

TalkTalk
Business

SMART SPACES

STALLED AMBITIONS

An exclusive report into UK businesses'
adoption of smart space technology

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INTRODUCTION

The UK wants smart spaces. The UK isn't ready for them. Why?

The UK is waking up to the idea that buildings can do more than just house people and operations. They can sense, respond, optimise and even predict.

Whether it's a hospital wing adjusting its airflow, a shop reacting to footfall, a town hall automating its lighting or a warehouse reconfiguring around stock levels, the smart space is no longer sci-fi – it's already here.

But it's not yet here for everyone, everywhere.

For every flagship store trialling *checkout-free shopping*, there's a network of retail branches struggling with legacy systems.

For every logistics hub deploying *robotic automation*, there's another relying on infrastructure that doesn't stretch far enough – particularly in rural or shielded locations with *weak cellular coverage*.

And for every hospitality group offering *personalised guest environments*, there's another still wrestling with *cost justifications and skills shortages*.

There's momentum and ambition. But there's also friction.

This report explores that tension. It looks at how smart spaces are taking root in the UK private sector, especially in logistics, retail and hospitality. It draws on new data, exclusive survey findings and an array of examples to assess the opportunities – and the barriers – facing UK businesses.

It also looks at what it is that's holding the UK back, in global terms. While innovation is happening in pockets, the UK still trails international peers in smart infrastructure leadership.

Nordic countries have embedded *building standards and interoperability frameworks*. Singapore has *fused data and service planning*, city-wide.

In contrast, UK organisations are *often working piecemeal* – limited by budget cycles, disconnected estates and digital skills gaps.

In the *IMD Smart Cities Index*, only one UK city – London – makes the top 50, compared to four cities in Germany and three in Australia.

There's an appetite. In our new UK-wide survey of IT professionals, 88% had smart spaces on their radar. But only 34% felt their network was truly ready to implement the concept.

The intent is there. But the infrastructure isn't. (Yet.)

The pressures afflicting the private and public sectors may differ – competitiveness vs compliance; budget cycles vs customer expectations – but the core question is the same: Is your estate ready for what's next?

Smart spaces won't stay 'smart' for long. Like 'smart'-phones before them, they'll soon be the baseline. What we do now – the groundwork we lay, the decisions we make – will shape whether our estates are ready to meet that future, or fall behind it.

WHAT ARE SMART SPACES?

Smart spaces use interconnected technology – such as sensors, automation and data platforms – to make spaces more responsive and efficient.

Key benefits:

- Reduced energy usage and carbon emissions
- Optimisation of how buildings and spaces are used
- Improvement in comfort and safety for users
- Lowered maintenance costs through real-time monitoring
- Support for better service delivery through data

ABOUT OUR SURVEY

Who was surveyed?

362 full-time IT professionals across the UK, spanning strategic leaders, infrastructure managers and operational staff. Respondents represented sectors including retail, hospitality, transport/logistics, healthcare, education and local government.

The results of this survey have formed the basis of two reports – this one, focusing on the challenges and opportunities facing the private sector, and a second report, focusing on the public sector. You can access the [public sector report here](#).

How was the survey conducted?

A 25-question online survey, conducted by InnovateMR, targeting roles directly involved in network infrastructure, strategy and delivery.

Why does it matter?

This is one of the few cross-sector surveys to explore the gap between smart-space ambition and infrastructure reality. It sheds light on readiness, perceived benefits, common blockers, and what organisations really need to move forward.

THE BIG PICTURE

Rising ambitions, uneven readiness.

Smart space adoption is no longer a future ambition for UK businesses – it's happening now. But while intent is strong, implementation still lags behind.

In our survey of UK IT professionals, 88% said smart spaces were on their organisation's radar. Yet just 34% felt their networks were fully ready to support them, highlighting a major disconnect between vision and infrastructure readiness.

This picture is backed by *recent research from the University of Manchester*, which found that while awareness of smart technologies is high, practical rollout remains patchy. Just 22% of UK businesses say they've fully integrated IoT or smart systems across their sites, and nearly half cite legacy infrastructure as the main barrier to further deployment. At the same time, 73% believe smart technologies will be critical to improving operational resilience over the next five years.

It's a fast-growing market. The UK smart building sector was valued at £6.5 billion in 2020 and is *projected to reach £31 billion by 2030* – an annual growth rate of nearly 25%.

The overall UK trajectory is upwards, but real challenges remain. In our survey, respondents cited internal skills gaps, fragmented systems and limited device compatibility as top blockers.

The appetite is there. But unlocking smart spaces at scale will first require more groundwork.

➤ Head to **RETAIL**

➤ Head to **HOSPITALITY**

➤ Head to **TRANSPORT AND LOGISTICS**

SMART-SPACE TECHNOLOGIES

45% of businesses surveyed say smart-space technologies will be critical to operational resilience within five years.



RETAIL

➤ Head to page 10 to read about **HOSPITALITY** or page 12 for **TRANSPORT AND LOGISTICS**

Reconnecting performance with experience.

Retail has long been a testbed for innovation. But over the past five years, the gap between ambition and implementation has widened.

High street footfall is unpredictable. Customer expectations are shaped by mobile-first convenience. Meanwhile, operating costs continue to rise, especially around staffing and energy.

Smart spaces aren't a silver bullet – but they are helping retailers rebuild the connection between customer experience and operational performance. From queue-detecting cameras and aisle-scanning robots to frictionless checkouts and predictive energy use, these environments let stores respond in real time, even with fewer staff on the floor.

Smart spaces in retail, right now

Tesco's GetGo store in Holborn uses cameras and shelf sensors to allow customers to walk out without scanning a single item. But it didn't come at the expense of service: the store retained 22 staff, proving that automation and human interaction aren't mutually exclusive.

Morrisons is using Simbe's Tally robots to scan 30,000 SKUs twice a day, freeing up staff time and cutting shelf gaps.

Currys has tested electronic shelf labels, reducing ticketing time by 60%, while Uniqlo uses basket scanners to process entire transactions instantly.

These examples are far from uniform – and that's the point. Smart retail isn't one system. It's a layered, endlessly flexible approach built around two key things: data and infrastructure.

Retail's hidden blockers

Despite high-profile pilots, wide-scale rollouts remain slow. Why?

TTB's survey found only 38% of retailers consider their networks "fully ready" to support smart spaces. And while the sector shows the highest readiness of any surveyed, that still leaves a majority working with incomplete or ageing infrastructure.

The most common non-technical blocker? Budget pressure, cited by 77% of retail respondents – more than in any other sector. Working with narrow margins, many retailers struggle to justify capital upgrades, even when energy or labour savings are on offer.

Integration is another sticking point. Fragmented systems – across POS, CCTV, lighting, and staff devices – create data silos that smart tech can't easily unify. And without centralised dashboards or standardised platforms, it's hard to scale innovation beyond a single flagship site.

Where retail is headed

In the coming years, retail smart spaces will prioritise hyper-personalised experience and centralised control. Our survey shows strong planned investment in contextual messaging (33%) and energy optimisation (36%) – signalling a shift toward stores that adapt in real time to footfall, time of day or stock flow.

Other likely developments:

- Increased demand for consolidated dashboards, particularly among operations teams
- More investment in SKU-level movement data, made possible by checkout-free tech
- Continued use of robotics to augment – not replace – human staff.

RETAIL CITED

**MORE DOWNWARD
PRESSURE ON ITS
BUDGETS THAN ANY
OTHER SECTOR**

33% of retail organisations cited customer loyalty as a key benefit already delivered by smart-space technologies.

HOSPITALITY

➤ Head to page 12 for **TRANSPORT AND LOGISTICS**

Making comfort measurable.

The hospitality sector thrives on experience. But experiences are subjective. What feels ‘effortless’ to one guest might seem intrusive to another.

Smart spaces offer something the sector has long needed: a way to measure and adapt comfort, efficiency and sustainability in real time, across both front-of-house and back-of-house operations.

From luxury hotels to low-cost chains, smart space tech is helping operators automate what can be automated – freeing up staff to focus on high-touch service and solving the sector’s longstanding *productivity paradox*.

Smart spaces in hospitality, right now

Premier Inn’s Hub rooms offer full control over lighting, climate and media via iOS or Android devices.

Travelodge piloted smart panel heaters with occupancy sensors across 10 hotels, then expanded to over 350 sites and 20,000 rooms, saving around 40% on in-bedroom heating.

Meanwhile, *Harbour Hotels is using water-flow sensors* to save up to 50,000 litres per day, achieving 40% utility cost reductions and a sub-two-year ROI.

High-end hotels are investing, too: *Peninsula London* now uses touchless entry, thermal scanning and AI concierge services to streamline guest journeys without compromising luxury.

These examples vary widely, but all share a common thread: automation without impersonality.

Hospitality’s hidden blockers

While many hotels are embracing smart solutions, the underlying infrastructure doesn’t always keep up. According to our survey, only 31% of hospitality organisations describe their networks as “fully ready” to support smart spaces.

Interestingly, budget isn’t always the biggest barrier. Instead, 69% said their main issue was finding the right partner to design and install the supporting network infrastructure, suggesting a lack of sector-specific vendor support and technical guidance.

Add to that the complexity of legacy systems, inconsistent Wi-Fi across older buildings and rising cybersecurity risks in guest-facing IoT, and it’s no surprise that many pilots remain isolated to a handful of sites.

Where hospitality is headed

According to our survey, hospitality organisations are prioritising:

- Augmented reality (37% plan to adopt) – for immersive, mobile-enhanced guest interactions.
- Asset tracking (46% have already adopted) – particularly across event spaces and housekeeping.

And with energy prices rising, operators are focusing on retrofit-ready tech that offers visible savings. Smart thermostats, occupancy sensors and leak detectors are low-drama upgrades that deliver immediate wins.

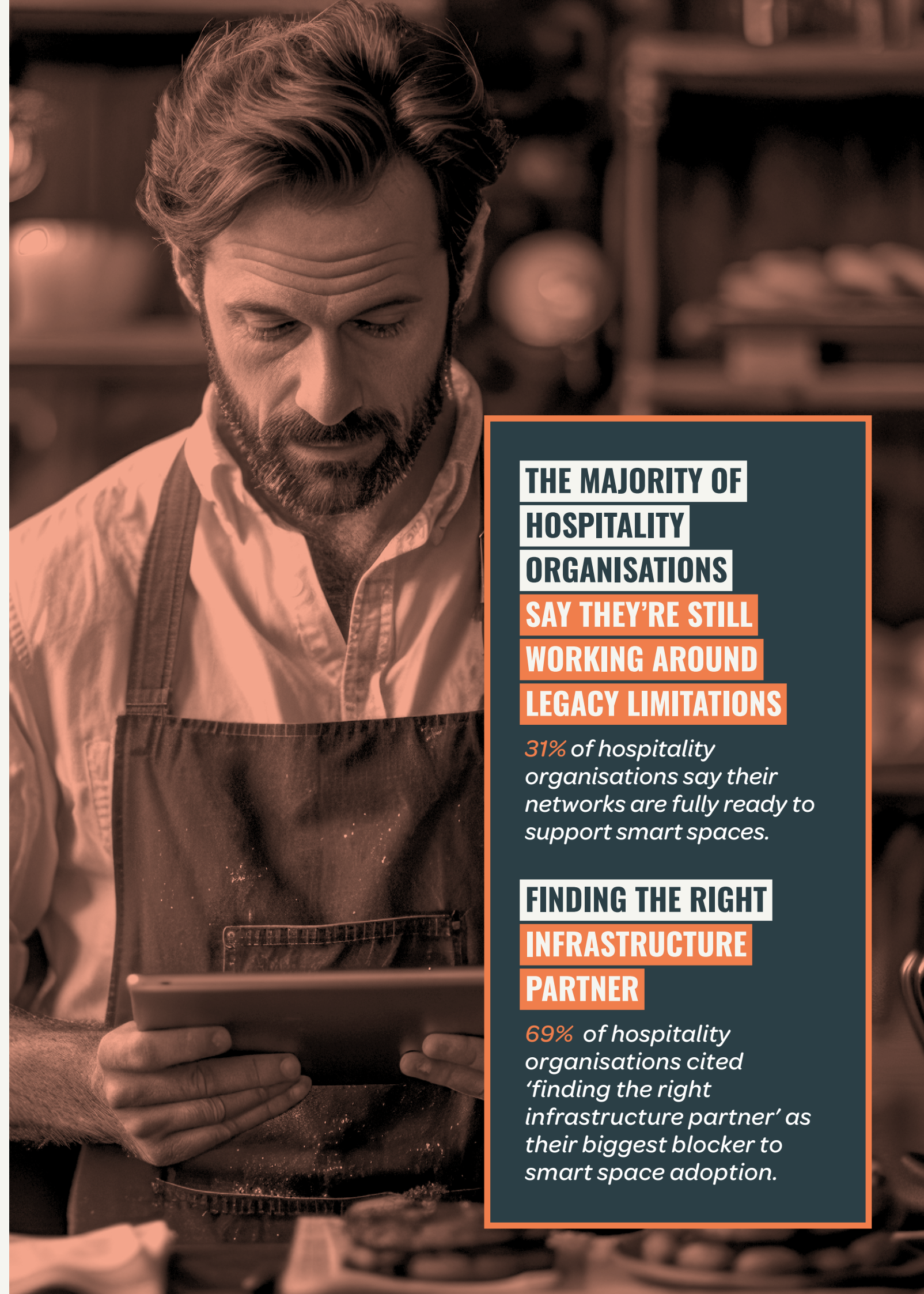
For teams on the ground, smart spaces are also simplifying workflows: predictive maintenance alerts, smart scheduling and automated check-in all reduce manual admin, while creating space for more human-centric service.

THE MAJORITY OF HOSPITALITY ORGANISATIONS SAY THEY’RE STILL WORKING AROUND LEGACY LIMITATIONS

31% of hospitality organisations say their networks are fully ready to support smart spaces.

FINDING THE RIGHT INFRASTRUCTURE PARTNER

69% of hospitality organisations cited ‘finding the right infrastructure partner’ as their biggest blocker to smart space adoption.



TRANSPORT AND LOGISTICS

Moving smarter.

The transport and logistics sector knows automation. From robotic pickers to dynamic routing, it's already full of fast-moving, sensor-rich operations.

But scratch beneath the surface, and you'll find a more complex story – one of patchy connectivity, siloed systems and staff under pressure.

According to our survey, just 30% of logistics organisations say their networks are “fully ready” to support smart spaces – the lowest of any private sector vertical we surveyed. A hefty 67% cite lack of internal expertise as a key barrier to progress.

That gap matters, because for logistics, smart spaces are more than a nice-to-have. They're a competitive edge. From reconfiguring warehouse layouts based on footfall to dynamically adjusting HVAC based on occupancy, connected systems can unlock serious savings across high-churn, energy-intensive estates.

But right now, most progress is stalling.

Smart spaces in transport and logistics, right now

- *Ocado runs swarm robotics and digital twins*, and has simulated 70 years' worth of operations in just 12 months.
- *Asda doubled picking rates* with an AutoStore deployment at its Dartford Data Centre.
- It's not all about the big names, however: *Direct Soccer*, a small Scotland-based sportswear distributor, installed seven AutoStore robots and 8,000 bins, boosting dispatch rates from 10 to 40 orders per hour and saving over £200,000 in the first 12 months.

Where transport and logistics is headed

Many mid-sized operators are still building their digital foundations.

Most smart investments focus on:

- Full-site Wi-Fi to support handhelds and mobile sensors
- Predictive maintenance for time-critical systems
- Condition monitoring (e.g. temperature tracking for perishable goods)
- Real-time location systems (RTLS) for fleet and inventory visibility

These upgrades may not make industry-press headlines, but they build the groundwork for automation at scale.



FULLY READY TO SUPPORT SMART SPACES?

30% of transport and logistics organisations say they're fully ready to support smart spaces, with 67% citing lack of internal expertise as the top barrier.

FIVE WAYS UK BUSINESSES CAN ACCELERATE SMART-SPACE ADOPTION

1

START WITH INFRASTRUCTURE

Our survey shows that 17% of organisations avoided having to implement upgrades, because they'd adopted SD-WAN and so were already smart-space ready.

Planning around future flexibility – not just future capacity needs – always pays off.

2

FOCUS ON ROI, NOT REVOLUTION

Harbour Hotels cut water use by 18 million litres a year through low-cost sensors.

Morrisons saved 50 labour-hours per week with aisle-scanning bots.

These are manageable, fundable interventions – not massive, multi-year transformations.

3

ADDRESS THE SKILLS GAP HEAD ON

49% of UK employers say they're struggling to hire staff with the digital or tech skills they need.

The longer this goes unaddressed, the more likely smart projects are to stall mid-flight.

Upskilling and trusted external partnerships must sit alongside procurement.

4

DESIGN FOR INTEROPERABILITY FROM DAY ONE

Nordic countries are *leading the way in smart space adoption*, with an approach built on shared data standards and systems that work across different technologies.

UK organisations can emulate this by adopting schemas like *BRICK* or *Project Haystack*, even on single sites.

5

PRIORITISE HUMAN-CENTRIC CHANGE

Across all sectors, the survey showed staff value smart systems that make their jobs easier – not just ones that monitor performance.

Dashboards simplify reporting. Booking systems reduce check-in queues.

Tally robots detect issues such as out-of-stock items, misplaced products and pricing errors to free up shelf stackers. Tech must serve people, not the other way around.

CONCLUSION

Groundwork
is everything.

SMART SPACES ARE NO LONGER JUST A TECH STORY THEY'RE A READINESS STORY

Every retailer automating shelf checks; every hotel optimising HVAC; every warehouse using AI to re-map inventory is making the same bet: that responsive, connected environments will define the next phase of performance and service. And they're right.

But intent alone isn't enough. As our survey shows, only 34% of UK organisations feel fully ready to support smart spaces. Most still face technical gaps, budget constraints and internal hesitations. The result is a fragmented landscape – full of innovation, but short on integration.

That's why readiness matters so much. It turns a one-off pilot into a network-wide capability. It makes compliance futureproof. It makes staff more efficient. And it makes the data work harder.

The UK has no shortage of ambition. But turning ambition into advantage means investing in the one thing every smart space depends on: a network that can keep up.

ONLY 30%
OF UK ORGANISATIONS
FEEL FULLY READY TO
SUPPORT SMART SPACES

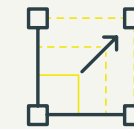


WHAT TALKTALK BUSINESS BRINGS TO SMART SPACES



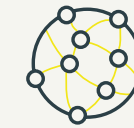
TalkTalk Business works with public and private sector organisations to create future-ready environments that adapt, respond and perform – without ripping up what’s already in place.

HERE'S HOW:



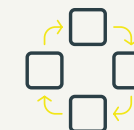
1. CONSULTATIVE PROJECT SCOPING

Every Smart Spaces deployment starts with a tailored scoping phase. We map network architecture, device density, user needs and estate complexity. The solution fits your organisation, not the other way round.



2. RESILIENT, FLEXIBLE CONNECTIVITY

From SD-WAN and leased lines to cellular IoT, TalkTalk Business delivers ultra-reliable coverage, even across remote or sensor-dense environments. Connectivity is designed to scale with your ambitions.



3. SEAMLESS TECH INTEGRATION

We partner with Cisco Meraki, Pangea and other market leaders to connect sensors, platforms and analytics dashboards via a single pane of glass.



4. MANAGED SUPPORT AND PREDICTIVE MAINTENANCE

With a single pane of glass view of all connected users and devices, Smart Spaces can be easily managed from a central, cloud-based dashboard, providing automated alerts, predictive fault detection and remote access to resolve.



5. DESIGNED FOR REAL-WORLD CONSTRAINTS

We don't assume blank-canvas estates or bottomless budgets. We build solutions around what you already have, adding intelligence in modular, measurable steps.

TalkTalk
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SPEAK TO

TALKTALK BUSINESS

Make your spaces smarter –
on your terms, at your pace.

To speak to the Enterprise team [contact us here](#)

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or alternatively call us on **0808 250 2461**