

Assignment Title: Problem Solving and Innovation – A critical Analysis of External
Factors Affecting High Street Retailers in the UK Module code:

BMSW4014_CARD

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1. Introduction

Many High Street shops in the UK are finding it hard to stay open. More people are shopping online instead of visiting stores, which means shops are losing customers. Prices for rent, wages, and bills are going up, making it expensive to run a shop. At the same time, more shoplifting and crime are causing problems for businesses.

This report will look at the biggest challenges High Street shops face, including money problems, online shopping, and crime. I will include a PESTLE analysis and will explain different factors; this report will also suggest ways that shops can survive and do better in the future.

2. Main Problems for High Street Shops

2.1. Money Problems

One of the biggest problems for High Street shops is the rising cost of running a business. The prices of goods, rent, wages, and energy bills have all increased, making it hard for shops to make a profit (BBC. 2025). Many customers also have less money to spend, so they are buying fewer things.

New government regulations have also made things more difficult (and, C. 2025). Some businesses now have to follow stricter rules on packaging and sustainability, which can be expensive to implement. This is a big problem for small shops that do not have a lot of money or resources to deal with these changes (Parliament.uk. 2018).

2.2. Online shopping

More people now prefer to shop online instead of going to High Street stores. Large online retailers often have lower prices, fast delivery, and a wide range of products, which makes them very popular. Many people also find it easier to shop from home rather than going to a store (FashionUnited. 2022).

Some High Street shops have set up websites so they can sell online, but this can be expensive (Checktrade's Professional Estimators. 2023). Smaller businesses may not have the money to invest in online shopping. Another problem is that some customers visit stores to look at products but then buy them from a big online retailer at a cheaper price. This makes it even harder for physical shops to compete (Elavon UK. 2024).

2.3. Shoplifting and Crime

Shoplifting has become a big problem for High Street shops. Many stores lose money because of theft, which makes it even harder for them to stay open (Bartholomew, J. 2025). Some shops have put in security cameras and hired extra staff to stop theft, but these things cost extra money (Mobile, S. and admin. 2024).

Shop workers also face more threats and violence from criminals. Some businesses have decided to close their stores early or even shut down

completely because of safe concerns. Many shop owners believe that the police and government are not doing enough to stop retail crime (British Safety Council. n.d).

3.

PESTLE Analysis

A PESTLE analysis looks at different outside factors that affect High Street shops.

Politics – New government regulations on packaging and sustainability have made it more expensive for shops to operate. Businesses now have to follow stricter environmental rules, which can be costly, especially for small shops with fewer resources.

Economy – The rising cost of living means that people are spending less money. At the same time, the cost of rent, wages, and bills has gone up, making it harder for shops to stay open. Shops also face higher costs due to new sustainability requirements, which can further reduce profits.

Society – People's shopping habits have changed. Many now prefer to shop online rather than visit physical stores (Ellson, A. 2025). Some customers also visit shops to see products in person but then buy them from cheaper online retailers, making it harder for High Street shops to compete.

Technology – Online shopping, digital payments, and social media have changed how businesses sell their products. While some High Street shops have launched websites to keep up, setting up and maintaining an online store can be expensive, especially for small businesses. Shops that do not invest in technology may struggle to attract customers (Cripps. 2025).

Laws – Shops must follow laws about staff wages, customer rights, and data protection. Additionally, new regulations on packaging and sustainability mean businesses need to invest in eco-friendly materials, which can be

4. costly. Some shop owners also feel that laws about shoplifting are not strict enough, making theft a growing issue.

Environment – Many customers now prefer to buy from businesses that care about the environment. Shops that use less plastic, recycle, or sell ecofriendly products may attract more customers. However, following environmental regulations can be expensive, especially for small shops trying to stay profitable.

Conclusion

High Street shops in the UK are facing many challenges. The cost of running a business is going up, while fewer people are shopping in physical stores. Online shopping is growing fast, making it harder for traditional shops to compete. At the same time shoplifting and crime are causing more problems for businesses.

Even though these challenges are serious, there are ways that shops can survive and do well. Shops that find new ways to attract customers, improve security, and make better use of technology will have a better chance of success. The next section will suggest some ideas to help shops improve their situation.

5.

Ideas to Help Shops

High Street shops need new ways to attract customers and stay open. Here are some ideas to help them succeed.

Shops can hold special events to bring people in. A clothing store could offer personal styling days. A bakery could run a cake-decorating classes. Making shopping fun will encourage people to visit more often.

Shops can make customers feel special. They could offer customer orders or personal shopping advice. Gift-wrapping services can also make shopping more enjoyable.

Shops can work together to attract more customers. A coffee shop and a bookstore could offer discounts when customers buy from both. Local businesses could also organise markets or themed shopping nights. Shops could open earlier or close later to help busy customers. They could also offer local delivery for people who don't want to carry heavy bags.

Friendly and helpful staff can make a big difference. Good service encourages people to return. Shops should train staff to give customers the best experience.

Shops can work with schools and charities. They could run fundraising events or give discounts to key workers. When businesses support the community, people are more likely to support them.

6. By making these changes, High Street shops can attract more customers and have a better chance of success.

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