Chapter 10
The Role of the Service Encounter as a Means of Reversing Further High Street Retail Decline

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ABSTRACT

This chapter examines customer and retailer perceptions of the decline of the UK High Street and investigates the potential of the service encounter to reverse this decline. UK High Street is in perpetual decline as a result of 3 inter-related factors: the rise in competitor offers from out-of-town retailing and online shopping; rather high business rates; economic uncertainty perpetuated by Brexit. Revisiting interviews conducted in 2013 across 4 Scottish cities with 40 retailers (national chains and independents) and 40 customers ages 18-60 reveals a difference of opinion between retailers and customers. Unlike retailers, the majority of customers thought potential solutions to the decline in the UK High Street lay in combining the appeal of online convenience and choice with the tangibility of the physical store experience.

INTRODUCTION

The decline of the UK High Street (a typical High Street is illustrated in Figures 1 and 2) has been a much-discussed topic in the UK media and academic community for many years. It is perceived as a symptom of how today's customer engages with products and services and a consequence of the strategies employed by many UK retailers. The effects of the decline are felt not just economically but socially, with community cohesion being negatively impacted by the decline (Martin, 2018). Today's customer increasingly uses the internet and mobile devices to shop (Williams, 2019; Popomaronis,

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2017; Williams-Grut, 2017; Milliken, 2012; O'Reilly, 2012), seeking convenience, choice and value for money, which are arguably better facilitated by online and out-of-town retailing (Williams, 2019; Bignell & Lefty, 2013; Bamfield, 2013; Milliken, 2012; Poulter, 2012; Portas, 2011; Hall, 2011). The result is an increasing number of empty shops across the UK, rising year on year to reach around 50,828 in 2019 (Butler, 2019). In Scotland, similarly to the rest of the UK, it is not only the rise in the number of store closures, it is the net store loss (new stores opening – stores closing) which stood at 119 in 2018 (265 store closures and 146 new stores), a drop on the 2017 figure of 148 (Anon, 2019ab) yet still an area of real concern. With respect to the cities used in this research the net losses for 2018 were 32 for both Glasgow and Edinburgh, 27 for Aberdeen and 5 for Dundee (Anon, 2019a) which illustrates the challenges facing city centre management groups and local authorities.

To address, or perhaps more accurately to arrest, the decline a number of solutions have been suggested, with the most comprehensive arguably delivered by Portas (2011) in her 'Review into the future of our High Streets'. Portas (2011) made 28 recommendations which focused on non-digital solutions, specifically High Street management, the need to change existing legislation to address barriers to retailers ability to change the use of existing retail spaces and reduce current business rates which are still considered high by many retailers. The themes from Portas's (2011) review still resonate today and although some have been challenged (Wrigley & Lambiri, 2015), the themes have generally had a positive impact on driving the High Street agenda forward and stimulating further discussion and proposed solutions. Examples of these discussions include the research of Findlay (2013) who proposed the need for High Street retailers to better connect, particularly emotionally, with customers; 'The High Street Report' conducted by a panel of industry experts who proposed a High Street Task Force, appropriate funding and a range of short term measures to assist the High Street and town centres (Anon, 2018). Wrigley & Lambiri (2015) provided a robust analysis of the retail landscape across the UK, proposing digital and non-digital solutions to address the potential recovery of the High Street and Millington & Ntounis (2017) who propose a strategy of High Street repositioning to enable consumers to understand the function of, and identify and connect with, their respective town centre.

Using qualitative interviews conducted in 2013 and revisited in 2019 with 40 retailers (20 national chains and 20 independents) representing the fashion, footwear, jewelry and health and beauty sectors and 40 customers (20 aged 18-30 and 20 aged 31 and over) across Scotland's four major cities (Aberdeen, Dundee, Edinburgh and Glasgow), the research will evaluate customer and retailer perceptions of the decline of the UK High Street and investigate, amongst other measures, the potential of the service encounter, specifically customer service as a means to reverse this decline. Clearly enhancing the service encounter is not the only solution to reverse the UK High Street decline, however making the in-store experience more appealing to customers presents retailers with an opportunity to exploit something which is not readily available online and may encourage customers to return to the High Street not simply because there is the facility to collect online purchases or to 'try before they buy online', but because the High Street adds real value and choice to their shopping experience.

BACKGROUND

'The UK High Street is in crisis' is a common media headline in recent years and reflects key themes in UK retailing, namely the decline of the High Street, the reasons for this decline and suggestions on how to arrest this decline. Although there are other themes facing today's UK retailers, specifically the

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