

**THINK RETAIL THINK VERDICT**

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# **UK Retail Issues 2008**

**Time to re-evaluate  
propositions...**

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# About Verdict Research

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## Authorative analysis...

Verdict's analysts and consultants work closely with retailers, suppliers, consultancies, investment banks and property companies to identify the key issues, sector and company data and strategies driving the changing retail market.

Our research identifies how retailers can enhance product, store and brand performance as well as the factors that determine future retail success. Our specialist in-store auditing team continuously collects price and product data across locations, brands, fascias, ranges and retail sectors.

## Rigorous research methodology...

Our in-house retail expertise and rigorous research methodology ensure our reports provide complete and accurate analysis of the major players, issues and trends together with a detailed examination of the strategic implications for the retail market.

For key players in the retail industry, our reports are the first source of information on sector forecasts, retailer performance, store and product portfolio developments and trading strategy.

## Global, European and UK analysis across nine core sectors...

Verdict Research reports cover nine core sectors, five-year forecasts, strategic issues, key locations, How Britain Shops consumer surveys the main European retail markets and global retail reports. Also available are a daily news service, weekly newsletter and tailored consultancy portfolios to suit individual business information needs.

## Over 20 years of experience...

Verdict Research is the UK's leading authority on retailing and publishes unrivalled independent analysis of the retail industry. With over 20 years' experience, Verdict has close relationships with major UK retailers and access, at the highest level, to key executives working in the top 300 retailers to hear their first hand views. Verdict reports provide clients with a complete picture of the retail sector and unique forecasts to help UK retailers, manufacturers, service suppliers, city analysts, consultants and the media with strategic planning.

## A key source for independent analysis and comment...

Verdict Research is regarded as a key source by the BBC, ITV, Sky News and the UK's leading broadsheets including the FT, Times, The Independent and Daily Telegraph. Leading trade publications often refer to Verdict's opinion and research including Retail Week, Drapers, DIY Week, Cabinet Maker and The Grocer.

In addition Verdict regularly appears in the international media. News sources quoting Verdict analysts and data include CNN, the International Herald Tribune, The Australian, Los Angeles Times, and New York Times.



**"Verdict are the company of choice for any research analysis and insight into retailing"**

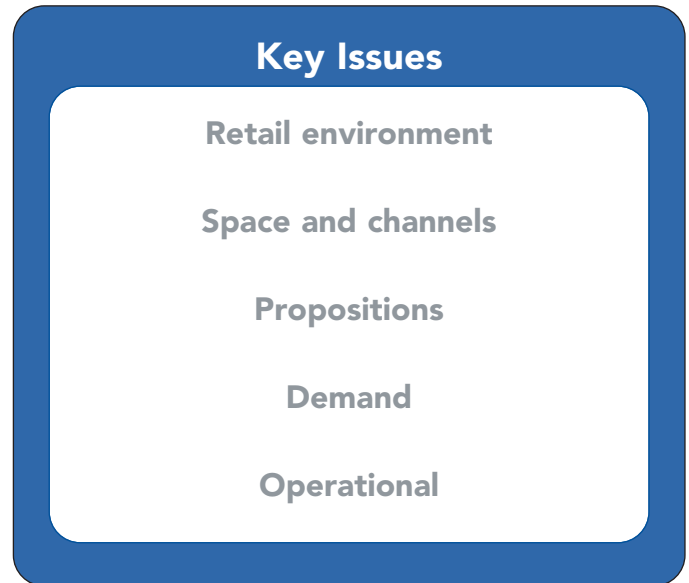
**Sir Stuart Rose**  
Chief Executive of Marks & Spencer

# UK Retail Issues 2008

## Time to re-evaluate propositions...

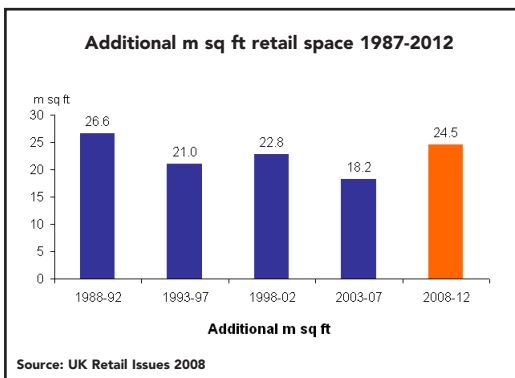
The credit crunch and rising global cost inflation have added a new dimension to the already challenging environment UK retailers face. These factors combined with the sector's maturity, overcapacity and more demanding consumers are leading to a raft of casualties.

This new report published by Verdict analyses the key issues facing retailers in 2008 and details the actions necessary to survive this testing trading environment. It is an essential tool for executives at all levels to understand the challenges and opportunities, and to help devise the strategies necessary to be a retail winner.



**Use this briefs clear and concise illustrative figures and supporting data to understand the major issues facing UK retailers today and the strategies necessary to ensure retail survival**

**Despite a background of low growth, property developers have nearly 25m sq ft of new space coming on stream over the next 4 years...**



"It is highly likely that some of these developments will be cancelled or postponed, indeed developers are already suffering difficulties filling new schemes and there is speculation that 40.0% of space in the pipeline will be cancelled. However overcapacity of space offers retailers opportunities to negotiate new deals and move to larger stores in better locations..."

- **Understand the issues facing UK retailers in 2008**, to help you to devise winning strategies in challenging market conditions.
- **Identify key retail trends and accurately predict future retailing growth** with this report's key data detailing the UK retailing environment, space and channel, operations, demand and propositions.
- **Create a retail proposition that is relevant to the current climate and retail trends** based on this reports key recommendations.
- **Benchmark retail growth prospects against overall retail forecasts** to 2012 and by sector in 2008.

# UK Retail Issues 2008

## This report answers key questions including...

- What effect is the credit crunch, global cost inflation and a slowing housing market having on consumers and retailers?
- What are the growth prospects for the 8 major retail sectors in 2008?
- What effect is inflation having on the sector?
- How can retailers benefit from space overcapacity?
- What is the growth rate and value of online sales to 2012?
- What effect will the ageing population have on retail?
- How can retailers tackle environmental and ethical issues to their benefit?
- How is the fragmentation of society reflected in retail?

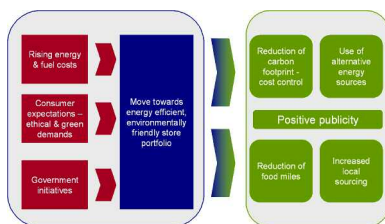
### Key Market Data

- UK retail sales & growth to 2012
- Inflation and deflation trends
- Retail sector growth 2007 & 2008
- UK online retail sales to 2012
- Retail space growth to 2012
- UK population trends & advertising spend
- Housing market trends & disposable income

## Some key findings from this report...

Consumers, have become more concerned with the products they buy, with the ethical nature of manufacture and production and with energy consumption in packaging and delivery...

#### Key issues examined in this report



Source: UK Retail Issues 2008

"Price deflation has encouraged consumers to buy more and more product because they can rather than because they actually want or need it and now people are beginning to question the benefits of such high consumption for society. Waste has become a logistical issue, but is also becoming more of an ethical issue..."

- **Though our growth projection of 2.8% for 2008 appears relatively strong**, inflation will mean that volume growth will be its lowest for over a decade. Meanwhile there is an abundance of new space coming onstream and the online channel is outperforming, which is resulting in overcapacity and the dilution of space productivity.
- **Retailers' costs are rising not just in the UK but also in their global supply chains**, which is increasing the pressure particularly for those with a price-led proposition. Against such a challenging environment it is crucial to have a viable retail proposition.
- **In the face of a truly difficult trading environment it is a case of survival of the fittest.** Being good is not good enough retailers have to be exceptional and stand out from the crowd. Faced with these conditions, retailers should re-evaluate their businesses, their propositions, location and channel strategy, store portfolios, communication and operations with the aim of producing a more customer-focused, efficient business.

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