



APPENDIX 1

Square Smile: End of Campaign Report

Key takeaways:

- Why this was needed.** Lockdowns **hit City footfall hard**, falling as low as 1% with spend down to 0% at its worst. Recovery was slower than other London boroughs and at the point the Square Smile campaign first started, footfall was still only at 65% for workers and 45% for retail and recreation. Even during the first phase of the campaign, the City re-entered lockdown, with **footfall again falling as low as 21% for workers and 10% for retail and recreation**.
- What happened during the campaign.** During the campaign periods, **worker footfall rose** by 7% in Phase 1 (P1) and 6% in Phase 2 (P2). With **the spend index also increasing**, broadly in line with worker footfall. The spend index (relative to its base) increased by 19% for Eating in P1 and 9% in P2 with a similar increase for Retail spend, by 18% in P1 and 14% in P2.
- The impact.** Although we can't attribute footfall and spend increases directly to the campaign, we can look at the uplifts compared to a comparable borough – the City of Westminster. Under this comparison, during the campaign periods:

- The uplift in **Worker footfall was 1% higher**.
- There was **no observable uplift in Retail and Recreation footfall**.
- The uplift relative to base in the **Eating spend index was 3% higher**.
- The uplift relative to base in the **Retail spend index was nearly 8% higher**.

During the campaign periods, the City saw a **total uplift in workers of 74,800 or 13.6% of its workforce return**. This compares to 91,476 or 12.6% of Westminster's. **The City saw 1% more of its workforce return than Westminster during the campaign periods**.

Spend can be estimated to have increased from the start to the end of the campaign periods by £6.9m in P1 and £5.8m in P2. This increase happened during the campaign period, but it is not possible to directly attribute this to a single specific campaign or intervention.

Lesson learned

Worker footfall has now settled at a fairly consistent two-thirds (66%) of pre-pandemic activity midweek. But footfall is still much lower on Mondays and Fridays – both slightly above half of pre-pandemic activity, so there is still room to encourage more worker footfall at the start and end of week. This gap represents around 88,000 workers. In addition, weekend footfall and spend is around a third of the levels normally seen during the week, suggesting the opportunity to bring in new types of visitors and new experiences.

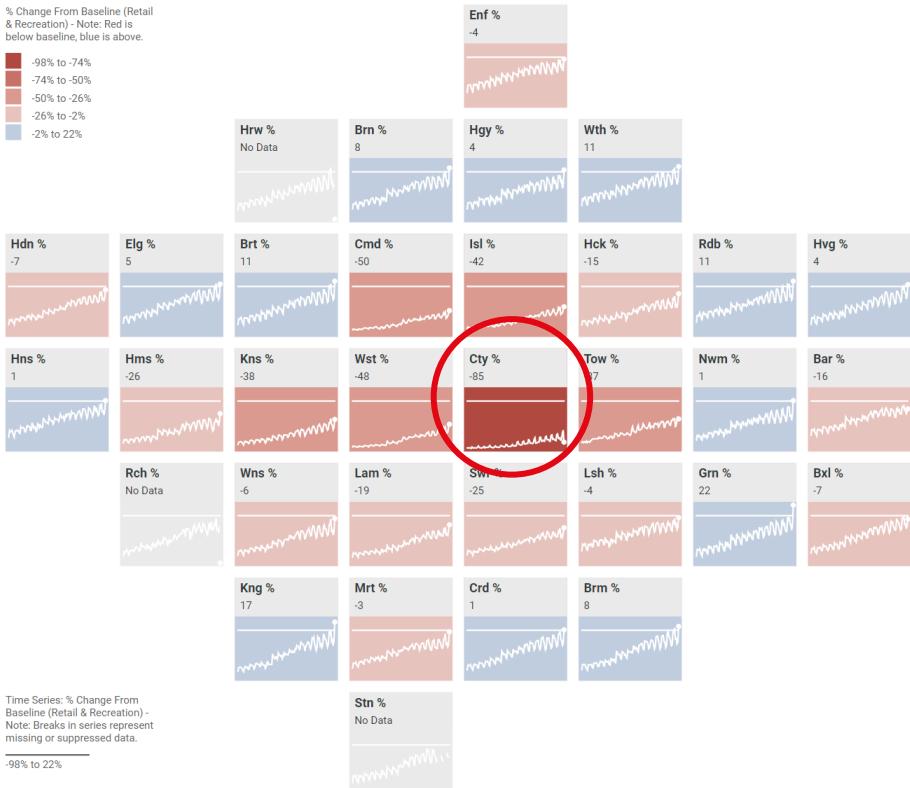
Why the campaign was needed

- Footfall and spend hit record lows in 2020. As people and companies followed government guidance. Retail and recreation footfall fell to as low as 1% and spending associated with eating hit 0%.¹
- Although the rest of the UK faced similar shutdowns in footfall and spend activity, it was the rate of recovery that caused a need for interjection. Notably, in the wake of the first lockdown - between May and August 2020, the City's retail and recreation footfall was 85% down, while the majority of **other London boroughs had started to approach a sense of normality**.
- Weekday spend levels in the City even remained suppressed below 40% of normal, until the end of May in 2021 - **more than a year after the first lockdown**. No other London borough faced the same challenges as the City.

Google Mobility (Feb'20-Dec'21)



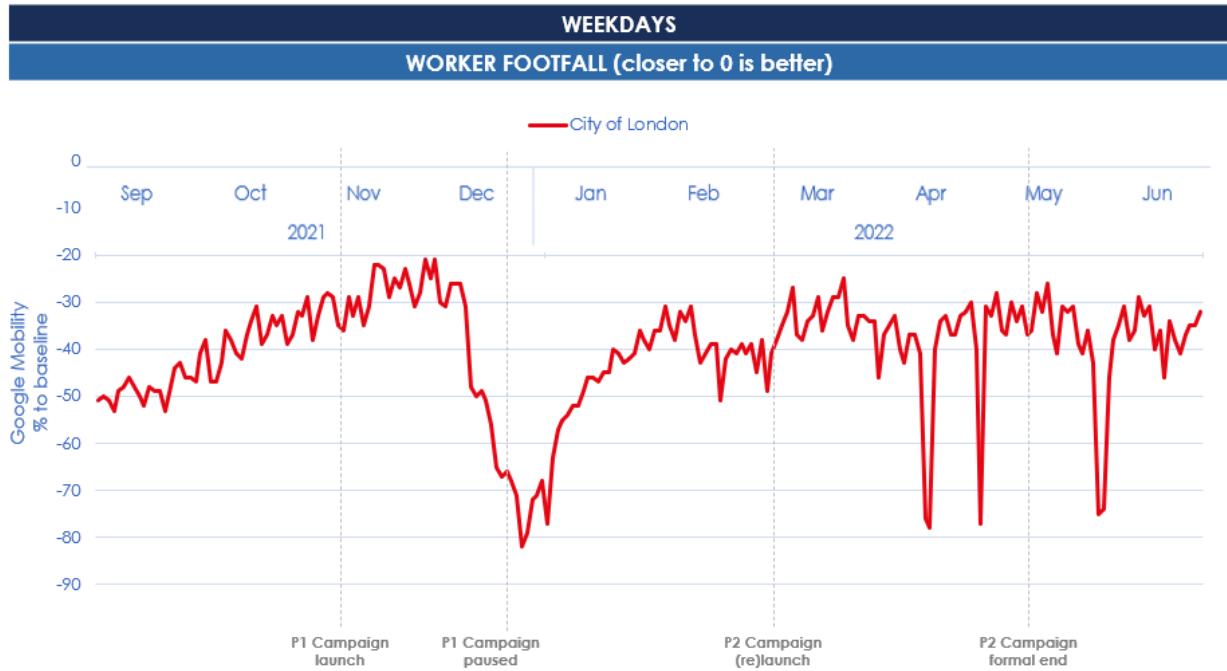
Retail and Recreation footfall by borough (May-Aug 2020), GLA



¹ Retail and recreation in the City fell to as low as 1% in both the first and second lockdowns, while spend for eating fell to as low as 0% in the first lockdown.

What happened during the campaign

- Across 2021 - from January to November, the City did see recovery. **Worker** footfall rose from **17% to 79%**, while **Retail and recreation** footfall rose from **2% to 66%** of normal. But this progress was halted, with the rise of **Omicron**. Worker and retail and recreation footfall fell back down to **21% and 10%** respectively, only one month later in December.
- However, prior to Omicron pausing the campaign and during the campaign periods - **firms were starting to feel more confident** in their planning and encouragement of workers returning. Many notable firms started to publicly announce plans for staff to return to 2-3 days a week in offices.
- It's important to note, that office workers returning to 2-3 days a week as the new normal, would be **equivalent to only 40-60% of pre-pandemic levels**. And only during P1 of the campaign, did worker footfall reach it's **highest point** in the 2 years after the impact of the pandemic. Prior to the impact of Omicron, worker footfall hit **nearly four-fifths (79%) of pre-pandemic activity**, much higher than the anticipated 40-60% of the "new normal" for the City's largely FPS workforce.



Absolute figures

From the start to the end of the campaign periods*:

- There was an average uplift in **footfall for workers** by **nearly 7%**. While **Retail and Recreation** fell slightly by **nearly 1%**.
- The relative **spend index** had increased on average by **14%** **for Eating** and **16%** **for Retail**.

Although we cannot attribute the spend index directly to spend amounts, we can compare the City uplifts to Westminster.²

AVERAGE FOOTFALL UPLIFT							
Phase 1* - Worker		Phase 2 - Worker		Phase 1* – Retail and Recreation		Phase 2 – Retail and Recreation	
7.4%		6.2%		1.4%		-2.7%	
Workers:				Retail & Rec:			
6.8%				-0.7%			

AVERAGE SPEND UPLIFT RELATIVE TO BASE							
Eating				Retail			
Phase 1		Phase 2		Phase 1		Phase 2	
Weekdays	Weekends	Weekends	Weekends	Weekdays	Weekends	Weekdays	Weekends
22.5%	8.9%	10.3%	6.7%	20%	12.5%	15%	13%

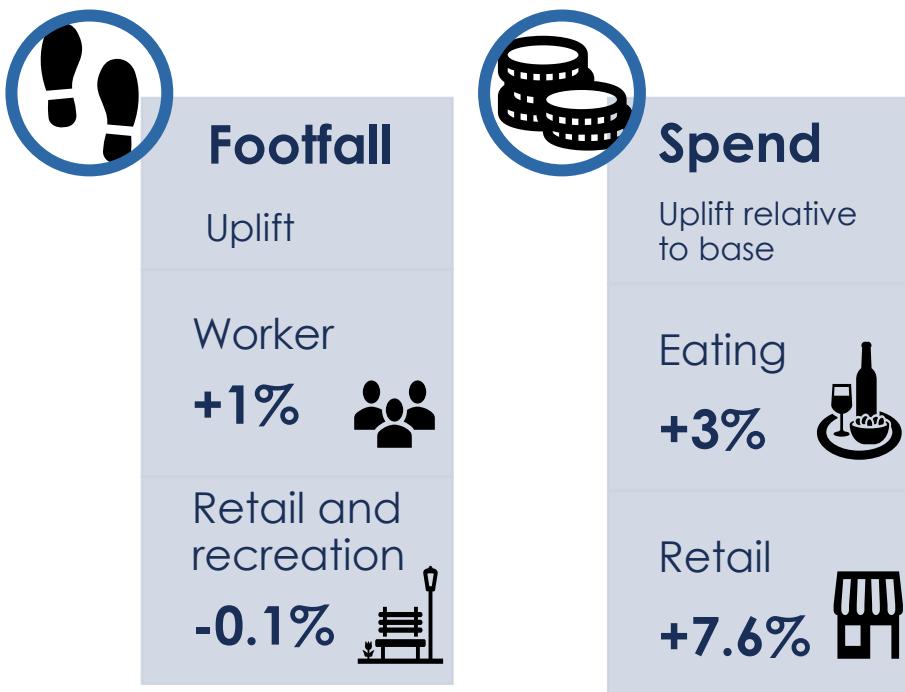
Eating:				Retail:			
14%				16%			

Phase 1*. If we exclude the impact of Omicron looking only until the end of November in P1

² Spend index values cannot be attributed to £ directly. The cost has been cited by data providers to be around 6-figures for this data.

Compared to Westminster

Comparing uplifts to a comparable borough, helps us to separate out the externalities, or general direction in footfall and spend. This comparison let's us see whether the City of London uplifts were above or below that of another borough in the same time period. Although the City is unique, Westminster provides a close comparator. But the City of Westminster is an area seven times as large, with a larger workforce (726,000 vs 550,000) and spend index four times larger. This means the same % amount change will always be felt more in Westminster in absolute numbers. But in our comparisons:



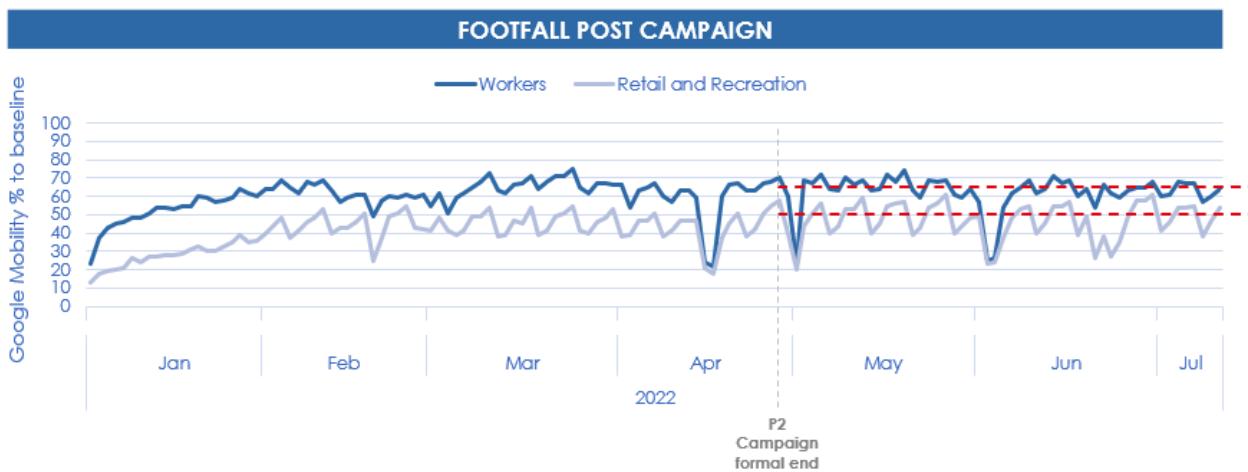
- During the campaign periods, the City saw a **total uplift in workers of 74,800 or 13.6% of its workforce return**. This compares to 91,476 or 12.6% of Westminster's. **The City saw 1% more of its workforce return than Westminster during the campaign periods.**
- For spend. The City saw an uplift relative to the start of the campaign and Westminster of **3% in Eating and 7.6% in Retail**.
- Our Spend index cannot be used for nominal spend figures, the cost for this data has been quoted at £80,000 to purchase. We can estimate however, the spend from the start to the end of the campaign periods. If we look at a proxy for spend amounts of £425 per month for London-wide spend around workplaces (work drinks, lunches, coffee and stationary etc.) per month.³ We can adjust this pre-pandemic proxy, for the 2 days in the office as a conservative adjustment to the new normal, (adjusted down to £170 per month):

- In P1 we can estimate 40,700 workers returned from the start to the end, which would equate approximately to **£6.9m in spend**.
- In P2 we can estimate 34,100 workers returned from the start to the end, which would equate approximately to **£5.8m in spend**.

This increase happened during the campaign period, but it is not possible to directly attribute this to a single specific campaign or intervention.

³ CV Library data (2018)

Learnings from Square Smile for Destination City



By the end of Phase 2 of the campaign – **Worker footfall was at 68%; and Retail and recreation footfall was at 58%** of pre-pandemic activity.

Levels have since stabilised around these figures, if not slightly below (worker footfall around two-thirds and retail and recreation around half). Given activity has started to stabilise in recent months, the new normal raises questions.

- With footfall overall having risen by the end of the campaign (+0.5% compared to Westminster, levels at 66%), **retail and recreation footfall** (-0.1% compared to Westminster, levels at 50%). Retail and recreation footfall clearly remains an area of focus for further promotional marketing work.
- As we are **approaching a saturation point with workers**, with levels coinciding with the 2-3 days split in the office, future promotional marketing opportunities may benefit from targeting specific days of the week for this audience group. For example, Wednesdays and Thursdays are back up to nearly 70% of pre-pandemic activity, while Mondays and Fridays are only slightly above half of pre-pandemic levels. This gap represents around 88,000 workers.⁴
- Although weekend footfall activity has returned to normal in the City, given that less than a third of footfall still occurs on a Saturday or Sunday compared to the average pre-pandemic weekday, there is an opportunity for another key audience. To drive **new non-worker audiences, higher than pre-pandemic levels**, e.g. families, people at weekends, educational school trips etc...

⁴TfL data