

# **Successful neighbourhood shopping centres: What are the important features for independent retailers?**

Dr Felicity Powell and Dr Abigail Allan

Opus Central Laboratories



# New Zealand retailing has undergone fundamental changes in recent years

New and different types of retailing:

- Retail parks
- Large format ('big box')
- Factory outlets
- Shopping malls



# The value of neighbourhood centres

- Various social and community services (like Plunket, medical centres, libraries)
- Places to meet
- A sense of community or belonging



# Some of our earlier research ...

Forms part of Opus's *Learning Sustainability* programme funded by the Foundation for Research, Science & Technology

## Successful neighbourhood centres

- developed in pre-car era
- good connectivity
- some offer a wider choice

(Dravitzki and Powell 2008)

## Changes to neighbourhood centres

- decline in number of neighbourhood shops
- most vibrant places located close to arterial routes and transport nodes

(Allan 2009)

# Neighbourhood vs. destination retailers

## Examples of neighbourhood retailers:

- Food shops
- Dairies
- Dry cleaners
- Hairdressers/barbers
- Pharmacies
- Cafés and take-aways
- Bottle shops
- TAB
- \$2 shops

## Examples of destination retailers:

- Antique shops
- Gift shops
- Dog groomers
- Tattoo artists
- Engravers
- Bicycle shops
- Chocolatiers
- Art galleries and framers
- Herbal dispensary clinics

# Why focus on destination retailers?

- Numbers of neighbourhood retailers declining
- Destination retailers becoming more prevalent
- Alternatives less desirable
- Gap in research knowledge



# The value of independent retailers

- Supply local residents
- Employers
- Diversity, vitality and choice
- Dynamism and local adaptation
- Linkages to other local businesses

(Smith and Sparks 2001)

# Retailers' location strategies

- 'Location, location, location!'
- Various theoretical concepts
- Strategies depend on:
  - Accessibility to consumers
  - Location relative to competing and non-competing shops



# Influences on customer's choice

## Features of centre

- Mix of activities
- Density of activities
- Parking facilities
- Atmosphere
- Landscape design

## Travel-related factors

- Distance
- Time and other costs
- Mode-specific factors (e.g. safety for cyclists)

(Adapted from Handy and Clifton 2001)

# Our research questions

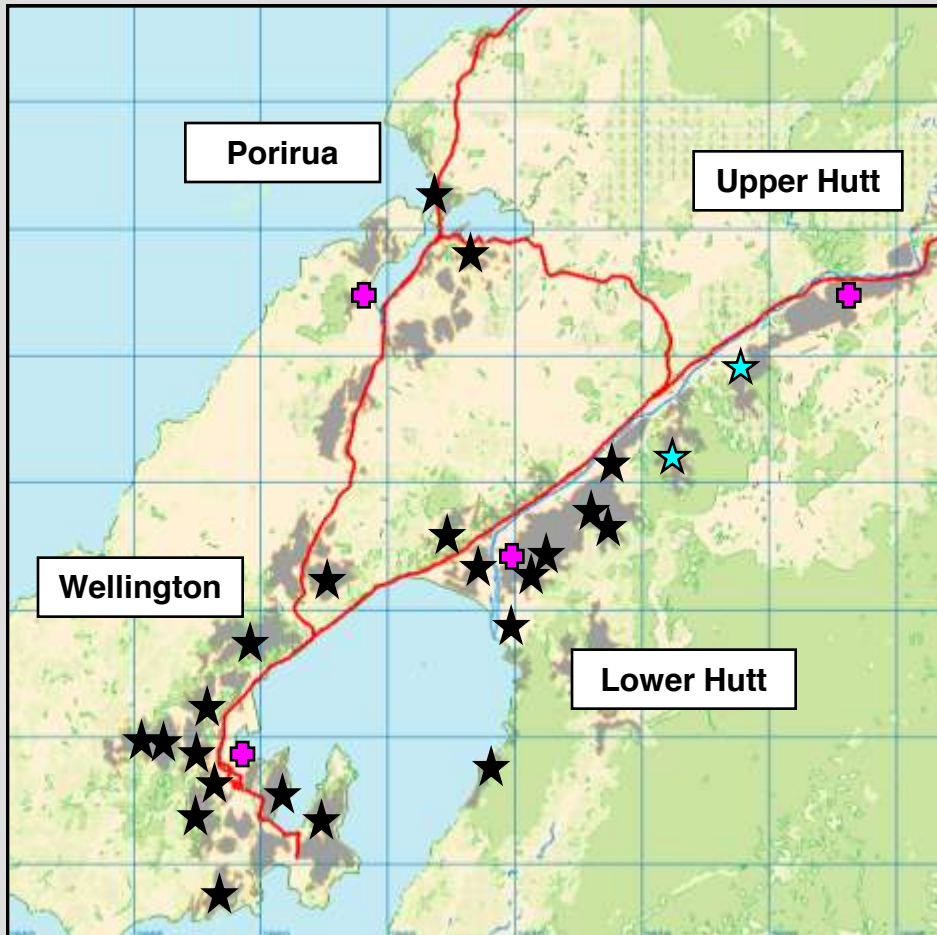
1. What features of neighbourhood centres are important to destination shops?
2. Are good links to public transport a significant factor in determining where this type of shop locate?

# Our study

- Fieldwork in Wellington City, Lower Hutt, Upper Hutt and Porirua identified 115 destination retailers in 22 neighbourhood centres
- 47 surveys returned (41% response rate)



# Wellington region



- ◆ CBD
- ★ Neighbourhood centre

# Which features were important for their current location choice?



Possibilities provided in survey:

- Close to home
- Similar retailers located there
- No similar retailers located there
- Parking available
- Close to public transport
- Lots of passing trade
- Good pedestrian traffic
- Affordability
- Local residents were suitable customers
- Location was good for capturing customers from a wide area

# Average results



# How do other potential locations compare?



## *Key disadvantage:*

- Isolation or inaccessibility

## *Others:*

- Unsuitable shopping centre
- Not the right local market
- Poor parking

## *Key advantage:*

- Characteristics of shopping centre

## *Others:*

- Local market
- Located well for other areas
- Good passing trade

# “Favoured” centres

Alicetown

Moera

Waterloo



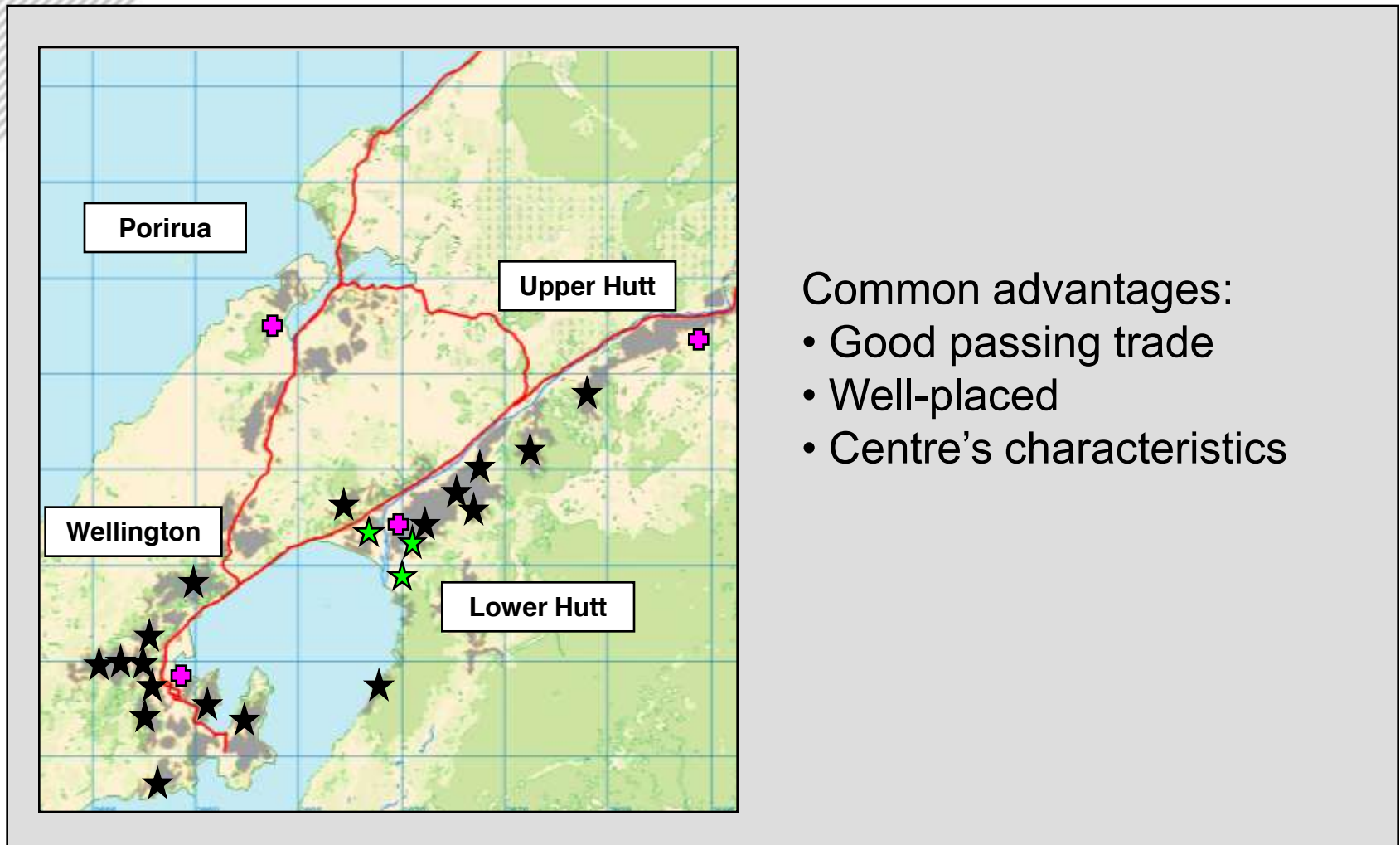
Victoria Street, Alicetown



Randwick Road, Moera



# “Favoured” centres



- Common advantages:
- Good passing trade
  - Well-placed
  - Centre's characteristics

# “Less favoured” centres

Aro Street

Silverstream

Brooklyn

Stokes Valley

Maungaraki

Taita

Naenae

Thorndon (Tinakori Road)

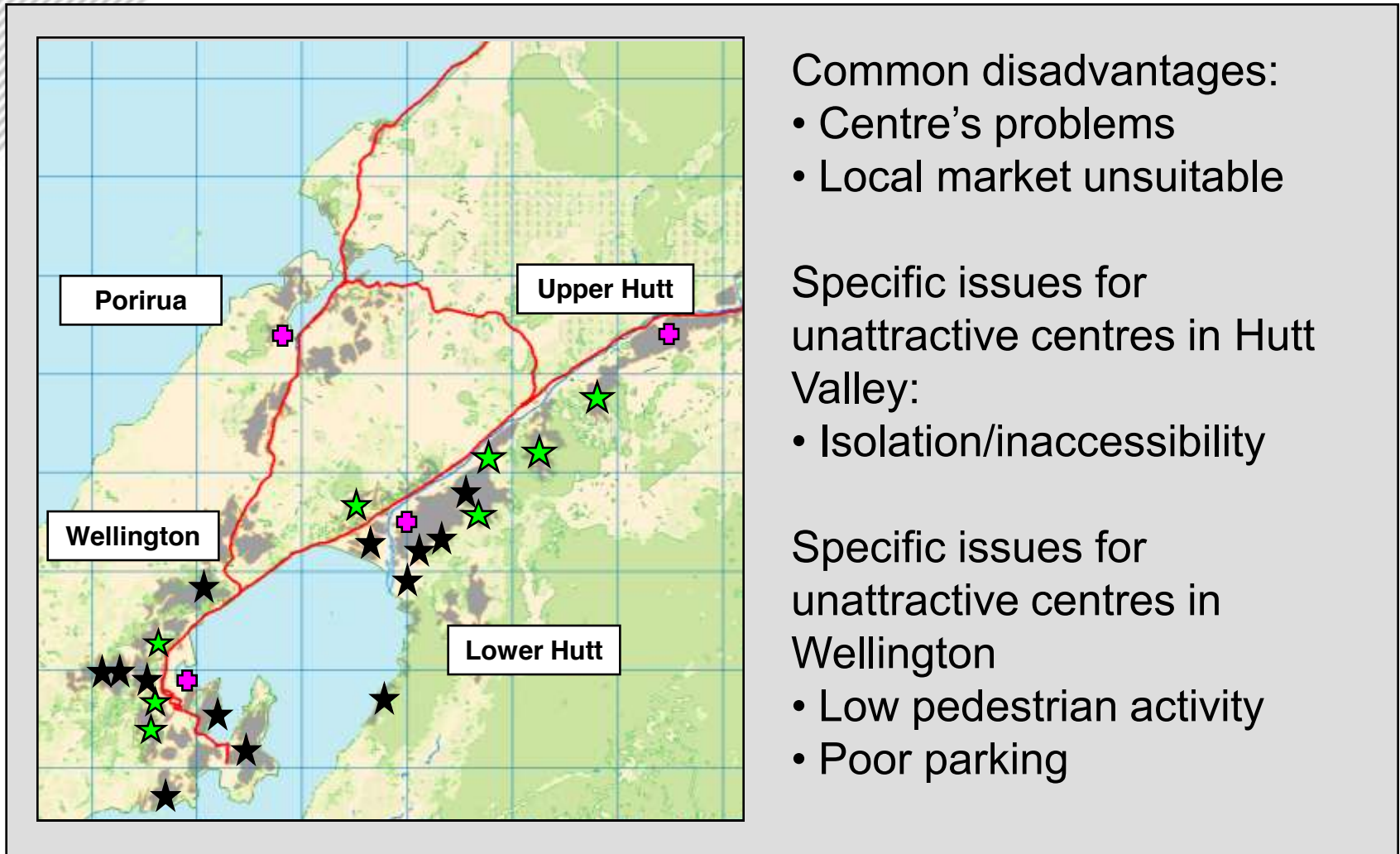


High Street, Taita



Tinakori Road, Thorndon

# “Less favoured” centres



Common disadvantages:

- Centre's problems
- Local market unsuitable

Specific issues for unattractive centres in Hutt Valley:

- Isolation/inaccessibility

Specific issues for unattractive centres in Wellington

- Low pedestrian activity
- Poor parking

# Q1. What features are important?

- Accessibility of centre - due to their market and also geography?
- Characteristics of the centre
- Local market
- Wider market
- Fit with theoretical concepts

## Q2. Are good links to public transport significant?

- Destination retailers anticipate customers arrive by car
- Again nature of their markets?
- Public transport less important generally
- But important for a few retailers

# So what can planners manipulate to make centres more favourable?



- *Improve access*
  - by car and/or public transport
  - increase parking
- *Enhance the centre as a destination* - for example:
  - upgrade public buildings
  - develop active frontages
  - install public art
  - improve amenities for pedestrians
  - introduce opportunities to linger (e.g seating or playspace)

# Challenges

- Not reflect current/popular thinking
- Remote locations
- Heritage areas
- Location of consumer markets



# In conclusion

- Destination retailers are important because otherwise centres may fail
- Markets for neighbourhood centres not purely local
- Need to cater for customers travelling by car





# References



Allan A (2009) *Neighbourhood Shopping Centres in Lower Hutt (1989-2008)*, Lower Hutt: Opus International Consultants

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