



The Independent  
Retailers Confederation

## The Heartbeat of Indie Retail: 2024–2025

### **About the Independent Retailers Confederation (IRC)**

The Independent Retailers Confederation (IRC) is a collective of UK trade associations representing independent retailers across multiple sectors. The IRC exists to provide a unified voice for independent retail, sharing evidence from the sector, supporting collaboration between associations, and ensuring that policymakers and stakeholders understand the realities facing the UK's small and independent businesses.

By drawing together insight from across its membership, the IRC helps highlight common challenges, emerging trends, and areas where policy and practical support are most needed.

### **About this report and research**

This report presents the findings from the IRC's Quarterly Heartbeat Surveys conducted throughout 2024 and 2025. It brings together quantitative data and qualitative insight from eight survey waves, tracking changes in trading performance, confidence, and key pressures affecting independent retailers over time.

The research is made possible through the active involvement of the IRC's member associations, many of whom contribute responses gathered directly from their members. This collaborative approach ensures the results reflect a broad and representative cross-section of independent retail businesses operating across the UK.

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## Executive Summary

Independent retailers across the UK experienced a challenging yet resilient two-year period through 2024 and 2025. Trading conditions fluctuated quarter to quarter, pressures such as weak footfall, rising costs, and unpredictable weather persisted, and confidence remained steady but cautious.

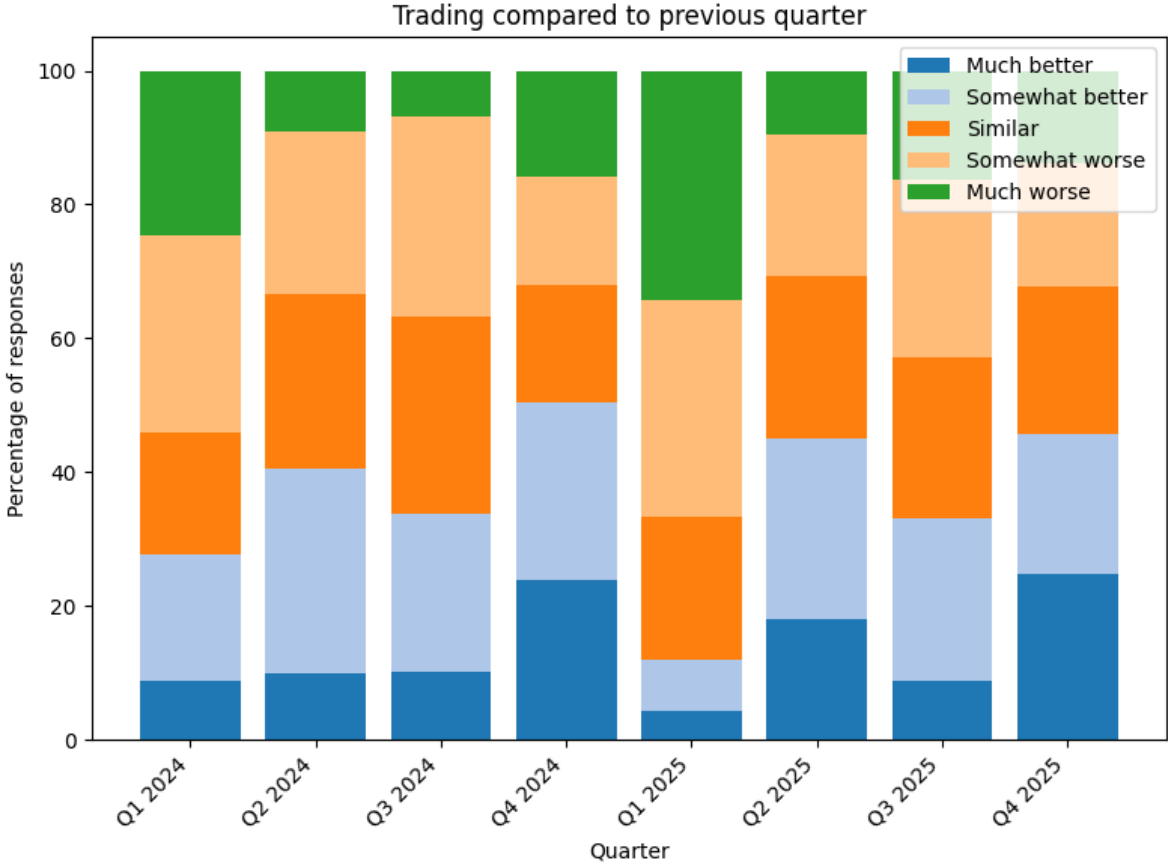
Despite these challenges, the data shows modest signs of improvement approaching the end of 2025, with an increasing proportion of businesses reporting better performance relative to the previous quarter and slightly more balanced year-on-year comparisons.

This report brings together the quantitative results and qualitative insights from eight quarterly surveys, illustrating how business conditions—and retailers' sentiments—have evolved.



# 1. Trading Performance Compared With Previous Quarter

Chart 1: Trading Compared to the Previous Quarter



## Key Insights

- Q1 2024 opened on a downbeat note, with more than half of respondents reporting weaker trading than in Q4 2023.
- Through mid-2024, conditions fluctuated. Q2 2024 saw a temporary uplift with around 40% reporting improvement.
- The latter half of 2024 and early 2025 remained mixed, reflecting ongoing consumer caution and seasonal variability.
- By Q4 2025, the picture was more positive, with roughly 45% of respondents reporting better trading than the previous quarter.

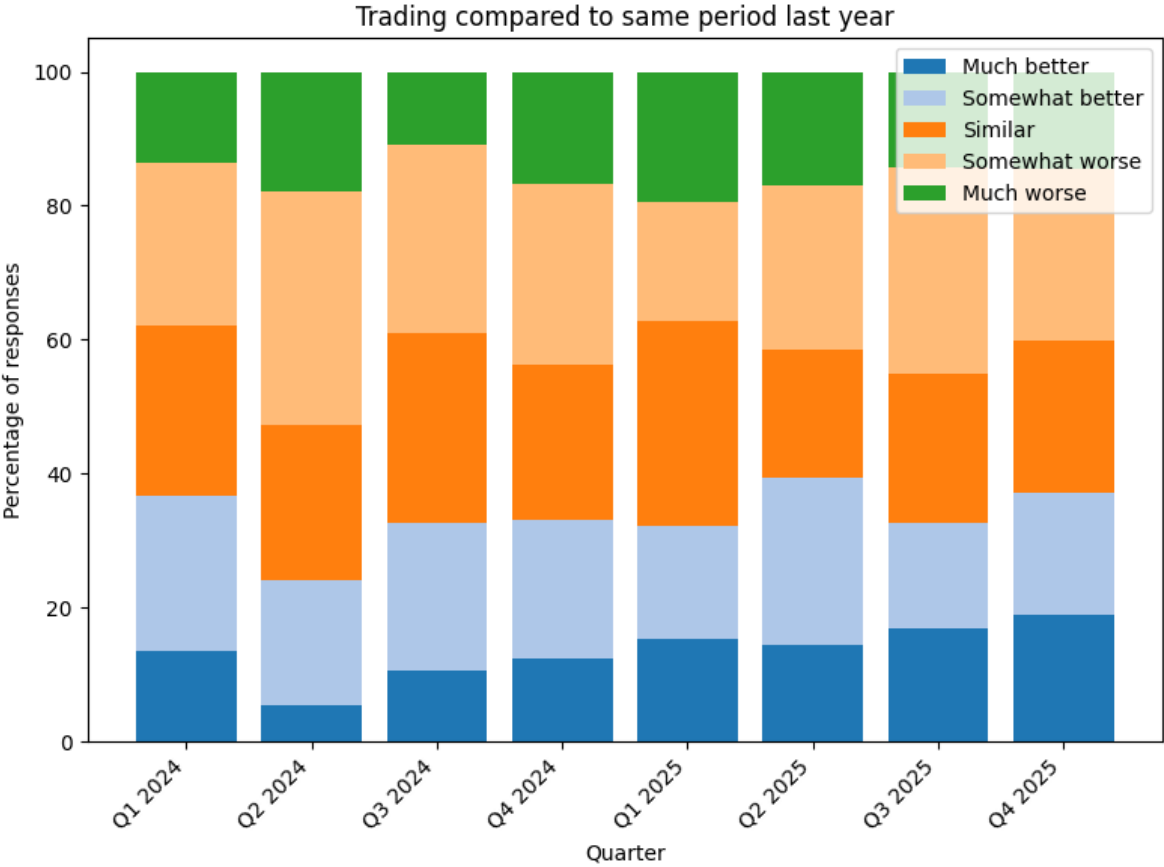
## Interpretation:

The data suggests a retail environment characterised by ongoing volatility. External pressures—cost-of-living constraints, lower footfall, and inconsistent consumer demand—

contributed to unstable performance patterns. Nonetheless, the gradual improvement in late 2025 suggests slow but meaningful recovery momentum.

## 2. Trading Compared With the Same Period Last Year

Chart 2: Trading Compared to the Same Period Last Year



### Key Insights

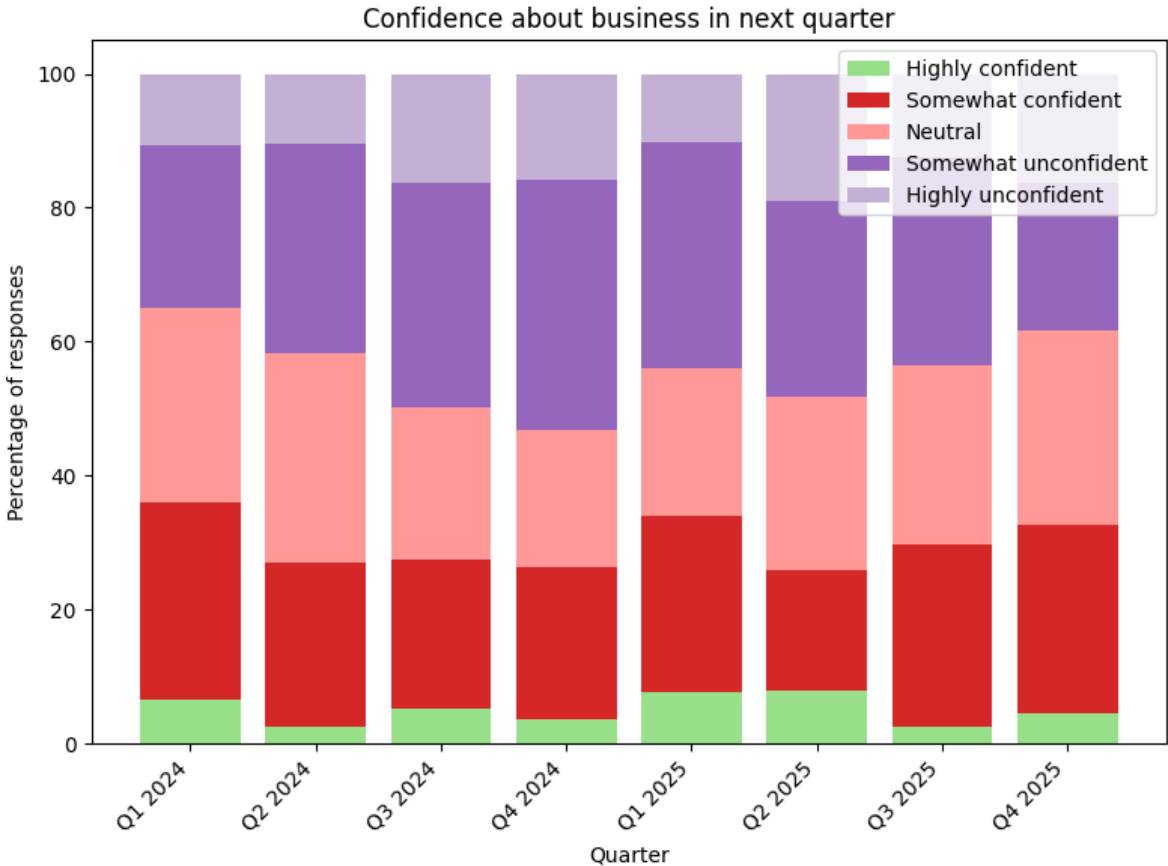
- In most quarters, the largest single response category was “Similar”, indicating consistency in year-on-year performance for many businesses.
- Q2 2024 was a particularly difficult period, with around a third of retailers reporting worse performance than the same quarter of 2023.
- As time progressed, the balance shifted away from strong negativity and toward a more even split between those performing better, similar, or worse than the previous year.
- By Q4 2025, around 37% reported better year-on-year trading, while a significant minority still reported declines.

**Interpretation:**

Year-on-year comparisons reveal resilience amid challenging conditions: many retailers managed to maintain similar performance despite headwinds. However, the persistent share reporting deterioration highlights structural challenges in the independent retail economy—particularly suppressed consumer spending, local economic pressures, and competition from online retail.

### 3. Confidence About the Next Quarter

Chart 3: Confidence in Business Outlook Next Quarter



**Key Insights**

- Confidence remained remarkably stable across two years, with roughly one-third of respondents selecting “Somewhat confident” in most quarters.
- Another third typically selected “Neutral,” indicating uncertainty but not pessimism.
- Only 10–20% of respondents consistently occupied the extremes (“highly confident” or “highly unconfident”).

## Interpretation:

Independent retailers appear cautiously steady in their outlook. This reflects an environment where business owners have adapted to persistent challenges but remain wary of sudden economic shifts. It's a profile of measured realism, not pessimism.

### 3a. Confidence About the Remainder of the Year

Another question, asked in the initial waves of the survey, pertains to retailers' confidence for the remainder of the current year. Because it was not included in every wave, it does not form a continuous time series suitable for a single chart over the entire period. Where it has been asked, the qualitative pattern of responses echoes that seen for the next-quarter confidence: respondents typically gravitate toward neutral or somewhat confident categories, with smaller shares indicating high confidence or unconfidence. This suggests that while business owners look further ahead than the next quarter with cautious optimism, they remain circumspect about the remainder of the year. Differences between waves likely reflect shifting economic conditions and external pressures such as rising costs, consumer caution, weather, and seasonality. As the question does not recur in all surveys, we summarise it narratively rather than presenting it graphically.

## 4. What Retailers Are Saying: Themes from Open-Text Comments

### Most Frequent Themes Identified

- Sales declines – repeatedly mentioned across all quarters
- Footfall issues – often linked to weather, local disruption, or changing consumer behaviour
- Cost-of-living pressures – consistently cited as the main factor reducing customer spending
- Inflation and rising operating costs – energy, wages, and supply prices
- Seasonality – Christmas and summer trading patterns heavily referenced
- Weather impacts – unusually poor weather noted as a major performance depressor in several periods

### Examples of Common Sentiment

- “Sales down considerably due to weak footfall.”
- “Started strong but dropped sharply toward month-end.”

- “Customers are being extremely cautious with spending.”
- “Weather has been a major factor again this quarter.”

### Interpretation:

The comments highlight how sensitive independent retail remains to localised and external forces—footfall patterns, weather, and national economic conditions. They also underscore the emotional and financial strain retailers continue to navigate.

## 5. Additional Issue-Based Questions

Different quarters included additional questions on current issues such as:

- Eligibility for business rates discounts
- Investment intentions over the next 1–2 years
- Expected impact of minimum wage increases
- Capital access challenges
- Local concerns such as antisocial behaviour or supply chain problems

Summary review indicates that:

- A strong majority of respondents receive business-rates relief in some form.
- Many retailers remain reluctant to invest significantly, typically citing uncertainty and costs.
- Some quarters show heightened concern about staffing costs or new legislative changes.

## 6. Overall Trends Across 2024–2025

### A period of pressure, resilience, and tentative improvement

Across all measures, independent retail in 2024–2025 can be characterised by:

- Ongoing pressure from weak footfall and high costs
- Limited but genuine stabilisation in trading performance
- Cautious but consistent confidence levels
- Widespread acknowledgement of external challenges, particularly cost-of-living constraints and unpredictable weather
- Gradual strengthening in trading sentiment by late 2025

## 7. Recommendations for Members

If you would like to include actionable recommendations, here are evidence-based suggestions drawn from the results:

- Focus on customer experience and local engagement to counter weak footfall
- Prepare for seasonal volatility, as swings in performance remain pronounced
- Monitor cost structures closely, especially wage pressures and energy
- Leverage business-rates relief where available, and lobby for stability
- Consider small, incremental investments rather than large commitments
- Stay responsive to rapid shifts in consumer behavior and sentiment



## **Contact the Independent Retailers Confederation**

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