

DIGITAL REMEDY FOR HIGH STREET HEALTH

9 March 2015 - Industry leaders*, organised as the Digital High Street Advisory Board, today announced a five-year strategy to reinvigorate the UK's traditional High Streets and proposed the adoption of four major inter-dependent digital initiatives by 2020:

- Targets for town centre *infrastructure and connectivity* for 2020 and beyond, including broadband, mobile and WiFi.
- Goal to eliminate the gap in *basic digital skills* by 2020 for individuals, small businesses and charities via regionally coordinated programmes.
- Centralised *High Street Digital Lab* to provide the UK's 1,200 towns and their High Street businesses with ready-to-use digital capabilities and dedicated town-by-town digital skills training, leveraging a network of digital apprenticeships for every UK town centre in the UK.
- The first UK *High Street Digital Health Index*, an interactive benchmark for towns and local authorities to drive assessment and change across the key measures of digital health – infrastructure, basic digital skills, High Street attraction and digital engagement.

The Digital High Street 2020 Report addresses how stakeholders in town centre communities, including small businesses, public service providers and charities, can benefit from integrating traditional High Streets with digital technologies, and compete more favourably to serve customers as they embrace proliferating digital alternatives. It observes that although a “digital divide” is growing between those national and international firms investing aggressively in digital capabilities, and the many small, independent High Street proprietors, the groups are interdependent and success of those across the divide is critical to the success of our communities.

The Report also reinforces the importance of the digital economy to driving the economic and social vibrancy of High Streets, which stand to generate billions of pounds of additional revenue from digital interactions with the public. The Report suggests a framework to accelerate their capabilities through private, public and third-sector collaborations and leadership from local authorities.

John Walden, Chief Executive of Home Retail Group, and Chairman of The Digital High Street Advisory Board, said:** “The digital revolution is arguably the most disruptive factor affecting our communities, but its effects are not often considered central to high street revitalisation. Many members of UK town centres are struggling to keep up with consumers in terms of their digital capabilities, and given the pace of digital growth many towns lack sufficient infrastructure and basic digital skills. I believe that the business-oriented Board has provided recommendations that, taken together, can restore our High Streets to vibrancy in a digital future, into 2020 and beyond.”

[From original DHSB Terms of reference: The High Street needs to change to remain viable. 24/7 “Always On” internet ‘window shopping’ has changed shopping forever. The range of

goods, pricing comparisons, and home delivery can appear more attractive to consumers, while ease of parking and lack of congestion can make out of town retail parks appear attractive when compared to what could be the intrinsic benefits of many High Streets. New solutions in retailing, logistics, and traffic management are required to allow towns and cities to regenerate their High Streets to cope and take advantage of technological changes and provide solutions that mix virtual and physical in new ways, and offer genuinely new and attractive shopping experiences].

With 60% of adults using a mobile phone or tablet to access the internet on the go, digital transformation of high streets would generate significant social and economic value for our communities around the country. High streets are worth investing in with more than £150bn of retail sales influenced by digital, but retailers with services that fail to meet customers' expectations risk losing over £12bn sales a year. Only half of small businesses (SMEs) and charities have a website and just 33% of SMEs currently transact online, as 31% of all such organisations lack basic online skills. Recent estimates show that digital technology could unlock £18.8 billion of revenue for SMEs, while reducing their costs by up to 20% and increasing customer satisfaction and retention. The estimated annual social and economic value of digital inclusion for a new users going online is £1,064, rising to £3,568 for a more advanced individual or small business user.

Digital High Street Advisory Board 2020, recommendations:

Town centres need to significantly raise infrastructure and connectivity standards for 2020, by developing sufficient **digital access through infrastructure** beyond existing Government targets for 2017, including; **i)** universal fixed connectivity of not less than 24 Mbps, with 75% of the UK's residences and Small Businesses (SMEs), and charities, having access to *fixed broadband* speeds of 100 Mbps, **ii)** *high speed mobile data coverage* with 4G available, from multiple operators, to 98% of the population across both indoor and outdoor geographies, and **iii)** *clear public access WiFi standards*, for consumer experiences and technical interoperability, to encourage broader deployment and ensure seamless connectivity without disrupting consumers with multiple logons.

Basic Digital Skills programme to be developed to eliminate the current gap in digital skills in our communities by 2020, by empowering all individuals, SMEs and the voluntary, community and social enterprise sectors that can be digitally capable to reach their digital potential. The aim is for Go ON UK*** to coordinate the management, funding and implementation of digital skills priorities as a holistic programme, with a range of public and private delivery partners.

The first **High Street Digital Lab** will provide the UK's 1,200 towns and their businesses with digital capabilities from a central organisation. This will include the cost-efficient aggregation of centrally sourced and approved digital technologies, digital applications, tools, methods and training programmes, in order to provide a platform for digital consumer services for each community across the UK on behalf of its local authority, high street businesses and charities. The Lab would provide a tailor-made set of digital recommendations based on the capabilities for each individual town and organisation that participates. The Lab would also support the training of new digital apprenticeships in every town and city throughout the UK.

In a first for the UK, a **Digital High Street Health Index** will enable towns and local authorities to measure their digital health against four key metrics including access and

infrastructure, basic digital skills, High Street attraction and digital engagement. The aggregated scores will enable town centres to prioritise and develop a digital implementation plan, benchmark themselves with comparably sized and competing High Streets, as well as track the progress of their digital integration.

Peter Fitzgerald, Director, Google UK said:

“Today, the vast majority of UK shoppers research online before they buy from a store or use a local service, so each visit to a town centre often begins with a click. This is why, the High Street Digital Hub that we propose, will provide digital expertise, solutions and tools to help businesses grow faster and reach more customers with seamless touch points across devices and channels. Our team and digital resources will get businesses to embrace the web and therefore grow much faster.”

Ben Dowd, Business Director, Telefonica said:

“The Digital High Street Health Index will be a unique and critically essential part of enabling towns and cities to find the remedy for the digital underpinning of their local economy. It will enable them to assess their own capabilities against their comparable size town and help them to leapfrog over their competitor high streets in the region.”

Baroness Lane-Fox, Chair Go ON UK said:

“Lloyds Business Digital Index research has shown that 31% of organisations in the UK are lacking Basic Digital Skills. This means they could be missing out on a range of benefits, such as taking payments or donations online, or having access to a wider range of services and suppliers. Lowering this figure represents huge value both socially and economically for the UK. The proposed digital apprentices will proactively help these organisations to realise the value of being digitally skilled, and potentially help them generate more revenue from customers and donors.”

Helen Dickinson, Director General of the British Retail Consortium said:

“British high streets have weathered sweeping changes in society, economic cycles, property development and retail expansion, and the seismic impact of digital technology on communications, entertainment and commerce. Our communities have survived these changes to varying degrees but while what makes a successful high street has not fundamentally changed, the ability to achieve wider future success is now absolutely dependent on embracing the impact of digital and the recommendations of this report provide a strategy to do just that.”

-ends-

NOTES TO EDITORS:

For a copy of the full report and the appendices please go to:

www.thegreatbritishhighstreet.co.uk

High Street video and photography also held at: www.thegreatbritishhighstreet.co.uk

For media enquiries please ring:

Home Retail Group: 0845 120 4365

The Digital High Street Advisory Board was established in April 2014 to further the work of the Future High Street Forum, including representation from private business, public sector

and trade bodies.* Its aims were to establish a clear strategy for delivering and future-proofing a successful combination of ongoing new digital technologies with legacy bricks and mortar high streets and to ensure solutions are commercially viable and consumer relevant.

Under the direction of the Government's Department of Communities and Local Government, the Future High Street Forum was formed in 2013 to bring together leaders across retail, property and business to better understand the competition town centres across the country face and to drive forward new ideas and policies.

*Board members:

John Walden, Chief Executive, Home Retail Group and Chair of the Board.

BT, Facebook, Google, Hammersons, IBM, John Lewis, Lloyds Banking Group, M&S, Post Office, Sainsbury's, Telefonica, Tesco, Westfield.

** Home Retail Group boilerplate:

*** Go ON UK boilerplate: