Footfall: A key performance indicator

IPM Professional and Technical Standards, Guidance and Notes Series

June 2020
Introduction

This short paper summarises evidence supporting footfall counting as a fundamental and necessary activity to assess the attractiveness, vitality and viability of a high street or town centre. The evidence is drawn from many different sources, including academic research, and, most importantly, a long series of planning advice documents issued by the UK Government over recent years. The paper finishes with a brief look at some recent research that gives an indication of just what a rich source of information footfall counts can provide in terms of activity patterns over the months of the year, days of the week and hours of the day. Using historical data taken from a large number of town centres over a period of several years, it is possible to distinguish different town types, based solely on how the towns are used. This information is valuable for local decision makers, trying to reinvent towns fit for purpose in the 21st Century, as well as policy makers, responsible for national guidance, regulations and funding programmes.

Footfall as a key performance indicator

Footfall is the most important factor that influences town centre/high street vitality and viability1 (Parker, Ntournis, Millington, Quin and Castillo-Villar, 2017). In this respect, footfall can be conceptualised as a proxy for success, as the number of people an area attracts at any one time indicates its vitality (or liveliness) and the consistency of footfall volume over a longer period of time indicates its viability (or ability to attract investment).

Research undertaken for the then Department of the Environment - Vital and Viable Town Centres: Meeting the Challenge (HMSO 1994) - identified the importance of footfall as a measure of town centre vitality and viability, and, as a result, footfall or ‘pedestrian flow’ has been recognised by Government as a key indicator since the publication of Planning Policy Guidance Note 6 Town Centres and Retail Development in 1993, which stated:

“MEASURING VITALITY AND VIABILITY

In practice most aspects of vitality and viability will be difficult to assess with confidence. The following indicators can usually provide the main criteria for the purposes of a planning application or appeal:

Commercial yield on non-domestic property: (i.e. the capital value in relation to the expected market rental) demonstrating the confidence of investors in the long term profitability of the centre; and

Pedestrian flow: in other words the people on the streets in different parts of the centre at different times of the day and evening available for businesses to attract into shops, restaurants or other facilities”.

An updated Planning Policy Guidance Note 6 1996 said:

“The following indicators are useful for assessing the health of town centres. They provide baseline and time-series information on the health of the centre, allow comparison between centres and are useful for assessing the likely impact of out-of-centre developments. Local planning authorities should regularly collect a range of these indicators, preferably in cooperation with the private sector.”

Pedestrian flow with the same definition from 1993 was one of the 10 indicators that were listed.

The indicators were not only to be used for assessing the health of the town but also to understand impact of proposed development on the town and neighbouring towns.

The requirement to collect designated data including footfall was strengthened in Planning Policy Statement 6: Planning for Town Centres 2005:

Para 4.4: “In order to measure the vitality and viability and monitor the health of their town centres and how this is changing over time, local authorities should regularly collect information, preferably in co-operation with the private sector, on the following key indicators”

One of the 12 required indicators was:

“pedestrian flows (footfall): a key indicator of the vitality of shopping streets, measured by the numbers and movement of people on the streets, in different parts of the centre at different times of the day and evening, who are available for businesses to attract into shops, restaurants or other facilities”.

Of course, there are also relationships between footfall and other indicators, and these are explored below.

**Footfall and its relationship to other indicators**

As mentioned above, there is a limited and consistent set of indicators that local authorities and other high street/town centre stakeholders have been encouraged to measure.

**Vacancy rates** – It is common for high street/town centre stakeholders to measure street-level voids or vacancy rates. Increasing vacancy rates are associated with decreasing footfall, as each vacancy represents a diminishing number of attractors to a high street/town centre.

**Sales** – The dominant factor in retail sales is the number of potential shoppers (footfall) passing the store. Retailers and other high street businesses are very reluctant to share their sales data, whereas footfall data is more readily available. Comparisons of footfall data with national spending statistics identify a very strong relationship between footfall and spend².

---

Yields/rent – The axiom that retail is “location, location, location” explains the tendency for retailers to choose to occupy properties in areas that have a high volume of potential customers (footfall), for which they will pay a premium (in rent). Therefore, high volumes of footfall result in better yields for the property owner.

Experience – International visitors are attracted to places such as London, Bath, Brighton, York etc. because of the attractions and the overall experience. There is a strong relationship between the UK cities that attract the most international visitors and their annual footfall figures \( r = .72 \)^3.

Using footfall data in practice

Current Guidance for Town Centres and Retail published 22 July 2019 on MHCLG website continues to list “pedestrian flows” as a relevant indicator for assessing the health of a town centre. The use of footfall to monitor investment on high streets is widely evident in reporting by Business Improvement Districts (Example from CityCo/Manchester BID) and is used to attract investment, to report on activity, and to help guide interventions and strategy. Footfall is an identified indicator to monitor investment in initiatives in the recently published High Streets and Town Centres Adaptive Strategies (2020) from the Mayor of London. As well as the evidence of the benefits of footfall counting from Government planning guidance, automated footfall monitoring is critical for practitioners in the evaluation of whether strategies and initiatives to drive increases in footfall are effective. The dynamic nature of footfall means that this data delivers the most immediate response to any initiative, and so enables place stakeholders to readily identify the impact of initiatives on the success of the centre. In addition, recording footfall in this way removes the reliance on secondary or associated indicators such as public transport or car parking usage, which often are limited in their effectiveness due to paucity of data or a less than direct correlation to customer activity. Footfall monitoring has a number of key applications, and supports a town centre by:

- Demonstrating its success in attracting customers into the centre
- Providing an objective measure of performance, lessening reliance on anecdotal evidence as a measure of success
- Detecting early warning signs of change, so that relevant strategies can be implemented
- Evaluating the success of marketing and promotion by identifying the additional footfall generated during an event or as a result of a promotion
- Attracting event sponsorship by having clear evidence of the success in attracting more visitors to the centre
- Establishing the contribution of development and public realm improvements in increasing visitor numbers, both in the short and longer term
- Providing data required to attract new occupiers and investors into the centre
- Providing data to existing businesses in order to support business retention
- Providing data to deliver efficiencies in resource allocation, e.g. cleaning, policing
- Identifying over or under-performance by benchmarking against national and regional averages and peer groups to establish whether increases or decreases in footfall are in-line with general trends^4

---

^3 Calculated from Leading UK cities for international tourism 2018, by visits and annual footfall counts, provided by Springboard.

Using footfall data strategically

Working with Springboard Ltd. (leading providers of footfall counting technology in the UK) over a number of years, the Institute of Place Management at Manchester Metropolitan University and Cardiff University discovered some interesting patterns in footfall data, and classified towns according only to their levels of activity (Mumford et al., 2020). Town types can be distinguished on a number of criteria, including variation in footfall volumes over the hours of the day, the days of the week, or the months of the year. The research has identified annual ‘signatures’, which classify the towns according to how footfall varies over the months of the year. In this way, four different types of town have been distinguished, with each exhibiting their own distinct characteristics.

Comparison shopping towns are the more traditional shopping centres, and usually the larger ones, with a wide choice of retail, leisure and food. People come here predominantly to shop. They are busiest in the run up to Christmas.

Holiday towns are visited mainly by tourists for a holiday or a ‘day out’. They have a relatively poor retail offer and concentrate more on entertainment and leisure activities. They are busiest in the summer and when the weather is good.

Speciality towns attract tourists but also serve the local population. Like holiday towns they are busiest in the summer months, but also show a (smaller) second peak in footfall in December, indicating that they also serve a ‘comparison shopping’ function for the local population.

Multifunctional towns are a very diverse group, and come in many shapes and sizes, and serve a variety of everyday needs, such as convenience shopping, leisure, employment, transport hubs etc.

![Figure 1 The Four Annual Signatures](image)
Figure 2 (below) shows the distribution of the four town types in the UK. Note that the holiday towns are situated predominantly on the coast.

Unlike a planning classification, activity data demonstrates exactly how people are using a centre, and what its main function is (i.e. comparison, speciality, holiday, or convenience/community/multifunctional). It also enables the development trajectory and management plan for a centre to be responsive to changes in consumer behaviour and other developments.

Figure 2 Map showing the locations of different town types in the UK
Footfall in the academic literature

Footfall and pedestrian flows and counts have been a regular topic of analysis and interest by various researchers and academics for more than 50 years, stemming from the need to understand the links between pedestrian flow patterns and various parameters of town centre usage, such as retail and leisure activity, town centre attractiveness, travel patterns and purpose of travel, diversity of uses and so on. In this sense, footfall has become an important indicator of how town centres are used, highlighting the importance of micro-geographical data, which have furthered our understanding of footfall patterns and classifications of towns and cities based on different forms of activity. An indicative reference list is provided below:


