

---

# The Crisis in Retailing: Closures and Job Losses

## **Business Rates, Online Competitors, Coronavirus and other misfortunes:**

**Permanent Crisis.** Retailing in most of the Western World has been in *crisis* for more than ten years. This followed rapid debt-fuelled expansion of shops in the 2000s that pushed up rents in city centres to astronomical levels. This came to an end in the financial crisis of 2008, which led to the collapse of many retailers and store closures. The most famous business failure was Woolworths.

**The New Consumer.** What followed were changes in consumer behaviours. The challenges to living standards led to more 'shopping around' by consumers and the resurrection of **value** as part of the purpose of consumption. Even well-off people started boasting about 'Aldi prices' and how good Primark was. In order to regain profitability, many retailers cut staffing and other costs and closed their branches in smaller towns and less prosperous suburbs.

**Spending on Leisure Undercutting Retail Sales.** Added to the problems caused by over-expansion, high operating costs and competition from online sellers, retailers were also suffering because they were losing their share of consumer spending. Money that would otherwise be spent in shops was going on meals out, short breaks, gym membership, subscriptions to Streaming Channels, foreign holidays and spa, health and wellbeing treatments. Although foreign tourists were visiting Britain in the 2010s, their numbers and spending levels were far below what UK residents spent when holidaying abroad.

We published a report in 2014, **Retail Futures 2018**, arguing that the growth in online retailing and changing consumer demand would lead to one in five UK stores closing in the next five years. In fact it took 5 years, 6 months for this to happen.

**Irresistible Growth of Online Retailing.** The growth in online retailing was faster in the UK than any other country. By 2006 the online share of retailing was 6.6%. In 2013 it was 12.7% and 19.2% in 2019. This growth in online market share mainly came at the expense of physical shops. They lost 12.6% of their market in the years 2006-2019. The covid pandemic gave a further boost to online shopping, when many shops were closed or unwelcoming to customers. By the end of 2021, online had captured 26.5% of the UK retail market, although it has fallen back a little since then. By the late 2010s most physical stores had also got into online trading, enabling customers to buy online or phone up and collect instore or have the goods delivered. Ten years ago the online operations of John Lewis Partnership (JLP), now John Lewis & Partners, were equivalent to one of its large department store. By 2021, more than one-half of JLP's business was done online. Even this employee-owned business has had to dispose of part of its portfolio of stores.

**The Pandemic.** The Coronavirus pandemic has accelerated the pre-existing trends in shopping behaviour. In most countries, including the UK, households were advised to 'work from home', non-essential shops were closed for long periods, and shopping in the remaining stores and malls was made unpleasant. Hygiene and social-distancing rules and the frequent closure or restrictions of hospitality (pubs, coffee bars, restaurants etc) made a day out shopping impossible for part of the year and an obstacle course even when shops were open. Working from home also meant, of course, that employees could no longer 'pop in' to nearby shops or buy goods on their way to or from work. Total sales in London's Oxford Street fell from the usual £10bn pa to £2bn in 2020.

As though this was not bad enough already, each nation became preoccupied with official death, hospitalisation and infection figures, the necessity of adherence to ever-changing covid regulations and the regular demands for even greater Lockdowns made many people greatly fearful of even passing another person on the pavement. Visiting a shop for some people was tantamount to suicide.

Not only have Coronavirus and government attempts to curb it been a hammer blow against the retail sector during the pandemic, but major parts of the sector will probably remain significantly disadvantaged because consumers have not reverted fully to their pre-pandemic behaviour. This means that footfall in the high street in 2022 was 10%-15% below the level of 2019 (the last full year before covid). Shopper footfall may never get back to the levels of the latter 2010s.

Our figures for store closures and job losses in retailing for the years 2018-2021, updated when possible during 2022, can be found below.

**Business Rates.** Business rates are a regular property tax paid by business. They are based on hypothetical rental values. As much as one-quarter of the entire business rates total now comes from the retail sector. Rents paid by shops have been declining as stores close and new occupants become difficult to find. The decline in rents has not led to a fall in business rates. Even those whose sales have risen (especially supermarkets) have faced sharply-increased costs from complying with the new regulations to protect the public and their staff. Online retailers of course pay business rates at the reduced levels applicable to warehouses. A satisfactory future for high streets will only occur if online retailers pay the same rates as store-based retailers

## The Main Impacts

This page provides data on retail job losses and store closures month-by-month this year. It provides comparative figures for 2018-2021. The year 2020 was probably the worst year for retailers for 25 years. These are analysed, based on whether retail companies have gone into **administration**, agreed **CVAs** or they have **rationalised** their operations to meet reduced or changing demand. The figures relate to large and medium-sized retailers (five stores or more) and to independents (fewer than five stores, mostly one or two).

**Here are details from the Centre for Retail Research about where the job losses and store closures have come from in each year since we started collecting figures in this detail.**

**Table 1**

### Outcomes for 2023\*

<b>Retailing 2023 (to 20 Feb)</b>	<b>Administ-ration</b>	<b>CVAs</b>	<b>Rational-isation</b>	<b>Totals</b>
specific redundancies & rationalisation	NA	NA	5,188	5,188
multiples: stores closed	353		322	675
multiples: jobs lost	3,185		11,689	14,874
self-employed/concessions in larger shops	NK		NK	NK
independent store closures	NK		NK	NK
independent job losses	NK		NK	NK
<b>Total Job losses</b>	<b>3,185</b>		<b>11,689</b>	<b>14,874</b>
<b>Total store closures</b>	<b>353</b>		<b>322</b>	<b>675</b>

\* based on our current information to 20 Feb 2023.

**Table 2**

### Outcomes for 2022\*

<b>Retailing 2022 (12 months)</b>	<b>Administ-ration</b>	<b>CVAs</b>	<b>Rational-isation</b>	<b>Totals</b>
specific redundancies & rationalisation	NA	NA	13,240	13,240
multiples: stores closed	549		5,506	6,055
multiples: jobs lost	6,732		69,977	76,709
self-employed/concessions in larger shops	1,678		6,106	7,784
independent store closures	4,960		6,130	11,090
independent job losses	23,504		30,237	53,741
<b>Total Job losses</b>	<b>31,914</b>		<b>119,560</b>	<b>151,474</b>
<b>Total store closures</b>	<b>5,509</b>		<b>11,636</b>	<b>17,145</b>

\* based on our current information, updated 2 Jan 2023.

**Table 3**

### Outcomes for 2021

<b>Retailing 2021 (full year)</b>	<b>Administ-ration</b>	<b>CVAs</b>	<b>Rational-isation</b>	<b>Totals</b>
specific redundancies & rationalisation	NA	NA	9,118	9,118

multiples: stores closed	1,251	324	942	2,517
multiples: jobs lost	24,179	2,851	40,843	67,873
self-employed/concessions in larger shops	3,873	107	3,982	7,962
independent store closures	3,760		5,041	8,801
independent job losses	11,882		14,019	25,901
<b>Total Job losses</b>	<b>39,934</b>	<b>2,958</b>	<b>62,835</b>	<b>105,727</b>
<b>Total store closures</b>	<b>5,011</b>	<b>324</b>	<b>6,124</b>	<b>11,459</b>

\* based on our current information.

**Table 4**

**Outcomes for 2020 (to 31 December).**

<b>Retailing 2020</b>	<b>Administ-ration</b>	<b>CVAs</b>	<b>Rational-isation</b>	<b>Totals</b>
specific redundancies & rationalisation	NA	NA	14,755	14,755
multiples: stores closed	2041	533	2,975	5,549
multiples: jobs lost	53,364	11,496	44,521	109,381
self-employed/concessions in larger shops	8,715	490	8,240	17,445
independent store closures	4,189	-	6,307	10,496
independent job losses	12,286	-	28,697	40,983
<b>Total Job losses</b>	<b>74,365</b>	<b>11,986</b>	<b>96,213</b>	<b>182,564</b>
<b>Total store closures</b>	<b>6,230</b>	<b>533</b>	<b>9,282</b>	<b>16,045</b>

\* Correct to 31 December 2020.

**Table 5**

**Outcomes for 2019 (12 months)**

<b>Retailing 2019</b>	<b>Administ-ration</b>	<b>CVAs</b>	<b>Rational-isation</b>	<b>Totals</b>
specific redundancies & rationalisation	NA	NA	9,593	9,593
multiples: stores closed	684	313	4,404	5,901
multiples: jobs lost	9,060	24,042	43,164	72,266
self-employed/concessions in larger shops	5,873	2,420	5,991	14,284
independent store closures	5,720	-	4,452	10,172
independent job losses	23,171	-	19,816	42,985
<b>Total Job losses</b>	<b>38,103</b>	<b>26,462</b>	<b>78,563</b>	<b>143,128</b>
<b>Total store closures</b>	<b>6,404</b>	<b>313</b>	<b>9,356</b>	<b>16,073</b>

**Table 6**

**Outcomes for 2018 (12 months)**

<b>Retailing 2018</b>	<b>Administ-ration</b>	<b>CVAs</b>	<b>Rational-isation</b>	<b>Totals</b>
specific redundancies & rationalisation	NA	NA	19,112	<b>19,112</b>
multiples: stores closed	1,631	272	1,400	<b>3,303</b>
multiples: jobs lost (store closure)	22,671	3,900	11,862	<b>38,433</b>
self-employed/concessions in larger shops	1,300	2,200	1,350	<b>4,850</b>
independent closures	9,820		1,460	<b>11,280</b>
independent job losses	48,314		6,716	<b>55,030</b>

<b>Total job losses</b>	<b>72,285</b>	<b>6,100</b>	<b>39,040</b>	<b>117,425</b>
<b>Total store closures</b>	<b>11,451</b>	<b>272</b>	<b>2,860</b>	<b>14,583</b>

For more information or support about CVAs, talk to KSA Group (<https://www.ksagroup.co.uk/>)

## Definitions

- **Administration** – administration is a form of insolvency giving a firm protection from its creditors and time to reform the business. It is similar to Chapter 11 of the U.S. Bankruptcy Code. On this webpage we only include **actual** job losses and **actual** store closures over the year following administration, although in our **Who's Gone Bust?** we include the total jobs and stores at risk.
- **CVAs** – Company Voluntary Arrangements – a different form of insolvency intended normally to give a business time to prepare a recovery business plan, which needs the agreement of its creditors. The plans often involve store closures and job losses as part of relaunching the business.
- **Rationalisation** – our term for store closures or job losses occurring either as a regular aspect of business or a special cost-cutting programme. Retailers may close stores or warehouses, reorganise their management structure in stores or the head office or propose cuts in every department in order to reduce losses and cut costs, but where there is no recourse to administration or CVAs.
- **Store** – a special retail unit with a visible physical existence, whose size may vary from less than 1,000 square feet to more than 120,000 square feet. In English English 'shop' and 'store' mean the same although this is not true in North America and other continents.
- **Job losses** – these include announced reductions in a company's labour force, both full-time and part-time. There is no assumption that such workers become permanently unemployed.
- **Multiples** – large retail businesses with ten or more stores.
- **Medium-sized retailers** – multiples with between five and 10 stores.
- **Independents** – mainly one-shop retailers but includes businesses with fewer than five stores.
- **Online retailers** – retail businesses that primarily trade online, although they may also operate a small number of stores.
- **Pop-up stores** – not included in this analysis.

The estimates on this page give job losses and store closures resulting from:

We only include proposed closures and announced job losses. We do not include what the BBC calls jobs 'at risk' (ie companies or in administration) because there is a danger that this overstates losses in a normal year and we publish those figures anyway in [Who's Gone Bust?](#)

---

## Need to know more?

If you need more information about Centre of Retail research please use our contact form to send us a message

Contact Us

---

## Check Out Our Blog

Learn what's new in the world of retail, and keep up to date with retail disruption, crisis, challenges, events and crime.

Learn More

---

**Who's Gone Bust?:**

The Crisis in Retailing: Closures and Job Losses

Who's Gone Bust in Retail?

High Street Shopping

Business Rates and the Future of the High Street

---

Centre for  
**Retail  
Research**

---

[Home](#)

[About Us](#)

[Who's Gone Bust?](#)

[The New Retail](#)

[Retail Celebrations](#)

[Retail Crime & Fraud](#)

[Our Blog](#)

[Privacy Policy](#)

Norwich, Norfolk, England.

NR2 2DH

Tel: 01603 507479

Tel: (Int: +44 16 03 50 74 79)

Email: [Contact Form](#)

© 2019 | Website Design by [Veedesign](#)