

Examination of High Street's Decline

Student's Name

Institutional Affiliation

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### **Abstract**

The performance of high street retail industry in the UK has been on a consistent decline in the past few years. The study examines a variety of factors that could cause the decline. The methodological approach follows a mono-method quantitative study where a survey was conducted to determine the impact that demographics influences consumption patterns and high street perceptions. The results shows that the increase in popularity of online shopping has adversely impacted high street consumption among respondents. Likewise, the income and education levels seem to influence consumption patterns, and the perceptions respondents have of high street. However, age was not a significant factor that influenced high street shopping.

## Examination of High Street's Decline

### Chapter 1: Introduction

#### 1.1 Background

The use of high street shopping has been on the decline, while there is a little consensus on the cause. Studies like Hughes and Jackson (2015) suggest that the decline has been a gradual process brought by the rise of e-commerce, which negates the importance of high-end store locations. The reason for this may be the growth of more tech-savvy population that is less likely to shop in physical retail outlets, as opposed to online shopping (Jones & Livingstone, 2017, p. 47). Hubbard (2017) suggest that the decline may have been caused by the unsustainability of the real-estate costs and the change in social norms. Consumer perception of high-street shopping may have changed with the rise of new generations.

#### 1.2 Problem Statement

Examining why UK high street shopping is on a consistent decline is important. The study may offer insights that may be used by firms to restructure their business. If the decline is attributed to a shift to online consumption, these firms may need to relocate to avoid the high real-estate costs. If the issue is generational or income-based, they also need to restructure their business models to make themselves more appealing.

#### 1.3 Research Aim and Objectives

The study aims to determine the reasons why consumption in high street retail outlets has declined in London. The specific objectives include:

- i. To determine whether younger consumers prefer shopping online rather than shopping in high street retail outlets.
- ii. Determining whether there are generational differences in consumption patterns that may have resulted in a decreased willingness to shop in high street retail outlets
- iii. To determine whether consumer income influences consumption patterns in high street retail outlets
- iv. To determine whether educational level influences the high street consumption patterns among London residents.

#### **1.4 Research Questions**

The objectives were rewritten as research questions to make them easier to answer.

- i. Are younger London consumers more likely to shop online rather than shopping in high street retail outlets?
- ii. Are there generational differences in consumption patterns that may have decreased willingness to shop in high street retail outlets?
- iii. Does consumer income influence the consumption patterns in high street retail outlets?
- iv. Does consumer educational level influence the high street consumption patterns among London residents?

#### **1.5 Rationale**

The decline of high streets shopping in the UK has been documented in numerous studies. However, no consensus exists on the actual reason for the decline. The study contributes

to improving the academic information on the decline of the UK high street by connecting demographics with social gentrification.

### **1.6 Scope**

The scope of the study was limited to the consumption patterns and perceptions of London residents.

## **Chapter 2: Literature Review**

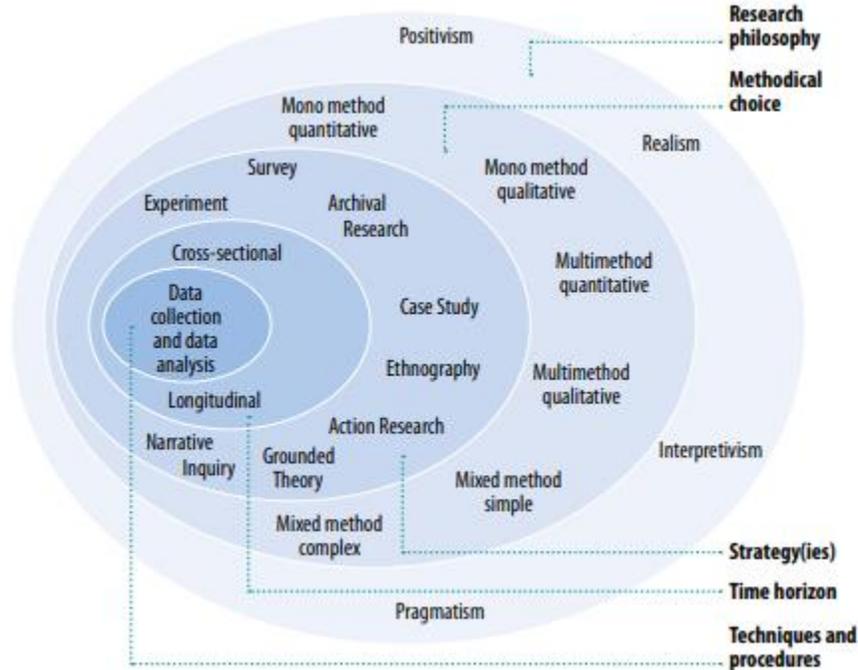
The UK's high street shopping has been on a downward spiral for a substantial period. However, the decline was the lowest in 2020, where thousands of outlets were closed. Butler (2021) notes that over 11,000 retail outlets permanently closed their shops across the UK. Of these, over 9,800 are retail chains, while the remaining 1,400 are independent retail outlets. Hughes and Jackson (2015) attribute the decline to the obsolescence of location as a factor that influences the success of retail businesses. London is no exception. The city has consistently lost retailers and large retail chains like Debenhams and Topshop and numerous other smaller retailers.

## **Chapter 3: Research Methodology**

A proper methodology provides an effective foundation for any study. The methodology developed for the study relies on the research onion as developed by Saunders et al. (2019). Each layer of the onion highlights a specific element of the methodology.

### **Figure 1:**

*Research Onion (Source: Saunders et al. (2019))*



### 3.1 Philosophy

The philosophical position of the researcher in this study is pragmatic in nature. A pragmatic approach was the most suitable since it considers the quantitative nature of the research method chosen while also accommodating the social elements required in the study.

### 3.2 Approach

The approach used in the study is deductive since the aim does not require the generation of any tentative hypothesis or theories. Instead, the focus of the study is to answer the hypotheses developed from the research questions. Another dimension of the approach requires the use of primary data rather than a secondary study (Saunders et al., 2019). The primary study is more effective in answering the research question. The research approach also follows a mono-method quantitative study. The approach aligns with the pragmatic philosophy guiding the methodology.

### **3.3 Time Horizon and Strategy**

The research strategy chosen for data collection involves conducting a quantitative survey to collect demographic information on respondents in London. A survey still aligns with the pragmatic philosophy decided at the beginning of the survey (Saunders et al., 2019). The survey also aligns with the gathering of primary mono-method quantitative data that aligns with the chosen approach. Since only a snapshot of the perceptions is required, a cross-sectional time horizon was preferred.

### **3.4 Data Collection Process**

The first step involves developing a quantitative questionnaire using the Likert scale and other coding methods to quantify any non-numeric data gathered. The questionnaire is purely closed-ended to ensure that proper values can be assigned to the study (Saunders et al., 2019). A sample of 150 respondents was chosen for the study. The questionnaire was keyed in Google Forms to allow multiple people to collect the data across London. The questionnaire was filled by data collectors, and then data cleaning was done by the primary researcher. The sample size was not representative of the London population, but it provided insight into the possible reason why high street consumption was on the decline.

### **3.5 Data Analysis**

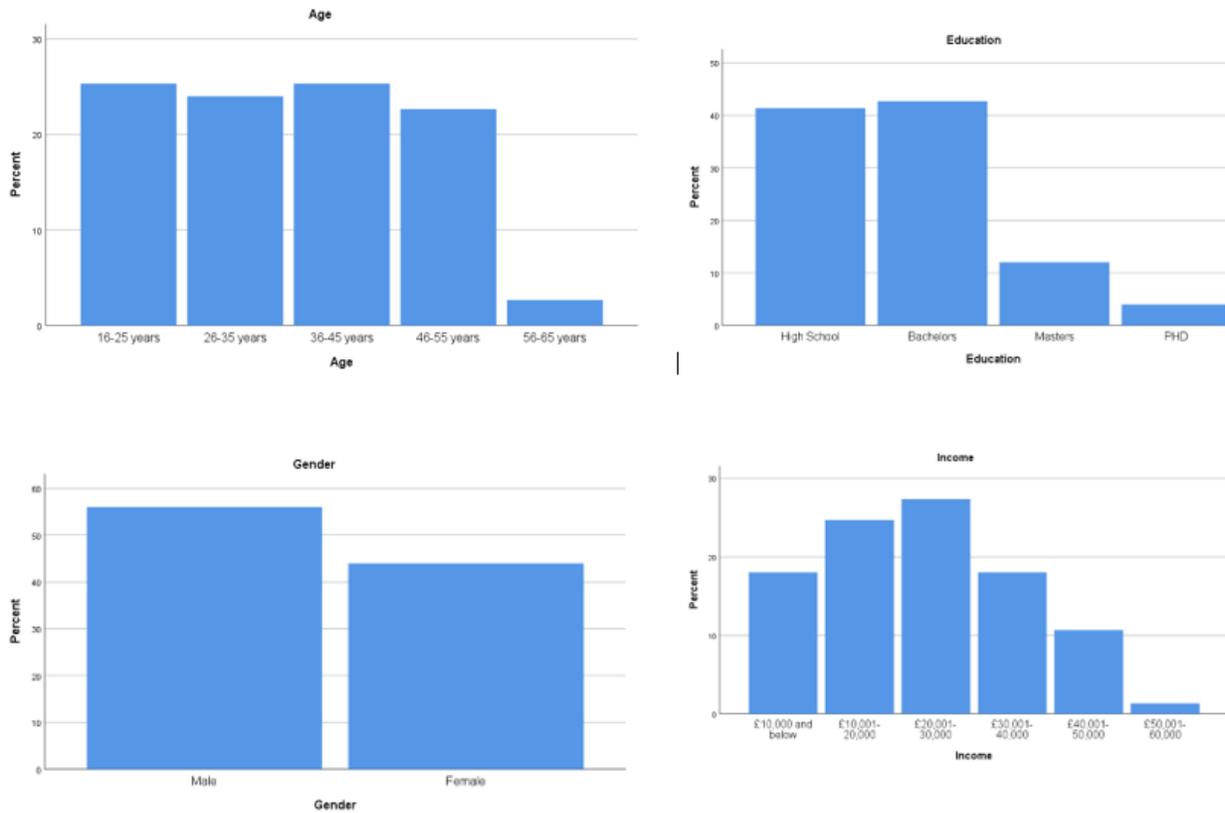
Data was analysed through SPSS, where the necessary values were given to the variables. A variety of data analysis techniques were adopted (Saunders et al., 2019). Descriptive statistics provided insight into the individual variables, while inferential analysis examined the causal relationships between the variables to answer the research questions.

**Chapter 4: Data Analysis**

**4.1 Descriptive Statistics**

The first segment of the data analysis provides the descriptives of the demographic data to provide insight into the sample's demographics.

**Figure 2:**  
*Demographic descriptive*



The population seems evenly distributed, with the four age groups below 55 making up approximately 20-25 percent of the population. Only those between 56-65 are at 2.7 percent. Gender shows that males are the largest demographic with 56 percent while the remaining 44 percent comprises females. Most of the respondents have Bachelor's degrees or completed GCSEs with 42.7 and 41.3 percent, respectively. The sample shows 12 percent have master's

degrees, while only four percent have a doctorate of PhDs. The largest proportion of respondents, 27.3 percent, has an income of £20,001-30,000 followed by 24.7 percent with £10,001-20,000. The results seem to approximate a normal bell curve apart from a slight skewness to the right. After the demographic variables are analysed descriptively, the rest of the variables are also examined. The two main variables included in the findings are comparing high street and online shopping and the proportion of shopping done on high street. Most of the respondents, 92 percent, prefer shopping online compared to only eight percent who prefer shopping in-store on high street. The results suggest that that 46.7 percent of respondents do not shop on high street at all, 32.7 percent only shop there rarely, 16.7 percent shop somewhat regularly, while four percent shop there all the time. The results are indicative of the decline in high street shopping among consumers.

## **4.2 Inferential Analysis**

### **Chi-Square and Cross Tabulation**

The inferential analysis seeks to solve the hypotheses generated from the research questions presented directly. The first hypothesis that can be developed is:

$H_{A1}$ : Younger consumers prefer shopping online rather than shopping in high street retail outlets

The solution can be examined using cross-tabulation of the age and preference of shopping online.

**Figure 3:**

*Age cross-tabulated with high street vs online preference*

**Age \* High street vs Online Crosstabulation**

Count

		High street vs Online		Total
		In-store	Online	
Age	16-25 years	0	38	38
	26-35 years	1	35	36
	36-45 years	5	33	38
	46-55 years	6	28	34
	56-65 years	0	4	4
Total		12	138	150

The cross-tabulation reveals that younger consumers are less likely to shop in high street but more likely to shop online. However, the hypothesis can only be determined by an inferential test that is significant. Since the dependent variable is categorical, the most appropriate statistic is the chi-square test.

**Figure 4:**

*Chi-square of age compared with high street vs online preference*

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.659 <sup>a</sup>	4	.031
Likelihood Ratio	13.211	4	.010
Linear-by-Linear Association	7.385	1	.007
N of Valid Cases	150		

a. 6 cells (60.0%) have expected count less than 5. The minimum expected count is .32.

The findings reveal the chi-square value is 10.659 with four degrees of freedom. The p-value is 0.31, a value lower than the required maximum of 0.05. In this case, the alternative

hypothesis is accepted and the conclusion drawn that younger consumers prefer shopping online rather than shopping in high street retail outlets.

The next hypotheses that need to be tested are:

H<sub>A2</sub>: Generational differences reduces consumer willingness to shop in high street retail outlets

H<sub>A3</sub>: Consumer income influences the consumption patterns in high street retail outlets

H<sub>A4</sub>: Educational level influences the high street consumption patterns.

These three hypotheses rely on both the proportion of shopping done in high street and the respondents' perceptions of high street's decline. Three variables represent the latter. For analysis to be smooth, the variables need to be combined. A variety of methods can be used to achieve this. The most preferable is principal component analysis.

### **Correlation analysis**

Before factor analysis is conducted, the association needed to be determined using correlational analysis.

**Figure 5:***Correlation of perceptions of high street*

		<b>Correlations</b>		
		perception of the appeal	perception of the exclusivity	perception of the convenience
perception of the appeal	Pearson Correlation	1	.314**	.365**
	Sig. (2-tailed)		.000	.000
	N	150	150	150
perception of the exclusivity	Pearson Correlation	.314**	1	.158
	Sig. (2-tailed)	.000		.053
	N	150	150	150
perception of the convenience	Pearson Correlation	.365**	.158	1
	Sig. (2-tailed)	.000	.053	
	N	150	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results show a correlation between the perception of high street's appeal with exclusivity and convenience based on Pearson correlational values of 0.314 and 0.365. However, the correlation between exclusivity and convenience is insignificant, with only a 0.158 Pearson's correlational score. However, it almost met the correlational requirements with a p-value of 0.053, which is only slightly larger than 0.05.

### **Principal Component Analysis with Factor Analysis**

Next, a principal component analysis is conducted to reduce the dimensions without any loss of information. The approach relies on factor analysis to determine the components that can be drawn. Once the components are drawn, a new variable based on the principal component can be used in the analysis.

**Figure 6:**

*Component Extraction*

**Component Matrix<sup>a</sup>**

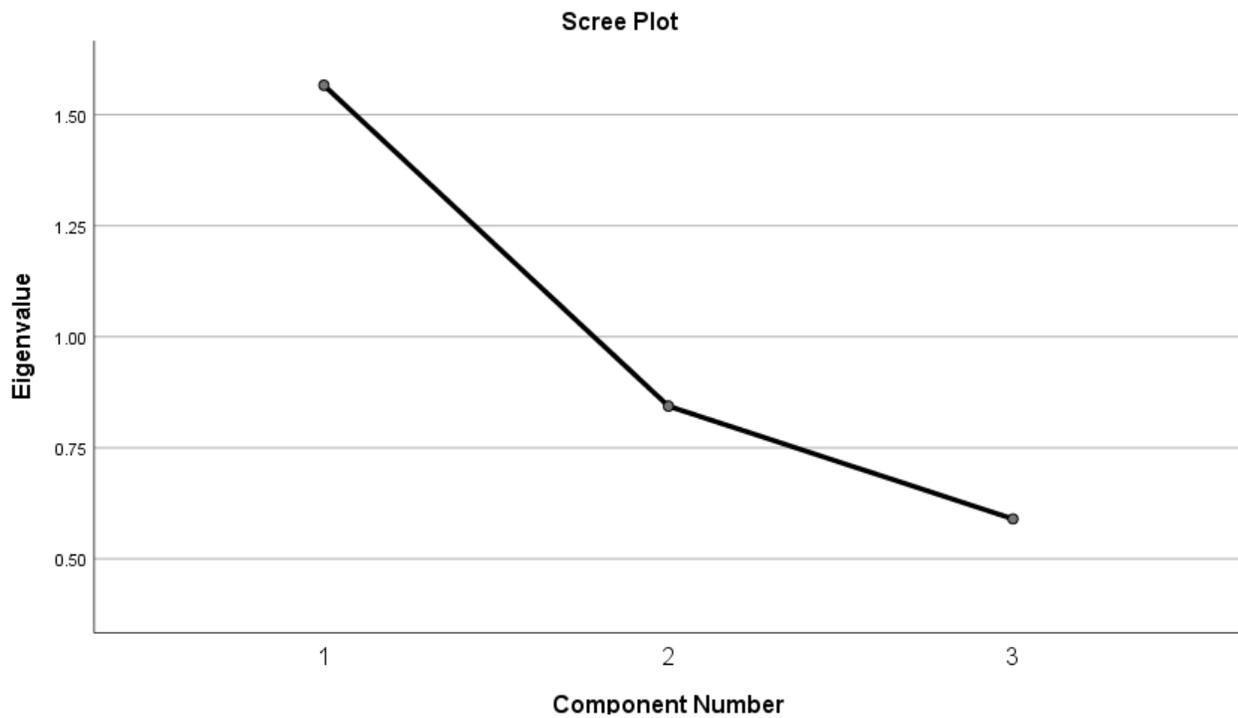
	Component 1
perception of the appeal	.810
perception of the convenience	.702
perception of the exclusivity	.646

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Figure 7:**

*Scree plot*



The principal component analysis resulted in only one component being extracted due to the high correlation of the variables on perception. The scree plot also shows a sharp drop from

the first component to the other components. Picking only the first component is sufficient. The new variable will be called the combined perception of high street.

### Regression Analysis

Hypothesis testing was conducted using the demographic variables and the new variable created from the principal component analysis. The second hypothesis can be tested.

#### Figure 8:

*Regression of Age and High Street Perception*

		<b>Coefficients<sup>a</sup></b>				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.311	.193		-1.608	.110
	Age	.123	.069	.144	1.771	.079

The results show that the p-value is  $> 0.05$ , leading to the conclusion that age does not significantly influence the perception of high street shopping. The alternative hypothesis is rejected in this case.

The third hypothesis is then tested to examine whether income significantly influences high street perceptions.

#### Figure 9:

*Model Summary of Income and High Street Perception*

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.315 <sup>a</sup>	.099	.093	.95234179

a. Predictors: (Constant), Income

**Figure 10:***Regression of Income and High Street Perception*

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.688	.187		-3.671	.000
	Income	.243	.060	.315	4.036	.000

a. Dependent Variable: REGR factor score 1 for analysis 1

The results of the regression suggest that income significantly influenced high street perception and appeal. The adjusted R-square in the model summary shows a 93 percent change in the perception based on the income of the respondents. The coefficient table shows that the p-value is 0.000 based on a t-value of 4.036, suggesting a significant impact. The alternative hypothesis is accepted in this case resulting in a conclusion that income influences the high street consumption patterns and perceptions.

The final hypothesis tested to examine whether the educational level influences the appeal of high street among respondents.

**Figure 11:***Model Summary of Education and High Street Perception*

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.297 <sup>a</sup>	.088	.082	.95806869

a. Predictors: (Constant), Education

**Figure 12***Regression of Income and High Street Perception*

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.657	.190		-3.451	.001
	Education	.368	.097	.297	3.785	.000

a. Dependent Variable: REGR factor score 1 for analysis 1

The results of the regression suggest that education significantly influences high street perception and appeal. The adjusted R-square in the model summary shows an 82 percent change in the perception based on the income of the respondents. The coefficient table shows that the p-value is 0.000 based on a t-value of 3.785, suggesting a significant impact. The alternative hypothesis is accepted in this case resulting in a conclusion that education influences the high street consumption patterns and perceptions.

## Chapter 5: Conclusion and Recommendations

### 5.1 Conclusion

The research questions have all been answered sufficiently. The first question is whether younger London consumers are more inclined to online shopping as opposed to high street retail outlets. The results show that online shopping has adversely impacted high street shopping significantly. The second question is whether generational differences in consumption patterns might reduce the willingness to shop in high street retail outlets. The results show that age is not a significant factor that influences high street perception and consumption patterns. The third research question is whether consumer income influences consumption patterns in high street retail outlets. The conclusion is that income is a significant factor that influences consumption patterns in high street. People with a higher income are comfortable buying stuff on high street.

The final question examines whether education level influences the consumption patterns in high street. The findings show that people with a higher education levels were more willing to make purchases on high street. However, there may be an association between education level and income.

### **5.1 Recommendations**

The main recommendation is for further studies on the impact of online shopping, education, and income independently to determine the actual causal relationships between these variables. In particular, there is a need to determine whether creating online platforms can help many high street retailers stay afloat.

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**Appendix**  
Questionnaire High Street Consumer Behaviour

**Section A: Demographic Data**

1. What is your age?

16-25 years

26-35 years

36-45 years

46-55 years

56-65 years

66 and above

2. What is your gender?

Male

Female

Other

3. What is your education level?

High School

Bachelors

Masters

PHD

4. What is your average Annual income?

£10,000 and below

- £10,001-20,000
- £20,001-30,000
- £30,001-40,000
- £40,001-50,000
- £50,001-60,000
- £60,001-70,000
- £70,001-80,000
- Over £80,000

**High Street Vs Online Shopping**

Please tick where most appropriate

5. Do you prefer to shop in stores located in high street or online?

- In-store
- Online

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
6. Is shopping online more convenient than going to high street shops?					
7. Does the need to commute to high street shops discourage you from shopping there?					

8. Can you find the same products online at a cheaper costs rather than going to high street retail shops?					
--	--	--	--	--	--

**Decline of high Street**

9. What proportion of you shopping do you get in high street?

- None at all (I never shop on high street)
- Very rarely (Once or twice in my life)
- Somewhat regularly (a portion of my retail shopping is done in high streets)
- All the time (Most of my retail shopping is done on high street)

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
10. Do you believe that high street has been on the decline?					
11. Do you go to high street retail outlets less now than you did a few years ago?					
12. Do you think the appeal of high street has been lost?					

13. On a scale of 1(lowest)-10 (highest), what is your perception of the appeal of shopping on high street?

.....

14. On a scale of 1(lowest)-10 (highest), what is your perception of the exclusivity of the products on high street?

.....

15. On a scale of 1(lowest)-10 (highest), what is your perception of the convenience of shopping on high street?

.....

