

## **Lancaster MBA Consultancy Challenge Report**

### **“Kendal’s Evening Economy”**

#### **Produced for Kendal Futures**



by

#### Consultancy Team

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**May 11<sup>th</sup>, 2017**

12<sup>th</sup> May, 2017

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**Ref: Consultancy Project – Sign-off Letter**

Dear Paula,

We thank you for the opportunity to work with Kendal Futures. The team brought in all its expertise and resources to help Kendal identify the issues behind the perceived poor evening economy.

**What have we done?**

The team identified issues and provide recommendations for Kendal Futures to improve the evening economy.

**How our work meets the project requirements?**

We conducted a market research-based approach combining qualitative interviews with key stakeholders and a quantitative survey of the public. National trend research and benchmarking of similar towns were adopted to provide recommendations.

**What have we found**

Kendal resident regard the town as quiet in the evening and given this state of affairs, there is a lack of motivation from business owners to remain open past 6pm. This in turn discourages residents from venturing out.

**Deliverables:**

There are 2 deliverables:

1. Presentation to Kendal Futures board
2. A full report describing our approach, findings and recommendation for Kendal Futures.

The report consists of the following:

- a. Trends and findings pertaining to Coffee Culture, Bars and Pubs, Restaurants, Shopping, Transport and Leisure Activities and a provision of recommendations on how focus on these categories can help stimulate a stronger economy in Kendal
- b. The report also suggests that the layout of Kendal's evening-related businesses is a barrier to develop its evening economy and contributes suggestions for remedy
- c. The team recommend that a change in motivation is required by Kendal townspeople towards the evening and that collaboration can stimulate an improvement in the evening economic situation

We appreciate all the support by Kendal Futures to the team for completion of this project. The team is confident that the recommendations and deliverables will provide Kendal Futures some impetus to improve the evening economy. We wish you all the success with the implementation of our recommendations.



Lancaster University  
Management School  
**The Lancaster MBA**

Yours sincerely,

Sharan Bathija  
Alisa Liao  
Tim Lewis  
Pranav Mehta  
Sunny Zhang

*Paula Scott*

24<sup>th</sup> April, 2017

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**Ref: Consultancy Project – Letter of Engagement**

Dear Paula,

It was great to meet with you to discuss the forthcoming consulting project for Kendal Futures.

We aim to establish whether Kendal has a poor evening economy, as is perceived and if so, provide recommendations on how to stimulate Kendal's economy in the evening.

The scope of our project is as follows:

- Identify businesses associated with the evening economy and assess the range and performance of Kendal against comparison destinations. The following categories will be assessed:
  - Hotels                      - Restaurants
  - Pubs & Bars               - Attractions & Festivals
  - Transport                 - Shopping
- Conduct market research in Kendal and comparison destinations
- Identify trends in evening economic activity in the UK and beyond
- Understand effectiveness of Kendal's current marketing efforts and suggest areas for improvement

Our communication plan will include two end of week summaries detailing our progress, sent to your email.

The project deliverables will be a formal presentation to Kendal Futures' board on 10<sup>th</sup> May, 2017 followed by submission of a project report via email on 15<sup>th</sup> May, 2017.

We appreciate your support in connecting us to relevant stakeholders and we are grateful for your offer of office space to use while we conduct work in the Kendal area.

Please confirm acceptance of these particulars via email and let us know if you have any additions. We look forward to working with you!

Yours sincerely,

Sharan Bathija  
Alisa Liao  
Tim Lewis  
Pranav Mehta  
Sunny Zhang

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## 1. EXECUTIVE SUMMARY

The town of Kendal suffers from a poor evening economy, representing a missed economic and social opportunity for the town. Residents regard the town as quiet in the evening and given this state of affairs, there is a lack of motivation from business owners to remain open past 6:00pm. This in turn discourages residents from venturing out and contributes to a relative lack of available services in Kendal of an evening.

This report identifies trends and findings pertaining to *coffee culture, bars and pubs, restaurants, shopping, transport* and *leisure activities* and provides recommendations on how focus on these categories can help stimulate a stronger evening economy in Kendal. It also provides colour on how the *layout* of Kendal's evening-related businesses across the town is a barrier to developing its evening economy and contributes suggestions for remedy.

Finally, the report highlights how increased motivation is required from Kendalians, if the evening economy is to be revitalized. It shows how *partnership* between local authorities, businesses and residents, in pursuit of a coherent strategy on the evening economy, can deliver improvements implementable both in the short and long-term.

## 2. INTRODUCTION

The consulting team was asked to establish whether the perception of Kendal having a poor evening economy was accurate and, if so, to provide recommendations on how Kendal's evening economy could be stimulated.

This report will detail the methods used by the consultancy team to establish Kendal's current economic performance in the evening. It will provide insight on the key challenges facing Kendal, should the town want to develop its evening economy. The report assesses how Kendal fares in its coverage of consumer services related to the evening when compared to similar towns of its size and standing.

Considering multiple service categories that influence the performance of evening economies, the report highlights trends and findings in each category from Kendal as well as wider macro-trends that warrant consideration. Drawing from these trends and findings, recommendations are provided as well as considerations for the implementation of such recommendations. Conclusions on the Kendal evening economy are provided and material in the appendix supports the content of the report.

### 3. METHODOLOGY

The consulting team recognized the need for market research to measure Kendal’s economic performance in the evening, given the lack of available relevant data. After consulting Lancaster Management School academic staff, the team opted for both a qualitative and quantitative approach to the market research to ensure comprehensiveness and to reach a wide cross-section of people in Kendal.

The team approached the qualitative research by contacting stakeholders provided by the client to request interviews over the twelve business days available prior to presentation of the project findings to the client. Interviews were conducted with the following 26 stakeholders:

Name	Organisation	Name	Organisation
Derek Armstrong	Cumbria Chamber of Commerce	Richard Foster	Brewery Arts Centre
Sarah Williams	Kendal BID	Richard Moore	Kendal BID
Gareth Candlin	Economic Development Manager	Cath Dutton	Food Festival
Simon Thomas	Entrepreneur	Ian Stephens	Cumbria Tourism
James Todhunter	Young Professionals Group	Helen Moriarty	Kendal Town Council
Graham Vincent	South Lakeland District Council	Cliff Dixon	K Village
Jeremy Wilson	Lakeland Climbing Centre	Michael Khan	County Hotel
Austen Robison	Kendal Town Council	Ronnie Mullin	Factory Tap
Alan Green	Centre Director - Westmorland Shopping Centre	General Manager	Lakeland Taxis
Fiona Clark	South Lakeland District Council	Vicky - Duty Manager	Kendal Leisure Centre
Martyn Nicholson	Kendal Futures Board	Ian	Owner - déjà vu
Richard Martin	Stagecoach	Paula Scott	Kendal Futures
Sara	Manager - Masons Yard		

The team recognised the need to gauge public opinion on a range of topics related to the evening economy of Kendal. The decision was therefore taken to survey on the following six service “categories”:

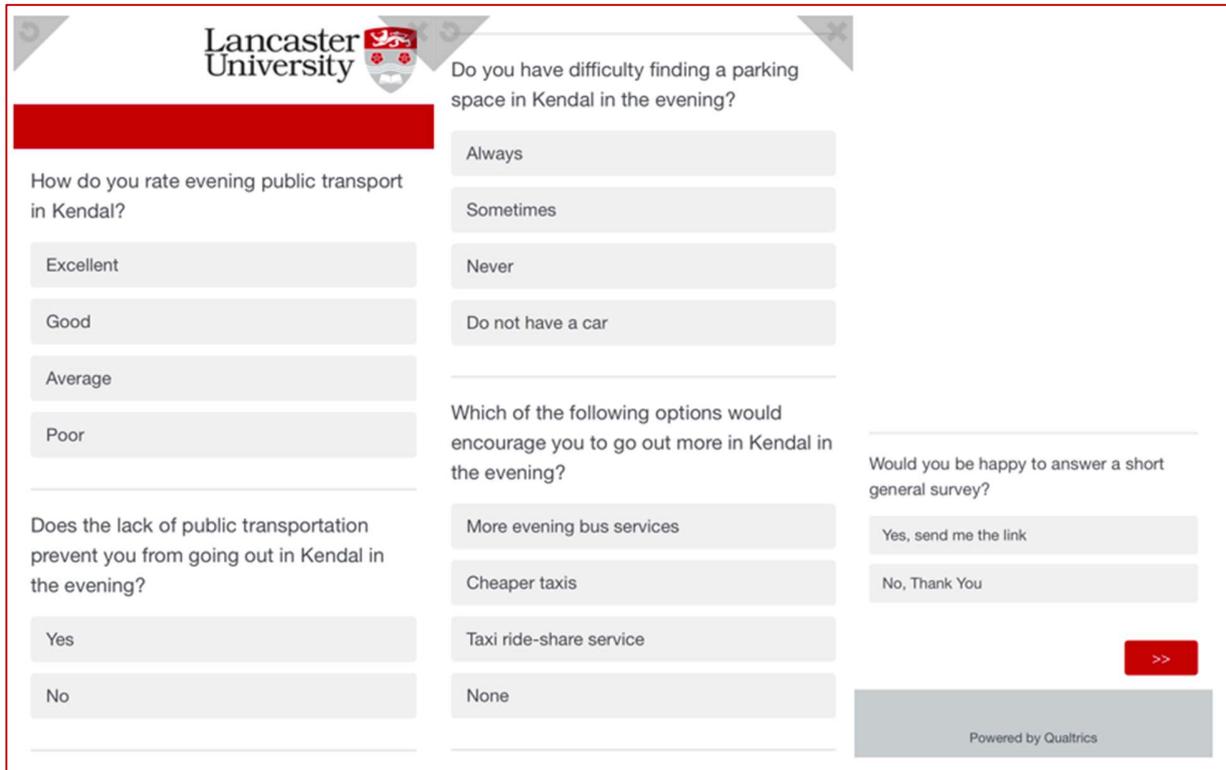
- i) Bars and Pubs
- ii) Coffee Culture
- iii) Leisure Activities
- iv) Restaurants
- v) Shopping
- vi) Transport

The team also identified the benefit of surveying a wide cross-section of people, not only those related to the client. Hence, short electronic “mini surveys” (5-7 questions) using Qualtrics software were drawn up related to the above categories for use ‘on the ground’. These questions aimed to capture consumer behaviours and expectations inside these categories.

The team approached the public in venues related to the above categories, at locations including but not limited to:

- Inside bars and pubs (once permission granted by management)
- Inside coffee shops (once permission granted by management)
- Inside Kendal Leisure Centre
- Outside restaurants
- Kendal Bus Station and Kendal Railway Station
- K Village and Westmorland Shopping Centres

Limiting the questions helped counter resistance from the public towards being surveyed. Multi-choice answers to these short surveys were collected using the Qualtrics offline app and free text comments logged. An example of the layout of the Transportation survey is shown below:



The screenshot shows a survey interface with the Lancaster University logo at the top left. The survey questions and options are as follows:

- Question 1:** Do you have difficulty finding a parking space in Kendal in the evening?  
 Always  
 Sometimes  
 Never  
 Do not have a car
- Question 2:** How do you rate evening public transport in Kendal?  
 Excellent  
 Good  
 Average  
 Poor
- Question 3:** Does the lack of public transportation prevent you from going out in Kendal in the evening?  
 Yes  
 No
- Question 4:** Which of the following options would encourage you to go out more in Kendal in the evening?  
 More evening bus services  
 Cheaper taxis  
 Taxi ride-share service  
 None
- Question 5:** Would you be happy to answer a short general survey?  
 Yes, send me the link  
 No, Thank You

At the bottom right, there is a red button with a double arrow (>>) and a footer that says "Powered by Qualtrics".

*Transportation Survey*

As shown above, on all mini surveys the team asked the public to provide an email address to enable us to send them the longer “general survey” (12 questions). As the name suggests, this survey covered general questions related to Kendal in the evening, rather than being focused on an individual category. The general survey was emailed to all stakeholders, who were requested to complete the survey themselves as well as pass onto family, friends and colleagues living in Kendal. Emailing the general survey also enabled the team to capture useful information on demographics, including age range, employment and whether people were residents of, or visitors to Kendal.

On all mini surveys and the general survey, customers were asked to ‘describe Kendal in the evening in one word’, the results of which can be viewed on Page 9.

The team targeted at least 50 responses to each mini-survey: surveying outside restaurants was found to be challenging due to lack of footfall. Survey responses totalled as follows:

General Survey	214
Bars and Pubs Mini Survey	51
Coffee Culture Mini Survey	65
Leisure Activities Mini Survey	51
Restaurants Mini Survey	35
Shopping Mini Survey	55
Transportation Mini Survey	56
<b>TOTAL SURVEYS COLLECTED</b>	<b>527</b>

Work on Kendal’s layout was undertaken by mapping business type to locations, to enable the team to identify placement of businesses across the town.

Kirkby Lonsdale and Skipton were identified as good comparison destinations by the team and a combined 1-day visit was arranged to complete mapping and identify coverage across the six service categories.

As well as market research in Kendal and comparative towns, the consulting team conducted research on the six categories via the Lancaster University Library catalogue and through various online sources. Team members also utilized personal networks in pursuit of ideas to boost evening economies of small towns.

#### 4. KEY CHALLENGES TO DEVELOPING KENDAL'S EVENING ECONOMY:

Out of over 500 people surveyed on Kendal's evening economy, most found the town 'quiet' as shown by the word cloud below:



This presents a challenge to the town, for if townspeople perceive that Kendal is quiet in the evenings, this gives businesses less motivation to remain open. If businesses close by late afternoon, then people are less compelled to come into town and this 'chicken and egg' situation greatly reduces the potential of the evening economy:



As a symptom of this problem, the team found that almost all shops and coffee shops in Kendal were closed by 6pm and that transportation after this time was significantly reduced.

Other key challenges related to Kendal’s evening economy include those related to political, economic, social, technological, environmental and legal factors as shown below:

<p><b>P</b> POLITICAL</p>	<ul style="list-style-type: none"> <li>• Three layers of authority: County/District/Town</li> </ul>	<p><b>T</b> TECHNOLOGICAL</p>	<ul style="list-style-type: none"> <li>• Business owners lack awareness of technology and social media</li> <li>• Online threatens High Street</li> </ul>
<p><b>E</b> ECONOMIC</p>	<ul style="list-style-type: none"> <li>• Seasonal Demand for businesses</li> <li>• Lack of robust plan for tourism</li> </ul>	<p><b>E</b> ENVIRONMENTAL</p>	<ul style="list-style-type: none"> <li>• Development regulations</li> <li>• Plentiful options in S. Lakeland</li> <li>• Limited transport options make accessibility difficult</li> </ul>
<p><b>S</b> SOCIAL</p>	<ul style="list-style-type: none"> <li>• Preference to socialize at home</li> <li>• Decline in popularity of pubs</li> <li>• Noise concerns of residents</li> <li>• Ageing population</li> </ul>	<p><b>L</b> LEGAL</p>	<ul style="list-style-type: none"> <li>• Police approval needed for evening businesses</li> <li>• Licensing requirements</li> </ul>

There are three tiers of local authority in Kendal: its town council, South Lakeland District Council and Cumbria County Council<sup>1</sup>. Each have different responsibilities in relation to Kendal; for example, while the town council has most direct influence locally, the County Council is responsible for roads while the District Council is responsible for parks. A symptom of this tier

<sup>1</sup> <http://www.kendaltowncouncil.gov.uk/kendal-town-council/>

structure was cited by an event organizer, who stated there are significant barriers to launching events or festivals in and around Kendal and this slows down the process.

On an economic front, the Lakeland area experiences a seasonal demand for business – however in stakeholder interviews it was noted that in terms of tourism, Kendal specifically lacks a robust plan for attracting visitors. While the social factors of decline in popularity of pubs in favour of staying at home and an ageing population affect the whole of the UK, Kendal residents have specific concerns over noise – indeed the town hall bells recently had to be turned off at night in response to resident complaints<sup>2</sup>.

In terms of technological factors, it was noted by the team that business owners in Kendal either lack awareness of, or are resistant to, digital marketing. For example, no restaurants in Kendal are bookable via Open Table, the popular restaurant booking website. A related technological challenge is that the growth of online is threatening the High Street in the UK, as witnessed by the growth of online retailers such as Amazon and demise of traditional retailers such as BHS.

The South Lakeland area boasts many attractions, not least top quality restaurants which draw Kendal residents out of town at night to visit renowned spots in the Lakeland area. Kendal also has limited transport options which makes accessibility both into and out of the town at night a challenge.

Finally, legal considerations of operating businesses in the evening add to the challenges: Kendal venues are subject to licensing requirements and approval of the police.

## **5. KENDAL'S COVERAGE OF CONSUMER CATEGORIES**

The team analysed Kendal's evening offer across consumer categories compared to its sister city Killarney in Ireland, which is also a gateway town (to the Ring of Kerry). The team also chose Penrith and Skipton for their similarities in being a gateway town (to the Lakes and Yorkshire Dales) and market town. Windermere is shown as a Lake District competitor, whereas Kirkby Lonsdale was considered based on its current popularity. The findings are shown below:

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<sup>2</sup>[http://www.thewestmorlandgazette.co.uk/news/cumbria/9862878.Ding\\_dong\\_over\\_nuisance\\_noise\\_sees\\_Kendal\\_Town\\_Hall\\_bells\\_silenced\\_at\\_night/?ref=rss](http://www.thewestmorlandgazette.co.uk/news/cumbria/9862878.Ding_dong_over_nuisance_noise_sees_Kendal_Town_Hall_bells_silenced_at_night/?ref=rss)

	 Population	 Cafes /10K	 Restaurants /10K	 Restaurant e-booking	 Pubs /10K	 Attractions	 Bus+Train from 6pm	 Hotels (rooms)
<b>Kendal</b>	28398	12.3	36.3	0	8.1	39	18	465
<b>Killarney</b>	14219	12.7	106.9	0	2.8	106	14	3248
<b>Kirkby Lonsdale</b>	1843	43.4	119.4	3	21.7	9	1	45
<b>Penrith</b>	14471	29	83.6	2	28.3	55	25	484
<b>Skipton</b>	14623	25.3	71.8	1	17.8	40	34	635
<b>Windermere</b>	8359	63.4	88.5	10	14.4	28	22	619

[Sources: Council data; OpenTable TripAdvisor; local bus and rail operators]

Kendal fares comparatively poorly in its range of consumer services related to the evening. From the table above it is evident that Kendal has less than half the number of cafes, restaurants and bars/pubs than similar cities. Kendal has no restaurants which are bookable online on TripAdvisor or OpenTable – a missed opportunity to advertise and drive bookings. Transport is a major hindrance with only 18 buses and trains after 6pm. Its hotel room capacity is limited and not sufficient to serve a town of its size, especially if it aspires to attract tourists.

## 6. TRENDS AND FINDINGS

Using data from the qualitative and quantitative surveying in Kendal and independent research, the team report on the following trends and findings per category:

### i) Bars and Pubs

An average of 21 pubs are closing in the UK per week, according to CAMRA<sup>3</sup>. Alcohol consumption is also declining. However, on a more positive note, there is an 8% growth in craft breweries across the UK as trend switches from quantity to quality<sup>4</sup>. James Simmonds, of accountancy group UHY Hacker Young, said: “Craft beer is leading the way in the surging

<sup>3</sup> [http://www.camra.org.uk/home/-/asset\\_publisher/UzG2SEmQMtPf/content/pub-closures-fall-as-the-public-is-urged-to-continue-support](http://www.camra.org.uk/home/-/asset_publisher/UzG2SEmQMtPf/content/pub-closures-fall-as-the-public-is-urged-to-continue-support)

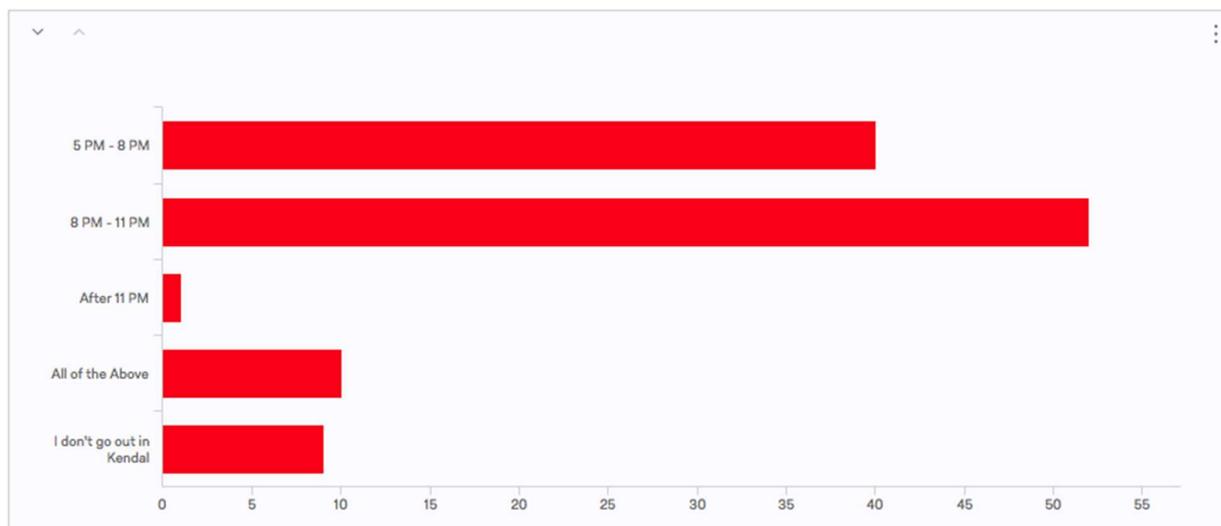
<sup>4</sup> <https://www.theguardian.com/business/2016/oct/03/uk-breweries-on-rise-craft-beer-sales-surge>

popularity of artisan products and has pushed aside other brands in high street bars. Many are now firmly established household names.”<sup>5</sup>

In fact, it is a longer trend and a very attractive offering, the craft sector has an explosive 8 per cent compound growth over the past five years.<sup>6</sup> On a similar note, there is also a shift from traditional ‘wet’ pubs to gastropubs.<sup>7</sup> In terms of Kendal itself, more than 50% of Kendalians surveyed have an appetite to go out after 8pm provided there is a good offering – this is a promising sign for bars and pubs:

Q15 - During which times do you prefer to be out in the evening in Kendal?

Page Options ▾



## ii) Coffee Culture

The UK has become a nation of coffee drinkers: over 2.3 billion cups per year are consumed in stores. Coffee shops have become so popular that they are set to outnumber pubs in the UK by 2030<sup>8</sup>. The growth in coffee consumption in the UK is led by chains and an increasing provision of artisan coffee (premium quality coffee)<sup>9</sup>. Kendal has an opportunity to boost its evening economy through coffee shops, since they are operating later into the evening in the UK and providing alternatives to pubs<sup>10</sup>.

Coffee shops are attractive places throughout the day and provide a more family-oriented environment than pubs. They are considered ‘safe spaces’ to meet, work and socialize,

<sup>5</sup> Gross, O. (2016). Wet-led venues hit hardest once again. *Publican's Morning Advertiser*, (228), p. 5

<sup>6</sup> <https://www.ft.com/content/c9f77348-8ccc-11e6-8cb7-e7ada1d123b1>

<sup>7</sup> Gross, O. (2016). Wet-led venues hit hardest once again. *Publican's Morning Advertiser*, (228), p. 5

<sup>8</sup> [http://www.edinburgh.gov.uk/download/meetings/id/2591/investigation\\_of\\_the\\_evening\\_economy.pdf](http://www.edinburgh.gov.uk/download/meetings/id/2591/investigation_of_the_evening_economy.pdf)

<sup>9</sup> <http://www.ukcoffeeleadersummit.com/yes-growth-uk-coffee-shop-market-coffee-shops-become-new-local>

<sup>10</sup> Ferreira, J. (2017), Café nation? Exploring the growth of the UK café industry. *Area*, 49: 69–76

particularly for younger people. This trend is coupled with an increasing range of cafes opening in the evenings and offering entertainment or activities such as games, live music or supper clubs. The growth of coffee shops is also fuelled by a rise in female spending power. The presence of cafés typically provides a 3-5% boost to the local economy<sup>11</sup>, as consumers stay in the area longer, often making other purchases.

### iii) Leisure Activities

The UK leisure activities market was expected to grow at a healthy rate of 42% between 2010-19<sup>12</sup>. There is a high level of satisfaction from customers towards Kendal's attractions, especially the Brewery Arts Centre, as indicated by selected survey feedback below:

*"I think that Kendal has plenty going on, mostly at the Brewery which is an excellent facility for cinema, theatre, live music etc."*

*"Also support for the Brewery Arts Centre - if that ever closed it would be a disaster for Kendal especially evening options in terms of music and other performances".*

The leisure trend that the team identified as particularly relevant for Kendal surrounds events (which contribute to 35% of UK visitor spending)<sup>13</sup> since Kendal has a proven track record in the events sector through hosting annual events such as Moonfest and the Kendal Mountain Festival. As shown by comments collected in the team's surveys, there is an appetite among residents and visitors for more events in Kendal:

*"More variety of events - music events"*

*"More community events"*

*"More events at Kendal leisure centre"*

Traditional weekend events in the UK are being squeezed by 1-day events<sup>14</sup>, so there is an opportunity for Kendal to branch out into offering smaller, more frequent events. However, the "red tape" associated with implementing events makes this challenging under present conditions.

When questioned on potentially new additions in the attractions category, 29 of the 50 respondents (58%) opted for a bowling alley:

### Q3 - In your opinion, Kendal would benefit from additional options of the following:

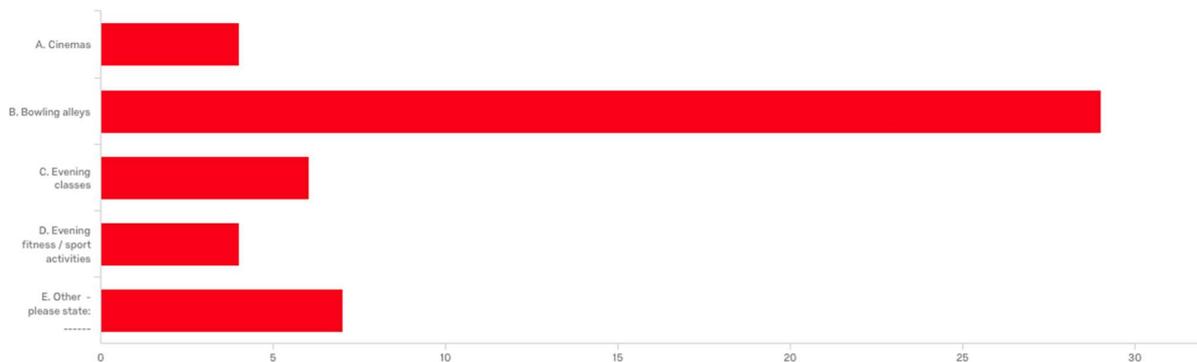
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<sup>11</sup> Ferreira, J. (2017), Café nation? Exploring the growth of the UK café industry. Area, 49: 69–76

<sup>12</sup> Trends in Leisure Activities, Market Update 2015

<sup>13</sup> Events Are Great Britain, Business Visits & Events Partnership

<sup>14</sup> <https://www.ft.com/content/622d56e2-157f-11e7-b0c1-37e417ee6c76>



As indicated by survey comments below, bowling would likely appeal to a younger demographic less well served by the current activities on offer:

*“It needs some night clubs bars etc for everyone to go to it would also be good if there were places such as a bowling alley”*

*“Have more things for people under the age of 18 to do for example a club for under 18s and more activities such as bowling.”*

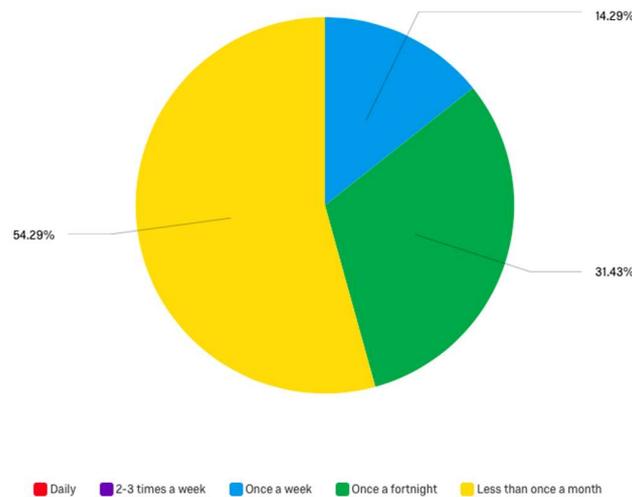
*“A bowling alley or the like would be an excellent option. Bring families out early evening instead of just drinkers in bars...of which there are significantly less than in years gone by.”*

*“Many more leisure activities need to be provided: another cinema; more varied music venues; bowling alley; roller/skate discos; laser tag; crystal maze activities, etc. Something desperately needs to be provided for the youth: they have nowhere to go except pubs, and the loitering doesn't help make Kendal feel safe.”*

### **i) Restaurants**

More than 50% of Kendalians go out to restaurants in Kendal less than once a month, preferring instead to go to places in the Lake District for the ambiance, food quality, Michelin star restaurants and the experience:

#### **Q2 - How often do you go to restaurants in Kendal?**



Helene Mills, director of strategy and consulting (Pragma Consulting) based on Ernst & Young sources, reiterates the importance of quality, value for money and ambiance of restaurants as driving factors to not only why people choose restaurants but also why they keep returning to the same restaurants enabling restaurant to create a loyalty following. Jillian MacLean founder of Drake and Morgan emphasises the importance of the overall experience as a reason why people chose restaurants.<sup>15</sup>

The team’s surveying suggested that people in Kendal want more restaurants of higher quality, variety and good value for money:

*“We have many excellent cafes open during the day but not the same offering of restaurants open in the evening.”*

*“More choice of nice restaurants”*

*“Far more restaurants/pavement cafes needed, especially selling English food.”*

*“More variety and better quality restaurants”*

There is also demand for more chain restaurants; interviewees, particularly in the family segment appreciated the standard quality and good value for money offered at Pizza Express and would like the addition of similar establishments:

*“Attracting restaurant chains could be a good place to start i.e. Nando’s, Wagamamas, etc”*

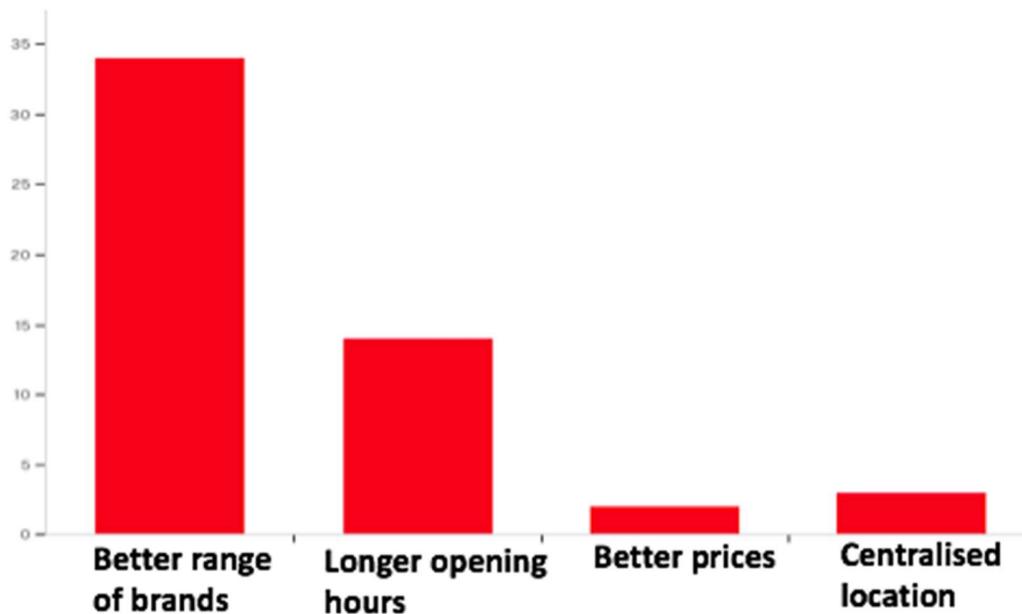
<sup>15</sup> <https://www.st-ives.co.uk/media/179429/uk-bars-restaurants-2016-pragma.pdf>

*“More chain restaurants, with food and drink offerings in one main concentrated area - a 'food quarter' so people know where to go to eat and drink.”*

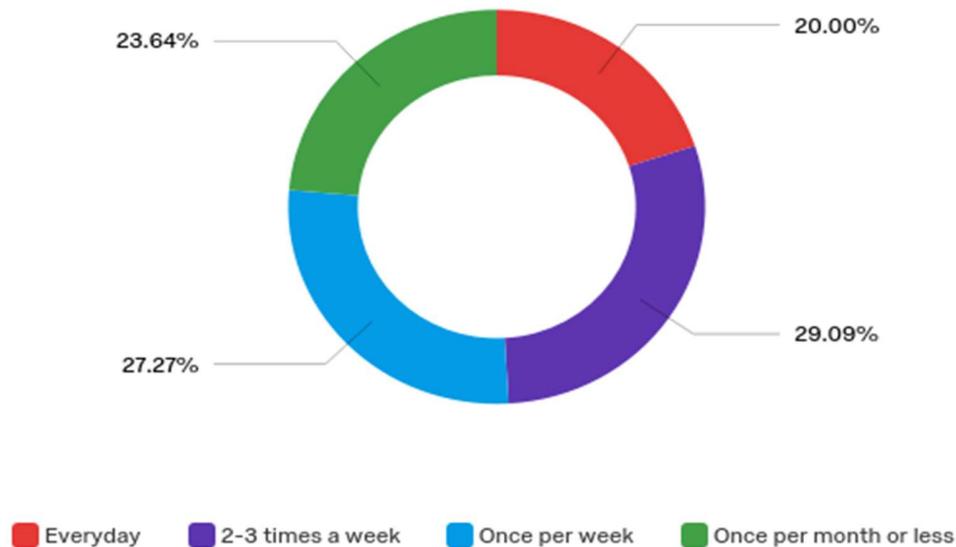
Inferencing from why Kendalians are going out of Kendal to eat, we conclude one of the main reasons is the experience which includes ambiance. This is backed up from the example of a small town like Kirkby Lonsdale which attracts visitors from even larger neighbouring towns for a dining experience. The fragmented nature of Kendal’s offering further adds to its problem which we will discuss in detail further into the report.

## ii) Shopping

When surveyed, 65% of shoppers in Kendal requested a better range of brands available in the town. For example, one in 5 shoppers ask for Primark or H&M:



Nearly 30% of shoppers surveyed in Kendal go shopping between two to three times a week:



*'A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works' - Harvard Business Review*

Omni-channel retail is defined as a multichannel sales approach that provides customers with an integrated shopping experience. The customer can be shopping online from a laptop or smartphone, or in a bricks and mortar store and the experience would be seamless.<sup>16</sup>

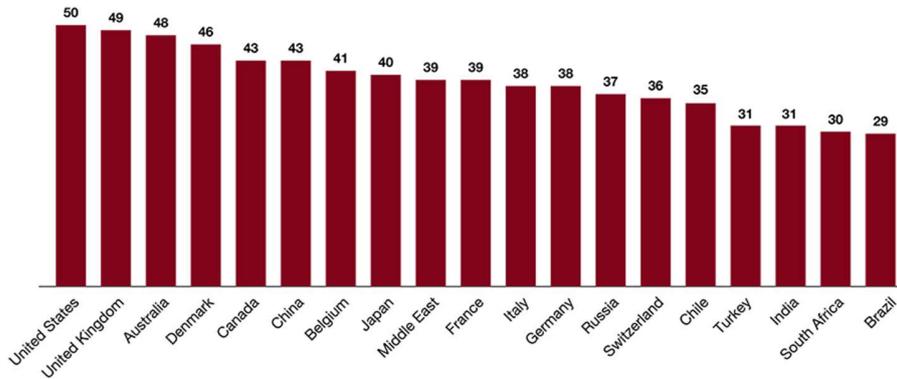
Retailers around the world are starting to transform the way they interact with their customers by offering an Omnichannel shopping experience. With the Omnichannel approach, consumers can make their purchases via different mediums both online and offline. They can shop online and or in physical stores, smartphones, tablets and social media. This gives consumers more information about products or categories of products that interest them. Retailers gain deeper understanding of customer behavior and preferences – along with the chance to target product recommendations and discount or promotional campaigns directly at individual consumer needs.<sup>17</sup>

According to the PWC global Omnichannel retail index report, the UK High Street is changing considerably with the growth of Omnichannel retailing – as shown below, the UK is the world's second most significant Omnichannel retail outlet:

<sup>16</sup> <http://www.insider-trends.com/omnichannel-retail-companies/>

<sup>17</sup> <https://www.strategyand.pwc.com/reports/2015-global-omnichannel-retail-index>

*Exhibit 1*  
Global Omnichannel Retail Index — by country or region (scale 1–100)



Source: Strategy&  
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High Street retailers need to embrace this change, for example click-and-collect now accounts for 45 percent of all John Lewis’s online orders. This shows how retailers can combine virtual channels with physical locations to good effect and still attract people to the high street. Other notable trends in shopping include pop-up shops (pop-up turnover grew by 12.3% from 2014-15 in the UK) and use of vinyl window coverings to cover empty shops. Both initiatives would make Kendal’s high street a more attractive place to visit and encourage more shoppers into Kendal, some of whom may stay into the evening.<sup>19</sup>

### iii) Transport

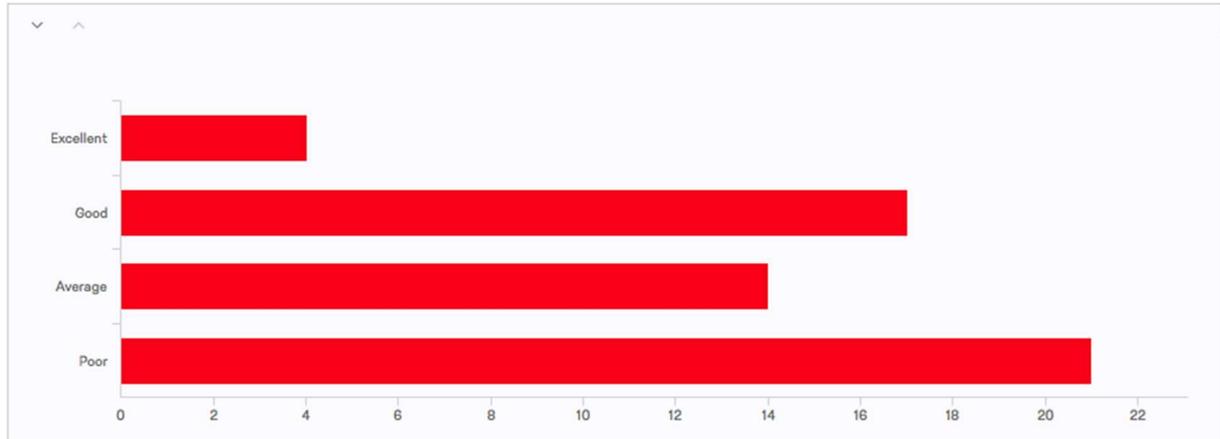
Evening transport in Kendal was rated as either ‘average’ or ‘poor’ by over 60% of transport survey respondents:

<sup>18</sup> <https://www.strategyand.pwc.com/reports/2015-global-omnichannel-retail-index>

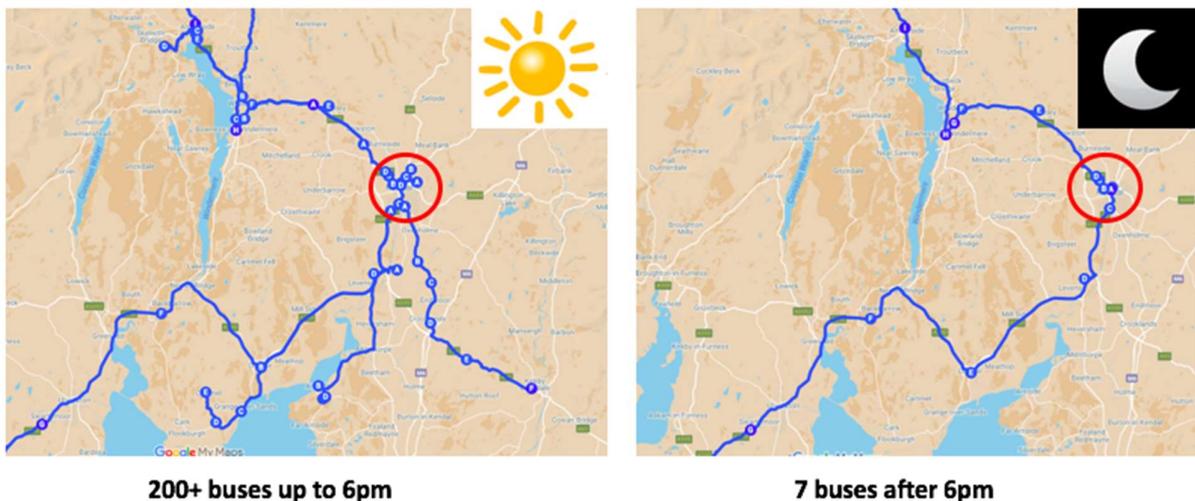
<sup>19</sup> <https://www.strategyand.pwc.com/reports/2015-global-omnichannel-retail-index>

Q1 - How do you rate evening public transport in Kendal?

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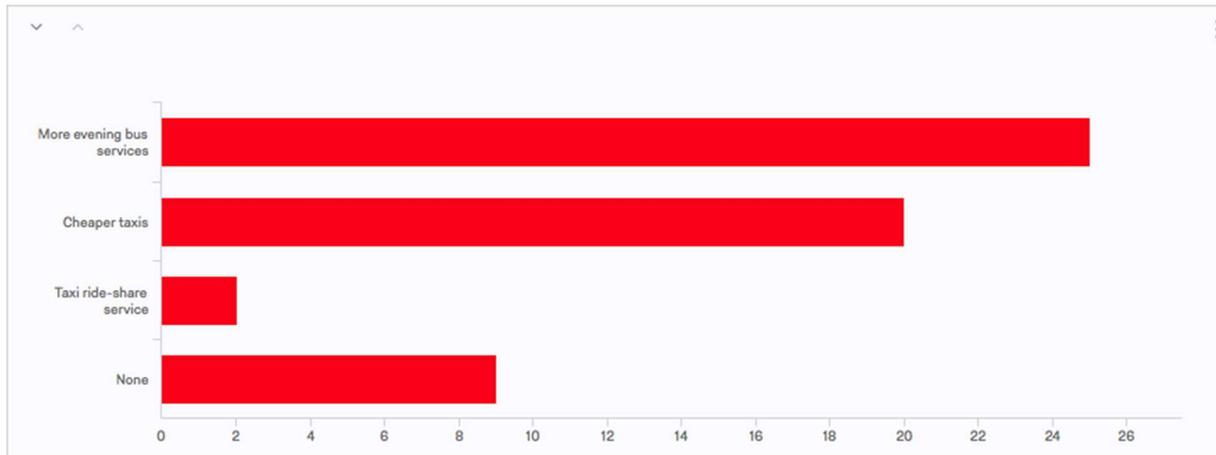
At least 2 out of 5 shoppers find the need for better transportation options and it was reported in interviews that town centre workers relying on public transport are frustrated at the lack of bus options after 6pm. The below map shows the breadth of bus routes serving Kendal before and after 6pm and there is a marked contrast:



The team's transport survey showed that more evening buses (requested by 44%) and cheaper taxis (36%) would encourage people to go out more in the evening:

Q4 - Which of the following options would encourage you to go out more in Kendal in the...

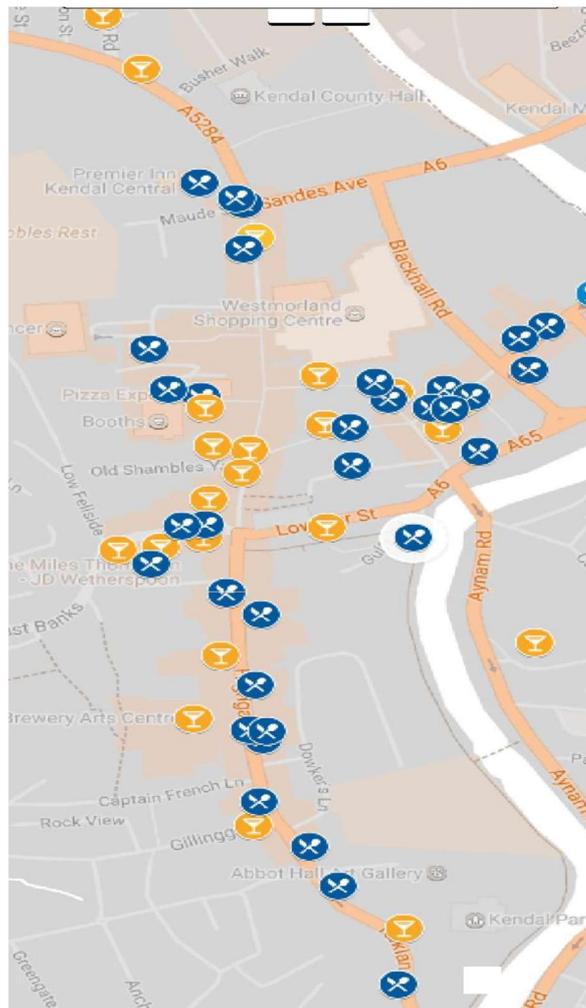
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South Lakeland District Council's imposed fare hike on taxis post-11pm was also reported to be prohibitive.

#### iv) Kendal's Layout

The team's surveys and meetings with key stakeholders found that Kendal's night time options are fragmented in terms of location. The map below shows that bars and restaurants are scattered across an approximately 1-mile distance. The limited parking and transport options in Kendal make this situation particularly challenging. Many customers surveyed preferred to travel to out-of-town locations that offer parking, such as Romney's.



*Map highlighting location of Kendal's bars and restaurants*

#### v) **Partnerships**

Research by the team indicated that towns increasingly turning partnership to stimulate evening economies. For example, Chester BID's 'Head Out Not Home' stimulated a 22% increase in footfall on Thursday evenings between 2015-16<sup>20</sup>. Dunedin, a Floridian town of similar population and demographic background as Kendal, boosted community engagement with regular events<sup>21</sup> driven by partnership between the Merchant's Association, Tourist Board and local businesses. There are signs of increasing partnership between Kendal businesses, for example the Factory Tap is set to partner with other breweries to drive loyalty among customers in the South Lakeland area.

<sup>20</sup> <http://www.chesterchronicle.co.uk/news/chester-cheshire-news/chesters-head-out-not-home-12018703>

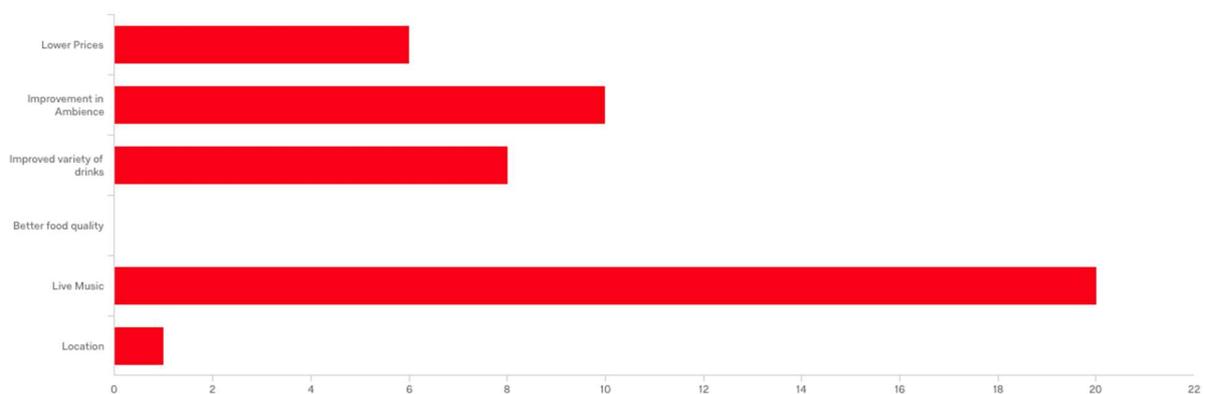
<sup>21</sup> <http://www.dunedingov.com/index.aspx?page=708>

## 7. RECOMMENDATIONS

### i) Bars and Pubs

Out of people surveyed on factors that would entice them back to bars and pubs in Kendal more often, 44% opted for provision of live music:

#### Q5 - What would make you go more often to pubs in Kendal?

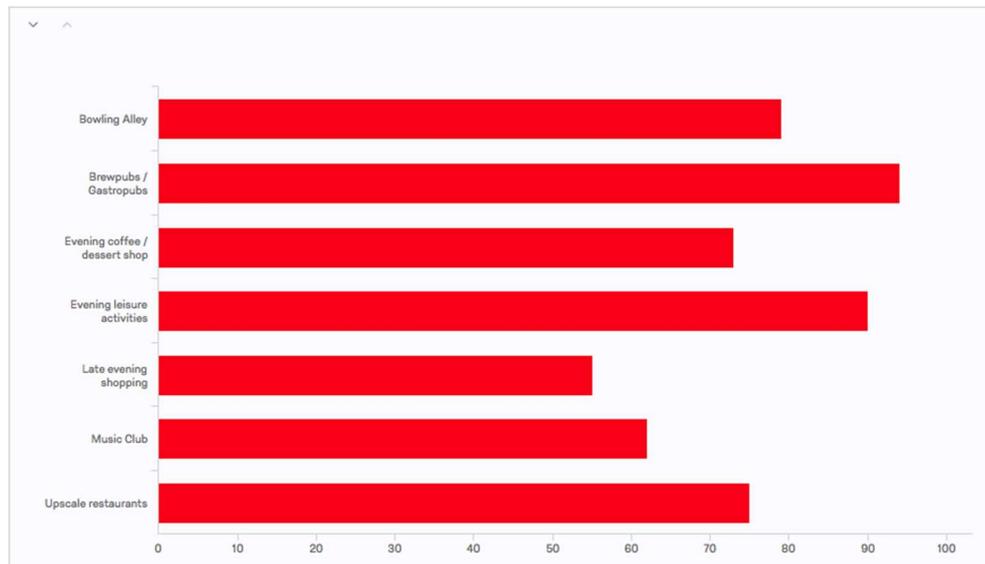


Bootleggers and The Riflemans Arms are good example of pubs in Kendal that benefit from live music by increased footfall and the team recommend that more follow their example.

When asked to name evening-based options that would benefit Kendal, 44% (top choice) opted for brewpubs / gastropubs as shown below:

Q9 - In your opinion, would more of the following options benefit Kendal? (Choose max. 3)

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This survey result, along with the UK trend towards brewpubs and gastropubs justifies existing Kendal bars modernizing their product to embrace this trend. The Hawkshead Brewery and Factory Tap are good examples of businesses who have harnessed this trend by way of offer a good range of cask ales and are now reaping the benefits.

Another recommendation is for bars and pubs to clearly segment their market. Masons Arms (female friendly), Slate (couple friendly), Palomas (cocktail bar) have differentiated themselves and have a targeted customer base and are enjoying success.

The District Council must work with the police and residents to work out a reasonable policy regarding noise levels. Some degree of noise is to be expected in the town centre to promote an evening economy and we suggest a compromise on noise restrictions until 9pm on weekdays and 11pm on weekends. Resident complaints are a major hindrance to developing the bar scene and constant cause of worry for business owners: several business owners voiced their concerns over this issue.

More events in local pubs promoting community activities would also be successful as shown by the success of the White Hart Inn in Ashton Keynes, Wiltshire.<sup>22</sup>

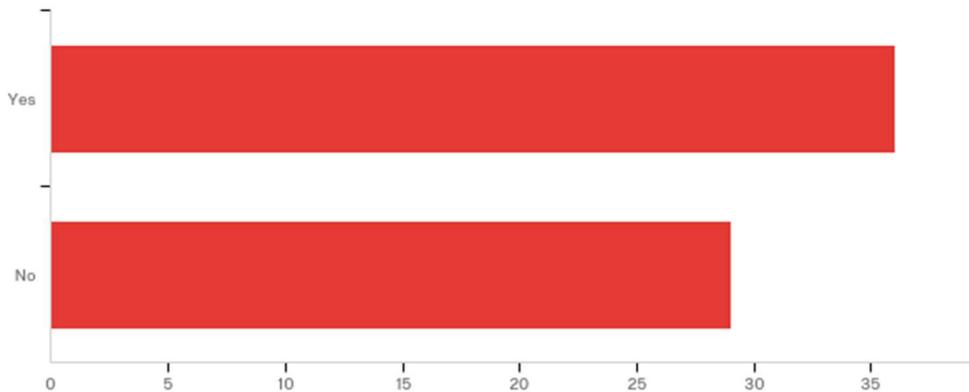
Finally, a town of Kendal's size would benefit from at least one night club. This would especially be appreciated by younger people and might help retain younger talent in the town.

<sup>22</sup> 'White Hart Inn, Ashton Keynes, Wiltshire', 2013, Publican's Morning Advertiser, no. 103, p. 38.

**ii) Coffee Culture**

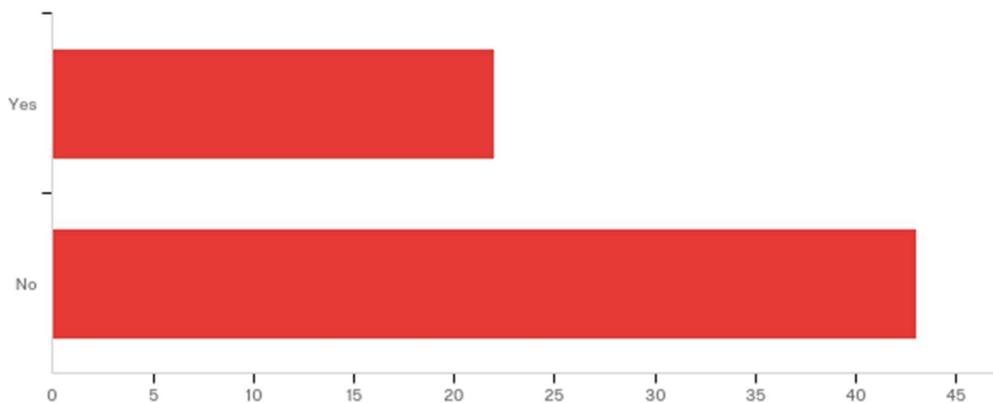
The team recommends that Kendal’s coffee shops extend their opening hours into the evening. The survey of 65 coffee shop customers found that 55% would visit a coffee shop after 6pm:

**Q1 - Would you consider visiting a coffee shop after 6 pm**



Although customers indicated a preference for visiting coffee shops after 6pm, they would prefer not to go out for coffee after dinner and change venues in the process (66% disapproved):

**Q3 - Would you change a place to have a coffee after dining in restaurant?**



The current situation in Kendal is that most cafés in the town centre are open only until 4-5pm. Only Brew Brothers opens until 6pm and has extended opening hours until 7pm on Fridays. The team therefore recommends that coffee shop owners are encouraged or incentivized to offer longer opening hours for customers into the evening.

Qualitative surveying indicating that greater provision of outdoor seating would be a popular addition in Kendal. Selected comments from interviews are enclosed below:

*“Friendly bars where you can share a bottle of wine and nibbles with friends. With a nice outdoor area for the summer”*

*“Windermere Village has several places with outdoor spaces / heaters – they do well! People are happy to sit outside and have a hot chocolate, wouldn’t do in Kendal so much”*

*“People love to sit outside during summer time”*

A final recommendation on coffee shops is the introduction of more Artisan coffee shops, in keeping with the national trend and feedback from the general survey:

*“Pop- up restaurants, street music, late night coffee bars and artisan drinks offering”*

*“More cafe and cafe culture”*

*“Catch up with the south! More cafes open in the evening.”*

### **iii) Leisure Activities**

Given the complexities at launching events in Kendal, the team recommend introduction of a single window clearance system to bypass red tape and enable the town to host more frequent local events, building on its annual event expertise. The *First Friday* concept that has proven so popular in the United States is an example of a frequent local event that could work well in Kendal. Towns target every first Friday of the month as an evening to showcase the Arts: local artists promote their work; art galleries stay open until the late evening and live music and street food is offered. This approach would complement Kendal’s creative population and offer sponsorship opportunities for local businesses too.

As mentioned in the trends, 58% of people surveyed on new additions to Kendal’s leisure activities range opted for bowling alley as their top choice. Presently, ten pin bowling enthusiasts must head to Morecambe for the nearest bowling facility, 25 miles from Kendal. Hence a ten-pin bowling facility would likely be a good addition to Kendal’s leisure activities range.

### **iv) Restaurants**

Kendal needs to improve its offer and number of restaurants as we have seen from the comparison. We have formulated short term and long term recommendations as follows:

*Short Term*

Restaurants can immediately implement online booking, which has a proven record of accomplishment. OpenTable pledges an increase in reservations by 10%<sup>23</sup> whereas The Fork (a TripAdvisor company) pledges an increase in reservations of 20%<sup>24</sup>. The team consulted two of the three restaurants in Kirkby Lonsdale who use OpenTable and they are very satisfied with the partnership and verify that it helps generate incremental footfall.

Ambiance is one of the reasons people go to restaurants as it helps create a complete experience. This is shown by the success of restaurants in the Lake District at attracting people from the Kendal area (according to our qualitative interviews). Even Kirkby Lonsdale proves this as people drive in for the experience. A short-term recommendation is therefore that Kendal restaurants focus on improving the ambience levels.

### *Long Term*

A long-term recommendation would be the introduction of more upscale restaurants. Over one-third of people surveyed would go out more often if they were present offering a better variety and food quality.

Finally, familiarity in the presence of chains breeds customer confidence<sup>25</sup>. It helps attract not just locals but tourists into the town. The team therefore recommends Kendal pursues opportunity with chain restaurants such as Nando's to drive restaurant business in the evening.

## v) Shopping

Judging by the increasing penetration of retailers into Omnichannel retailing, the presence of more recognised brands in Kendal town centre is likely to benefit the evening economy since a greater shopping offer gives a boost to other evening-related businesses such as cafés and restaurants. The team therefore recommends that Kendal makes the effort to attract more branded stores to its marketplace, as requested by 65% of people surveyed.



<sup>23</sup> <https://www.theforkmanager.com/return-on-investment/>

<sup>24</sup> <https://restaurant.opentable.com/roi/>

<sup>25</sup> <https://www.st-ives.co.uk/media/179429/uk-bars-restaurants-2016-pragma.pdf>

Feedback from shoppers surveyed included:

*“More buses after 6 pm”*

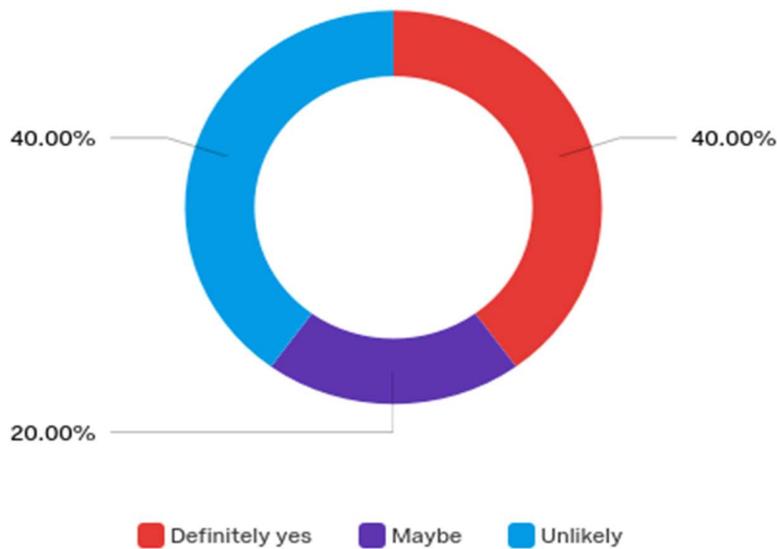
*“More cafes open in the evening”*

*“More places open later”*

*“Better transportation. Longer hours of shopping”*

In terms of Kendal’s shops staying open longer, there was an equal number of responses for the need for shops to stay open longer as well as for the need not to. The ones who felt the need for shops to stay open after 5 pm frequently cited the need for better transportation in order for them to go to cafes/restaurants after shopping and then travel back to their neighbouring towns and villages.

**If shops stayed open after 5pm, would that help you?**



Kendal currently falls short in terms of retail space supply to be able to cater various fashion brands. In order for Kendal to attract more retailers, it is essential it invites tenders from developers to develop more retail spaces with larger floor plates, as brands like Primark do not set up shop on anything less than 30,000 square feet. The team also recommends introducing a single window clearance system for obtaining planning permissions. This will help give more

ease to developers and enable them to complete development projects faster and would help bring down costs.

A greater range of shopping in Kendal increases the opportunities for the town's cafés and restaurants. This supplements the recommendation for the need for cafes to be open longer as well as increase in the outdoor seating capacity of the cafés. The most important outcome out of more retailers setting up shop is the creation of more jobs.

#### **vi) Transport**

A meeting with Stagecoach revealed that evening services cannot be supported by the operator alone: public funding is required. Given that nearly half of people surveyed regarded transportation as a blocker to them going out in Kendal, the client is encouraged to support the operator in providing trial services, preferably on Fridays and Saturdays. An alternative recommendation would be a taxi ride-share scheme: 36% of people surveyed stated that cheaper taxis would encourage them to go out in Kendal more often. Spreading the fare across passengers heading to the same area would soften the council-imposed price hike after 11pm for customers, and would be an environmentally-friendly option too.

#### **vii) Kendal's Layout**

A short-term measure to help customers struggling to find their way around Kendal's fragmented selection of bars and restaurants would be more signage to facilitate greater ease of finding places to eat and drink. Better categorisation and listing of more bars and restaurants on online mediums such as TripAdvisor and OpenTable would also increase visibility of these businesses. Developing a downloadable map of bars and restaurants on the new visit-kendal.co.uk would also be an effective short-term recommendation.

Long-term, a planning strategy would need to be undertaken to ensure the 'right businesses' is in the 'right place' in the town. This is however a challenging action point considering the Permitted Development Rights for Changes of Use which grants owners of buildings more flexibility to switch between functions, for example from shops to office space.

#### **viii) Partnerships**

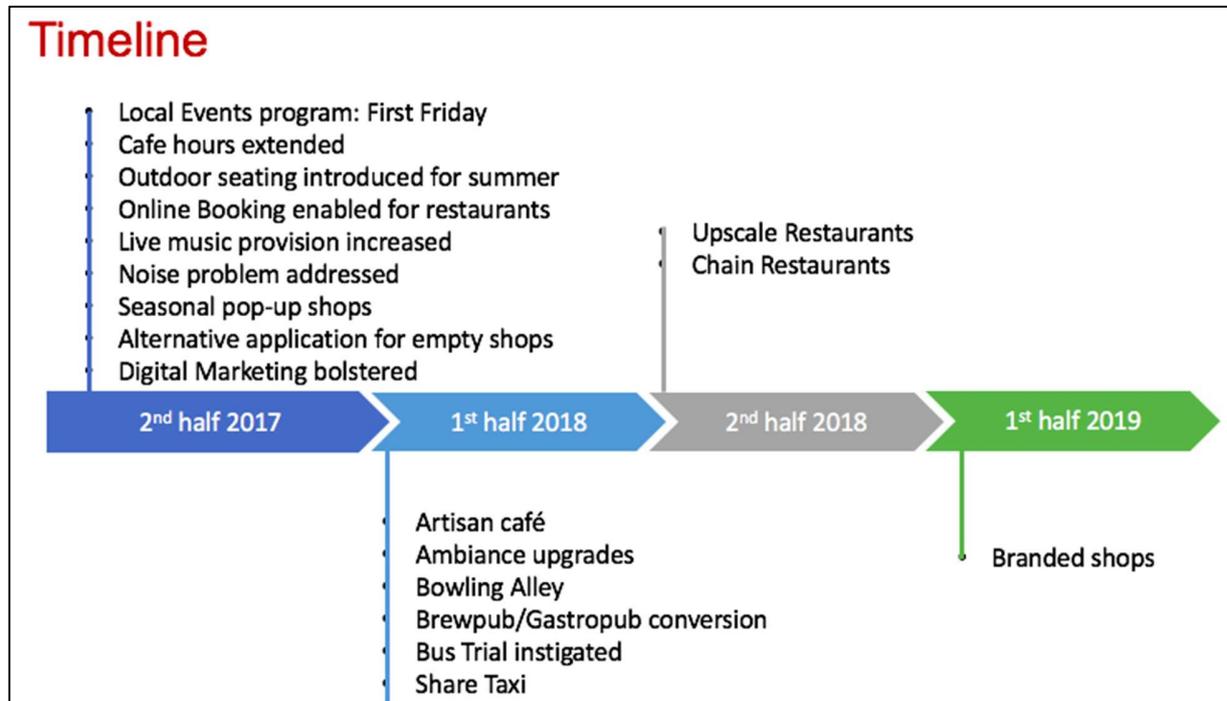
Of paramount importance to improving Kendal's evening economy is increased motivation from Kendal's authorities and local businesses to address the issue. The team recommends that Kendal Futures lead a partnership between local businesses and authorities to formulate a coherent strategy towards the evening economy. Working together, mutual strategies can be undertaken on the initiatives designed to increase evening footfall in Kendal as outlined below:



*Promotions* could involve rotating discounts at venues to drive business in the evening; *incentives* may be required to give local businesses impetus to stay open later. An all-cohesive strategy on *tourism* would be needed if Kendal wanted to attract more tourists since this market has different requirements to residents. *Digital marketing* is an initiative on which expertise should be shared: the more exposure for Kendal businesses online, the greater exposure for the town itself. Finally, local *evening events* can be hosted on a rotational basis to ensure different businesses or organisations can showcase their products and that responsibility for operating the events is shared.

## 8. IMPLEMENTATION CONSIDERATIONS

Here is the suggestion timeline for implementation of the team's recommendations:



Several actions can be implemented over the next six months, subject to an increased motivation to drive business in the evening in Kendal. Introducing a frequent local events program such as *First Friday* would provide a great incentive for people to come out in Kendal after 5pm and for businesses to work together to show people that Kendal is alive at night: hence this is the top priority. Other action points, such as extending café opening hours and introducing more outdoor seating can realistically be achieved in time for the peak summer season. Attracting new business to the town in the shape of artisan coffee shops and a bowling alley would take longer, and the arrival of chain restaurants and branded shops are even more long-term ambitions.

The suggested implementations can be divided into target segments as follows:

<b>Feedback</b>	<b>Initiative</b>	<b>Target segment</b>
More variety of events, such as music and community events	Local Events program e.g. First Friday	All
Over 40% people across all age groups want to have evening café	Cafe hours extended	All
Outdoor seating suggestion from qualitative surveying and interviews	Outdoor seating introduced for summer	All
Lack of restaurants bookable online	Online Booking enabled for restaurants	All but especially younger demographics
More live music	Live music provision increased	All but especially younger demographics
Additional options to attract people to visit town centre	Seasonal pop-up shops Artisan café Ambiance upgrades Branded shops Chain Restaurants Upscale Restaurants	All
58% people surveyed in attraction category and over 30% people surveyed in general survey opted for Bowling Alley	Bowling Alley	Young people and families
Over 40% people from 16-70 would like to have Brewpub and Gastropub. Especially in age group 51 to 70, nearly 50% people opted for Brewpub and Gastropub	Brewpub/Gastropub conversion	Age group from 16 to 70
Transportation is a hindrance for 23% people from general survey	Bus Trial instigated/Share Taxi	Young people / older people

## 9. CONCLUSIONS

Kendal's perceived poor evening economy is an unfortunate reality. The town faces a simple yet complex problem: how to attract more people to come into the town of an evening? Through the consulting team's methodology of quantitative and qualitative market research, the key issues have been identified and reported alongside suggested recommendations on how Kendal's evening economy can be revived.

The team's recommendations span multiple categories that support the evening economy and specific examples are given, such as creating a new evening coffee culture by extending opening hours. Above all, a change of mentality is needed by Kendal business and townspeople towards the evening if economic stimulation after 5pm is to be achieved.

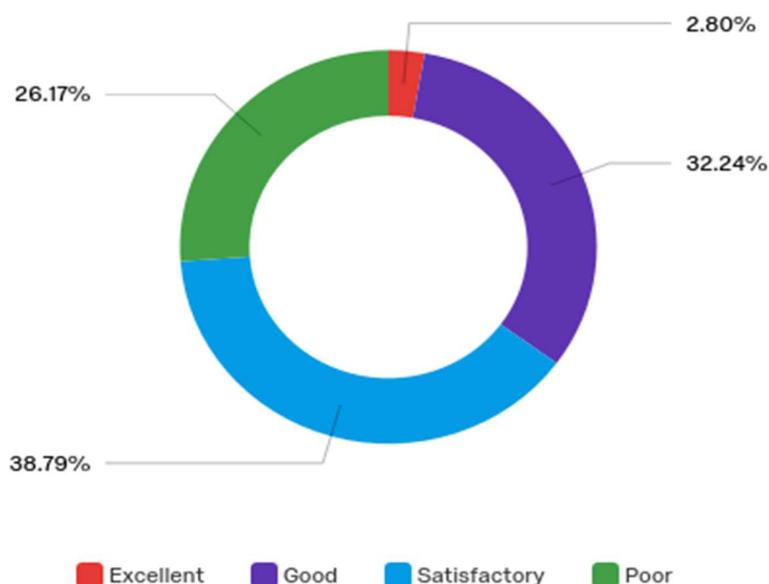
The team hopes that the findings and recommendations provided in this report will enable the client to formulate both short and long-term strategies towards improving Kendal's evening economy in the future.

### APPENDICES:

Some of the findings of the General surveys include:

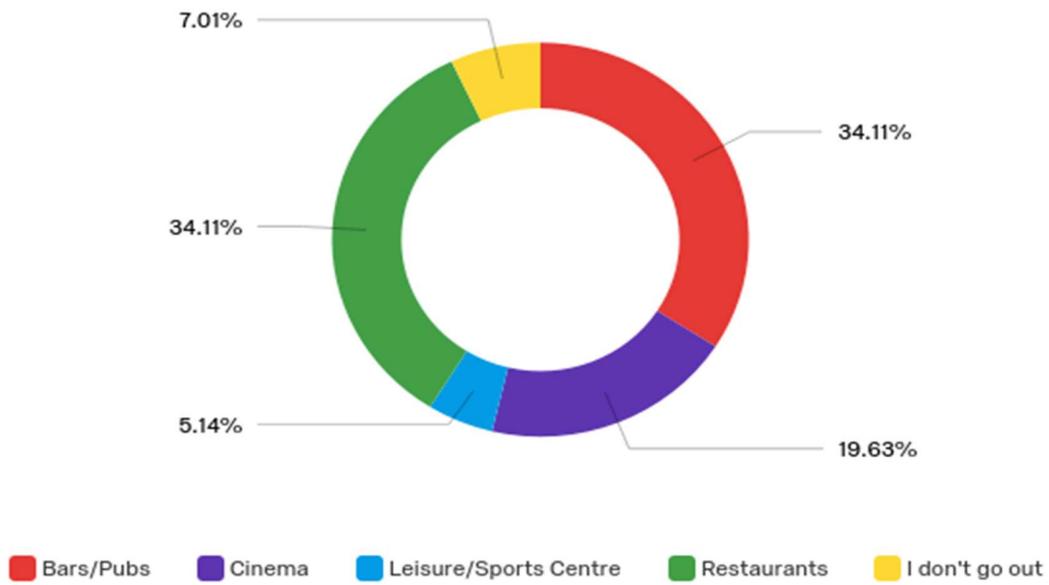
#### APPENDICE 1:

#### How would you describe the range of evening options available in Kendal?



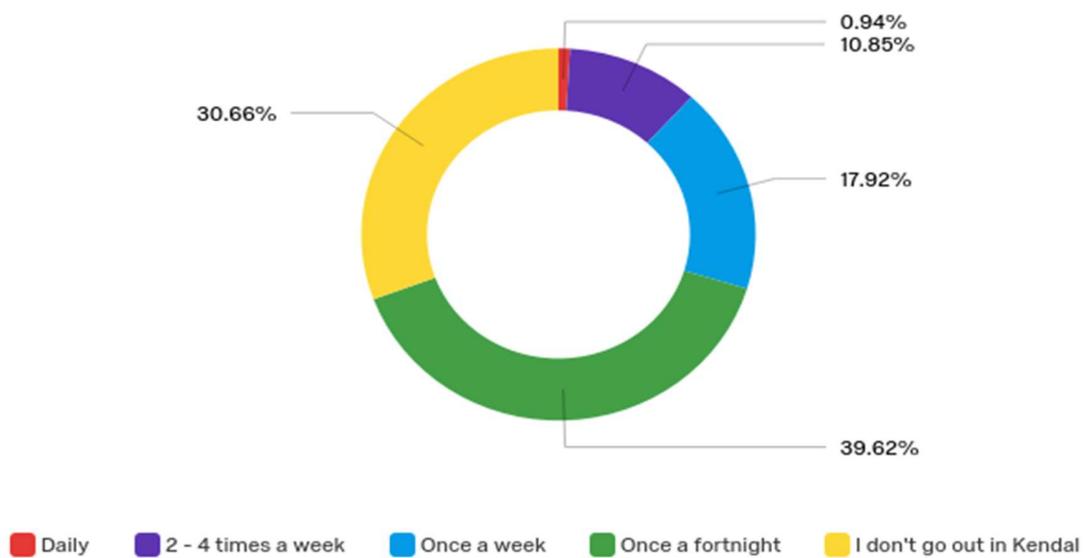
APPENDICE 2:

If you go out in Kendal in the evenings, where do you go?



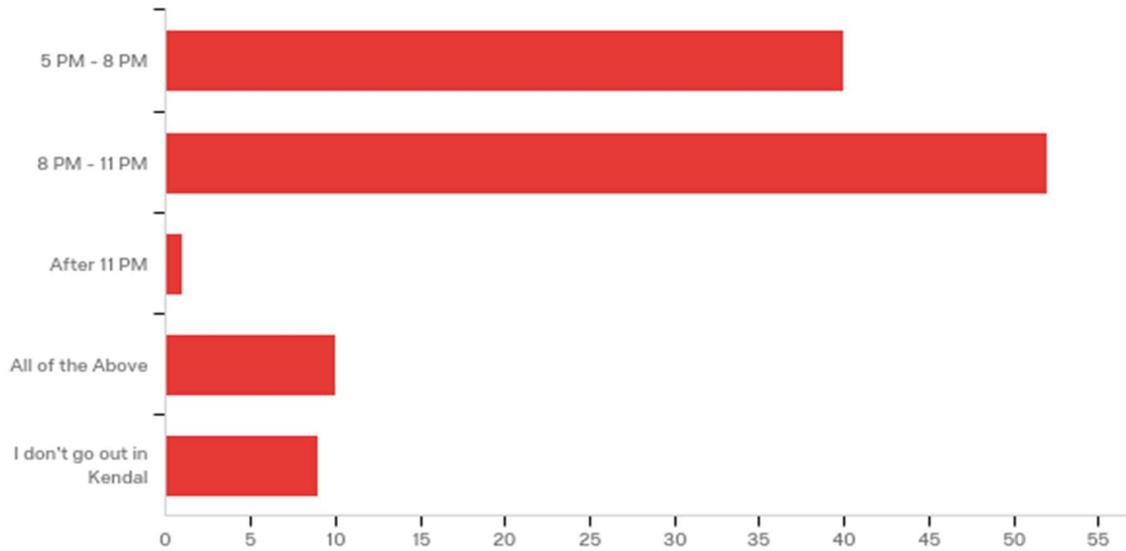
APPENDICE 3:

How often do you go out in the evenings in Kendal?



APPENDICE 4:

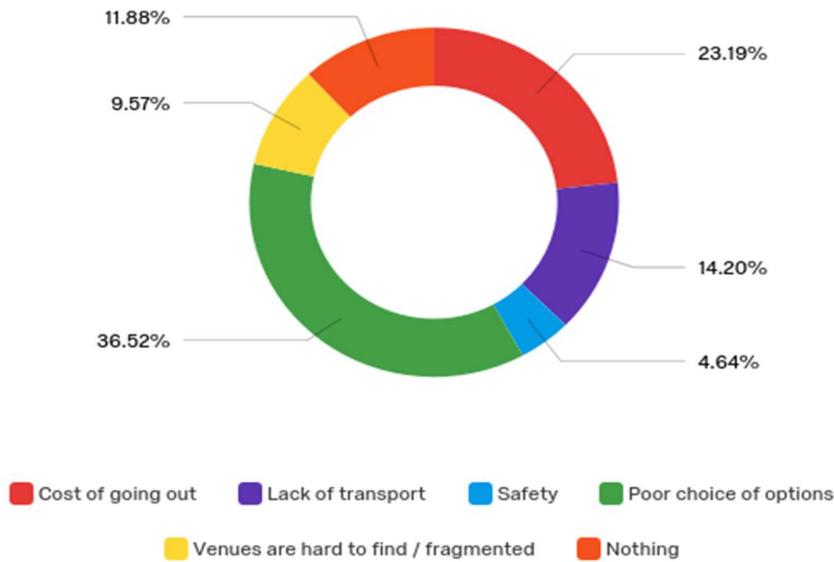
During which times do you prefer to be out in the evening in Kendal?



#	Answer	%
1	5 PM - 8 PM	35.71%
2	8 PM - 11 PM	46.43%
3	After 11 PM	0.89%
4	All of the Above	8.93%
5	I don't go out in Kendal	8.04%
	Total	100%

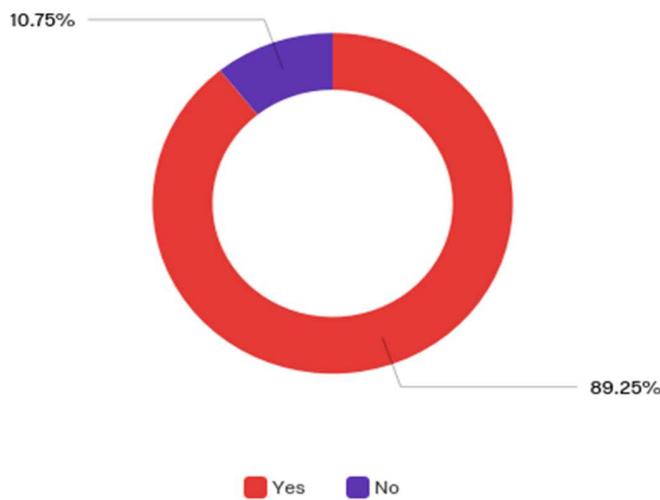
APPENDICE 5:

What prevents you from going out more in Kendal in the evening? (Choose max. 3)



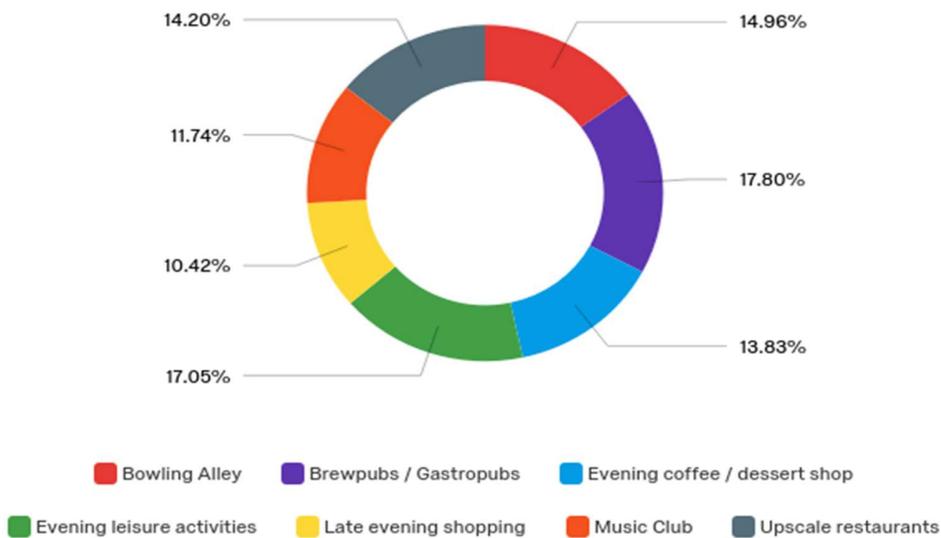
APPENDICE 6:

Do you feel safe to walk alone in Kendal after dark?



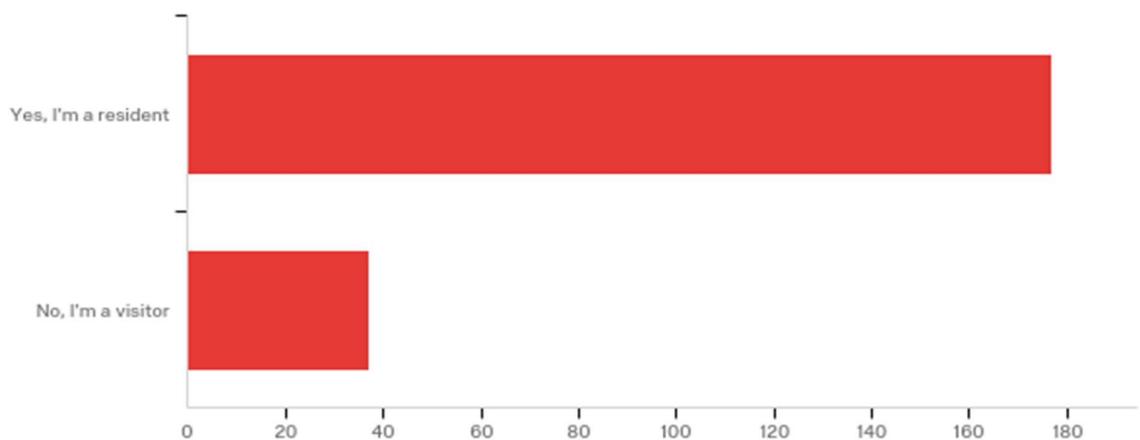
APPENDICE 7:

In your opinion, would more of the following options benefit Kendal?  
(Choose max. 3)



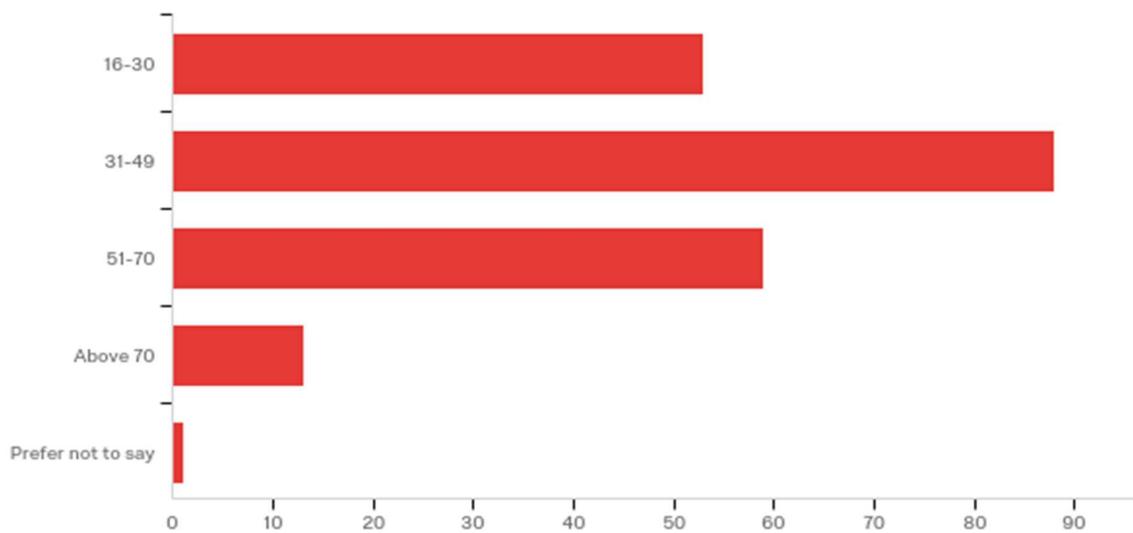
APPENDICE 8:

Do you live in Kendal?



#	Answer	%
1	Yes, I'm a resident	82.71%
2	No, I'm a visitor	17.29%
	Total	100%

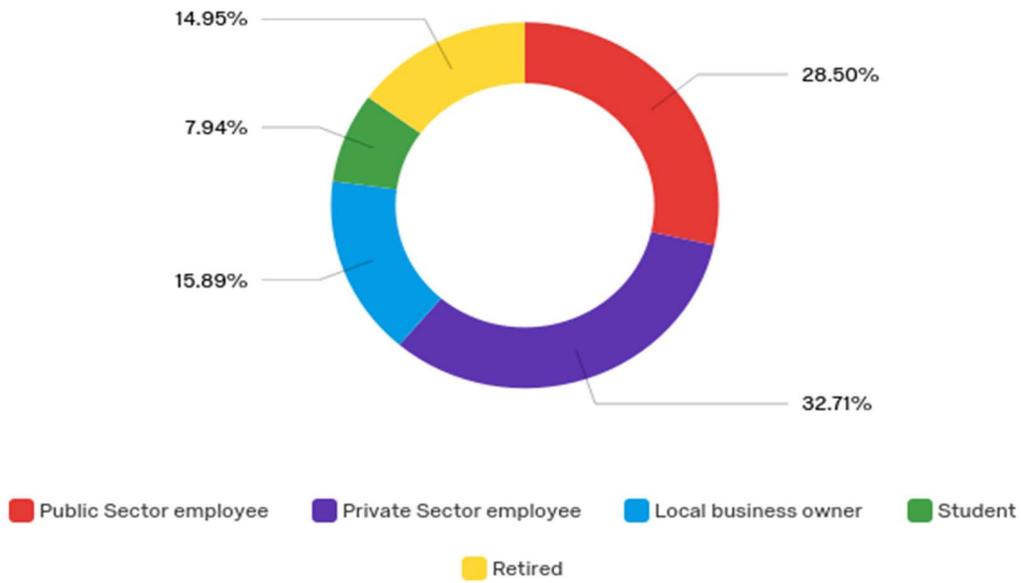
APPENDIX 9:



#	Answer	%
1	16-30	24.77%
2	31-49	41.12%
3	51-70	27.57%
4	Above 70	6.07%
5	Prefer not to say	0.47%
	Total	100%

APPENDICE 10:

How would you describe the nature of your employment?



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