

Northern Ireland High Street Scheme

Summary of Research by Retail Economics

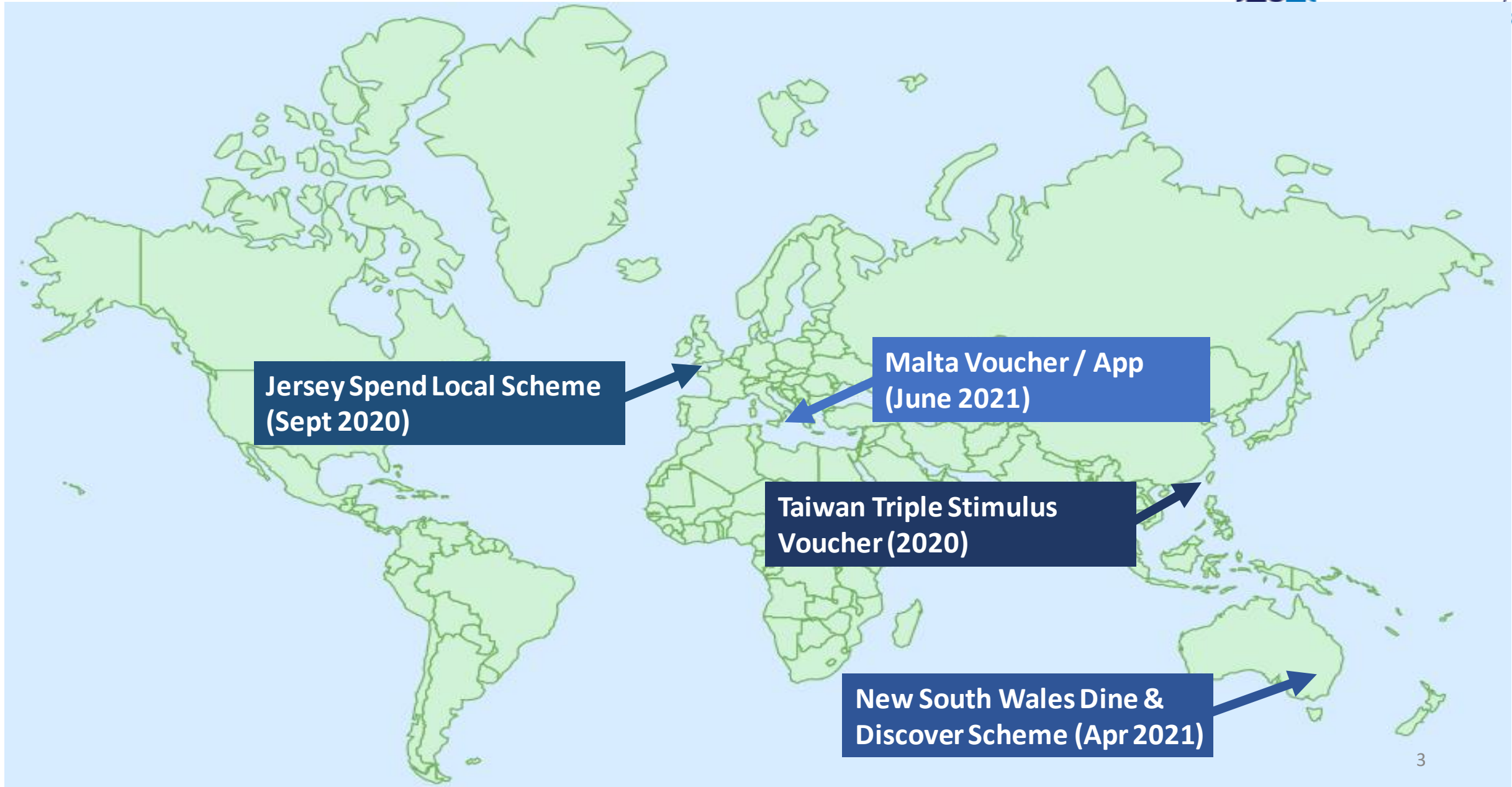
July 2021



What is the High Street Scheme (HSS)?

- On 30 April 2021, the Economy Minister announced that every person in Northern Ireland aged 18 and over will be eligible to apply for a pre-paid card worth £100 to spend in their local high street.
- The HSS scheme – which is a vital part of the Economic Recovery Action Plan - is designed to stimulate local businesses, including retail and hospitality sector outlets, following the pandemic.
- The card must be used in ‘bricks and mortar’ businesses within Northern Ireland and cannot be used online. The scheme can create important momentum amongst businesses in the run up to Christmas.
- Up to 1.4 million people will spend an extra £140m on our high streets rather than online. This has a multiplier effect which will help bring many more customers back through the doors of local retail, hospitality and other sectors.

Similar Schemes Around the World



Research to Inform NI Scheme

Industry experts undertook research which informed the roll-out of the High Street Scheme.



Retail Economics is an independent economics research consultancy firm focused on the UK consumer and retail industry.

5 Main Elements to the Research Project



1. Pressures Across the High Street

2. Jersey Case Study

3. Seasonality in Retail Sales

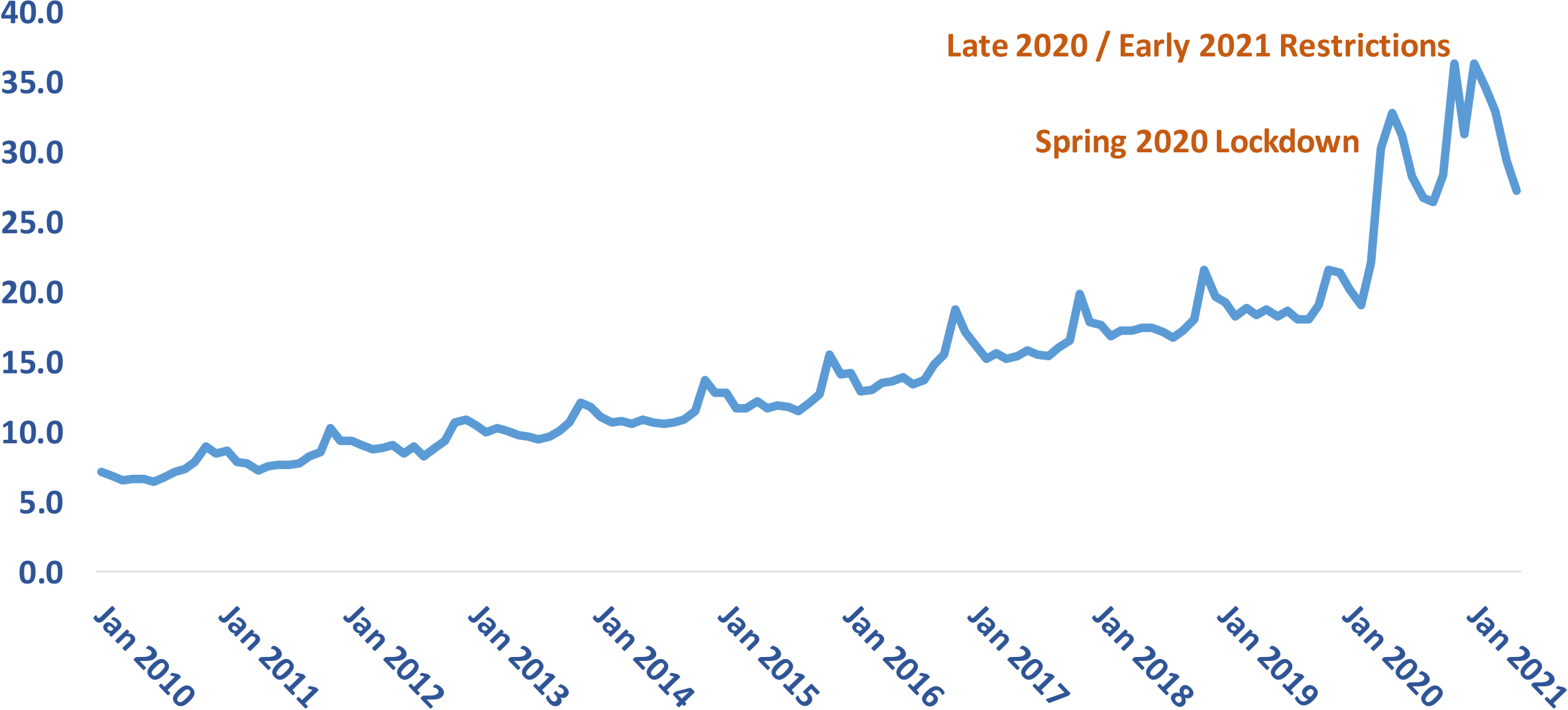
4. Retail and Hospitality Landscape

5. The Consumer Perspective

Pressures Across the High Street

- **The Covid-19 pandemic sent shockwaves throughout the economy.**
- **The closure of non-essential retail outlets and hospitality venues necessitated a shift towards online retail for many consumers.**
- **This step change in the proportion of online sales saw the channel experience five years of growth in just 12 months.**
- **Many businesses were unable to cope with the significant blow to cash flow caused by lockdown measures and the hit to consumer confidence.**
- **Many retailers have fallen into administration. Government support has been crucial for remaining firms.**
- **The greatest pressures likely to be felt across independent businesses.**

Internet Sales as a Percentage of Total Retail Sales (%) *



* Data for Great Britain. Figures from [ONS](#).

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Jersey Case Study

What can we learn from the Jersey scheme?

In early September 2020, every eligible adult and child in Jersey received a £100 Spend Local card which they could spend in shops, in cafes and businesses, and on services and experiences. This was part of a £150 million Fiscal Stimulus package, aimed at supporting the local economy after the impact of Covid-19.

Main Findings:

- 78% of all spending was attributed to just three categories: (1) Wholesale & Retail; (2) Supermarket Fast Food and Food Retail; and (3) Hotels, Restaurants & Bars.
- The average transaction value was £28.14 and the average card was used 3.6 times.
- Card transactions peaked on the first Saturday of the scheme.
- The number of transactions peaked every Saturday of the week, but tailed off after the first weekend in the subsequent seven weekends.
- However, the number of transactions picked up on the final Saturday of the scheme as shoppers used up any credit remaining on their cards.

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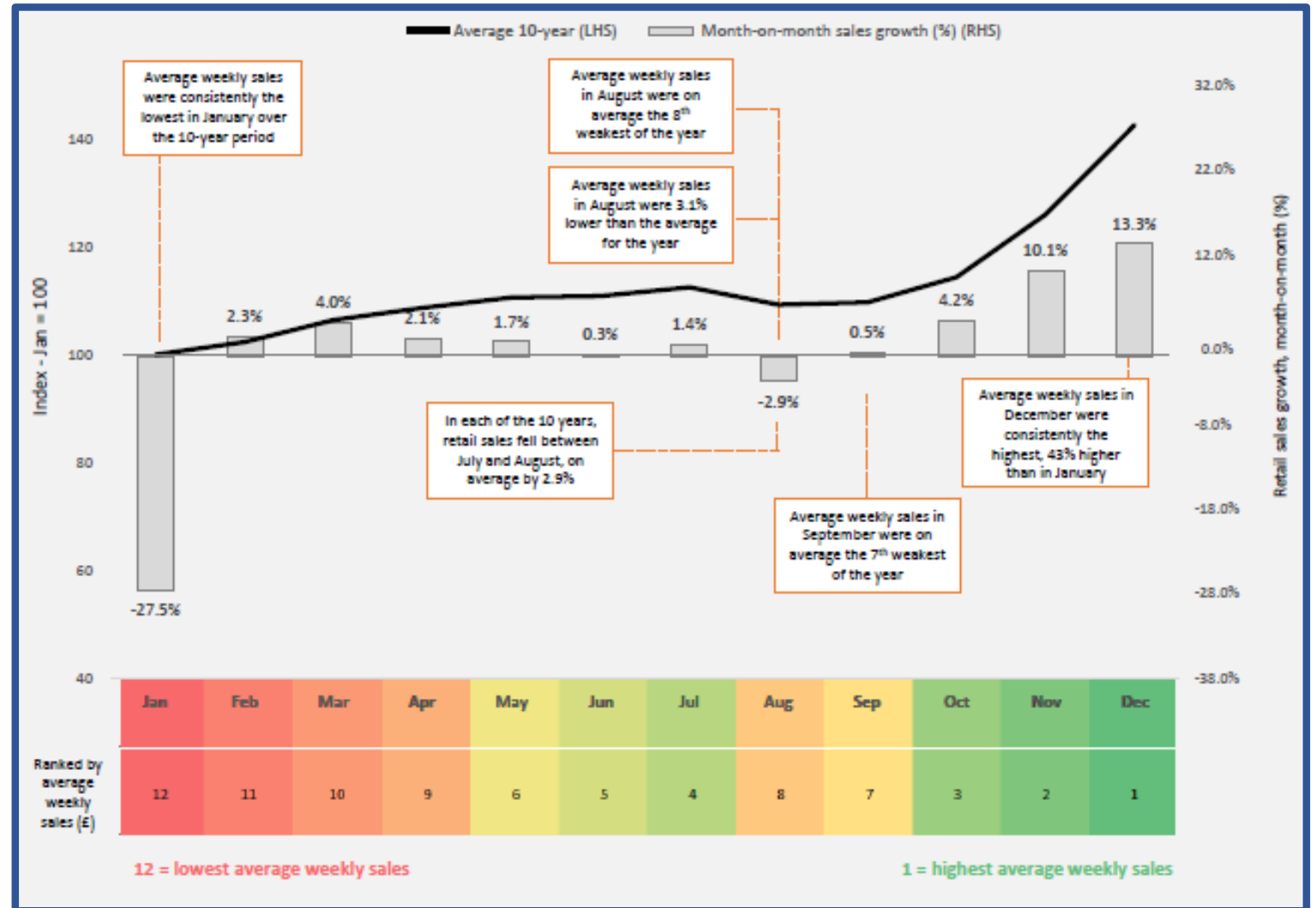
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Seasonality in Retail Sales

Retail Trends

Average weekly sales tend to gain momentum each month from January to July, before slipping back in August as consumers cut back discretionary spending. Average weekly sales in September remain at broadly similar levels to August before retail sales then gather momentum in the final quarter of the year in the run up to Christmas.



Source: Retail Economics

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- **While a bounce back in consumer spending has been expected, additional support and motivation for consumers to visit high streets will still be welcomed by many businesses.**
- **As such, consideration for the high street voucher scheme to launch as soon as possible should be seriously considered to increase the chances of saving businesses from administration.**
- **What's more, with data from the Jersey scheme suggesting that the average voucher is spent across 3.6 transactions, this will likely encourage additional footfall to high streets.**

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The Consumer Perspective

As part of the research, a consumer panel survey was conducted, from a nationally representative sample of 1,000 households in Northern Ireland.

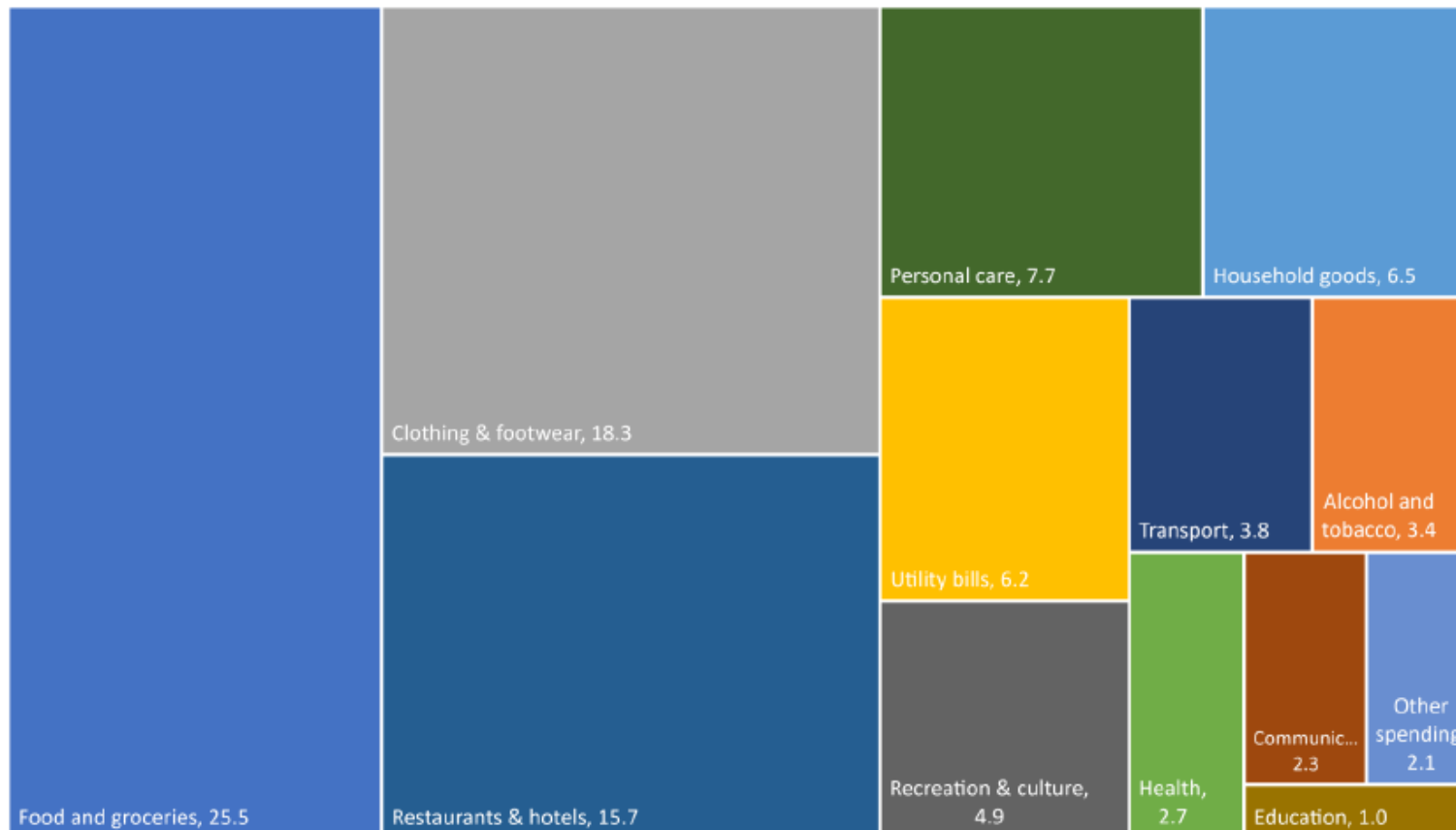
This enabled Retail Economics and DfE to gather unique insights about confidence, potential spending intentions of the voucher/card, the impact of the pandemic on behavioral change, and many other areas.

The research showed that over half (56%) of consumers believe that they will visit high streets less frequently compared with pre-pandemic.

These findings suggest there may be a role for a voucher/card scheme to encourage footfall in our villages, towns and cities.

Consumer Panel Survey Results

The research provided insights on spending intentions for a proposed high street voucher across a range of spending categories. On average, households would spend the most across food and groceries (£25.50), followed by clothing and footwear (£18.30) and restaurants and hotels (£15.70). Indeed, these three categories accounted for 59% of proposed voucher spending.



Other findings include:

- Almost two-thirds (65%) of NI consumers said that a voucher would encourage them to visit physical locations.
- A sizeable net balance of consumers suggested that they would purchase something they hadn't intended to buy.
- Very strong desire to support local independent businesses.

Conclusion and Recommendations

“A stimulus package of this nature will be welcomed by business owners...”

“Our recommendations on the timing of the scheme (August–October) is based on seasonal retail spending data and takes into consideration the importance of gaining momentum and supporting confidence in the build to the Christmas sales period.”

Retail Economics

“...the roll-out of the scheme is complex and on a significantly larger scale than the Jersey scheme... We believe that prioritising the effective launch of the scheme should take precedence over our recommendations of timing to maximise its effectiveness.”

“Although quantifying additionality and the value of the scheme falls out of the remit of this research, our conceptual Spending Intentions Quadrant supports our underlying conclusion that the scheme will deliver material benefits to the high street recovery.”

Final Notes

The research has already informed the proposed timing of the scheme and will also help in the design and roll-out of the scheme.

The full Retail Economics report is available on the research page of the Department for the Economy's website.

