

Podcast: Megatrends in the West Midlands – Business and Operations

Music followed by introduction by Rebecca Riley, Associate Professor at City-REDI and WMREDI, University of Birmingham:

Rebecca Riley:

Welcome to the Redi podcast. I'm Rebecca Riley, Associate Professor at City-REDI and WMREDI, University of Birmingham. In our first series of podcasts, we'll be looking at megatrends in the West Midlands. WMREDI has developed evidence examining the impacts of COVID 19 on the West Midlands region by producing economic impact monitors and a state of the region report with policy partners.

The WMCA commissioned further work to look at the megatrends identified in the state of the Region 2020 Report. This process has highlighted potential for the acceleration of existing trends by the COVID 19 crisis, culminating in new scenarios for future economic activity, life and places.

Some examples of megatrends we explored include business models and operations, work and training, future health and greenspaces local living, changing city centre business districts, just cities, Generational conflict, urban responses and economic shocks, future mobility and tactical urbanism.

There is a gap in policymakers understanding of whether these trends will continue altering the structure of society and businesses in the longer term. These podcasts and the larger program of work it's part of will help us explore selected trends and scenarios with policymakers locally and nationally in more depth, helping them formulate economic recovery policy, which takes account of these changes.

The scenarios identified could have significant economic consequences and scarring effects of vulnerable groups and places as a result of impacts on human, social, physical and natural capital. This research examines these impacts and trends, developing future scenarios in greater depth in order to identify, along with policymakers, those policies which may be more effective in restarting the economy, encouraging recovery, and creating long term renewal by encouraging positive trends and mitigating negative effects.

I hope you enjoy the series and for a more detailed look at megatrends, please download and read the associated provocations and report on the topic - Megatrends in the West Midlands.

More music followed by a discussion between Alice Pugh, Policy and Data Analyst, City-REDI / WMREDI, University of Birmingham and Henrietta Brealey, CEO, Greater Birmingham Chambers of Commerce.

Alice Pugh:

Welcome to the City-REDI Podcast and this is the first podcast in a series that will be examining megatrends in the West Midlands. Megatrends are major movements, patterns or trends that have transformative impacts on business, economy, seismic cultures and personal lives. This episode will

be looking into business models and operations in the West Midlands will be discussing key trends, impacts and opportunities for West Midlands cities.

I'm Alice Pugh, a Policy and Data Analyst at City-REDI, University of Birmingham and will be talking to Henrietta through the CEO of the Greater Birmingham Chamber of Commerce. So, Henrietta, thank you for joining me.

Henrietta Brealey:

I'm delighted to be here Alice.

Alice Pugh:

And for those of you who may not be aware of who you are, could you please introduce yourself?

Henrietta Brealey:

Yes. So the Greater Birmingham Chamber of Commerce, a business membership and support organisation that exists to connect, support and grow local businesses. And we employ around 80 members of staff helping businesses with just about everything from growing their profile and finding customers locally, through to keeping on top of the latest business news views and trends. Absolutely. Emerging challenges and developments they need to be aware of today. And also on trading internationally. We've been in business for business for about 200 years.

Alice Pugh:

Thank you. So I think over the last two years, there has been significant changes to business models and especially with the pandemic, it's been a massive, I suppose you could call it megatrend in a way, because it impacted everyone and it impacts all businesses, all countries, all economies. But it's especially accelerated certain trends that were already in development, such as a hybrid working.

So, for me, I'd already worked as a flexi worker, but it was civil service DWP and they are already fully integrated hybrid working. So, there were lots of staff who, especially for school runs, were already using that flexible working. I suppose the question is, do we think that that will remain part of businesses models within the future going forward?

Henrietta Brealey:

Has been an absolutely fascinating time on that. It's a nice time and I remember the early days of the pandemic, while a lot of businesses had seen growing interest in flexible working and maybe experimented with some roles. Actually the majority of SMEs had, for instance, only a few remote working licenses. So, had to adapt very quickly to being able to set up the majority, if not all of their workforces, from home.

And now all signs do seem to point to flexible working is here to stay. You talk to the majority of large corporates in the city. Apart from some very public exceptions, Goldman Sachs has been very

open about their expectation that people will come back to work in the office five days a week. But the majority are looking more towards that hybrid model at two or three days in two or three days. And at SMEs again, it's a bit of a mix. Some have decided to return back to the office full time, but for a lot they've really adopted and embraced this and are expecting to see hybrid working moving forward.

Alice Pugh:

I suppose the trend massively depends on what sector you're in as well, doesn't it? Because it's going to be mainly services and professional businesses, finance, all those sort of things. But it won't necessarily impact manufacturers in the same way at all. It massively depends on where you're going to be sitting, I think, in the future.

Henrietta Brealey:

Oh, definitely, yeah. There's certain things you definitely can't do from home and that's manufacturing, construction, you can't do road repair from your living room. And it's very much there sort of services sectors that have been really able to embrace this. But it has come with challenges, too, as well as this sort of positives. You know, I think there's been plenty of research in recent years that actual productivity is viewed very positively when it comes to working from home, particularly individual level productivity.

So if you've got something to do, getting it done from home, pretty effective. But the concerns I hear for employers about how do you keep building team dynamics, how do you sort of create that feeling of belonging to an organisation? If actually, you may never have seen many of your colleagues in person, never have met them. That's leading to that whole new question of what the office for?

When people are in the office, what are you doing to develop those team dynamics and really proactively invest in building team culture rather than just sort of coming in, sit down and working through your working day? There's also been challenges raised with how do you develop people? Because so much of what goes into development and experience in a, say, an office environment, is just seeing how your colleagues handled themselves, you know, seeing how people speak to others on the phone.

I have these really micro questions that you might not want to, but an example and ask someone about or send an email about if they're just over the desk, you can go, well, how did you do that? So how would you approach this? That is hard to recreate in a digital environment. There's definitely a lot of positives in hybrid working.

That's something employers are still grappling with is how do you retain some of the benefits that come from bringing people together so they serendipitous and creative conversations? I think we're also not quite at a point where we know what the future is going to look like long-term. You know, at the time of recording, we're still working through this latest wave of the COVID pandemic.

So, a lot of employers are reluctant to really emphasize returning to the office when actually it might not be in the best interest of the health of their employees at present. So, I think we've still got a bit to work through on what will the new normal look like once we through this latest wave and the pandemic truly is under control.

Alice Pugh:

I suppose it's that question is will between innovation and productivity so a whole new more productive because there's less distractions potentially. Or you can nip it in a pinch your kids up from school is a much shorter journey, but it's the innovation that you lose. Like you said, being able to chat to a co-worker next year and say all, how'd you do this?

And I suppose it might be an aging as well. So younger people are far more inclined to want to go in the office and actually learn from the more experienced colleagues, whereas I think older colleagues will be a bit more keen to stay at home, use it because of commitments that they have that their younger colleagues don't necessarily have yet.

Henrietta Brealey:

Yeah, absolutely. And you know, if you are a younger member of the team odds are, you don't have a great big home office that you can retreat inside and have a lovely working environment that's up at home. So there's different sort of dynamics going on. I think employees are increasingly aware of. It's also an interesting question for Central Business Districts, and city centres. Because obviously they've all been set up around high volumes of commuters coming in five days a week and cafes, coffee shops being there in midweek.

Whereas if we are seeing lower volumes of commuters coming in, then that just presents an interesting question about what does that mean for city centres? Are they going to change?

Alice Pugh:

Well, I know I know when I was doing this provocation piece where the research for it, I found that a lot of employers through different research centres after they'd been surveyed, were saying that they were going to shut down some of the offices in the city centres because now the employers employees didn't necessarily want to be in the city centres anymore, the preferred working from home and just coming in for a couple days.

So, most businesses are keeping things like suites with large executive rooms so they can do workshops and all the rest of it. But their reducing those standard office spaces where you are all sat at your own desk.

Henrietta Brealey:

Yeah, as I say, I mean, you can still see in the data that we haven't returned to pre-COVID levels of footfall during the week. I'm a big fan of the Centre for Cities, High Streets Recovery Tracker. Something that very nerdly, I've been glued to throughout the pandemic, to see how our city centres are faring where and has been doing better than others.

And you can see it very clearly in Birmingham that actually weekend footfall is now back above pre-pandemic levels, but midweek is still notably below. One of the big changes has been in the

composition of that footfall. So, there's a lower proportion of commuters coming in from outside the city making up that footfall during the week than there was pre-pandemic.

So it's very clearly still having an impact.

Alice Pugh:

It comes as well. There's this issue with there was already a growing trend towards people going into city centres less because they didn't need to do the shopping there and it could do that from home. You can just click on more, but especially in the pandemic, it accelerates that trend. And we all became a little bit more reliant on just being able to click through our phone and buy things.

And I suppose going into city centres now would seem unless you really want something specific that can only be sold a certain store. It's going to be difficult for businesses to entice customers out to them potentially, especially like you said during the week when no you're not necessarily going to be there for work.

Henrietta Brealey:

Yeah. See, I mean, like you say, we saw this happening pre-pandemic, that shift to the experience economy. We were already having plenty of sort of other meetings and thought leadership sessions on how the nature of shopping districts was changing to lure people in with something that they can't get online, that experience piece, that sort of, you know, food, fun and feeling fabulous.

So your coffee shops and restaurants, your interactive experiences and the new sort of beauty salons and all of that type of activity and that has just been escalated by COVID. Like many things, the COVID pandemic hasn't necessarily created new trends. It's just rapidly escalated them. And you can see how such centres are already starting to adapt. So now as you pop down to the Bullring and straight treetop mini golf in a big retail units where previously it would have just been you Top Shops and you sort of traditional retailers that have been some of the pandemic victims.

You also see emerging experiences in other bits of retail as a great high end sneaker shop in the Bullring. And they quite often will have guest visits, sort of, you know, people dropping in and doing signings. You're sort of local rappers and all of that type of activity to again, give people something that they cannot get online.

And that is only going to increase as there is this generation continues to shop online. I think there's great data out there on the proportion of transactions that are done online and the majority are now done through smartphones. And that move from going, oh, I want to go into a city centre because I want to look at things and buy things that actually want to go into city centre because I want to have a good experience is well and truly underway.

Alice Pugh:

I think it's so the things as well as is has been this rise in vintage because things like vintage have got a go to the actual place and really got a look at it because you can't see it anywhere else. And it's like you said, like shops like Primark did attempt to do online sales, but the demand, they couldn't they couldn't cope with the demand under their business model.

So instead, they changed their physical stores. So now you can go to the hairdressers, you can go to the barber, you can go get your nails done, your brows done and you can and there's usually a themed cafe in there. So there's the Manchester one in 'Friends' and the 'Disney' one in Birmingham, and I think it's going to be the way forward.

And I think. You're going to need more multipurpose spaces. So for instance, I know in Manchester we have a place called The Great Northern Way. You get lots of little pop-up stalls. So these pop-up stalls stay for a set period of time and then move on to the next city and they just keep rotating round each city round the UK.

Henrietta Brealey:

Yeah, and so it's a new experience every time. I think there's also something around curating of city centres, so Colmore Bid did a fantastic bit of work on future business districts in partnership with the University of Birmingham I do believe. And one of the key recommendations from that was that the local authority look at employing a fantastically titled, 'curator-general' and the role of that curator-general would be to curate such centre on events, market performances, all of those types of activity that you really can't get at home but lure people in and then when they're in, yes, they will visit the coffee shops, they will visit the sort of retail outlets and drive up that footfall.

And one opportunity that we really have at the moment with Birmingham, is the Commonwealth Games Cultural Festival, which is just phenomenal. You know, I don't know if you saw The Wonderous Stories performances down in Centenary Square, but still aerial acrobatics, absolutely extraordinary. And the footfall numbers from that are looking pretty good already.

But there's a month's worth of activity. It's going to be going on until at least September. The Commonwealth Games Cultural Festival. And when I've been talking to employers about, you know, the challenge they might have of luring people back in and giving them a reason to come back into the office in the city centre. Well, that really is something you can't get to at home. And there are all sorts of fantastic things planned over the coming months.

Alice Pugh:

Yeah, I think events like that, it was the same when it happened with Liverpool and Liverpool, with the city of Culture. It went mad and I remember going up and seeing all the boats and of course it's those big events, especially community ones, that bring people in. And I know that the LEPs have been working really hard at getting local schools involved with volunteering for projects and especially helping businesses find apprentices for helping with catering and all those sorts things that are needed for event.

I think going forward those events will mean much more to city centres in general to get customers in. Otherwise, like I said, we'll all be online shopping and no one will want to go in. I suppose one advantage of the online shopping for the West Midlands itself is that we have the Golden Triangle for the logistics, which is partly here partly in the East Midlands.

So we have been having this rapid grow in distribution industry within the West Midlands. Which again as we see we're not necessarily dealing with very well on the supply side, especially with Labour and supporting it. So do we think that that industry is going to continue to grow across the West Midlands in the future?

Henrietta Brealey:

Oh, absolutely. It's clearly an area in high demand and talking to property sector folks, that sort of industrial premises for those large footprint distribution sites, there is a big pipeline of demand for. So I think we're really going to be seeing more of that over the coming months and years. And I'd say it's a very convenient thing in the Midlands because we are literally by virtue of the name, at the heart of the UK's road rail and their networks as well. So we're perfectly situated to make the most of it.

It does, like you say, presents some challenges with Brexit. What's the future of city centres if we are all moving to is there more online trade type piece, and then also finding people with the right skills and in the right places to take up these jobs as they grow is an area of concern, not just for logistics, but for many industries in a current great resignation, post pandemic type era that we seem to be in. But overall, it's a great opportunity for the region to continue to grow in that industry.

Alice Pugh:

I suppose the other big impact, especially on logistics companies and online companies, has been automation and developing technologies and think that's all rapidly accelerated under COVID as well, especially when employers looking at the staff and sort of considering, you know, would it be best to get these processes automated or they've had staff that were sent away under the pandemic only to realize that they weren't necessarily key to their business model anymore.

So I think that acceleration is going to greatly impact, especially in the West Midlands, where you've got lots of car manufacturers and lots of food manufacturers and especially in Birmingham specifically where it might be an issue when you've got such high unemployment at the minute, especially in the manufacturing industry, that's rapidly decreasing. What would you do with that staff that's specifically trained in a certain sector in the future?

Henrietta Brealey:

Yeah, it's one of the fascinating challenges, isn't it? Where does automation lead to? And I know there was a Warwickshire economic study back in 2018 looking at jobs where daily tasks have at least 70% chance of being carried out by robots or computers. And they identified that as many as 39.6% of jobs in the West Midlands Combined Authority area could fall into that camp hypothetically.

So it is one where you go, okay, this could be a real area of concern if this happens very, very quickly. And those people who were in those roles aren't reskilled, and supported into other roles. I think interesting thing will be the speed at which this happens, because we've seen from the research, I think it's McKinsey estimates that the pandemic sped up investments in digital transformation by about three years compared to where it would naturally have been, and whether that trajectory continues or whether actually it goes back to that sort of slower pace but ongoing change is a bit of a question mark. We do not know for sure.

Because one of the real challenges is digital adoption, particularly when you get down to SME level. Actually, in theory, there are a whole lot of things that could already be replaced by automation, by

bots, by emerging AI, but in practice have not yet been adopted and fully embraced and developed by the local business community.

Because actually this sort of thing is pretty hard to do in practice. In theory it's fantastic, but in practice it's very hard to do and do well because it requires a complete rethinking of business processes, organisation, structures and strategies. It's not just a case of going, here's something we've always done and now we're going to do it through a digital program.

It's we need to change the way we conceptualize the problem, deal with the problem and the processes that we have in place to do it. So, it's probably not going to happen as quickly as we might think. But certainly, what that means is there is actually time to look at this and go, well, how do we invest in upskilling these people whose jobs may be at risk?

And I know there's some great programs from the West Midlands Combined Authority, from the SWAPS - the Sector Based Work Academy somethings, which are very sector focused projects with further education that look at individual sectors and how they can re-skill up-skill people in those workforces right the way down to digital bootcamps to support sort of bite sized learning for people who are looking to move into digital careers and roles who may not have had previous experience there.

So there are some good projects underway to support that already. I think the interesting question is always, you know, will it result in less jobs overall? Will in future be fewer jobs to go around? And I know that was sort of the concern from the Industrial Revolution, everything that happened afterwards. And I think at one point Keynes was predicting we might even drop down to a 15-hour working week because we'd all become so productive as an economy that we wouldn't need to work anymore than that to get done what we need to do to and buy what we wanted. That didn't quite happen. So I think we'll create new jobs at almost the same rates that existing jobs change or disappear.

Alice Pugh:

Yeah, the seventies hit Keynesianism hard. It's going to be that whole upskilling and reskilling thing of staff, definitely. And I think the problem is as well as especially with digitization and there's a massive security risk to it all. So how a business is going to cope with it. It's not just training staff, it's the expensive implementing in those costly pieces of software that actually protect your business.

And especially in the COVID as well. We've all seen those dodgy messages you might get on Facebook. Someone wants to message you, oh, you know, so you look, you know, trying to get money out of you, or texts from HMRC. And the question is, is what are businesses actually doing to protect their own business models from malicious attacks?

Henrietta Brealey:

Yeah, it is a top concern for a number of businesses. You know, there are organisations I know that have been victims of malware attacks and the disruption is huge in terms of sort of immediate business. But then I'll say reputational concerns as well. And at the moment, there is a heightened risk of cyberattacks, even more so than usual, thanks to another of the side effects of the war in Ukraine and the risk of sort of spillover from malicious actors actively sort of putting out viruses and malware that then spreads beyond their initial targets and into the wider business community, but

also potentially from ransomware and scammers, as there are people with those skills in Russia and the economy is it's a really difficult time there. So there is a risk that we will see an increase in these sort of attacks that are aimed at just making money. So, it is a concern, I think, in terms of what businesses are doing about it. The main piece is really that human factor. So, yes, having the right systems and processes in place, but actually like with anything your weak points are your people and the risk that they might click on the link from that dodgy text from HMRC or open something that says please pay this invoice that appears to come from the chief executive, so. Have you ever seen you've been Pwned? It's terrifying isn't?

Alice Pugh:

It is!

Henrietta Brealey:

For the listeners, that's a website where you can put in your email address and it will pull up every time your email address has been involved in a data breach. And that data is then been dumped on the dark web. And some of those data breaches will also involve passwords. So, if your employee has used their work email address and they happen to use the same password for a different website and you're log in into work, that could be a huge risk.

And it is terrifying. If the data breaches happened so that educating employees about what could be malicious, what such consequences could be and how to keep their own data safe, is really important. And I know the Chamber will be all sorts from sort of a couple of annual phishing tests, breaches and reports on where data breaches have taken some taking place just to make sure that we are keeping our employees on this, as well as keeping our systems running.

Alice Pugh:

And talking about Russia and the Ukraine, I wrote this way before any of this happened. But there's something to be said in the future about the shortening of supply chains, I suppose, because right now we're seeing the impacts of how global issues are impacting supply chains that you think are far, far, far away. But actually, it has real impact on the cost of producing anything.

So, like in Ukraine, it's sunflower oil which has impacted businesses driving up prices. And because we're already going through a cost of living crisis, it just makes everything worse. So, I think there will be some definite reshoring of production maybe in the future or shortening of supply chains trying to stick to more closer countries so that those shocks can be kept at bay, I suppose. But that will mean massive changes in business models away from a globalised model to a more localised model.

Henrietta Brealey:

Yeah, it's interesting, isn't it? Because there's some things that you can't say twice, no matter what you want to do, and that can involve where commodities are extracted from and they really do sit right in the base of supply chain. I mean, who'd have thought that over 40% of the world's palladium

comes from Russia, no one until this, and who knew that idea was a key ingredient in microprocessors - not me before this. So that whole global supply chain disruption piece is very front of mind. And I think there will be, as you say, some shortening of supply chains and also perhaps changes in business models from those who have relied on just in time delivery is a really efficient model. So you're actually having to stockpile and keep more in stock as well to reduce the risk of not being able to service customers or have key components ready at the right time in manufacturing processes.

I mean, I've even had a hairdresser cancel an appointment this week because they can't get the dye the right colour because it's held up at the border and their warehouse is out of it. So, it does have this knock-on effect throughout. But when it comes to that reshoring, I think there are some areas where there are real opportunities and also opportunities to develop our own industries, particularly in the low carbon economy, and make sure that we have got that local supply chain base here.

There are real challenges with it though. Some of which are the cost of doing business in the UK. Even pre energy crisis, the cost of energy in the UK was significantly higher than in key competitors in continental Europe. So, if you're a manufacturer, actually that is a challenging one to navigate. There's also some of the realities of it's quite hard to mix up your supply chain and change things around.

You know, we've got a company, for instance, that was looking to change their plastics supplier because the current plastic supplier can no longer reliably provide the plastic they need when they need it. But the product they make is to a particular standard, and that standard requires a particular type of plastic, and that plastic isn't produced in the UK.

So, it gets right down to these very micro level issues that are very challenging to overcome. So yes, I think some elements of that sort of reshoring, localisation where possible, but global is still going to be here, and it's still going to be important. And there's huge economies for businesses to look at exploring and export to.

Alice Pugh:

So, I think what is more along with tend to become more localized and definitely more seasonal will be things like food in the future as we adjust towards just our preferences for climate change. And it will climate change will make massive impacts to business models, especially, like I said, in those short in the supply chain. Because for instance, if you're buying meat from Australia, you might have issues, especially with wildfire disrupting those farming lands and supply that.

But there'll also be changes in terms of customers just might not necessarily want to ship in meat from halfway across the world when you since we get in the UK.

Henrietta Brealey:

Yeah. I think the sustainability piece is massive isn't it. Partly, as you say, on that local supply chain piece, but also just more widely changing consumer preference. And where we're seeing in particular, pressure on businesses to rethink their business models and think about their carbon footprint and the role of sustainability is actually starting to trickle down from first it was public procurement, now it's large corporates and part of it driven by legislation, part that due to investor preferences and that's now trickling down through their supply chains as they are requesting that

measurement, the carbon footprint, carbon action plans and also the requirements of key environmental and social governance policies in place in order to continue to do business with them. So it's an agenda that I think is only going to pick up partly from that consumer demand, but also, as I say, from the public sector, from corporates and that gradual trickling down through the economy of those requirements.

Alice Pugh:

I think the other thing will be is governments as well are now actually starting to implement big regulation laws that is going to impact businesses. So, like the ban on combustion engine cars in 2030 will have a massive impact on business models and it will also have a massive impact on infrastructure, especially when it comes to charging points.

And I know in the West Midlands especially it's making a massive impact with Tyseley Energy Park and battery stations that are being set up. Do we think will be adjusting quick enough in the future? Because I don't know if anyone saw it, but there was a little documentary on Panorama, where it was looking at the fact that there's just not the infrastructure to support especially businesses and HGV drivers moving en masse towards this low carbon sector.

Henrietta Brealey:

Yeah, there needs to be fundamental changes, doesn't I mean already pre-pandemic pre-energy crisis there were concerns about whether the grid's capacity to support the level of electric car charging points and electric cars that would be looking at transitioning to over the coming years. And I know one of the pieces we've been calling for from the Chamber is for the government to look at how they can incentivize businesses to invest in their own renewable energy sources, even as simple as, you know, sticking up some solar panels.

The technology has moved on so well now that there are actual real opportunities to encourage businesses to do this in a way that's both sustainable and good for the environment, but also contributes to their own energy security and reducing their own energy costs as well.

Alice Pugh:

I think it might go back to the old system of the government having to help businesses, maybe again, especially when it comes to things like heat pumps, because heat pumps you're looking at and costing £10,000 or £15,000, small SMEs aren't going to be able to pay that out, especially when they actually cost more to run and operate than a gas boiler would.

Henrietta Brealey:

And they're not suitable for all properties either. You have to have high levels of insulation. So I wouldn't say it's a the retrofit agenda is huge. We could probably do a whole podcast on the retrofit agenda, because we can't hit net-zero without it, but it is hard.

Alice Pugh:

I think the last thing that might be an impact going forward in the future is this aging population. I think in a few by 2030 going to have one in five people over the age of 65. And that's causing massive issues in countries like China at the minute where the one baby policy now means that you've got an overseas population double the size of its middle, you know, independent population. Going forward, the grey pound is going to have much more significance maybe than even those that are coming after them, which could politically mean a lot of changes and business models catering more towards the old customer.

It could it help the city centres, actually, in a way, in the long run, because you'd have a bigger population being able to go to city centres during the week. But the question is, is will they engage with online shopping the way that younger people do? So, will they help to keep city centres alive potentially?

Henrietta Brealey:

Yeah, it's fascinating isn't I did spots in stats from the Financial Times that estimate something like the baby boomer generation controls around 80% of UK private wealth and property, and is expected to account for 70% of transferred wealth. So, we see a lot of thought leadership on well, what does Gen-Z think? How do they behave? What are they going to be like?

As consumers? We still see quite a bit of millennials or they were as a millennial myself, I think we're pretty established rather than a challenger generation, now. Yeah, we are the middle age. And yeah, the baby boomer dynamic is still very much there, a good target demographic. So I know that businesses who are thinking about that already, it does sound like that's a pretty canny strategy to look at how you engage that community as well.

But when it comes to digital adoption, I mean, there's still a lot of research that digital among older generations there is less wide adoption. But increasingly the baby boomer generation that just as savvy on the smartphones as many others unhappy to engage in online shopping, but perhaps with some differences in their behaviours. I think I saw some of your research real proposition that they've perhaps got different ways of interacting with problems and different priorities when it comes to what they buy.

Alice Pugh:

Yeah, they definitely got different priorities. And I think especially for older people, it's more they've been more likely to buy bigger things online. I mean, young people do it anyway, but young people also use it to do a quick shop Amazon. But I think going forward online will be such a massive part and like you said, people are getting far more tech savvy, but I think city centres are still going to be massive and you're going to have to keep enticing them in somehow.

And I think going forward, those the main megatrends really are probably going to be climate change automation and move into online and how it will impact business models is going to be interesting to see, especially because, you know, online, while seen as more environmentally friendly, is an innocent in its own right. To power all those generators, it's going to take a lot of energy. But I think

those operations are going to have to learn to increasingly deal with more and more high pressure situations, especially become more global and contagion is more of an issue from those global neighbours.

So thank you for joining us, Henrietta. It's been very interesting, I know I didn't stick to the script, as I should, but it just felt so we went with it, which is all great, but thank you for joining us today.

Henrietta Brealey:

Thank you. It's been my pleasure.

ENDS