

CONSUMING PASSION

The Rise of Retail Culture

Carl Gardner and Julie Sheppard

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Volume 1

 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK

First published in 1989

This edition first published in 2013

by Routledge

2 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN

Simultaneously published in the USA and Canada

by Routledge

711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-0-415-51032-5 (Set)

eISBN: 978-0-203-10362-3 (Set)

ISBN: 978-0-415-54029-2 (Volume 1)

eISBN: 978-0-203-10710-2 (Volume 1)

Publisher's Note

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Carl Gardner and Julie Sheppard

UNWIN



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LONDON SYDNEY WELLINGTON

First published in Great Britain by Unwin Hyman Limited, in 1989.

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Unwin Hyman Limited

15-17 Broadwick Street
London W1V 1FP

Allen & Unwin Australia Pty Ltd
8 Napier Street, North Sydney, NSW 2060, Australia

Allen & Unwin New Zealand Pty Ltd with the Port Nicholson Press,
Compusales Building, 75 Ghuznee Street, Wellington, New Zealand

British Library Cataloguing in Publication Data

Gardner, Carl

Consuming passion: the rise of retail culture.

1. Great Britain, Retail trades

I. Title II. Sheppard, Julie

381'.1'0941

ISBN 0-04-440348-8

Typeset in 10 on 12 point Century Old Style by
Tradespools Ltd, Frome, Somerset
Printed in Great Britain by Billings & Sons, Worcester

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Preface

Britain's high street boom has had enormous publicity over the last few years, as retailing has become an ever more important component of the economy. Yet despite this high-profile image there has been little thorough analysis of this all-pervasive phenomenon, from its economic roots to its profound social and cultural repercussions. It's almost as if retailing – and the activity of shopping itself – has been seen as unworthy of serious analysis, compared with the more 'masculine' areas of business, namely industrial manufacturing and the City, both well documented. In this book we have attempted to redress the balance, and have produced what we believe to be the first overall study of the retail boom and its effects. What is this 'retail revolution'? – where has it come from, what has it achieved and where is it going?

We both, as journalist and consultant, started with some limited professional knowledge of parts of the business. But we also came armed with a genuine fascination for shopping and its pleasures, tempered with a critical understanding of the negative effects of the so-called 'retail boom'. We believe this ambivalence towards retailing, which is shared by many in our society, has enabled us to take an open and many-faceted approach to our subject – and has helped us probe the areas many other commentators haven't yet reached. The result is neither a litany of praise for retail's high-profile business heroes and their achievements, nor a moralistic attack on retail as the main purveyor of a corrupting consumerism.

There have been other books on retailing, most notably William Kay's (1987) *Battle for the High Street*, which offers some excellent, informative profiles of the main retail companies. But it is, in our opinion, too close to its subjects and perhaps too prepared to take its protagonists at their word. There has been a welter of other professional reports and studies too, looking particularly at the economics of the business, the property market it has spawned, and the environmental effects on our urban centres. We have, of course, drawn heavily on these. But no study to date has managed to marry an economic study of retailing with a broader cultural and social perspective. And no other book has tried to look at the effects of the 'retail revolution', on *all* its participants – retailers,

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marketeers, designers, consumers and shop workers. This we have attempted.

The result of our labours, we hope, is an informative, readable and stimulating book, which will be of use to the retail business (and all those working in and around it), policy-makers, social analysts – and general readers who just want to understand more about the retail phenomenon that surrounds them every day. In short, it's a book for all those who love shopping – and even those who loathe it.

Carl Gardner and Julie Sheppard
London, April 1989

Acknowledgements

Many people, companies and organisations have helped us to write this book – either by giving generously of their time or by sending material. We would like to thank the following: Steve Percy, Harriet Lamb; Rodney Fitch, James Woodhuysen and Camilla Vickery of Fitch-RS, David Stoddart of Capel-Cure Myers, Angela Galvin, Sean Galvin, Robin Murray, Dick Hebdige, John Montgomery, Eileen Davenport, London Food Commission, Wendy Smith, Jeremy Myerson, Muriel Sheppard, Sheila Moorcroft of Applied Futures, Ann Morgan, Keith Scott of BDP, Jay Myers, Ian McLeod, Richard North, Bernadette Hillon, Derek Reed, Brand New, George Adams and Nicci Krolkowski of Management Horizons, Design House and Mark Lavender. Several of the above granted us personal interviews – many quotations in the text are drawn from those discussions and lack a specific reference.

Carl Gardner would like to thank his publisher, Katherine Tickle, and the staff at *Interior Design* for putting up with the inevitable disruption that writing this book has caused.

And both of us would like to thank Michael Pountney, our publisher at Unwin Hyman, for commissioning the book in the first place – and then supporting us *en route*.

Last, but by no means least, we would like to thank our friends, Penny Valentine and Mike Flood-Page, for enabling us to join (temporarily) the élite ranks of the two Amstrad-owning household. You can have your machine back now!

Years ago a person, he was unhappy, didn't know what to do with himself – he'd go to church, start a revolution – something. Today you're unhappy? Can't figure it out? What is the salvation? Go shopping!

(Arthur Miller, *The Price*, Act 1)

1

The 'Retail Revolution' Revisited

As someone once said, even if you're winning the rat race it is important to remember you're still a rat – Edward Whitefield, Management Horizons

Britain's high street 'revolution' is arguably the most significant, far-reaching economic and social phenomenon of the age. In little more than twenty years, retailing has moved from being a dull, business backwater to become one of the most important, dynamic sectors of the British economy. It has had an irreversible impact on our towns and cities and, for many people, transformed shopping itself into a pleasurable 'leisure experience'. In the process it has increasingly offered consumers an ever-changing array of products and services – and new environments in which to buy them. The resulting 'retail culture' is everywhere – it has colonised huge areas of our social life outside the traditional high street, from sporting venues to arts centres, from railway termini to museums. Many see it as the epitome of Thatcher's Britain, breeding acquisitive individualism and destroying the nation's traditional manufacturing base. Others see it as a sign of 'new times', a potential way forward for an ailing economy.

So let's start with the economy. The growth in retailing, of course, cannot be seen in isolation. As argued in Chapter 2, it has to be seen in the wider context of the profound shifts taking place in the British economy. Older, heavy manufacturing and engineering industries, established in the last century, are rapidly being displaced by new service industries, of which retailing is one important part. These changes have been accompanied by a prolonged economic debate, quite apart from the intense social upheaval and disruption they have brought to industrial communities up and down the land.

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We question whether this deindustrialisation process is an inevitable one, and look briefly at one possible scenario for restructuring and rebuilding British industry along new lines – what has been dubbed the ‘post-Fordist’ economy, based on ‘flexible manufacturing’ techniques. Such a manufacturing set-up may be both more responsive to consumer needs, and hopefully more fulfilling to those who work in it. Those who pose this option have been inspired in part by techniques heavily exploited in the retailing sector, such as ‘just in time’ distribution, flexible stock control, small batch market testing, high-tech market data collection via Electronic Point of Sale systems (EPoS) and so on.

In fact one of the most important features of retailing in Britain over the last two decades is the way it has gradually taken on *the* leading role in the consumer economy. Consistently, it has been in the forefront of innovation and experimentation, in an attempt to find new markets and satisfy them. In the process the largest multiples, through the size and scale of their buying power, have actually gained a substantial whip-hand over manufacturers. No longer do producers make what *they* want, which retailers then sell – today, in a curious inversion of the old order, retailers tell industry what to make, and how to make it. Or else. Retailers have become the market conscience of British business.

Part of the reason for this fundamental redistribution of power lies in the manufacturing sector’s chronic malaise. It has consistently clung to old ways, ignored changing attitudes and demands in society and failed to invest in new plant and technology. As a result its out-dated products have been overtaken and displaced by foreign imports at an ever-growing rate – except where retailers have stepped in and forced them to smarten up their act. In those sectors manufacturing jobs have actually been created.

This dynamism of retailing has even pushed some optimistic souls to see retailing as *the* solution to Britain’s chronic employment problem – couldn’t depressed areas actually shop their way out of decline? And couldn’t new jobs in retail simply replace those lost in manufacturing? In chapters 2 and 8, we look sceptically at this flawed scenario.

There are other commentators, though, who have been far more willing to blame retailing for both the loss of jobs in the industrial sector and the growing glut of foreign goods in the shops. By inflating demand, through instant credit and high pressure marketing and design, retailing, it is assumed, has helped undermine the British economy; and investment in the ‘non-productive’ retail sector has sucked capital away from the ‘real’ productive heart of the country. Embedded in this argument are several

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complex myths about the current situation – and the role of retail within it – which we set out to explore, and in some cases explode.

To begin with, let's look at some figures for wages, consumer expenditure, retail sales and savings over the last eight years (see Table 1.1). This was precisely the period of the consumer boom, and the high point of the 'retail revolution'. Examined carefully, these cold statistics suggest some of the myth-busting themes of the book.

First, if we compare the percentage increase in retail sales with the percentage increase in disposable income, for the period 1984–8, we see that they are largely in tune, at around the 8 per cent mark. In other words, the idea that retail has stoked up expenditure way beyond consumer spending power, thus forcing people to resort to credit – and fall into debt – is probably unfounded. This is underlined too if we look at the figures for savings which have fallen from 13.1 per cent of wages to 9.7 per cent over eight years. This would seem to suggest that any shortfall in spending

Table 1.1 Consumer expenditure and retail sales, 1981–8

<i>£ million</i>	1981	1982	1983	1984	1985	1986	1987*	1988*
Personal disposable income	176,132	190,938	205,096	220,711	238,418	257,512	278,500	303,000
Percentage increase	9.9	8.4	7.4	7.6	8.0	8.0	8.2	8.8
Consumer expenditure	153,027	167,599	183,068	195,912	213,720	234,167	252,900	273,600
Percentage increase	11.3	9.5	9.2	7.0	9.1	9.2	8.0	8.2
Total retail sales	63,164	68,359	74,664	80,677	87,799	95,096	103,200	111,700
Percentage increase	8.2	8.2	9.2	8.1	8.8	8.3	8.5	8.2
Volume change (%)	0.2*	2.0*	5.2*	3.6*	4.6*	5.3*	5.4*	4.9*
Food sales	25,076	27,179	29,168	31,340	33,603	35,922	38,500	41,300
Percentage increase	9.7	8.4	7.3	7.4	7.2	6.9	7.2	7.3
Non-food sales	38,088	41,180	45,496	49,337	54,196	59,174	64,700	70,400
Percentage increase	7.2	8.1	10.5	8.4	9.8	9.2	9.3	8.8
UK savings ratio (%)	13.1	12.2	10.7	11.2	10.4	9.1	9.2**	9.7**
UK retail sales as proportion of consumer expenditure (%)	41.3	40.8	40.8	41.7	41.1	40.6	40.8**	40.9**

*Charterhouse Tilney estimate

**Charterhouse Tilney forecast.

Source: *The Observer*, 21 February 1988

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power (and there is a slight lag between wage increases and disposable income) has probably been made up from personal savings, not credit.

Of course, the use of credit has actually increased – it doubled from £10.7 billion in 1979 to £22.5 billion in 1984. But the bulk of that credit is not used in shops – it largely finances the purchase of cars, holidays, dining out and other services.

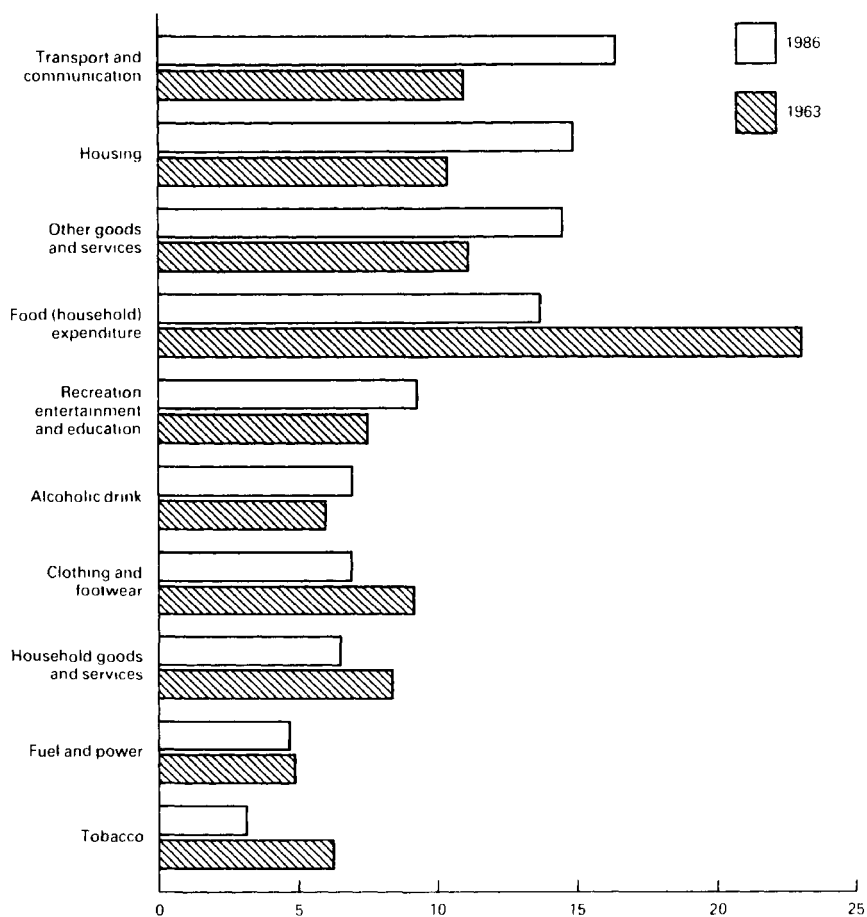
Secondly, if we look again at the percentage increase in the *value* of retail sales over eight years, we see that it has remained fairly steady at an annual growth rate of around 8–8.5 per cent. What has grown enormously though is the *volume* sales of retail goods – from a mere 0.2 per cent in 1981 to around 5 per cent per annum in the late 1980s. In other words, shops have sold an increasing number of goods, but they have become relatively cheaper compared with overall prices. Other reports too come to a similar conclusion. According to the government's *Economic Trends* report, since about 1980, the price of shop goods has gradually fallen behind the price of other goods and services. The result for retailers, as we see from the table, is that they have to sell more simply to stand still. Looked at like this, the idea of the 'retail boom' has to be somewhat qualified – people have indeed been buying more, but mainly because their retail spending power has been artificially inflated by lower shop prices. In turn, retailers themselves haven't benefited as much as might have been expected.

Food retailing is a unique part of the retail business, but the trends in the grocery sector mirror many of those in the broader retail economy, as discussed in Chapter 7. Indeed, as we show, Britain's giant multiple grocers like Sainsbury's and Tesco, have taught valuable lessons to their non-grocery colleagues – and have spearheaded many in-store retailing techniques. But they all share similar problems, as a glance at Table 1.1 will show. Once again the percentage increase in food sales has been fairly stable at around 7 per cent, only a little ahead of 1980s' inflation. And of course, while theoretically we can wear more and more clothes, there is a finite limit to the amount of food we can eat. Hence the substantial profit increases of the larger food retailers have had to be achieved by other means – chiefly through 'added value' product innovation, greater productivity of labour (see Chapter 8) and most importantly, perhaps, the more efficient use of selling space. This has mainly been achieved by increasing the size of outlets, and concentrating sales more efficiently into super-stores with large car parking facilities, on the edge of town.

There are other long-term problems endemic to the retail sector too. Since 1961 retail sales as a percentage of total consumer expenditure has fallen dramatically from 51.9 per cent of total consumer expenditure, to

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Table 1.2 Shares of consumers' expenditure, 1963 and 1986 (current price)



Source: CSO

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40.4 per cent in 1988. And the trend is edging ever downwards. It seems that as society becomes more affluent, it switches its expenditure out of shop-bought consumer goods into other areas – cars, travel, holidays and leisure pursuits, higher mortgages and eating out being favourites. Table 1.2 demonstrates this trend perfectly – the share of expenditure of shop-bought goods, such as food, clothing and footwear all fell between 1963 and 1986. On the other hand, transport and communication (cars, travel and telephones, for example), housing and ‘other goods and services’ have all increased their share of our cash dramatically.

The repercussions of these two trends – falling shop prices and decreasing overall retail spending – are obviously serious for the retail business. They could go some way towards explaining some of the dramatic and aggressive developments in retailing in the last decade – it’s a dynamism perhaps born of desperation. In the course of the book, the resulting battle for a larger market share and increasing sales per square foot, and the various weapons deployed, are examined in detail. These range from heavy financial artillery – direct mergers and take-overs of competitors (Chapter 1) – to endless territorial skirmishes, involving moves out-of-town to shopping centres and retail parks, as a way of increasing floor-space at less cost (Chapter 5). And then there is a more subtle ‘guerilla’ campaign, using sophisticated marketing analysis and design, to focus consumer groups ever more tightly in the retailer’s sights (Chapter 4).

However, in any war there is always a price to pay both in terms of property and people. In later chapters we consider the casualties – both combatants and non-combatants – of the ‘retail revolution’ and the commercial civil war it has unleashed. For example, Chapter 6 looks at the ‘collateral damage’, to use the US jargon – the threat to Britain’s high streets and city centres of retailers’ strategies, particularly the development of both in-town and out-of-town shopping centres and superstores. Is the ‘death of the high street’, predicted for so long, just an alarming catchphrase, or have the funeral invitations already been posted? Here, and in Chapter 7, there is discussion of the plight of those left out of the revolution and its rewards – the poor, disadvantaged, carless consumers stranded in the inner city, after the supermarkets and department stores have fled.

Then there are the foot soldiers too – the hundreds of thousands of shop workers on whom retailers’ success relies. So far they have benefited little from the ‘retail revolution’. Chapter 8 looks at the life of shop workers today, their conditions and wages, ironically, in some cases, too low to allow them to take part in the consumer spree they actually service. Finally, we ask whether rising consumer demands for better service in

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shops can in any way be met by an employment structure that values its staff so little.

The future promises other changes also. In the final chapter we do a little crystal ball gazing, predicting the threats and dangers to retailing – and the unwary consumer – looming on the horizon. Not least of these, in the short term, is the economy itself, bruised and becalmed by high interest rates and upward inflation. There is a brief look at the prospects for retail growth, or stagnation, in the next five years – and who the winners and losers might be.

There are, of course, other contradictory, unpredictable developments, notably the introduction of new, computerised technologies, such as EPoS and EFTPoS, which may boost retail productivity, but might also have serious implications for consumer privacy and civil rights. Then there's the imminent extension of the whole retail arena in time (extended shopping hours and Sunday trading) and space (the growth of home shopping, via TV and telephone). Will they boost retail sales or simply redistribute the cake more meagrely?

Lastly, there are broader social and political transformations taking place which could have profound effects on retailing, in particular the growing conservationist and environmental movement. We look closely at the growth of the 'green consumer' and ask whether, with an eye to a new market chance, the 'green retailer' is far behind.

2

Prophets or Pirates? The Economics of Retail

I believe that by the end of the century America will be the world's granary. Asia will be the workshop and Europe will be the playground, which means service, which means retailing. Unless we understand this we will be left behind – Anita Roddick, 'The Body Shop'

This chapter looks at the economics of retailing – both the place of the retail economy in the broader structure of British society and some of the detailed microeconomics of retailing itself. In particular we want to examine some prevalent myths, such as the belief that the retail economy is in some sense responsible for Britain's economic decline; that retailing is largely to blame for the increasing penetration of foreign-made goods; and that the credit card explosion is a major cause of increasing personal indebtedness. In addition, a couple of puzzling conundrums of the British retail scene are considered: how can an apparently confident, expansive company like Next suddenly be labelled a failure? And why are the poorest, most deprived areas of the country seemingly areas of highest retail sales?

But first, a little futuristic fantasy. The year is 2025. The legacy of Margaret Thatcher's twenty-two years in office is deeply pronounced. The economic map of the country has been completely redrawn. London, due to its place at the centre of global time-zones, is now the world's major financial centre. However, with the extension of sophisticated communication links, much of its work has been decentralised from the City – 3 million brokers and dealers, living in prime, rural areas like Sussex, Norfolk, Gloucestershire and Hampshire, now work from home via computer. Britain's very own 'silicon valley' of high-tech industries now stretches out along the M4 corridor from London to Bristol.

Most of the rest of the country has been deindustrialised, with two exceptions: those pockets of nineteenth-century industrial archaeology (South Lancashire, parts of Teesside and West Yorkshire) recreated or

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preserved as 'living museums' by the 'heritage industry'; and five major 'free-trade zones' – Belfast, Glasgow, Middlesbrough, Liverpool and Cardiff – which are effectively owned and run by Japanese and Taiwanese companies, with employment practices along South East Asian lines, tax-free concessions and privileged access to the British market (Britain withdrew from the EEC, and allied itself firmly with Japanese capital, as a junior partner, in 1998).

Much of the rest of the country has been given over to the service-sector economies of leisure, tourism and retail – Britain is now the most popular global travel destination for the USA, Europe and Japan. In fact in 2024, 214 million tourists visited the country. To obviate the disadvantage of the British weather, coastal towns such as Bournemouth, Great Yarmouth, Torbay, Whitby and Blackpool, several with mile-wide marinas, have been completely enclosed in giant artificial 'climatic bubbles', up to two miles across, within which more temperate climates are recreated.

An example of the extent of 'historic theming', which is an integral part of Britain's appeal in 2025, is provided by London itself. In the East End, much of Whitechapel and Stepney has been faithfully recreated circa 1880 (the Victorian period exerts a fascinating pull on people in the twenty-first century). Local residents' major source of employment here, as elsewhere in the country, is as actors in this historical theme park. Another booming sector of the economy, drawing on the same peculiarly British skill of recreating the past, is TV and video production – 45 per cent of the world's cinema and television fiction is now produced in Britain, particularly the flood of ever-popular historical costume dramas, which are so much in demand on Murdochvision, the world's major satellite broadcasting system.

Around the country, in eight strategic locations – Exeter, Brighton, Norwich, York, Sheffield, Newcastle, Edinburgh, and Carlisle – are located a series of self-contained, themed leisure and retail parks, covering areas up to 3,000 acres, with retail trading areas in excess of 3 million square feet. These are something like a sophisticated cross between the MetroCentre, the CentreParcs holiday concept and the film *Westworld*. Visitors are only admitted after their unique 'credentity card' (a combination of passport and credit-verification card) has been scanned, to determine their financial credit-worthiness. With ultra high speed rail and air links (2½ hours from New York, 1½ hours from Milan, 5 hours from Tokyo), and adjacent airfields and railway termini, these parks attract a large proportion of their customers/visitors from overseas.

OK, it's fantasy ... isn't it? Well, perhaps. But it's a fantasy that will

trigger a wide range of responses: some will see it as a nightmare, a social and economic calamity to be avoided at all costs; others will regard it as an almost utopian dream, the desirable and inevitable shape of things to come. And it's fantasy scenario which has firm roots in the economic and cultural tendencies of Thatcher's Britain in 1989 – it simply extends and deepens those trends explicit and implicit in current economic policy. Indeed, such a society would probably intensify the division between an educated, well-remunerated 'core' of workers and an insecure, poorly paid 'periphery'; a situation which is endemic to the whole growth of the 'service' sector, including retailing, as argued in Chapter 8.

Some commentators would simply maintain that this futuristic vision, or something like it, is the logical outcome of the intensification of the global division of labour – the migration of industrial production to the Third World, particularly the Far East, and the concentration of 'cultural production' communications, data exchange, financial operations and other more tangible services, in the former industrialised Western states. Perhaps we in Britain, having been the first to experience the trauma and dislocation of the first Industrial Revolution in the late eighteenth and nineteenth centuries, are now once more in the vanguard of change, towards what has been described variously as 'post-industrial' society, 'post-modern' economy or, alternatively, Guy Debord's prophetic description, 'society of the spectacle'. Once more, some sanguine commentators might want to argue, the shift will be difficult and traumatic, but worth it in the long run.

Once such a position is taken, any attempts to 'reindustrialise' Britain, either through massive Keynesian interventions by the state, along the lines of Labour Party policy, or the encouragement of investment by private capital, can be seen a manifest waste of effort – flying in the face of history. We should be preparing for and embracing the new economic order, not trying to return to our former industrial glory. In this brave new world, the realm of consumption, headed by the retail business, will assume overwhelming significance. John Dawson, Professor of Distributive Studies at the University of Stirling, delivered an address to the Design Fair Conference in Brighton, in early March 1989, entitled 'Retailing Is a Post-industrial Future', in which he clearly endorsed such a scenario, though he believes it will 'take several decades'.

Towards Flexible Manufacturing?

There are other less pessimistic perspectives which also assign retailing a central role, but which are more nuanced and more interesting. One, from

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a broadly left-wing perspective, is suggested by economist Robin Murray, in an article in *Marxism Today* (October 1988) and a longer paper 'From Fordism to Flexibility: The Place of Retailing', presented at a symposium in Milan, in April 1988. Murray refuses to accept the 'post-industrial' scenario and believes that some form of manufacturing has to remain the core of a successful, socially responsible economy. For him, the central archaism of the British economy is not 'industrialisation' in general, but a particular form of industry, organised along obsolete Fordist lines.

Fordism, the system of mass production pioneered by Henry Ford, is marked by four principal characteristics: mass standardised production of uniform components and products; mechanised production techniques, with each piece of machinery dedicated exclusively to one task; the 'de-skilling' of human labour, through the breakdown of tasks into their component parts, controlled by time and motion experts; flowline assembly methods, where the product moves past workers organised serially in a line, rather than in cooperative groups. The economic success of Fordism lies in the scale of production it permits – it is undoubtedly the most efficient system for mass volume production of standardised commodities.

Starting with the motor car, Fordism has transformed sector after sector in the twentieth century. But it has three fundamental weaknesses – first, it is posited on centralised, authoritarian production relations and inflexible, rigid workplace organisation. This has exacerbated industrial unrest and triggered off shopfloor resistance and strikes. Secondly, mass production implies mass consumption. Consumers must be willing to accept the standard product, although car production has gone way beyond Henry Ford's classic dictum, 'you can have any colour you like provided it's black'. Thirdly, the Fordist manufacturing economy, clumsily driven by production rather than consumption, has essentially been a speculative one – make it first, find a market later. Such a system has been liable to periodic crises of over production, due to sudden fall-offs in demand, with all the social consequences that brings.

The Fordist model has now started to be transcended, using new technologies, computer-aided manufacturing methods, 'just-in-time' assembly and distribution techniques, and so on. And according to Murray, retailing has shown the way. In fact he nominates retailing as one of the most important exemplars of the post-Fordist economy:

Since the 1950s, retailers have been using computers to transform the distribution system ... to develop information and supply systems

Consuming Passion

which allow them to order supplies to coincide with demand ... They have overcome the limits of the mass product ... [they] can handle ranges of products geared to segments of the market ... the emphasis has shifted from the manufacturer's economies of scale to the retailer's economies of scope ... There is also an economy of innovation, for the modern retail systems allow new product ideas to be tested in practice ... the revolution in retailing reflects new principles of production, a new pluralism of products, and new importance for innovation. As such it marks a shift to a post-Fordist age. (*Marxism Today*, October 1988)

In his Milan presentation he puts it another way: 'the revolution in retailing and distribution is playing a central role in making Fordism flexible'. Murray sees retailing as both providing an example to industry – and as a principal initiator of this crucial shift.

The central characteristic of post-Fordist manufacturing, which will be responsive to consumer needs as well as less stultifying and more satisfying to work in, is what Murray calls 'flexible specialisation'. Although products will still necessarily be produced in large numbers, the line becomes flexible, producing smaller batches of differentiated products, geared to specific segments of the market, according to the data fed back from consumers via computerised EPoS systems and so on. Cadcam (computer-aided design and manufacturing) techniques mean that new designs can be fed directly into the production process via programmable machinery, allowing rapid switches of tools and materials necessary for new production tasks. Small-batch production also offers a new premium on innovation – manufacturers can make and test-run innovative products in preselected markets, upscaling production later if the line is successful. Another possible form of post-Fordist industrial organisation is a consortium of small companies, working in flexible cooperation around a common production plan.

One example Murray gives of the post-Fordist trend is the Italian company Benetton, which has used new technology to integrate retailing, design, production and distribution into one total system. The tills of its 3,200 shops in fifty-seven countries are linked directly to its design and marketing departments – as well as its yarn-dyeing plant – so that colours and styles can be changed systematically, according to changing market needs. Such systematic control also allows it to decentralise clothes production to chains of independent enterprises, organised in loose, informal association. In this sector, at least, large, homogeneous production plants can be avoided.

Prophets or Pirates? The Economics of Retail

There are many complex, unresolved problems in Murray's thesis. In particular the notion of *flexible* production can be read more than one way. Later in the book we see what 'flexible' working patterns mean in relation to retailing – unsocial hours, a fragmented workforce, lack of security and so on. The popular employer catchphrase 'flexibility' all too often means a deterioration in working conditions.

Similarly, many critics are sceptical because to date 'flexible specialisation' has had very limited application. But it's important to look to the cutting edge of developments – and for the purposes of this book, Murray points towards the possibility of avoiding both the full-blooded 'de-industrialisation' scenario sketched earlier and the (mythical) promise of reconstruction of Britain's traditional mass industrial sectors, organised along Fordist lines. The alternative is a potential restructuring of a post-Fordist industrial economy in Britain, using many of the techniques and insights developed by retailing over the last twenty years. He sees retailers playing 'an important part [in this process] as sectoral planning agencies, as strategic advisors, and production/quality control consultants ... In some cases retailers will be important allies in restructuring industry progressively.'

Flexible, post-Fordist production may yet be a largely unrealised experiment, but an example of what's at stake – and how badly it's needed – is provided by the current crisis in the British fashion industry, which resurfaced once again at the London Fashion Week in March 1989. The 'massification' of the British clothing business – its essentially Fordist nature – is a result of long years of domination by giant retailers like M&S, BHS, and so on. This has meant that smaller, more flexible producers have been driven out of business, so that today Britain's highly regarded young designers can't get anything innovative put into production. This dissatisfaction was expressed by designer Jean Muir in Nicholas Coleridge's (1988) book, *The Fashion Conspiracy*. She traces the problem back to the 1960s:

at the same time firms like Marks & Spencer were coming along and monopolising ... all the tailors and manufacturers for their own lines. They gave them so much work ... that they didn't have to go out and look for business. Nor did they need to think about design, and they forgot how to do that too ... It meant that we were left with no small, independent, quality manufacturers to make clothes for new designers.

The result has been that over the last few years many British fashion

designers have taken their work to France and Italy to be made up – some have emigrated entirely. In March 1989, Katherine Hamnett, for example, announced her intention not to show her designs in London again. Both quality production and design innovation in Britain could be extinguished by this process.

So the rise of ‘retailer power’, discussed in the rest of this chapter, can have contradictory effects, some of which could boomerang back on the business in later years. It has other shortcomings, too, which are analysed in later chapters – in particular the way it has long relied on poor pay and conditions for its staff. By the same token, without some form of democratic control, statutory policy and careful social planning, retailing can do nothing to deal with the endemic problem of growing social disparity. Undoubtedly, the polarity between core workers and the ‘periphery’ (part-time, low-paid and unemployed workers) threatens to be the central problem of social policy in coming years.

Blaming the Retailer

While this debate revolves around the part that retailers may play as ‘prophets’ of a future, reinvigorated and socially responsive/responsible economy, most current discussion of retailing looks the other way, in some sense blaming it for many of the real or perceived economic and social ills of the present. The half-truths and misconceptions buried in the view of retailers as ‘pirates’ need careful examination.

It’s undeniable that retailing has been in some sense associated with the large-scale transformation of the British economy. Once upon a time, the body shop, was synonymous with car assembly. Now, of course, The Body Shop is one of retail’s most successful selling formats. If the Ford car plants at Dagenham and Halewood were once synonymous with Britain’s former industrial might, then The Body Shop and Next are the symbols of a new age – the latest in a series of shifts stretching back from the early days of the Industrial Revolution. During those 200 years the centre of economic gravity has shifted inexorably from farm to factory and now to the shop. It is difficult to overestimate the transformation which the British and other developed Western societies have undergone in the process. The British economy has gone from being ‘the workshop of the world’, trusting in its manufacturing skills for its prosperity, to relying increasingly on the service sector to generate its wealth. Between 1973 and 1985, manufacturing’s share of Gross Domestic Product (GDP) fell from 31.5 to