



ESSENTIAL TRENDS

BID MARKET INTELLIGENCE

ISSUE 8 MAY 2011





Introduction

The time of year is fast approaching where we can start to look forward to the bustling international hub that Edinburgh becomes as Festival Season approaches, the thousands and thousands of happy visitors to the city testifying to the value of our culture to our economy.

As our retailers face the problems of trading through a fragile and difficult economic recovery, we can hope that the summer brings balmy days. There is a real prospect of another record breaking summer festival season and we will continue to work to help our stakeholders make the most of the opportunities this brings. Kicking off the summer festival season in the BID will be “Under the Stars”, a long weekend of outdoor free cinema screenings in St Andrew Square Garden brought to you by Essential Edinburgh as part of the Edinburgh International Film Festival.

We would also like to find out your views about Essential Trends so if you could spare a few minutes to complete this on-line survey we would greatly appreciate it www.surveymonkey.com/s/EssentialTrends.

A handwritten signature in black ink that reads "Liz McAreevey". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Liz McAreevey
Interim Chief Executive

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CACI Report

If you are an upmarket retailer specialising in selling high quality products, directors, managers, and other wealthy professionals are amongst your target customers. One way of reaching those is by doing an unaddressed door drop mailing campaign. But where would you send your promotional material to?

The annotated map reveals that your target market is geographically fragmented. A few are living in the city centre; others are living in coastal areas of East Lothian; further key customers are living in the central lowlands. A large share is based south and south-west of central Edinburgh (e.g. in Morningside and Fairmilehead).

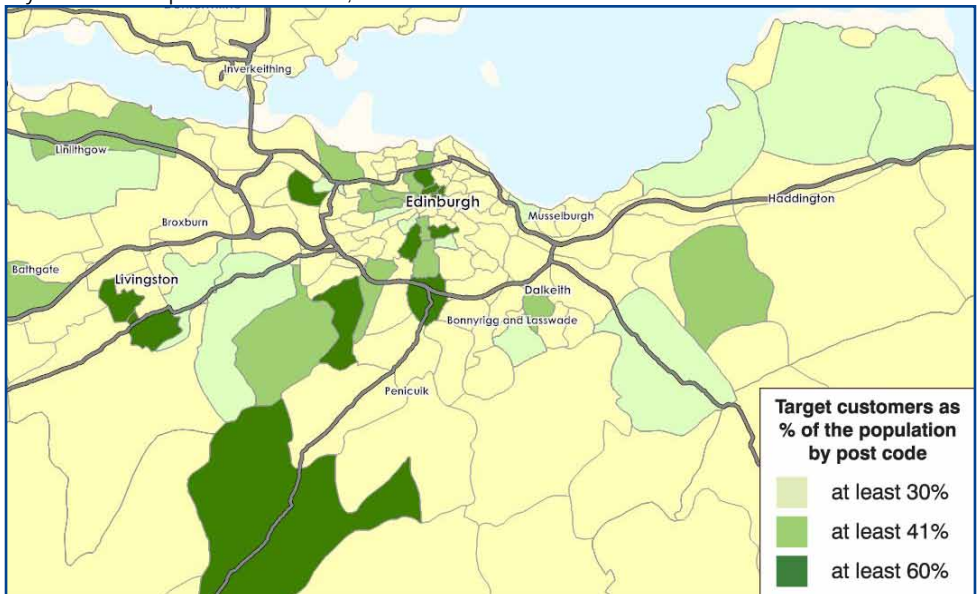
The light green areas indicate where at least 30% of the population are your target customers; the medium light green areas indicate that at least 41% of households match your target profile. The dark green areas show where at least 60% are households inhabiting directors, managers and other wealthy professionals.

If you are an upmarket retailer, the

postcode sector with the highest potential for use in unaddressed door drop mailing campaigns is EH54 9. Some 6,815 households can be found in this area; 5,867 of those (86%) are matching your key market profile. (Postcode sectors are selected as this is the geography type that would be used by leaflet companies when carrying out door drop mailings.)

Are you interested in further information? For example: what are the further 37 postcodes that are relevant for these purposes? Or have you got another market, families, say? Please contact Emily Johnston, Marketing and Communications Co-ordinator on 0131 652 5940 or e-mail:

emily@essentialedinburgh.co.uk



Retail Sales Turnover

In Edinburgh's city centre, like-for-like sales in March 2011 were down 1.6% on March 2010. This compares to the Scottish average of -0.3% and the British average of -1.9%.

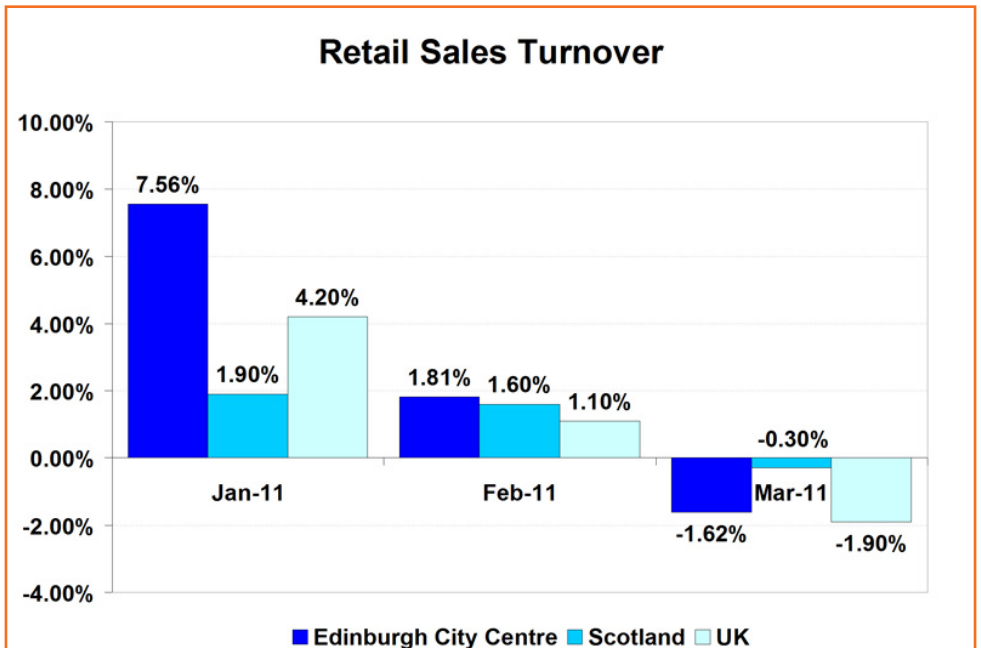
Retailers participating in the City Centre Monitoring Project, which is co-organised between Essential Edinburgh and the City of Edinburgh Council, reported these figures for March 2011.

Liz McAreavey, Interim Chief Executive at Essential Edinburgh, said: *"The figures for March are consistent with our earlier belief that the next few months are likely to be difficult for retailers. We are in a slow and bumpy recovery, and while our figures disappointingly fell below the Scottish average for the month that is still a relatively rare occurrence. We also note that the city centre continues to outperform the UK as a whole. The fragile nature of the recovery in the economy*

reinforces Essential Edinburgh's determination to work even harder to help our stakeholders through this difficult period."

Fiona Moriarty, Director of the Scottish Retail Consortium, said: *"This is the first time total Scottish sales have been less than for the same month the previous year since we started this survey in 1999. The fact that the Easter spending boost falls in April this year but was mostly in March in 2010 is a contributory factor, but the drop can't be accounted for by that alone.*

"Reality is biting for Scottish shoppers. People are increasingly nervous about the economy and their personal finances and



“The figures for March are consistent with our earlier belief that the next few months are likely to be difficult for retailers.”

are reluctant to spend unless they have to. Food sales have slowed markedly while non-food sales have seen a much steeper fall.”

Stephen Robertson, Director General, British Retail Consortium, said: *“This is the worst drop in total sales since we first collected these figures in 1995. Non-food retailers were particularly hard-hit. This is strong evidence of the pressure customers and traders are under.*

“Uncomfortably high inflation and low wage growth have produced the first year-on-year fall in disposable incomes for thirty years. Mounting fuel and utility costs, falling house prices, higher VAT and the prospect of more tax rises and job losses

left people unwilling to spend unless they really had to. These pressures aren’t going away and the arrival of higher National Insurance is likely to compound them in the immediate future.

You can receive this information around 3 weeks before publication in Essential Trends if you agree to participate in the City Centre Monitoring Project. Contact Dr Tom Mathar, Market Research Executive at the Economic Development Unit in the City of Edinburgh Council, on 0131 529 4962 or tom.mathar@edinburgh.gov.uk to participate in the City Centre Monitoring Project.

“Non-food retailers were particularly hard-hit. This is strong evidence of the pressure customers and traders are under.”

Edinburgh Conferences

Edinburgh Convention Bureau
Inspiring Conferences

There are currently 41 conferences planned between June and August, bringing around 16,625 delegates into Edinburgh. Business travellers, on average, spend up to 80% more per night than leisure travellers.

For more information on the range of services and benefits available via membership of ECB please contact Hillary Bett, Head of Convention and Membership Sales, email: hillary.bett@conventionedinburgh.com, tel: 0131 473 3666.

Month	Number of conferences	Number of delegates
Jun-11	21	6630
Jul-11	13	5975
Aug-11	7	4020
Total	41	16,625

Edinburgh footfall index, April 2011

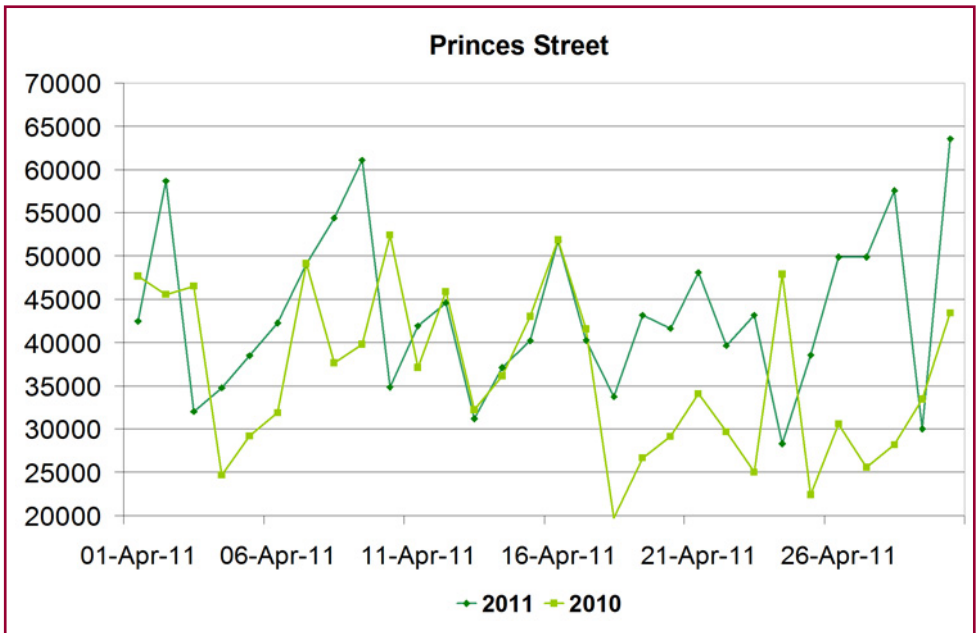
The MET Office confirmed: In Scotland, “April 2011 was the warmest April in the series from 1910”. This is only one reason why average footfall in some of Edinburgh’s main streets was up a heady 24.5% from a year ago.

In total, 2,601,605 pedestrians passed our five counters installed at different sites in the city centre. This is up 17.8% from March 2011. More importantly, current figures are notably higher than in April 2010.

As in previous months, Edinburgh bucks the UK national trend: According to Experian Footfall, a provider of pedestrian counting solutions, footfall in UK High Streets in April 2011 was down by 1.5% to March 2011. It is down 2.1% in comparison to April 2010. Experian observed that at

Last 6 Month Breakdown Edinburgh City Centre*		
	Month-on-Month	Year-on-Year
Nov-10	-14.11%	5.59%
Dec-10	9.74%	-8.91%
Jan-11	-12.92%	7.30%
Feb-11	6.22%	15.7
Mar-11	19.90%	14.10%
Apr-11	17.80%	24.50%

* Average figure from 5 counters (see article)



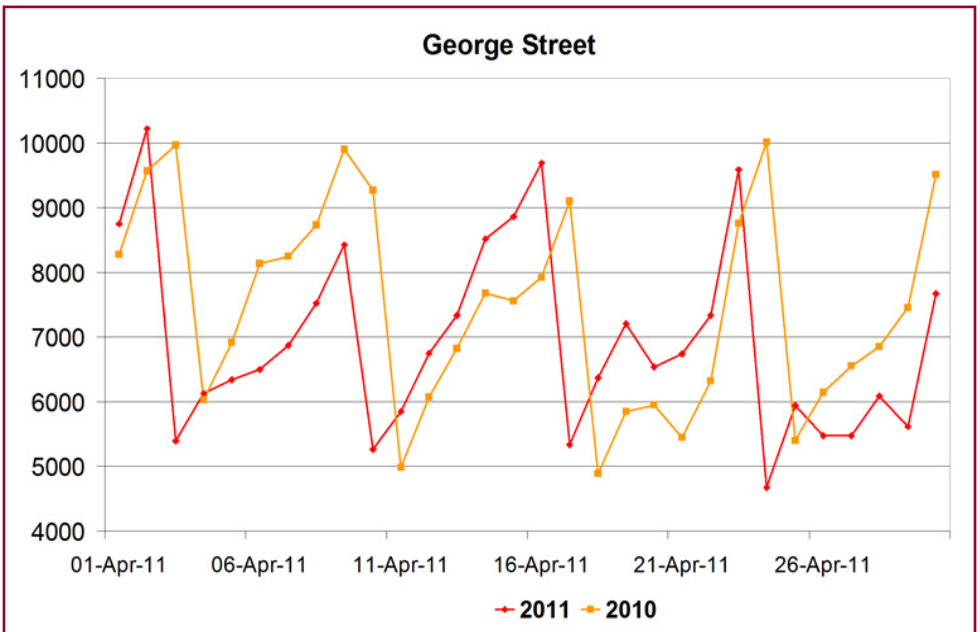
the day of the Royal Wedding, footfall throughout the UK dropped by 33% and didn't come back to normal levels on the following weekend. In Edinburgh, however, footfall on the last

Friday of April 2011 and the following weekend was up 15.9% on last year.

Alan Johnston, Chair of Marketing Edinburgh Limited, said: *"April has been an extremely positive month for Edinburgh in terms of footfall numbers, which in some cases are up by almost 75% on last year. We certainly benefited from some fantastic weather, plus the city's mix of excellent attractions and events like The Science Festival, Edinburgh Castle and our distinctive retail offer made this an attractive time for people to visit. New scheduled routes from Europe and North Africa to Edinburgh Airport and our recent TripAdvisor award of 'UK's Most Family Friendly City' also made a difference over Easter. We are continuing to work hard with city partners to maintain this success."*

Last 6 Month Breakdown United Kingdom*		
	Month-on-Month	Year-on-Year
Nov-10	3.30%	-2.20%
Dec-10	19.00%	-3.10%
Jan-11	-25.80%	1.80%
Feb-11	5.50%	-1.80%
Mar-11	-0.4	-2.30%
Apr-11	-1.5	-2.1

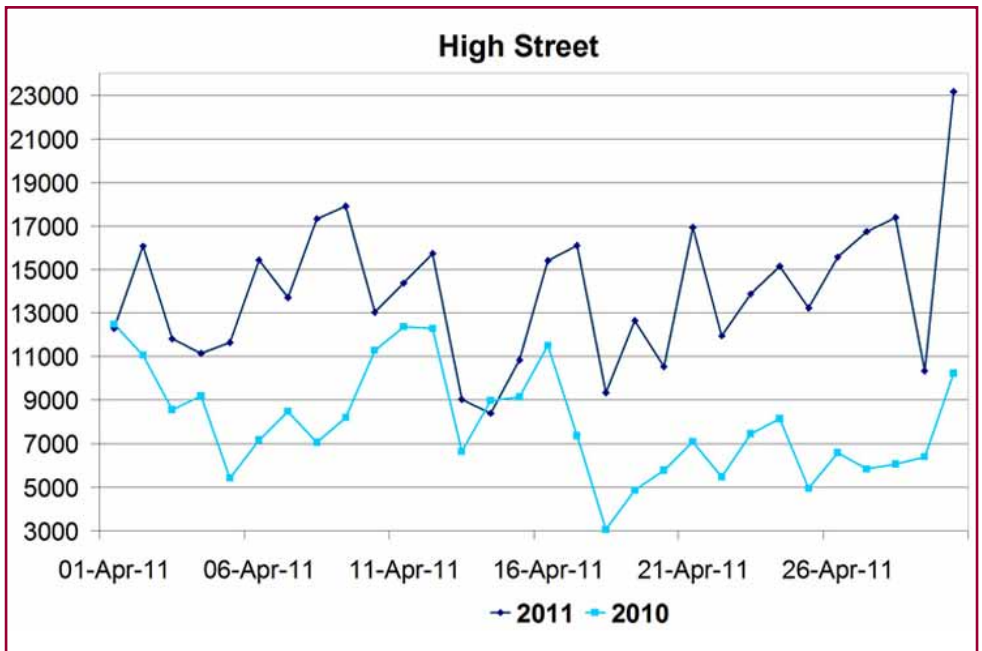
* Experian Footfall National Index



Footfall Continued...

The counter installed at Bella Italia, the restaurant located at the South Bridge/ High Street crossroads, saw the most impressive increase of all: 417,165 people passed this site – up 74.4% from April 2010. A similar trend was observed at Shandwick Place: 431,572 people passed the counter installed at Specsavers – up 48.1% from a year ago. Conversely, the counter installed at Vittoria on Leith Walk was passed by only 242,261 people, down 1.3% from April 2010.

The picture for the New Town is mixed: whilst The Dome on George Street was passed by 208,507 people in April 2011 (down 7.1% from April 2010), Marks & Spencer on Princes Street was passed by more than 1 million pedestrians for the second time this year: 1,302,100 people were counted there, 19.6% more than in April 2010.



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Parking Index - April 2011

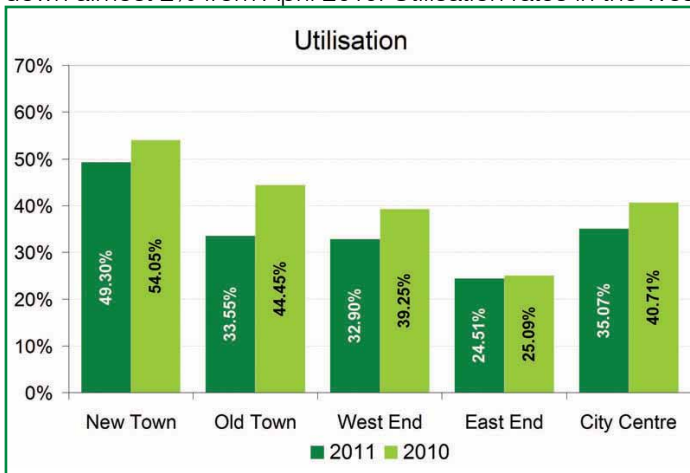
The average utilisation of the 1,796 parking bays in the city centre was 31.5%. The busiest area of the city centre was the New Town, with 42.6% of parking bays occupied on average, while the quietest area was the East End, with 17.5% of bays occupied on average.

As in previous months, the New Town is the busiest area in the city centre in terms of occupancy rates – the average utilisation rate there was 42.6% which is down 6.67% from March 2011. More notable, however, is the drop of about 16.4% from April 2010 which is partly due to Easter and the Royal Wedding.



The picture is more diverse for different sites in the New Town: on George Street, for example, average utilisation rates reached up to 98%. Contrary, the highest average utilisation rate at Heriot Row was only 32% indicating that it's far easier to get one of the 90 bays there (it's 60p cheaper per hour, too).

In the Old Town, average utilisation of on-street parking bays was 38.06%. This is down almost 2% from April 2010. Utilisation rates in the West End and East End were 27.79% and 17.54% respectively (down 9.06% and 8.71% respectively). As in the previous months, the longest average length of stay was in the East End where, in April, car owners parked for an average of 1 hour and 29 minutes. In the New Town, car owners, on average, returned after 1 hour and 9 minutes to their vehicles.



ESSENTIAL EDINBURGH.

Central Business Improvement District



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THE CITY OF EDINBURGH COUNCIL