning. From pop-up markets and cultural festivals to workshops and immersive experiences, we will curate a diverse array of events that cater to every interest and passion. By fostering a sense of belonging and excitement, these events will not only drive foot traffic to our retail spaces but also foster deeper connections and a sense of shared purpose among our citizens. After-all, retail is no longer about real estate, it is about content, and "participation is the new consumption[4]."

There will be greater synergy between hospitality and retail sectors, especially regarding the night-time economy and events and experiences that combine the strengths and offerings of these two areas.

In summary, our vision for the retail plan for our island economy is one of mindful and deliberate collaboration, where interconnectedness, community engagement, and regenerative practices converge to create a prosperous and sustainable future. By celebrating our culture, nurturing entrepreneurship, and engaging future citizens, we will transform our shopping streets and retail businesses into vibrant hubs of creativity, innovation, mixed-purpose and prosperity for all.

[4] Ibrahim Ibrahim: Future Ready Retail, published 2022

Strategic Goals

Our Retail Roadmap is framed around the following strategic goals:

1. Vibrant

We will focus on vibrancy by ensuring that tackling vacancies is a high priority. This will include a suite of options that work with landlords and businesses to enhance the vibrancy of our streets, rather than deteriorating them. We will be working across Government to ensure retail is a key feature in the Plan for St Helier and contributes to public realm improvement initiatives. We aim to curate a retail offer that is appealing, exciting, and unique to our Island's needs, driving innovation and entrepreneurship through policy. Additionally, we will provide customer experience training to help upskill workforces and remove barriers to opening, enabling participation in the nighttime economy and weekend trade. Our policymaking will address vacancies to ensure optimal use of bricks and mortar spaces, and we will collaborate on both public realm and amenity improvements to enhance customer experience across physical and digital platforms. We will work with the Arts, Culture and Heritage sector, and the Creative Island Partnership to explore how retail can contribute to Island events and ensure we maximise opportunities alongside hospitality in both the day and night-time economies. Additionally, we will expand the Town Team to enable centralised interventions that enhance the spirit and sense of place.

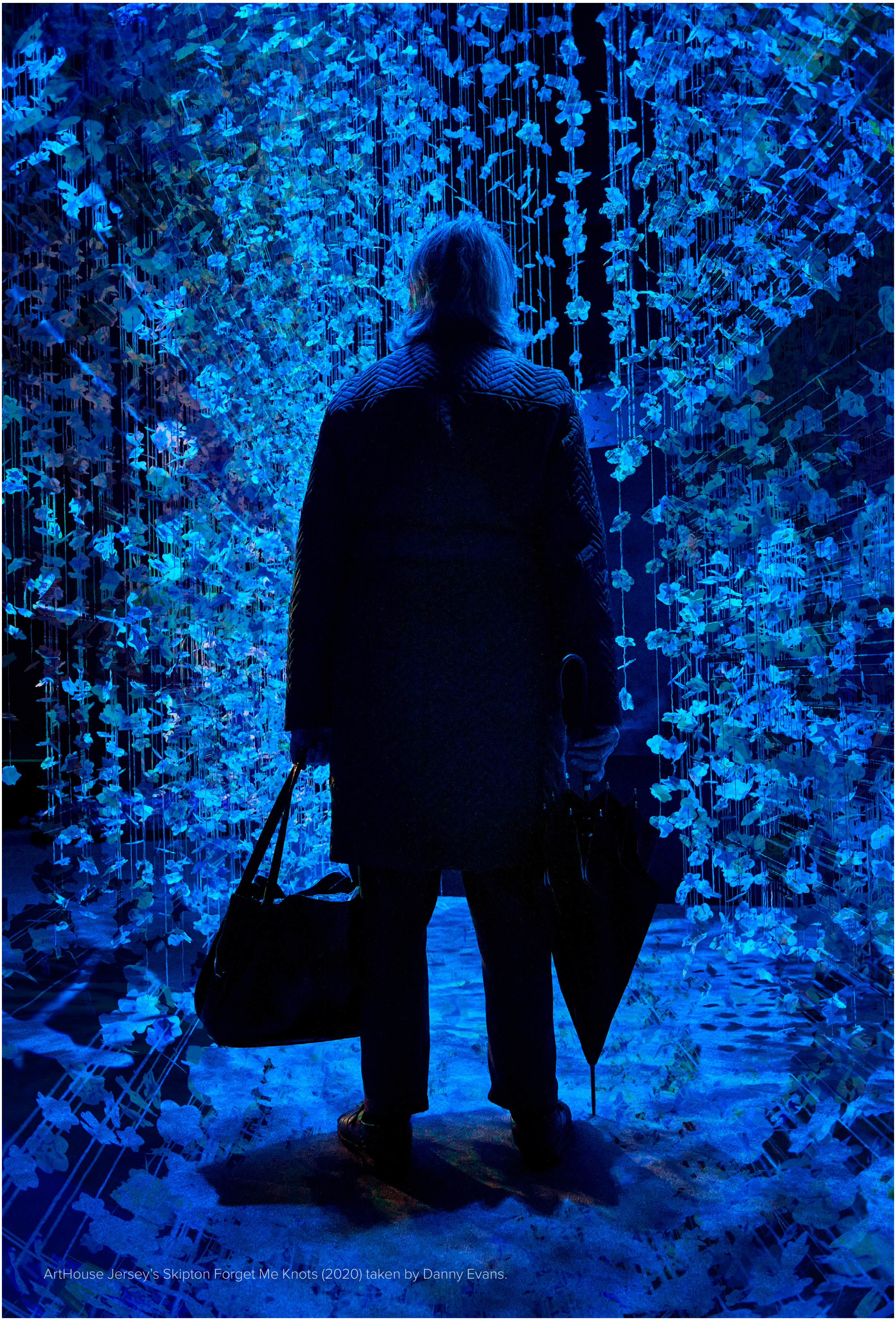
2. Customer-first

We will prioritise the needs of Jersey's citizens and customers, who are driving the future of the sector with their demand for hyper-convenience and seamless engagement, across channels. Our aim is to create a habitat where people can live, work, care, and socialise as a community, while making access to this offering easy by responding to clear community feedback. We will ensure that visitors are excited by their experiences and the unique products Jersey has to offer. By increasing awareness of available products and brands, we will make them easily accessible in the most convenient ways. Both digital and physical wayfinding will be attractive and informative, reducing friction for citizens and visitors alike. We will work with stakeholders to enhance public realm attractiveness, creating a retail environment where people want to spend time. Recognising that what works for visitors also benefits residents, we will stay attuned to shifting consumer trends to better serve future generations and remain competitive. We will strive for world-class customer service standards, enhancing our reputation and fostering skills development for young people.

3. Productive

We will work to ensure businesses can experience growth in omni-channel traffic, helping them effectively convert this traffic into sales and thrive in a globally competitive landscape. The multi-channel space, including social retailing, presents a key opportunity for growth and increased productivity, and we will support businesses in leveraging this potential. As the sector embraces automation, we will provide access to best-in-class solutions for businesses to explore and implement. Our policies will incorporate circular economy principles, tackling the climate crisis with a regenerative approach that promotes re-purposing, repairing, and re-using resources on an unprecedented scale. This will enhance productivity and build a more resilient, self-sufficient supply chain, reducing, as far as possible, reliance on imports. Although this is a significant challenge for Jersey, with focus and collaboration, it is an achievable future state.

Each of these strategic goals is outlined and explored over the following pages.



ArtHouse Jersey's Skipton Forget Me Knots (2020) taken by Danny Evans.

1. Vibrant

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Current position and key issues

"Whenever and wherever societies have flourished and prospered rather than stagnated and decayed, creative and workable cities have been at the core... Decaying cities, decaying economies, and mounting social troubles travel together. The combination is not coincidental."

Jane Jacobs, 2011

1.1 Footfall:

The High Street has loyal and regular audience participation in Jersey, an enviable footfall of 7.5 Million per year (approx. 80% of 2019 levels) walk through our main thoroughfare. High footfall does not automatically equate to high sales, but it does do half of the work. The challenge for retail, hospitality, creative industries, and our parishes is to disrupt this audience during their auto-pilot mission to get from bus to office or office to sandwich shop and so on. The challenge is to interrupt the monotony with surprising and delightful events, public art, retail theatre, crafting, attractive windows, digital displays, colour, nature, height, light, floor decals, interesting hoarding and all manner of tricks that make a High Street enjoyable and the place you want to spend your time.

1.2 A Town Team:

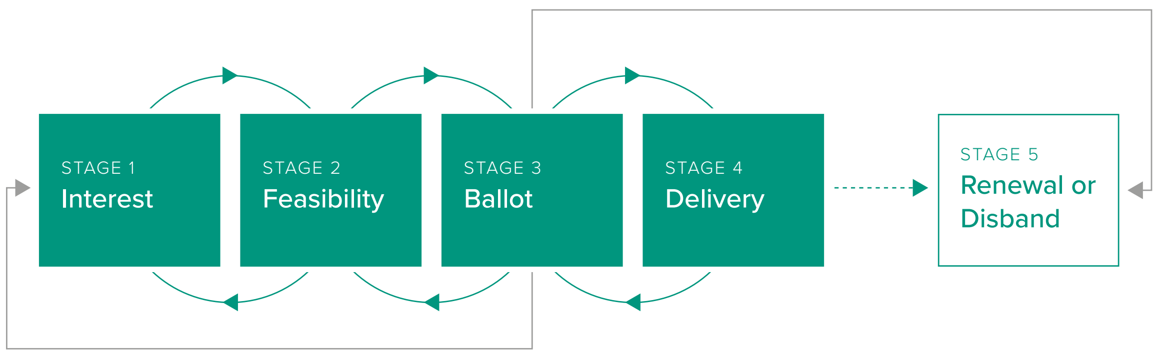
The skill and willingness to achieve this are all within our rich community. The Town Team has already started at a community level but needs some structure and funding to bring this vision to life. An effective town team for St Helier will continue to be community-led and supported by Government, the Parish, and the Town Centre Manager to drive those micro-adjustments that will make a world of difference to the vibrancy we see and feel. To build a greater overall customer experience on the High Street, the devil will be in the details. Small interventions championed by the Town Team will deliver fast and noticeable changes that are sorely needed.

1.3 The future of the Town Team may wish to take on a BID-like (Business Improvement District) structure and governance for the longer-term sustainability of the work. Although BIDs vary, the most usual form of BID is succinctly defined by Bristol City Centre BID[5].

"A Business Improvement District is a defined area where business rate payers agree to pay a levy into a fund for a fixed period. Specific agreed initiatives are then delivered to improve the area for businesses.

A BID is commenced when an independent ballot has been conducted. To be successful there must be both a simple majority of the number who vote and a simple majority of the aggregate rateable value represented by those who vote."

1.4 There are five stages in the development (and cessation) of a BID - Interest, Feasibility, Ballot, Delivery and Disband - are outlined in Figure 1, below, and then discussed more fully.



1.5 A BID would secure long-term funding for the Retail Sector and the improvements we will need to deliver for St Helier, in the first instance. As the Island Plan designates St Helier as the retail heart of the Island, there is an inherent starting point for the formation of a BID. Legislation would be required to enable the delivery of this model.

[5] https://bristolcitycentrebid.co.uk/about-the-bid/#what-is-a-bid

1.6 Using the UK High Street Task Force's[6] resources, we have been able to score Jersey's High Street using the 25 priorities for vitality and viability. It is worth noting that all factors contribute to this, but our Island's unique aspect will yield different results when compared to other jurisdictions. The scoring is based on an ascending scale, 10 indicating a much higher priotrity and 1, a much lower priority. It is worth noting that a BID or Town Team would normally manage these priorities with support from the Government, local authority, or in Jersey, the Parish. Figure 2, below, shows the opportunities for St Helier's High Street. The top-rated opportunities are:

- Activity (including opening hours and evening economy),
- Retail Offer (offer and brands),
- Innovation and experimentation,
- Recreational Space (play),
- Markets,
- Place-making (marketing, flow),
- Appearance (cleanliness and frontages) and
- Experience (image, visitor satisfaction, service quality and atmosphere).

Figure 2: Priorities for Vitality and Viability of a High Street – Assessment for St Helier

Factors	Including	Score
Activity	Opening hours, footfall, shopping hours, evening economy	**10**
Retail Offer	Retail offer, retailer representation	**10**
Innovation	Opportunities to experiment, retail innovation	**10**
Experience	Centre image, visitor satisfaction, service quality, familiarity, atmosphere	**9**
Appearance	Visual appearance, cleanliness, ground floor frontages	**9**
Place Marketing	Centre marketing, marketing, orientation/flow	**9**
Markets	Traditional markets, street trading	**9**
Recreational Space	Recreational areas, public space, open space, play	**9**
Vision and Strategy	Leadership, collaboration and development strategies	**8**
Place Management	Town centre management, place management, BIDS, town teams	**8**
Non-retail Offer	Attractions, entertainment, non-retail, leisure	**8**
Merchandise	Range, quality of goods, assortment, visual merchandising	**8**
Attractiveness	Sales/turnover, place attractiveness, vacancy rates, attractiveness, retail spend, customer/catchment views, construction of out-of-town centre	**8**
Necessities	Car parking, amenities, general facilities	**7**
Diversity	Range/quality of shops, tenant mix, tenant variety, availability of alternative formats, store characteristics, comparisons/convenience, chain vs independent, supermarket impact, retail diversity, retail choice	**7**
Networks and Partnerships with Parish	Networking; partnerships, community leadership, retail/tenant trust, tenant/manager relations, strategic alliances, centre empowerment, stakeholder power, engagement	**6**

[6] https://www.placemanagement.org/research/25-vital-and-viable-priorities/

Figure 2 (continued):

Factors	Including	Score
Accessible	Convenience and accessibility	**6**
Liveable	Multi/mono-functional, liveability, personal services, mixed use	**6**
Walking	Walkability, pedestrian flow, cross-shopping, linked trips, connectivity	**5**
Barriers to entry	Barriers to entry, landlords	**5**
Adaptability	Retail flexibility, retail fragmentation, flexibility, store/centre design, retail unit size, store development, rents turnover	**5**
Redevelopment Plans	Planning blight, regeneration	**5**
Anchors	Anchors signify character and give importance: retail stores and anchor footfall drivers such as hospitals, universities	**4**
Safety/crime	A centre KPI measuring perception or actual crime including shoplifting	**2**
Functionality	The degree to which a centre fulfils a role - e.g. service centre, employment centre, residential centre, tourist centre	**2**

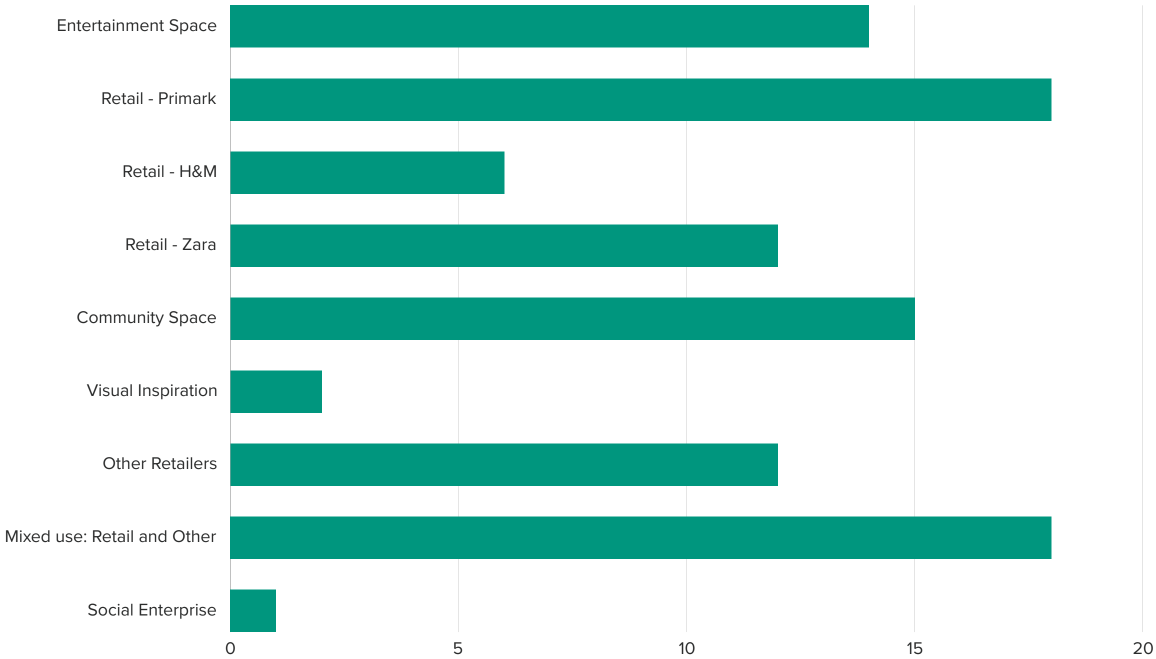
Data created using UK High Street Task Force resources.

1.7 Citizen Engagement:

To understand what the people of Jersey's aspirations are for vibrancy, we must consider all the engagement that has been done with our citizens. Jersey's overall Better Life Index 2021 was 6.4 (out of 10), ranking 24 out of 41 nations, below the OECD (Organisation for Economic Cooperation and Development) average, the UK and France. On both a national and regional level, Jersey ranked bottom for civic engagement. However, arm's length organisations and charities are already working at developing better relations with specific groups. Listening and delivering is key to maintaining trust. Enabling inclusive events and a more relevant public realm are a key part in bringing communities together and enabling better civic engagement.

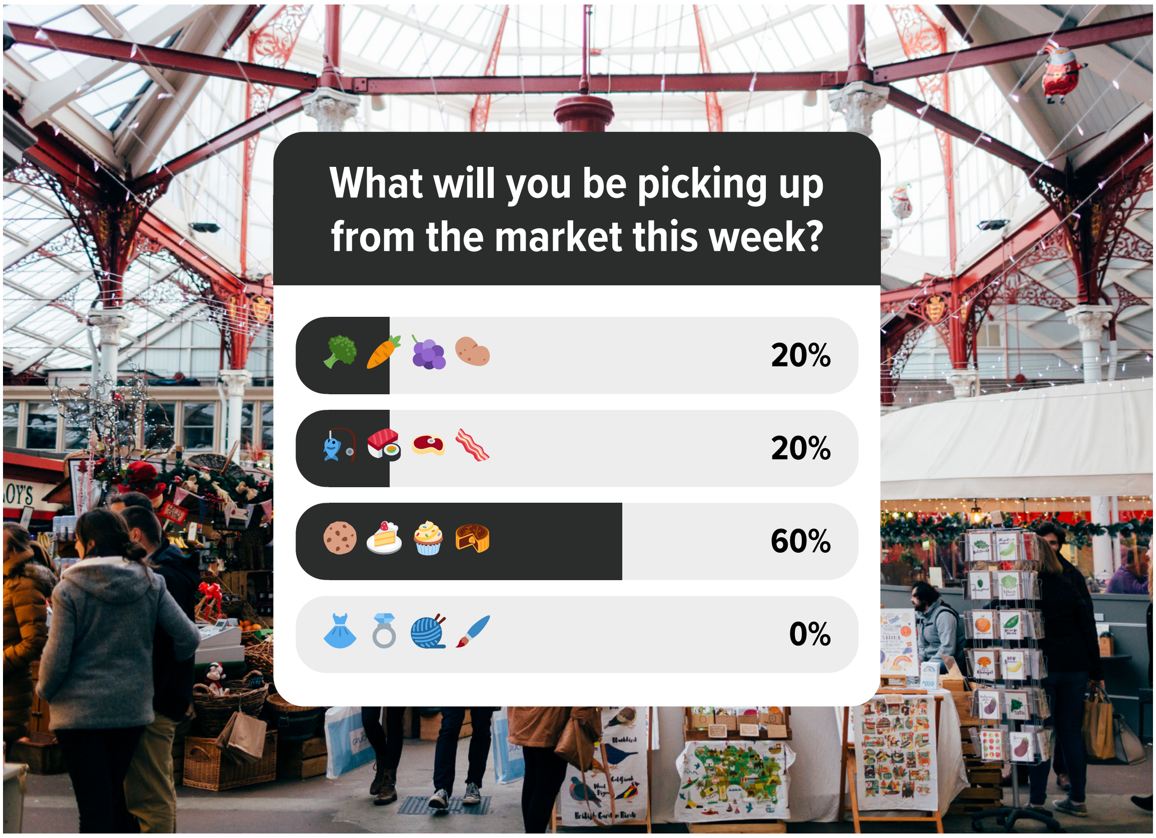
1.8 Turnaround for retail will come from a detailed understanding of what is the truth or insight behind the customer. The insights already provided by last year's pilot: 'Public Voice Common Ground, accelerating civic engagement around St Helier' tells us what people really feel about the town and their experience. The specific retail research pilot was conducted live in one of the vacant shop windows in December 2023 and it captured mostly citizens who either live or work in town or were there to shop. The survey was deliberately simple but direct, asking people what they thought the space should be used for: "If you had a magic wand, what would be in this building?" (see Figure 3 on the next page) and "What does wonderful look like for St Helier?" This type of temperature check is vital for the sector, as it gives us a live indication of the consumer's desires. A recent social media poll also gave us a flash indication of consumer habits in the Central Markets and is useful direct feedback for businesses, see Figure 4, also on the next page.*

Figure 3: Magic Wand Vacancy Solutions



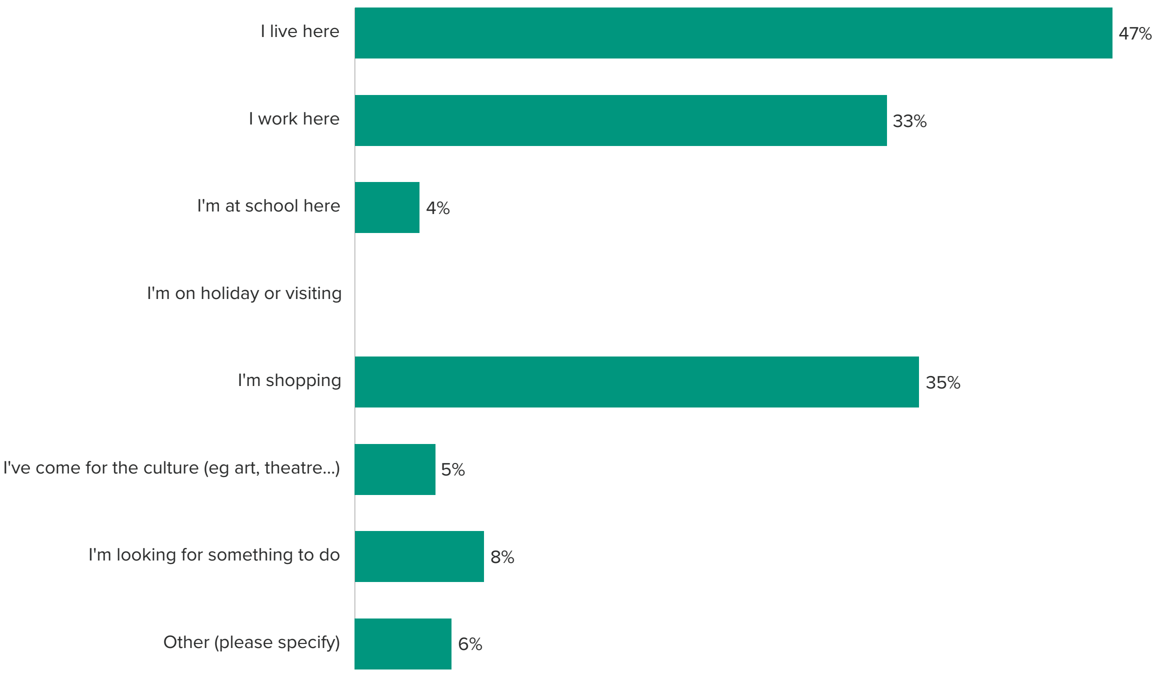
*Data from 96 respondents who completed the Public Voice Common Ground survey, December

Figure 4: Jersey Markets Social Media Poll



Data from Instagram – Jerseymarketsofficial account

Figure 5: Magic Wand Vacancy Solutions - Why are you in town today?



Data from 96 respondents

1.9 Careers in Retail:

Retail and Hospitality are often a citizen's first introduction to the workplace and are known as 'feeder' sectors, developing young people's skills for evolution into other sectors of the economy. In Jersey, we will often see this evolution into the dominant Finance Industry or indeed the Civil Service. Often underestimated, those foundational softer skills are vital components for future career paths. Excellence in this area is vital as it equates directly to the quality of offering that we can provide for both locals and visitors. There is a clear opportunity to highlight retail careers and pathways at an earlier stage for children on the island and a case for promoting the customer experience skills that are invaluable to wherever the career path may lead.

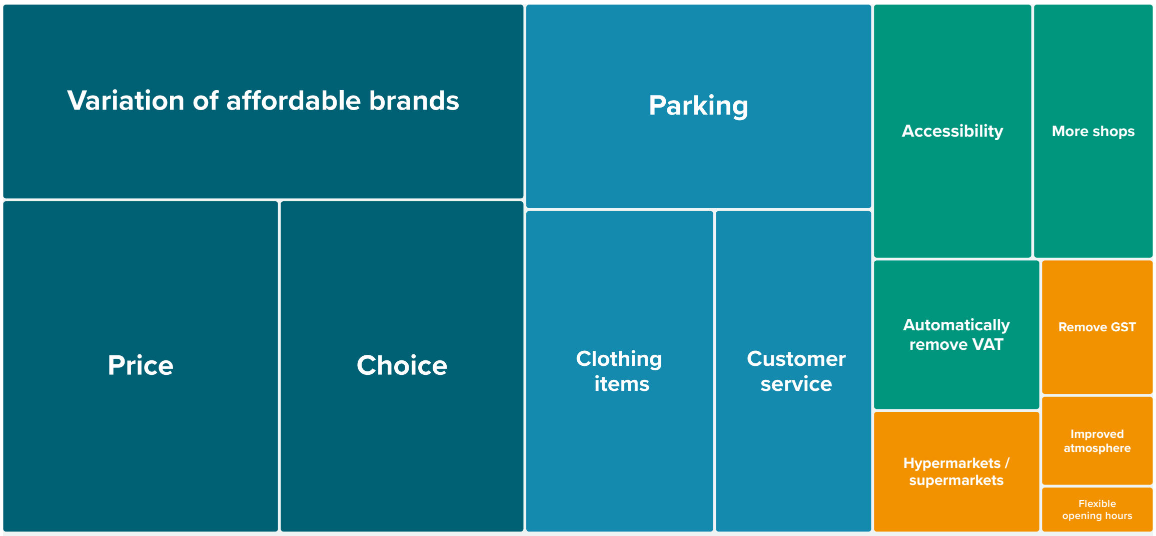
1.10 Customer Experience:

That being said, both the recent Jersey Retail 2023 Report and the Jersey Markets Strategic Review (2022) highlighted the lack of quality customer experience on the island. The recent visual cataloguing of the High Street alongside the Commercial Vacancy Count also revealed that only 21% of our shops ranked in the "High" curb appeal ranking. Similarly, the Markets Strategic Review concluded that: 'Customer Service delivered by most businesses is ok, nothing better.' There is a clear need for improved standards and visual merchandising upskilling across the sector will be key to the vibrancy. The kind of skills that can be intangible to some make the retail environment sing, and it is this magic 'sticky' skill set that we need to invest in for the future. If we take the Markets as a microcosm of the broader retail environment, the conclusions of eventual market failure, if left, should be taken seriously:

> ***" Whilst the cleansing, waste management and operations of both markets are generally good, the customer experience in the market is ok and far from outstanding or memorable. Both markets have lots of space but little 'place'. We know from lots of centres and markets that we have worked on that successful places need to be experiential, memorable, exciting, visible, accessible, evolving, well marketed and well managed. As a simple checklist, the markets are failing."***
>
> **Taken from page 49 of the Jersey Markets Strategic Review (2022)**

The same feedback is reflected in the recent Jersey Retail 2023 Report - Perceptions, experience and needs published by 4insight. The graphic below highlights the need for better customer service.

Most mentioned improvements



What could improve your shopping experience in Jersey?

- The main call for improving retail in Jersey was to introduce different affordable high-street brands, in particular, H&M, Zara, The Range (222 mentions)
- Price was second most mentioned improvement, calling for cheaper prices or prices compared better to the UK (212 mentions)
- Many called for a better choice and range of items to choose from (186 mentions)
- Parking was a strong factor for many, desiring more availability of parking, free parking, shopper parking, or cheaper parking (140 mentions)
- **Strong perception that customer service is poor, large call for better training, more helpful staff and just generally more friendliness**
Accessibility was mentioned many times, in particular disability access and parking
- Hyper markets or a large supermarket like Lidl was called for to help affordability and provide a better range of choice
- Other calls for: Food/ dining, online capabilities e.g. click and collect, independent shops, strong dislike toward perceived monopoly of Sandpiper, entertainment/ events, facilities e.g. toilets, promotions, Sunday trading, cover/ shelter, less traffic/ more pedestrianisation, cycling access, improved bus service

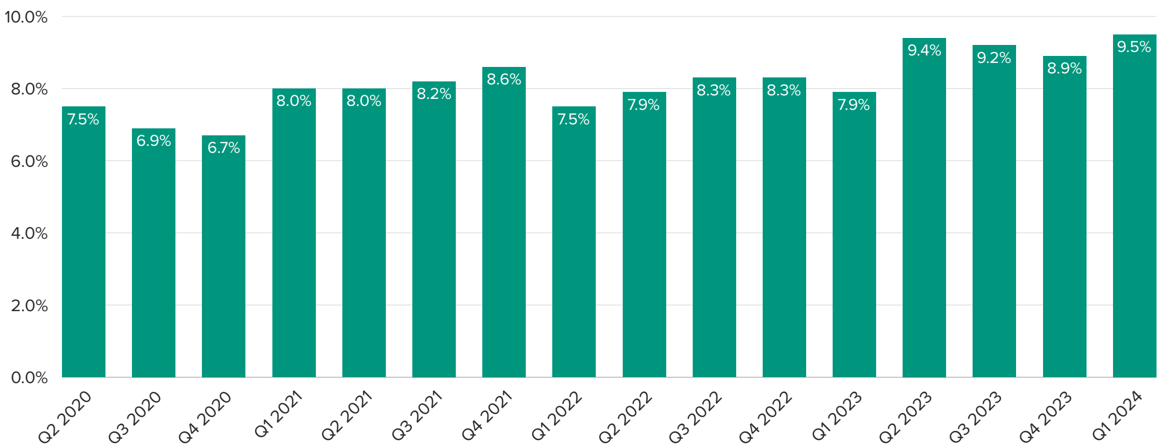
This year Jersey Business has managed to re-instate the Retail Apprenticeship Scheme at Highlands college and fill the course. This is a meaningful step in the right direction and a commitment from retailers to invest in their talent for the long term. There is a clear need to raise the bar more generally and turn the dial on culture in the service sectors, which encourages the day-makers and the joy-givers to enliven our economy.

Strategy and opportunity

1.11 The High Street is such a visceral sign of the state of the local economy and the nostalgia for the brands and experiences of by-gone years should not be underestimated. The demise of many High Streets in the UK has saddened the population and in turn manifested into other socially destabilising ripples throughout society.

1.12 So how do you solve a problem like the High Street? Jersey does not suffer the same woes on our main High Street as many UK cities; we have enviable footfall of 7.5 million visits each year, and a huge percentage of our population (approximately two thirds of the Island's workforce) work around and visit our High Street daily. Although the feeling of decline is less pronounced, it is still evident, given the rising number of vacancies, which are currently at a record high percentage in our recent recorded history, 9.5%[7] (See Figure 6 below). The data tells us half the story, the impression that you get when you walk around streets where nearly 10% of the shops are vacant is the real rub, particularly when the main spine is only a quarter of a mile long. The message we get from the property owners is that there is a lack of care. Often, they are unkempt, unclean, and unattractive and filled with outdated posters. As already mentioned, the retail business has shifted from a bricks and mortar game to a content game. When a property is in between tenants, often for extended periods, the need for engaging content becomes even more relevant. Jersey will be able to harness the ability for meanwhile use of vacant shop windows, retail space and hoarding by having meaningful conversations with both landlords and commercial agents who care about the vibrancy of the High Street and their own asset. In the longer-term, Jersey will need to look at regulatory incentives and policy development, which will encourage more of this action to become widespread practice. The message is truly: disrupt or be disrupted, or retail Darwinism, as Natalie Berg often points out in her podcast: Retail Disrupted.

Figure 6: High Street vacancy data



Data from Jersey Business, March 2024.

[7] Latest commercial vacancy rate as conducted by Jersey Business in March 2024, this was an increase on the previous quarter of Q4 2023, where 8.9% was recorded.

1.13 Vacancy can also be addressed by an active commitment to seek inward investment and a communication of the unique selling points to retailing on the Island, as well as guidance on how to deal with challenges. This will be done through the Locate Jersey team, advertising Jersey's values to business prospects who do not yet have a footprint in Jersey.

1.14 Changes to Government policy can affect change here. The General Development Order is one example of legislation that if amended could prove helpful to businesses seeking to take on a lease, as it could allow the simplification of change of uses for property, thereby removing the need for costly planning applications and expanding the "traditional retail" scope of the designated Retail area to something much wider and exciting for the people who visit, expanding mixed-use concepts and more social-enterprise concepts to name but a few.

1.15 There is of course opportunity in the visual sphere, as mentioned. What we see impacts how we feel about a place. It is a question of atmosphere, and this matters in retail and in place-making. We have the chance to transform the way-fairing and signage on our main shopping streets and in the markets and encourage improvement of standards either by incentive or order, or both.

1.16 It would be impossible to make a bold plan for vibrancy in the retail realm without considering the Central Markets. The Central and Fish markets in St Helier are both historical and prized in the eye of the citizen. They are frequently referred to as "The Jewels in the Crown" of the town centre for good reason: they are housed in a grand and beautiful public building, which provides theatre in its very architecture. Moreover, the fountain, the heart of this architectural diamond, is the gathering place for anyone wishing to find a friend and explore the labyrinth of treasured shops and eateries within. Adored by so many islanders and visitors alike, the markets are also in obvious need of revitalisation. As a pivotal asset for the future, it is important that the Central Market remains relevant to the changing consumer and that the Government exploits the economic potential of these buildings. The Jersey Markets Strategic Review (2022) summarises the potential of the market, whilst highlighting the risk of managing decline:

"The current sense of arrival at all entrances in both markets is distinctly underwhelming. Vehicles need to be prohibited from parking directly outside the market entrances. The entrances need to be much clearer, more impactful, and wider. The market experience would be improved if more customer seating could be provided, both shared spaces as well as more seating internally and externally at kiosks. Internally parts of the experience are good, externally it's not reflected. The floors in both markets are in need of urgent upgrade and refurbishment. The market needs to act / perform like the anchor and key assets they could and should be; on every level. Both markets need to work together much more effectively and be better integrated to increase their joint appeal. The markets need to offer an outstanding experience, vibrant mix and customer service to achieve the considerable retail potential they have."[8]

[8] The Retail Group: Jersey Markets Strategic Review, July 2022

1.17 Furthermore, the review is unapologetic about the need to address standards within the market, which will be crucial to its future success:

"Collectively the market owners / landlord, management and tenants have to work together much more effectively to provide clear additional reasons for consumers to visit, be that mix and offer, promotions, marketing, better use of social media, demonstrations, performances, events and so on. Traders need to be guided and supported to improve their offer / delivery. Tenants selling the most appropriate products in the most exciting way with the best levels of customer service should be prioritised for longer lease extensions. Those that are coasting, with dated shopfits and delivering basic reactive customer service need to up their game or move aside for better quality more energetic new traders."

1.18 The opportunity expressed for the markets is the blueprint opportunity for the whole sector. Scale up all the recommendations you find in this strategic review, and many fit both the retail and hospitality sectors perfectly. If they sound like obvious things, that is because they often are just that. Retail is in the detail and providing 'clear, additional reasons for consumers to visit' is the goal.

1.19 The consumer survey also reveals there is strong demand for opening hours focused on the needs of the citizens and visitors. This should come as no surprise to businesses and is an opportunity to capture a market that is not being exploited. Those businesses that are innovating in their availability for the customer, be that through physically remaining open later or earlier, or indeed on Sundays, or pivoting business priorities, so that the physical store asset can serve customers' evolving daytime to night-time needs (store and cafe by day, fitness space by night as an example), or by implementing digital changes that allow transactions and interactions to occur even when the premises are shut (digital ordering screens in the shop windows as another example.). The Government has already enabled Sunday trading for businesses and should review remaining barriers in the regulation, for a future that is hyper-convenient for both businesses and consumers.

Consumer Survey Results:

Key calls for...

- Larger brands/department stores, more choice of brands and items. Larger brands such as Zara, H&M, Primark could offer better choice and prices, however lots of discussion over whether this would be practical from a demand/economic perspective Events and entertainment to attract islanders, created a more attractive atmosphere More shopper parking, accessible and cheaper
- Better value for money items
- **Opening times to reflect working hours, e.g. opening later in the morning and much later in the evening, even if just a Thursday evening. Maybe even closing on a Monday as many work from home then**
- **Sunday opening**
- **Garden centres open on Sundays**
- **Markets open for longer hours, especially Thursday afternoons**

Source - 4insights: Jersey Retail 2023 Report: Perceptions, experience and needs

Actions

Key actions	Meets opportunity	Responsible	Due date	Measurement
1. Enrich the Vacancy Data count with pictural evidence of the shop frontages and building conditions	Vacancy and Place-making	Government – Economy	Q3 2024	Data map to identify hot spots and map trends over time.
2. Establish a Town Team and agree terms of reference **3. Establish key actions for the Town Team and explore potential funding structure that delivers on small interventions that bring vibrancy to the town**	Town initiatives for Vibrancy	2. Government – Economy and POSH 3. Town Team for business case for funding.	2. Q4 2024 3. Q2 2025	Bi-annual published reporting against town team actions, included as terms of reference.
4. Scope a BID delivery framework, to establish what legislative environment would allow for a BID structure in Jersey Law	Town Improvements and vibrancy	Government – Economy	Q3 2025	Delivery of framework.
5. Revise the Shop Opening Hours regulations to remove any outdated and unnecessary barriers to business	Widening economic opportunity	Government – Economy	Q1 2025	Revision of regulation completed.
6. Encourage businesses to review customer demand and experiment with different patterns of trading to optimise the customer experience and innovate on product	Widening economic opportunity	Industry with support from Jersey Business Limited and the Town Team.	BAU (Business as unusual.)	Jersey Business reporting.

Actions (continued)

Key actions	Meets opportunity	Responsible	Due date	Measurement
7. Encourage businesses to realise the full potential of their products and asset-use for both daytime and evening economy to realise their productivity potential	Widening economic opportunity and increase productivity	Industry with support from Jersey Business Limited.	BAU	Jersey Business Reporting
8. Establish budget requirements for a PR agency for St Helier and Retail	Awareness of product	Town Team	Q2 2025	Tender process scoped.
9. Work with a delivery partner to devise a design competition for place-branding and design standards handbook, helping Jersey stand-out as a recognisable destination	Vibrancy and place-making	Government – Economy and Creative Island Partnership	Q3 2025	Design winner announced and place branding adopted.
10. Work with Skills Jersey to bridge the skills gap in customer experience excellence for the sector. Apply for funding for a CX kick-starter to upskill the workforce at pace	Widening economic opportunity and increase productivity	Government – Economy and CYPES	Q1 2025	Skills funding confirmed and customer experience training rolled out across Retail and Hospitality sectors.

Actions (continued)

Key actions	Meets opportunity	Responsible	Due date	Measurement
11. Create a playbook to attract Inward Investment in the sector and be explicit about the opportunity in Jersey, both for locals and for global brands. **12. Host a series of events with potential investors to explore Jersey.**	Inward Investment and vacancy	Government – Economy	11. Q4 2024 12. Q4 2024	Playbook produced and meetings/events conducted.
13. Work with Planning Policy officers to recommend changes to the General Development Order that would allow for more flexibility with changes of use	Inward Investment and vacancy	Government – Economy and Planning Policy	Q4 2024	Changes agreed and made to the General Development Order – more changes of use permitted.
14. Develop guidelines for empty shop window standards, as well as style guidelines for scaffolding and hoarding to maximise the value of the messaging on the High Street	Vibrancy and place-making	POSH and Government – Economy/ Jersey Property Holdings and SOJDC	Q2 2025	Guidelines produced and permissions contingent on compliance.
15. Continue to work cross-departmentally on the strategic development of the central markets, to include: **a) supporting the recruitment of a Business Development Manager, alongside the existing Operations Manager**	Vibrancy and widening economic opportunity	Government - Jersey Property Holdings, supported by Economy	Q1 2025	Recruited BD Manager and new lease agreements signed with market tenants. A regular tenant review established to align with the 10-point charter.

Actions (continued)

Key actions	Meets opportunity	Responsible	Due date	Measurement
and b) reviewing the lease arrangements to raise the standards in line with the 10-point criteria for tenants.	Vibrancy and widening economic opportunity	Government - Jersey Property Holdings, supported by Economy	Q1 2025	Recruited BD Manager and new lease agreements signed with market tenants. A regular tenant review established to align with the 10-point charter.
16. Work with the other stakeholders looking at the overarching plan for town, to ensure the sector is represented in all conversations concerning public realm and major developments	Vibrancy and widening economic opportunity	Government and Private Sector – Public Realm, Jersey Property Holdings, Transport and Operations, Planning Policy, Heritage, SOJDC, Commercial agents.	BAU	Officer group representation.
17. Scope a mechanism for a ‘tidy-up’ of the retail facias to raise the bar on visible standards and convert more of the footfall. A bi-annual ‘branchage’ style clean-up for the High Street	Vibrancy and widening economic opportunity	Government – Economy and POSH	Q2 2025	Actioned by the cross-department working group for Retail.
18. Develop a programme of activations and animations for the Central Markets to drive footfall, increase dwell time and drive community spirit	Vibrancy	Government – Arts, Culture and Heritage (Local Economy)	Q1 2025	Programme scoped and actioned/delivered by local economy department.
19. Work with CYPES to develop a programme of careers promotion for the sector	Customer Experience and Careers	Government – Economy and CYPES	Q1 2026	Plan with active promotion at careers events.

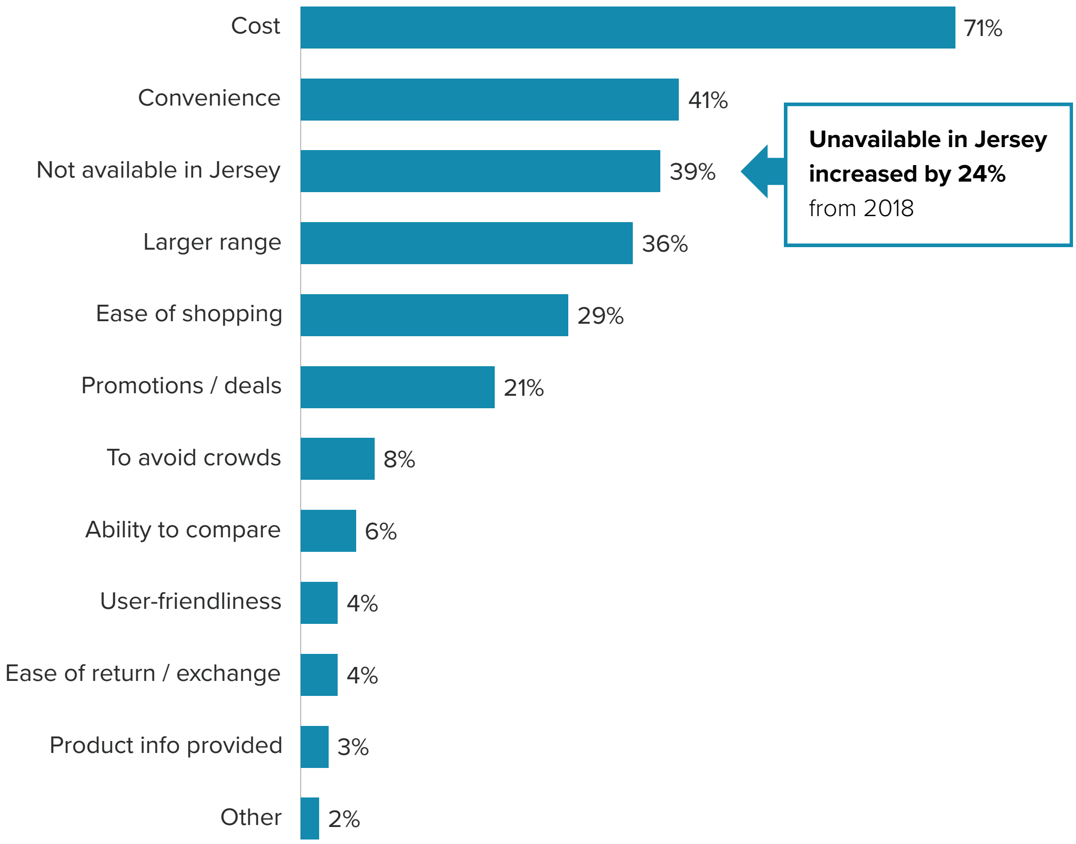
2. Customer first

We will prioritise the needs of Jersey's citizens and customers, who are driving the future of the sector with their demand for hyper-convenience and seamless engagement, across channels. Our aim is to create a habitat where people can live, work, care, and socialise as a community, while making access to this offering easy by responding to clear community feedback. We will ensure that visitors are excited by their experiences and the unique products Jersey has to offer. By increasing awareness of available products and brands, we will make them easily accessible in the most convenient ways. Both digital and physical wayfinding will be attractive and informative, reducing friction for citizens and visitors alike. We will work with stakeholders to enhance public realm attractiveness, creating a retail environment where people want to spend time. Recognising that what works for visitors also benefits residents, we will stay attuned to shifting consumer trends to better serve future generations and remain competitive. We will strive for world-class customer service standards, enhancing our reputation and fostering skills development for young people.

Current position and key issues

2.1 If convenience is key, businesses should be trying to unlock doors here, fast. We know from the Jersey Retail 2023 Report - Perceptions, experiences & needs, that shopping decisions are complex, and price is not the only determinant of where islanders spend their money. Indeed, supporting local is more important to consumers now than it was in 2018. Farm shops for example, saw 7% more visitors and 70% of Islanders are choosing to purchase items on-island, even though they perceive the item to be available online. There is a definite willingness to buy from bricks and mortar and to buy locally is important. That said, consumers are telling us very clearly that the reasons they choose to shop in-person are multi-faceted: specialist shops, close to work or home, parking available, and the range of shops. They are also clear that discounts and promotions, more brand choice, independent shops and later closing times would incentivise them to shop more often in Jersey. Put simply, understanding value, understanding brand availability, exciting, unique retail environments and convenient opening times would all drive more spending in the local economy. The Jersey Consumer Council's new price comparison app, alongside the key consumer issues that they support will strengthen the voice of the customer on the Island now and into the future. The Council is well-placed to champion Islander's and help us understand percieved value in our goods. Recent updates to the constitution have also widened the scope of the Council to look at factors outside of just price-comparison that influence our purchasing decisions.

Figure 7: Cost, convenience and unavailability on-island main reasons for purchasing online



Source: Jersey Retail 2023 Report

2.2 Out-of-town retail hubs can be found throughout the Island, serving the local Parish communities, and often highlighting exciting retail concepts that are like hidden treasures, waiting to be discovered. Blending into the natural landscape and the charm of individual parishes, the appeal of small and targeted retail offerings outside of St Helier is necessary. Major food retail remains necessary outside of town for large weekly shops and is evenly distributed across the island at present. Convenience stores are also a crucial amenity for top -up shops and for those who are disadvantaged by lack of personal transport or with limited physical ability. They also serve to engage community members in social activity (particularly when hosting other activities such as post-office services, cafes, small festivals/markets and more). Farm shops, local garden centres and our hedge veg stalls all add to the charm of Island life and often connect us to local producers and local products directly. Crucially community is the soil on which hospitality and retail thrive. Building the right 'habitat' allows the community to grow and regenerate. Crucially, feedback from over 800 surveyed Islanders indicated that 82% call for more support of local farm, farmers and produce but also highlights that 57% say it is too hard to find or too expensive[9] (53%.)

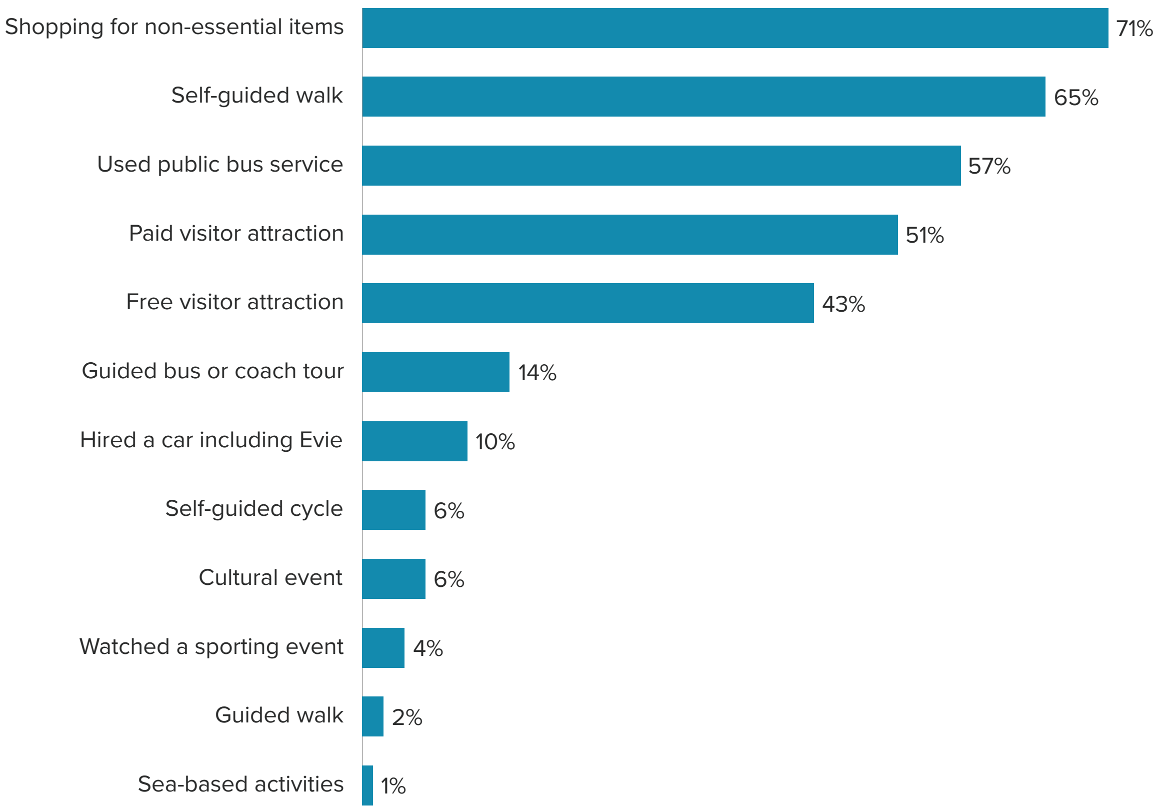
2.3 Anchors are an important consideration in the retail landscape, as a key driver of footfall and a significant community amenity. Anchors of places, such as hospitals, libraries, large sporting venues, arts and culture centres, schools, central markets and government buildings will all serve the community and provide the foundational layer for a thriving retail environment. This is the base layer of "soil" to provide a habitat

[9] Rural Economic Framework.pdf – pg.11, REF Public Consultation: Community Research Project 2020

for the community. Desirable retail anchors enhance this and add to the colour of the place. Retail anchors of the future are not necessarily huge High Street names or large footprint stores, they will often be brands with purpose, where the customer can feel they belong and that serves more than one need in their daily life.

2.4 The Visitor Economy Strategy 2023 points to the need for vibrancy in the Town Centre and an attractive retail offering to enhance the product experience for visitors and locals: "The appearance of St Helier requires improvement to enhance the visitor experience and sense of place […] There is much opportunity to enhance the quality of St Helier as a place to live and visit." Given the statistics from the latest exit survey, conducted for Visit Jersey, Figure 8, below, we can see that over 70% of respondents cited shopping as one of their activities. Indeed, shopping for non-essential items was the top activity for our visitors. Given that the concentration of leisure, business and family stays will happen in St Helier or the nearby parishes, it is essential that both our public realm and High Street extend the most inviting offer and content.

Figure 8: Activities participated in during the visit, 2023*



**NB - The percentages are only for visitors travelling on the scheduled air and sea routes. It includes those on a day visit as well as those staying for at least a night.*

In 2023, the most popular activities with visitors continued to be shopping for non-essential items and taking a self-guided walk. A significantly reduced proportion of visitors took part in sea-based activities in the latest year which is likely to be the result of bad weather of the summer season in 2023.

Despite the obvious inclination for visitors to shop in Jersey, we must also note from the survey that the score for shopping and retail was lower overall than everything else.

Figure 9: Average rating scores for island attributes, 2017 to 2023*

	2017	2018	2019	2022	2023
Safety & security	4.7	4.7	4.7	4.8	4.8
Beaches	4.7	4.7	4.8	4.8	4.7
Countryside				4.7	4.6
Cleanliness	4.7	4.6	4.7	4.8	4.7
Jersey in general	4.5	4.5	4.5	4.7	4.6
Accommodation		4.4	4.4	4.6	4.6
Attractions	4.4	4.3	4.3	4.5	4.4
Restaurants, cafés & bars	4.4	4.3	4.3	4.5	4.5
Shops / retail	4.0	4.0	4.0	4.2	4.1
Value for money	3.8	3.8	3.9	3.8	3.7

**NB - Average scores are based upon a rating scale from 5 for "Very good" down to 1 for "Very poor". The rating for beaches and countryside were combined in one question prior to 2022. The category of accommodation was added in 2018.*

Strategy and opportunity

2.6 Visitor Spends:

There is huge potential in our shopping offer for Visitors. We have a paper-based Goods and Services Tax refund scheme that is not well marketed and is in-convenient for both consumer and retailer. We are looking to digitise the scheme imminently to ensure greater levels of compliance and accuracy, as well as the opportunity to include more retailers and maximise the spend levels from our visitors. The PWC Jersey Retail Report 2020 had already highlighted this as a major opportunity for the Island.

2.7 The immediate recommendation from PWC was one of no hesitation:

"Provide centralised marketing for the comparative advantage of Jersey's retail sector for a tourist demographic. Primarily, this will include the low tax environment. Policymakers and ALOs (Arms Length Organisations) should consider putting together a centralised list of retailers who are signed up to the GST Visitor Refund Scheme and promote this in a single place – e.g. on Visit Jersey – for prospective visitors. This should be done as soon as possible, to capitalise on the market share that will be lost as a result of a change in the UK's VAT system in January 2021 and should be considered carefully in order to avoid any potential political backlash. As part of this process, policymakers and ALOs should look to ease the process for visitors, making it more seamless and quicker (with the refund process currently taking around 3 months) using digital tools. Crucially, any marketing strategy should be coordinated with Visit Jersey's wider marketing programme (for example, including that for the wider visitor economy), to ensure that Jersey is not perceived as a 'low- profile' destination, and the full wealth of its offerings are promoted. This will include the unique heritage associated with the island."

2.8 The future development of this scheme should be carefully managed and the marketing of the destination appropriate for the future consumers, who could well be coming from destinations that we have not seen before in great numbers.

2.9 Events and Animation:

The opportunity for the Island to develop a firm 10-year events and animations plan is striking. The current landscape is a mix of things that have always been done in Jersey and may or may not have evolved or changed and several new entrants to the market, who may need seed funding to help them off the ground. A clear strategy for the events-led economy, to include the corner-stone sectors of agriculture, arts, culture and heritage, retail and hospitality, will provide the over-arching goals for the Island in the future and develop the playground for the community to celebrate and participate in, as well as attracting global audiences to our wonderful home.

2.10 Retail Theatre and Customer Experience:

Retail theatre is frequently desired as a means of attracting customers and engaging them. However, retail theatre is often misunderstood or exaggerated in people's minds as a nice-to-have rather than an essential component to their business plan. If we extend the metaphor further, we can see footfall as our 'audience' and the conversion of that footfall as box-office bookings. Once the audience is through the door, the curtain is lifted, and it is show-time. The show can be subtle: a welcome, a smile, clever merchandising, helpful signage but crucially, you can only be as good as your last performance and the need for outstanding customer journeys is real. Animation in retail is an important consideration for the public realm but the responsibility for this is in the hands of business leaders and owners, whose audiences will judge whether the encore is worth their loyalty. Where we do have excellence, we should celebrate these achievements, with awards, which will encourage others to raise their standards and point them to best practice.

2.11 Accessibility:

Making it easy for people to shop is essential, if we wish to maintain the footfall and vibrancy of the core retail in St Helier and the High Street. We can see from the last two consumer surveys that there has not been any significant shift in the way people access the shops, which is in their private vehicle – this number is above 70% of survey respondents in both 2018 and 2022. Shopper parking remains important to the consumer but the future demands that we respond with clever policies across government that maintain accessibility of goods but respond appropriately to the challenge of de-carbonising at speed. Digital Jersey have already run a retail workshop to introduce pilots that might solve these challenges in the future: drone deliveries and driverless vehicle regulations, as recent examples.

2.12 Local Product:

There is a clear customer appetite to shop locally and to support local suppliers and producers. Genuine Jersey is already successfully promoting makers of goods with local provenance. The Association was formed to celebrate local artisans, farmers, bakers, growers and craftsmen, ensuring that their products can be easily recognised as being made in Jersey through the Genuine Jersey brand. Over the years, the products which bear the Genuine Jersey hallmark have become even more diverse. The membership now includes dairy and farm produce, fish and shellfish, sweet treats, beverages, arts and crafts, flowers, plants and jewellery. It is a celebration of the best in Jersey that has been either reared, caught, grown or made on Island. Whilst many of the celebrated products can be found in local supermarkets you can also search out Genuine Jersey produce on roadside stalls, farm shops, galleries, online craft sites and retail outlets. Given the consumer desire and the established association, there is opportunity to develop the retailing of local produce as well as schemes that reward consumers for their valuable loyalty to the local economy, for example via mechanisms such as local currency and local loyalty schemes.

The Carbon Neutral Roadmap points to low-carbon lifestyles for Islanders and the OE1 policy looks specifically at scope 3 emissions. One of the smart goals to tackle this points to locally sourced goods and services and how we can tackle our emissions with our consumption choices, considering local to reduce our impact in both product choice and transportation consideration.


Jersey Fresh

2.13 Licencing:

Given the positive global reputation that many of our unique local products already have, there is an undoubtable opportunity to develop a licensing plan for these important properties, Jersey Royal being an obvious starting point. Understanding the Intellectual Property landscape at our fingertips will also help us to widen the licensing opportunity beyond produce and into our heritage assets and beyond. There is an opportunity to unlock a secondary economy through the licensing of intellectual property, such as logos, names and insignia. This process of leasing a trademarked or copyrighted asset for use in connection with a product, service, or promotion will need to be developed alongside other stakeholders to maximise the return on investment.

Actions

Recommendation	Meets opportunity	Responsible	Due date	Measurement
20. Work with Digital Jersey on the Impact Fund to discover innovators who can respond to the consumer need to understand the brand availability on the Island and how to access them	Accessibility	Government – Economy and Digital Jersey	Q4 2024	Included in future Impact Fund scheme.
21. Work in partnership with Arts Culture and Heritage, Agriculture, Visit Jersey, Jersey Business, private sector events-economy stakeholders and the Parish leadership team to develop an Event's plan for the Island for the next decade	Customer Experience	Government - Economy	Q2 2025	Event's plan developed for the next 10 years, to include multi-sector opportunities.
22. Work with the Jersey CX Alliance to support training, thought leadership publications and awards that champion Customer Service excellence	Customer Experience	Private Sector	BAU	Jersey CX working group.
23. Develop a plan to extend local spend, availability and visibility	Customer Experience	Government – economy with Genuine Jersey and Farm Jersey	Q4 2025	Route to market plan developed and published.
24. Develop a Digital GST refund scheme to include all ports and enhance compliance and traceability. Drive more spend by reducing the Minimum Purchase Value	Unlocking economic opportunity and increasing visitor spend	Government – Treasury and Economy, supported by Jersey Business, Visit Jersey and Ports of Jersey	Q1 2025	Transition to a digital solution completed and installed.

Actions (continued)

Recommendation	Meets opportunity	Responsible	Due date	Measurement
25. Review how Government collects data on consumer habits and understand what industry needs to take responsibility for in the future	Understanding consumer behaviour	Government -– Economy and Visit Jersey for Visitors	Q4 2025	Consumer habits data plan.
26. Scope the publicly owned Intellectual Property landscape for Jersey and develop a licensing matrix	Unlocking new economic opportunity	Government - Economy	Q1 2026	Intellectual property inventory and licencing matrix established.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3. Productive

We will work to ensure businesses can experience growth in omni-channel traffic, helping them effectively convert this traffic into sales and thrive in a globally competitive landscape. The multi-channel space, including social retailing, presents a key opportunity for growth and increased productivity, and we will support businesses in leveraging this potential. As the sector embraces automation, we will provide access to best-in-class solutions for businesses to explore and implement. Our policies will incorporate circular economy principles, tackling the climate crisis with a regenerative approach that promotes re-purposing, repairing, and re-using resources on an unprecedented scale. This will enhance productivity and build a more resilient, self-sufficient supply chain, reducing, as far as possible, reliance on imports. Although this is a significant challenge for Jersey, with focus and collaboration, it is an achievable future state.

Current position and key issues

3.1 Figure 10 below illustrates the 'productivity gap' between five sectors in Jersey and the respective productivity of international peers at the productivity frontier. If these sectors met the same PPP (Purchasing Power Parity)-adjusted level of productivity of frontier economies, the Jersey economy would be 11% larger than it was in 2022.

Figure 10: Productivity gap by sector

Sector	Construction	Hospitality	Retail	Financial Services	Information & communication
2021 GVA	£400m	£190m	£320m	£1,920b	£91.5m
GVA % change 1998 - 2021	+61%	-14%	-19%	-24%	-5%*
2021 GVA per-FTE	£67,000	£40,000	£48,000	£149,000	£78,000
Productivity gap change % 1999 - 2019	+24%	+18%	-4%	-37%	+6%*
Productivity gap per FTE with European leader (PPP)	64 / 100	56 / 100	46 / 100	33 / 100	50 / 100
Total productivity gap (£)	£65m	£22m	£110m	£280m	£20m

1. *All figures are Purchasing Power Parity adjusted*
2. *Productivity gap % is based on trend growth rate in sector productivity leader country between 2011 - 2019.*
3. *Figures provided for the broader Transport, storage & communication sector*

3.2 The ability for Jersey to meet the potential productivity gap of £110m is limited by the very things that give frontier retail economies such as The Netherlands an advantage, such as: advanced logistics networks, globally connected distribution hubs, infrastructure allowing fast supply chain operations, best in-class technological integrations, supportive regulatory environment and geographic advantages, all of which help reduce costs and support rapid innovation in all areas. Moreover, Jersey's Future Economy Programme (FEP) made the following observations about the current challenges:

Figure 11: Case study: Retail in Focus (FEP)

Compared to other jurisdictions, the retail sector has, in general, been slow to invest in digitally-enabled business models. The dominance of small businesses limits the willingness and ability of firms to invest and innovate.

A lack of choice and variety in available products - in particular from discount retailers - has meant that residents are discouraged from shopping more in St Helier.

There is a resulting dependence on imported inputs and off-shore brands - so much so that the majority of spend on Jersey's retail sector goes to off-Island businesses (Jersey Supply-Use and Input-Output Tables).

For every £1 of spending per year on Jersey's retail sector, 41.7p would remain in the Jersey economy.

Labour productivity in Jersey has been particularly impacted following the loss of LVCR in Jersey in 2011 - driving down productivity further.

Source: The Future Economy Programme

3.3 Despite the given advantages that other markets have to enable growth in productivity, Jersey has opportunities to turn the dial in the right direction and make changes that will end the stagnation and enable the retail revolution. The Future Economy Programme has already identified the key levers for this:

Figure 11: Future Economy Programme - Sector opportunities

Sector opportunities

	Theme	Retail
Capital	Technology	Retailers can use technology to automate repetitive tasks, streamline operations, and improve customer experiences. This can include tools such as mobile point of sale systems (ePOS), inventory management software, and customer relationship management (CRM) software.
	Personalisation	By collecting data on customer behaviour and preferences, retailers can tailor their offerings and marketing efforts to individual customers, improving customer satisfaction and loyalty.
	Scale footprint	Retailers can improve the layout and design of their stores to make them more appealing to customers and improve their shopping experience.
Human Capital	Training	Providing training and development opportunities for employees can help improve their skills and knowledge, which can lead to greater efficiency and productivity.
	Data analytics skills	By analysing data on sales, customer behaviour, and inventory, retailers can make informed decisions about their operations and optimize their business processes.
Business Environment	Planning	The planning system should support the industry to meet the challenges of online shopping, while continuing to protect the core retail center of St Helier. This should include potential change of use where this will contribute to the sustainability of the town center.
	Diversification	Efforts could be made to adapt the islands retail environment away from tradition retail towards the more immersive and 'experience' based services. A more developed offering in 'experience' goods and services would strengthen the sectors resilience and help differentiate it in the face of changing consumer habits (which favour e-commerce and in turn put a downward pressure on traditional retail productivity).

Source: The Future Economy Programme

Strategy and opportunity

3.4 Automation:

Jersey Business conducted a productivity survey in 2023 of the Island's businesses and identified automation as one of the productivity drivers for the sector. The survey acknowledged that: "61.3% disagree that their processes are fully automated wherever possible." The sector is ripe for automation to increase productivity, and this is evident in the plethora of automated options available on the market: product labelling, HR systems, shelf labelling, vending machines, shop floor communication devices, AI-powered customer engagement, hyper-personalisation, Point of Sale (POS), to name but a few. The consumer is equally skilled in using such technologies and increasingly finds this easy to engage with and desires more frictionless omni-channel interaction. There is no silver bullet solution that will solve the productivity conundrum of the sector, but the solution will lie in each business understanding the landscape and carefully evaluating where to invest for the maximum return. As a result of the increasing demand for 'just-in-time' living, we will see an increasing amount of automation in retail. Once deemed unthinkable, consumers are now completely at ease with automated tills, intelligent shelf labelling, AI-powered chat-bot customer service and enhanced vending machines as part of the frictionless adaptations that retailers have made to their offer. In the future, we will see even more of this, and the things that are unthinkable in Jersey now will be business as usual in the next few years.

Cameras, lens technology and voice recognition services will also be major contributors to this move into hyper-convenience and the way we receive goods will also see innovations. The emerging trend with delivery partners and car brands is now automatic boot-delivery, for example, negating the need for you to be home to receive your item.

Jersey Business and Digital Jersey are both well placed to help the retail sector navigate this and there is also an impact fund that will now enables quick innovation in this area.

3.5 Digital Empowerment and Competition:

With an abundance of best-in-class solutions, the Jersey retail sector can adapt quickly. Ultimately, the most agile businesses will win and those SMEs who work with the changing customer behaviour and not those in hope that the habits will not stick or indeed get stuck in nostalgia of a bygone era. The hard reality is that we live in a time where you can read a review of a product, buy it in one click and have it delivered the next day or even the next hour in some places. We can also buy goods on subscription to be auto replenished at the rate we consume them, thus automating our consumer choice and eroding the ability for products to compete for that place in our purchasing consciousness. Jersey has a particular competitive advantage here in that the High Street can compete on a hyper-convenient level of getting the product to the customer more quickly than posting it. Businesses will need to capitalise on this now and add value by stripping out complexity.

3.6 Given the high percentage of micro businesses[10] on the island, we know there is a gap in online presence or access to inventory for customers[11]. Knowing the customer is agnostic to the channel of engagement, any lack in this area could spell the demise of those businesses and our High Street. It is critical therefore that the skills gap here is remedied immediately to allow the sector to have a meaningful competitive advantage on the global stage.

[10] Micro Businesses are smaller than SME's and have fewer than 5 employees
[11] It is estimated over 500,000 SMEs in the UK have insufficient online presence or access. D Williams, Retail Insights Network, 2020

3.7 Technology will also create an opportunity for Jersey's retail sector to launch new labour models that give employees more control of their schedules and work, while remaining part of a workforce and community. Already today, almost 10 percent[12] of UK adults access work via an online platform at least once a week, twice the share in 2016. Retailers will need strategies for accessing gig-style labour, as well as platforms for employees: they may build or buy internal platforms and explore external aggregator platforms to find retail-trained workers in flexible time slots for more standardised roles such as replenishment and cashier. They will have to rethink the social contract with their workers to strike the right balance between flexibility and the benefits that come from colleague affiliation and progression.

Reports in the appendix demonstrate what we might expect from accelerated adoption of technology in retail in the future and how this will particularly impact productivity in different areas. Automation of many retail tasks will have significant benefit for the sector if adopted in the right way. Whilst the reports indicate the future impacts on the UK Retail economy, this will give us an indication of trends and patterns that we are likely to see in Jersey too.

3.8 Beyond Sustainability:

Regeneration: the idea of putting back more than we take from the planet's finite resources is not a new way of thinking but it is the zeitgeist for the economy that we should ignore at our peril. The future-ready retail environment should be reaching beyond the limitations of sustainability and responding to the climate crisis in a more urgent way, with resilient business practices that respond to this need directly.

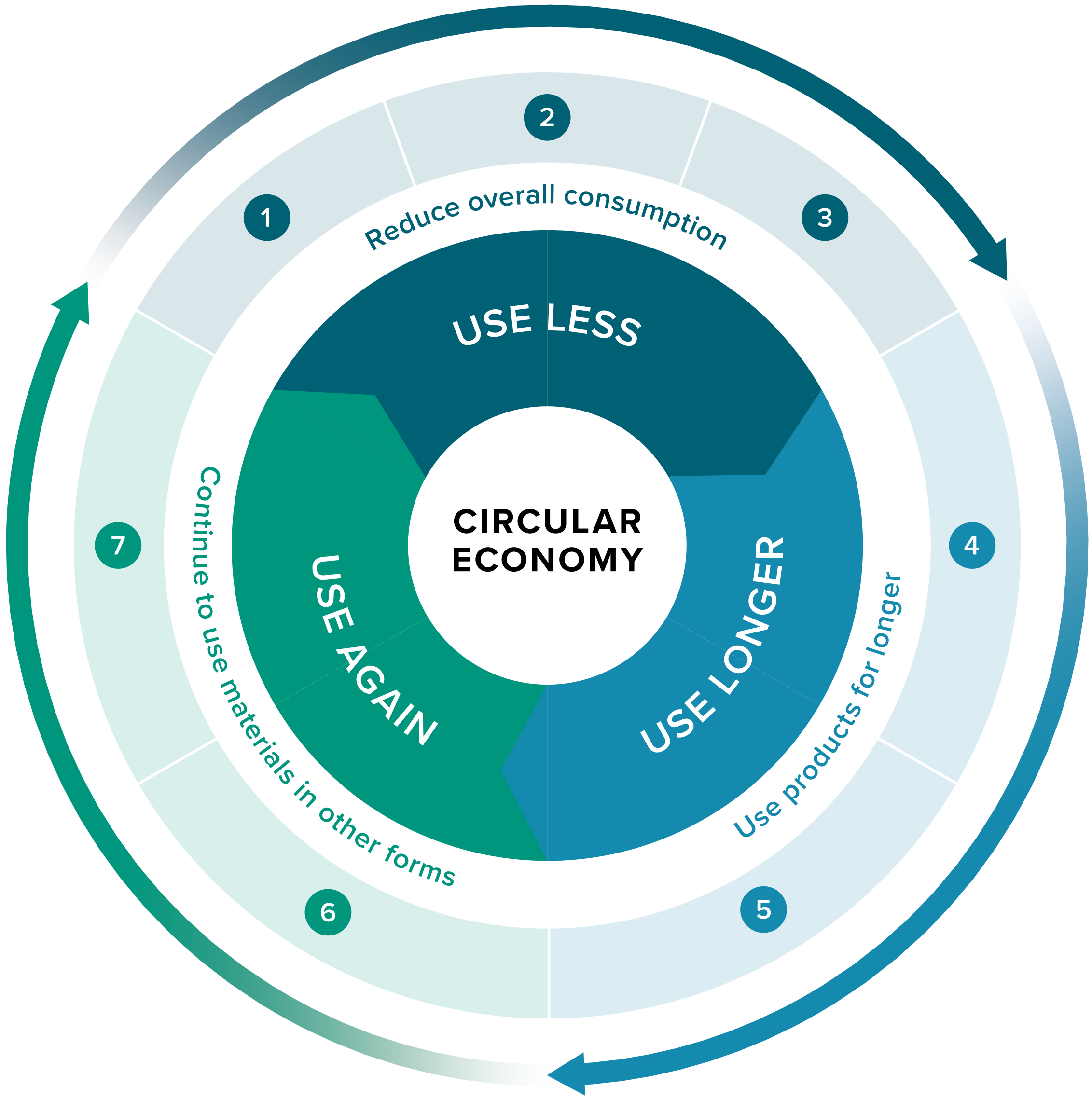
3.9 Furthermore, our policymaking will seek to mimic global exemplars over the next 5-10 years, focusing on circular economic models. Some of these may include policy relating to the following areas: demonstration of provenance and anti-greenwashing, packaging regulations, repair, rent and reparable goods innovation funding, food waste and food loss, bio-diversity gains in re-fit and design.

If we imagine in the western world at least, we are now at "Peak Stuff", a term coined by IKEA's Chief Sustainability Officer Steve Howard to explain the over saturation of product available and consumed. For the sake of the planet's resources, there is a sound argument that the world does not need more "stuff", instead we should focus on a future that aims, as Selfridges does in its Reselfridges campaign: 'for almost half its interactions with customers to be based on resale, repair, rental or refills by 2030.' Indeed, according to the British Retail Consortium's manifesto, a third of every UK citizen's carbon footprint comes from the goods that they buy. Retail therefore has a vital role to play but it is for businesses to take the lead on decarbonisation and alternatives. Joining the Eco Active Network is a great way for businesses to access the help and support they will need to achieve this. Of course, many retailers are reliant on their manufacturers, but it is important that the sector looks to solutions that will make real changes and innovate on this quickly.

[12] How technology is disrupting the UK retail industry| McKinsey 2020

3.10 The circular economy principles for the Island are already in progress and support from all sectors will be essential to the success of this movement. Here are the core principles that speak to Retail businesses and consumers directly:

Figure 12: Circular Economy - Core Principles



1. Reduce off-island imports
2. Move towards less products and high-quality products that are long term assets
3. Reduce the use of unnecessary single-use products
4. Design our infrastructure, buildings and equipment to be flexible, future-proofed, last as long as possible and minimise waste
5. Products should be circulated at their highest value for as long as possible. Bring in policies that foster repair, sharing, resale, and remanufacturing to maximise asset use and return on invested energy
6. Encourage sustainable practices such as deconstructing buildings to used materials again instead of demolishing
7. Products should be designed with materials and methods that enable them to be deconstructed, facilitating reuse and recycling. Encourage sale of products that can be easily repaired

3.11 We know that willingness, coupled with small, consistent interventions from both the consumer and the business community will start to shift the narrative and our impact on the planet. The retail sector already has the capability to innovate first and celebrate the immediate difference.

3.12 Some stakeholders will need strong incentives or indeed sanctions to make unprecedented changes in this space at the pace it is required. There is in fact one area of historical contention that could be key to unlocking this element of change. The States decision to introduce the Corporate Income Tax for large retailers at 20% was considered by some to have further unlevelled the business playing field. Whilst there was general agreement that on-island retail should contribute to the tax base, the equity of the tax was challenged is still challenged on three areas:

- The disparity between this level of tax and that of other sectors.
- Retailers with large wholesale divisions fall outside the scope of the tax.
- Large online retailers importing to Jersey have captured a significant percentage of the market from online retailers but are not liable to pay the tax.

For the future of the sector, does this also place a subconscious ceiling on those medium size retailers who have the potential to surpass their growth ambitions but do not want to slip into the 20% tax bracket?

3.13 GST registration requirement has been at £300k turnover since 2011 and stakeholders have also indicated that this may be inhibiting some smaller businesses from dramatically increasing their revenues. Jersey Business is already encouraging businesses to register and highlighting the advantages but there is a call to review if the threshold turnover should reflect JRPI and be upwards of £500k to encourage more ambition and productivity.

Actions

Recommendation	Meets opportunity	Responsible	Due date	Measurement
27. Develop a productivity framework for the sector to enhance both: knowledge of enablers and implementation roadmaps	Digital enablement and automation	Jersey Business and Digital Jersey	Q2 2025	Jersey Business reporting.
28. Look at skills gaps for the sector and a provision for courses that respond to these through the appropriate mechanism	Digitally Enable	Digital Jersey	Q2 2025	Digital Jersey Reporting.
29. Consideration in the productivity support scheme to criteria that champions innovative and regenerative practices	Regeneration	Government - Economy and Jersey Business	Q1 2025	Establish criteria with Jersey Business.
30. Pilot a carbon labelling initiative to understand consumer response and education around product origin and carbon emissions	Innovation and Regeneration	Government and private sector	Q1 2025	Pilot delivered with retail partner.
31. Support the SEE Pathways programme with connections to landlords, agents and the Town Team to enable Social Enterprise to thrive in the retail environment	Innovation	Government	BAU	Successful SEE businesses in the core retail area.
32. Review the retail tax	Productive	Government - Economy	Q3 2025	Report conclusions on impact of the Tax for the sector and recommendations presented.
33. Local supply plan	Regeneration and supply chain resilience	Government and Jersey Product Promotion Limited	Q3 2025	Plan for local supply and distribution opportunities published.

Conclusion and Recommendations

The Road Ahead

Success in the future transformation of the retail sector is not solely about increasing the number of shops. Instead, it focuses on a balanced approach to measuring vibrancy, community wellbeing, and customer satisfaction, aligned with Jersey's Island outcome indicators. Businesses are encouraged to reflect on these strategic goals internally, ensuring that their own strategies and operations are aligned with the wider ambitions outlined in this plan. By embracing the principles of vibrancy, customer-centricity, productivity, and regeneration, businesses can contribute meaningfully to the overall transformation of the sector.

We will provide an annual update on the progress of the roadmap, along with ad-hoc updates to key stakeholder groups as actions are taken. Responsibility for delivering each action lies with the relevant parties, who are also tasked with reporting on progress as appropriate. Businesses are urged to continually review their internal strategies to stay in step with the sector's broader objectives, ensuring they not only thrive individually but also contribute to the collective success of the retail landscape.

Below are the actions that are already in flight and the next most powerful actions to move us towards a future-fit retail environment for Jersey.

Figure 13: Actions already happening or delivered and the most powerful new actions

Actions already happening or delivered	The most powerful new actions
Playbook and Events for Inward Investment	Scope BID delivery plan and law drafting (town team)
Skills CX funding	Revise shop opening hours (may not be top 5 priority but quick win)
Development of central markets plan	Branding of St Helier, marketing and PR
Events, activations and animation	GDO amends
Digital GST refund scheme	Tidy-up mechanisms and window guidelines

Appendix

How technology is disrupting the UK retail industry, McKinsey 2020

Impacts of technology could displace a third of retail tasks by 2030

Includes impacts of channel shift in the UK and likely task automation[1]

Lowest concentration — Highest concentration

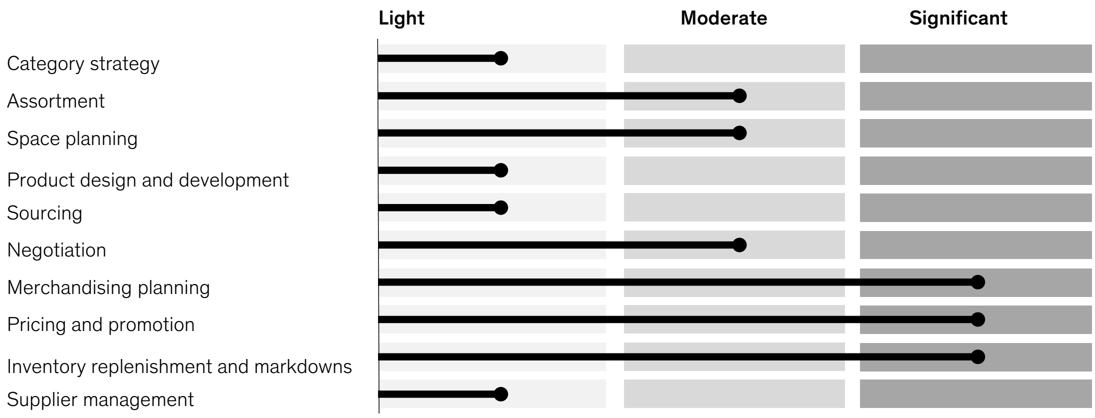
Group of roles	Representative UK retail occupations[2]	2017 retail employment, '000	Tasks displaced through technology by 2030[1], %	Concentration of worker characteristics: Age below 25	Age over 55	Part-time contract	Secondary ed. or less
Stores	Sales and retail assistants	965	-40				
	Managers and directors in retail and wholesale	257	-36				
	Retail cashiers and check-out operators	169	-46				
	Shelf fillers	102	-19				
Supply chain and distribution	Elementary storage occupations	179	-24				
	Van drivers	99	16				
	Packers, bottlers, canners and fillers	50	-32				
	Stock control clerks and assistants	44	-37				
Proprietors and home office roles	Shopkeepers and proprietors	123	-22				
	Sales-accounts and business development managers	92	-18				
	Book-keepers, payroll managers and wages clerks	51	-49				
	Marketing associate professionals	48	-7				
Emerging technical roles	Programmers and software development professionals	14	19				
	IT and telecommunications professionals	10	2				
Total			-32				

1 Tasks displaced through technology include likely (note: what is technically possible is higher) impacts of channel shift and task automation by 2030, midpoint adoption scenario (reflecting likely adoption of technology relative to cost of workers)
2 Represents the top sub-occupations in each group of roles

Source: ONS, Forrester, IGD, McKinsey Global Institute Analysis 2019

Technology will impact the store support centre through advanced analytics and systems

Projected impact of automation and advanced analytics by core merchandising activity



Source: McKinsey retail practice, US example

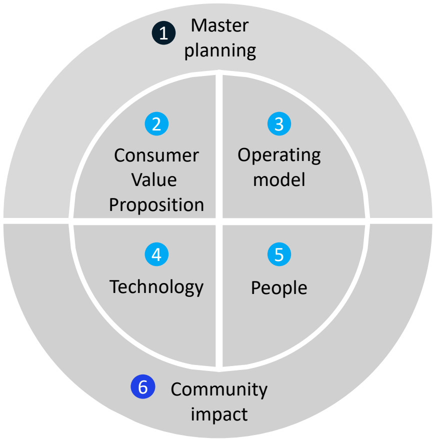
Technology is a strategic imperative for UK retail, with the potential to re-shape the P&L

Example of UK Grocery P&L with gross savings from technology roll-out by 2030

Income statement line	Current[1] % of revenue	Gross saving from tech,[2] ppt	Key drivers
Revenue[3]	100.0%		Potential revenue upside not included but could come from personalized offers, dynamic pricing, omnichannel fulfilment[4]
COGS[5]	70.0%	↓ 0.5–1.0%	Reduction in inventory costs (shrink, markdowns) from precision forecasting and omnichannel fulfilment
Freight	2.5%	↓ 0.0–0.5%	Reduction in distribution costs from autonomous DC and fleet solutions
Warehousing	1.0%	↓ 0.3%	Automation of key warehousing processes
Store Labour	11.0%	↓ 1.5–3.0%	Optimization of store labour required from automated front-end, data-optimized replenishment, improved scheduling etc.
Occupancy	5.0%	↓ 0.0–0.2%	Optimization of real estate management
Marketing	0.5%	↔ 0%	NA
Other (incl. SG&A)	7.5%	↓ 0.5–1.0%	Automation of merchant functions Tech-enabled business services
EBIT	2.5%	↑ 2.8–6.0%	

1 Breakout of income statement line items based on typical grocery retailer benchmarks and interviews
2 Excludes the impact of next-horizon ideas
3 Potential revenue growth not considered for EBIT impact in this analysis;
4 Multiple use cases have revenue growth impacts. Impacts from Frontline Store Worker of the Future and Omnichannel fulfilment considered redundant
5 Multiple use cases that impact spoilage and markdowns. All use cases summed, and opportunity taken at 50% to avoid double counting of impact
Source: Expert interviews, Food Marketing Institute: "The Food Retailing Industry Speaks Report 2016"

Retailers need to think beyond technology, to the six essential elements of a 'reboot'



1.
   - Run cross-functional steering group plus 'control tower' to manage planning across departments
   - Create clear business case(s) and decide capital allocation
   - Map interdependencies and sequencing for tech roll-out, operating and labour model change
   - Define KPIs across financials, consumer and employee satisfaction

2.
   - Set transformation goals with dual focus on ambition and future consumer value proposition (e.g., convenience, service levels, price investment)
   - Outline omnichannel fulfilment offering, by region
   - Build out design-led perspective on new, tech-enabled customer models

3.
   - Define core enablers of the value proposition (labour and tech)
   - Create new SOPs for those working alongside technology
   - Agree locations for technology piloting and sequence roll-out
   - Scope how systems and analytics will enable flexible scheduling and productivity enhancements

4.
   - Select best-fit technology, including vendor assessment
   - Support People team in building or buying new platforms/systems for scheduling and accessing work
   - Embed AI-enabled reporting
   - Step-change data capture and usage for real-time performance improvement

5.
   - Redesign how labour is matched to work, including job families and new job platforms
   - Select and set up new employee platforms for accessing work
   - Define strategy for building most critical future roles and skills
   - Set up a transition plan for shifting labour force to meet ambitions (incl. training and communications)

6.
   - Co-ordinate sector-wide response on future of work
   - Plan for mitigating community impact of decisions, e.g., redeployment of impacted workers
   - Create re-hiring training plan for colleagues transitioning externally
   - Outline at-risk areas and create community-specific plans to address

Economy

Government of Jersey