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

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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
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

<table>
<thead>
<tr>
<th>Features of centre</th>
<th>Travel-related factors</th>
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</thead>
<tbody>
<tr>
<td>- Mix of activities</td>
<td>- Distance</td>
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<td>- Density of activities</td>
<td>- Time and other costs</td>
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<td>- Parking facilities</td>
<td>- Mode-specific factors (e.g. safety for cyclists)</td>
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<td>- Atmosphere</td>
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<td>- Landscape design</td>
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(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)
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

Features of centre

- Lived nearby
- Similar retailers
- Unique competitive position
- Parking available
- Close to public transport
- Lots of passing trade
- Plenty of pedestrian activity
- Suburb was affordable
- Local residents are suitable customers
- Suburb attracts customers from a wide area

Relative importance

Highly relevant

Highly irrelevant

1.0

2.0

3.0

4.0

5.0
How do other potential locations compare?

<table>
<thead>
<tr>
<th>Key disadvantage:</th>
<th>Key advantage:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Isolation or inaccessibility</td>
<td>• Characteristics of shopping centre</td>
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**Others:**

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

**Others:**

- Local market
- Located well for other areas
- Good passing trade
“Favoured” centres

Alicetown
Moera
Waterloo

Victoria Street, Alicetown
Randwick Road, Moera
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

