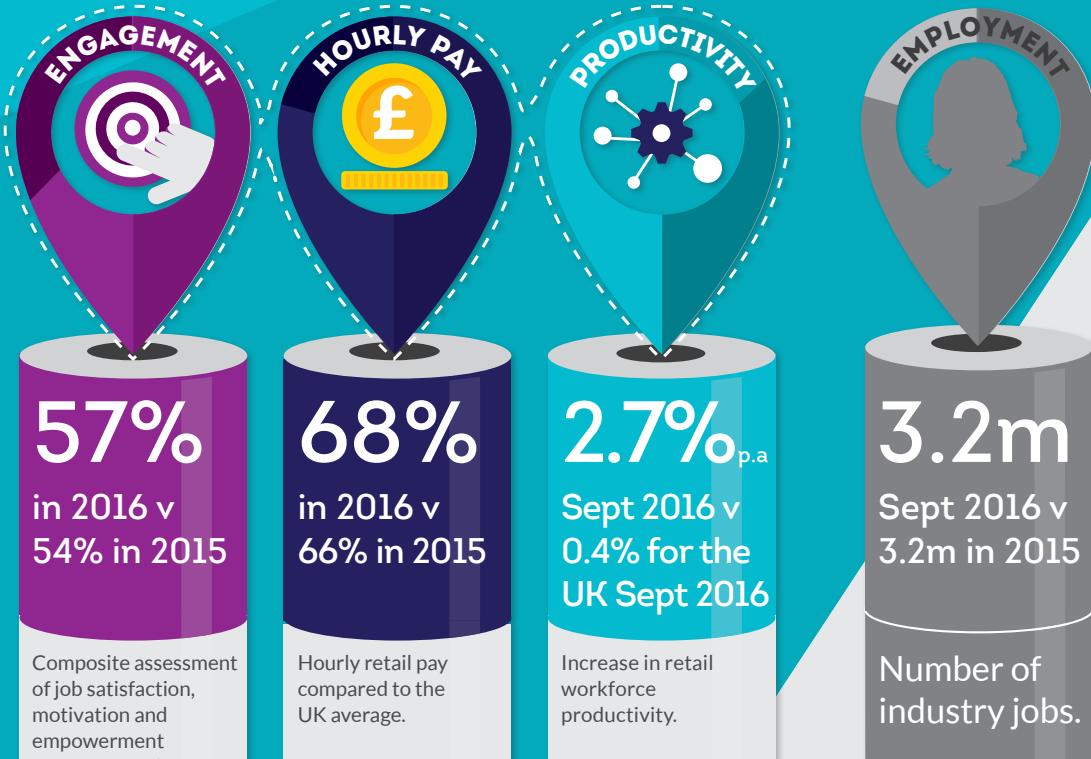


RETAIL 2020 DASHBOARD

Monitoring how the retail workplace landscape is changing by tracking progress on four key metrics.



RETAIL 2020 OBJECTIVE

A workforce that is more motivated and more able to fulfil their potential.

A closing of the gap between retail and the UK average.

A sustained rate of productivity growth above the UK average.

The industry is undergoing a transformation more profound and far-reaching than any that has gone before. At the centre of the change sits a technological revolution that has fundamentally altered how we shop, the way retail businesses work and the skills that retailers are nurturing for the future. Today, 100,000 people are employed in retail jobs that did not even exist five years ago and about 15 per cent of sales are online, growing at ten to 15 per cent a year.

The BRC and our members are committed to understanding how developments in retail business can achieve positive change; we anticipate playing a strong partnership role with

Government in the development of an Industrial Strategy to make this change happen. Our work has defined a shared industry vision of what better jobs look like in the future.

The Retail 2020 Dashboard, takes this project further by providing a baseline measurement of progress towards this trajectory of more productive, more rewarding and better jobs. The Dashboard will monitor how the retail workplace landscape is responding to these structural changes by tracking progress on four key industry metrics: productivity, pay, engagement and employment.



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HELEN DICKINSON OBE, CHIEF EXECUTIVE OF THE BRITISH RETAIL CONSORTIUM SAID:

"Structural change in the industry has significant implications for its workforce. The technological revolution is fundamentally altering the way retail businesses operate and the skills needed for future success. We have a choice between improved productivity driven by better jobs, innovation and new skills for the digital age and improved productivity driven primarily by a shrinking UK retail workforce."

"The Retail 2020 Dashboard will shine a light on the retail industry's progress in becoming more productive and developing more engaged employees. As our industry co-operates to share data and developments, we will be able to provide Government with valuable information about what transforms productivity."

"At a time when UK retail is having to find 20 per cent of its current profitability to mitigate the impact of uncontrollable increases in its cost base and against a backdrop of inflation and slow growth, the industry's commitment to improving productivity will require the support of Government policies that allow room to invest in skills and technology for the digital age. This is where we see a retail opportunity in the Government's recently published Industrial Strategy"

FINDINGS

PRODUCTIVITY

Growth in productivity in retail is outperforming the rest of the UK economy, growing six times faster. Retail's continued contribution to economic growth will therefore have a vital part to play in the Government's commitment to improving UK productivity and closing the UK's productivity gap with the rest of the world.

- Over the year to Q3 2016, retail industry productivity grew 2.7 per cent per annum; thereby in absolute terms closing the gap between retail and economy wide productivity.
- In comparison, overall manufacturing productivity shrank by -0.1 per cent.
- Higher productivity growth has resulted from investment in innovation – in 2015 retailers invested £3bn in intellectual property products (including software and research and development) and a further £900m in ICT.
- We expect retail to continue outpacing the UK average as the structure of the industry changes, provided there is the right policy environment which is why the Industrial Strategy is so important.

PAY

- The pay gap between retail and the wider economy is closing. Average pay was 68 per cent of the UK median in 2016, up from 66 per cent in 2015.

- For many, a job in retail comes with an attractive rewards package, with more than 90 per cent of retailers offering additional paid holidays, pensions contribution above the statutory minimum and generous staff discounts.
- As retailers continue to evolve and improve the way they deploy their workforce, the nature of retail jobs continues to change to higher skilled roles and productivity continues to improve, we expect to see average pay move closer to the UK average.

ENGAGEMENT

- The data gives an early indication of an upward trend in employee engagement levels. Improved motivation and satisfaction of the retail workforce goes hand in hand with the shared commitment by Government and industry to become more productive and with the industry's vision of better jobs.
- Levels of engagement amongst low paid workers have increased by three percentage points in the past year, from 54 per cent to 57 per cent.
- Over half of retail workers are happy in their jobs (55 per cent), and over two-thirds (69 per cent) are motivated to give their best at work.
- However, well over half of people working in retail think that the industry has a poor image (57 per cent) and only just over half feel proud to work in retail (52 per cent), which highlights the opportunity available.

EMPLOYMENT

- There are currently 3.2 million jobs in retail.
- As the industry undergoes structural change, we expect to see the number of jobs fall as outlined in Retail 2020: Fewer But Better Jobs.



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