



The Retail Planning Knowledge Base Briefing Paper 4

Neighbourhood Retailing

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Retailing has mainly been conceived of as a local business focused on neighbourhoods. As consumers and consumer behaviours have changed, so too the concept of neighbourhood or locale has altered. Neighbourhood retailing is now seen as local retailing, but the sense of locality and actions vary amongst consumers and retailers. Historically vibrant local centre or districts have struggled in some cases to find a justification for their continuing existence. Derelict parades of former stores represent a problem for consumers, planners and neighbourhoods.

Recently, multiple retailers have emerged strongly in the convenience market. The concept of convenience is perhaps now been viewed as the 'new' neighbourhood retailing. Nonetheless, independent retailers can help develop a 'sense of place' for a locality and its consumers and thus generate a neighbourhood in the classic sense. There is potential to capitalise on the growing consumer concerns over localness, whether through local food, local markets or a growing sense of nostalgia for, and recognition of the benefits of 'place'. To do this, they need supportive planning and consumer environments.

Key Findings and Research Questions

- Market structure is changing in neighbourhood retailing with increasing involvement of multiple retailers in this expanding retail sector, formerly the preserve of independent retailers and symbol groups. Forecourt retailing is also expanding.
- Concepts of neighbourhood are changing and traditional measures of walking distances to neighbourhood shops may not be so appropriate and do not define neighbourhood or community.
- Consumer expectations in terms of the nature of neighbourhood stores and product ranges are changing.
- Multiple retailers are driving some of these changes. As they move from acquisition of c-stores to expansion of their neighbourhood store portfolios there is a demand for purpose built premises.
- There is a relative lack of planning guidance for neighbourhood retailing in the new PPS6.
- Generic small shop problems should be distinguished from location based issues relating to neighbourhoods.
- The concepts of main and top up shopping may not adequately reflect shopping behaviour.
- Successful independent neighbourhood retailers face an exacting task of meeting new and changing consumer demands although the more entrepreneurial ones are potentially better placed than multiples to do this in a neighbourhood context.
- A key competency for independent retailers will be their ability to be integrated into the local community which means very different things in different social and cultural contexts.

References

Bartlett, R.

Testing the Popsicle Test: realities of retail shopping in new 'traditional neighbourhood developments',
Urban Studies, 40(8), 2003, 1471-1486.

This is a US based article on what walking distances mean in terms of neighbourhood retail provision. The article uses data on household expenditures to assess whether it is possible to achieve a viable retail operation for a residential area within walking distance of a store. The results comprise a detailed breakdown of different trading formats from doughnut shops to grocery stores. The results show that it is unlikely to be possible to provide a retail provision which could be supported only by customers within walking distance.

Neighbourhood retailing

Baron, S., Harris, K., Leaver, D. and Oldfield, B.

Beyond convenience: the future for independent food and grocery retailers in the UK,
International Review of Retail, Distribution and Consumer Research, 11(4), 2001, 395-414.

This article reports on a survey of independent retailers. It attempts to identify factors contributing to the success of independent retail business, the responses by independent retailers to changes in the retail environment the view of independent retailers of consumers, factors constraining the growth of independent retail businesses and the range of skills perceived to exist within independent retail businesses. The strongest feature to emerge from the survey is the importance of independent retailers as a centre for social and community activity.

Neighbourhood retailing

Coca-Stefaniak, A., Hallsworth, A., Parker, C., Bainbridge, S. and Yuste, R.

Decline in the British small shop independent retail sector: exploring European parallels,
Journal of Retailing and Consumer Services, 12, 2005, 357-371.

A comparison of the small shop environment in Spain and the UK reveals some important differences in the emplacement of small shops in the local economy and its organisational structure. Whilst in the UK small shops look to national associations such as the Association of Convenience Stores, membership of nationally based buying groups such as Spar and retailer-led town centre management, in Spain locally driven initiatives such as the Chambers of Commerce, local funding sources and a more widely based town management concept create a more locally inclusive attitude to small shops and they are valued for their contribution to the local economy. As a result more remain independent and in family ownership.

Small shops

Donkin, A., Dowler, E., Stevenson, S. and Turner, S.

Mapping access to food at the local level,
British Food Journal, 101(7), 1999, 554-564.

A quantitative method is developed to measure access to food shops at the local level. Food shops were mapped, walking distances calculated and socio-economic profiling carried out in areas of deprivation in London. In this way it was possible to establish a measure of the nature of access to food shops in such areas.

Food retailing, London, Neighbourhood retailing

Guy, C.

Inner city revival; the potential role of property owners,
Journal of Retail and Leisure Property, 4(2), 2005, 118-128.

Inner city areas not in the main retail centre of towns frequently have parades of shops along the street. These have often suffered decline and deterioration. The properties are not necessarily well suited to contemporary needs. This is often attributed to the lack of investment by the owners of these properties. A study of ownership of properties in Cardiff's Clifton Street found that the ownership patterns were very fragmented with the majority of property being owned locally but mainly by individuals.

Cardiff, Neighbourhood retailing, Regeneration

Jamal, A.

Playing to win: an explorative study of marketing strategies of small ethnic retail entrepreneurs in the UK,
Journal of Retailing and Consumer Services, 12, 2005, 1-13.

The significance of this paper lies not so much in the discussion of ethnic retailer business practices but in the way shopping is one way in which identities are actively articulated and reinforced. The creation of a shop that gives a home from home ambience and where local language and culture are part of the package and where ethnic customers are privileged through specific business practices as well as product assortment offer permits ethnic groups to express their shared identity.

Small shops

Lund, H.

Testing the new urbanism,
Journal of the American Planning Association, 69(4), 2003, 414-429.

As a key theme in the literature this article offers an assessment of what are the necessary conditions for new urbanism to be a success. It is argued that the design emphasis with shops and residential areas designed for walking will only work if community is valued and if neighbourhood interaction is desired.

New urbanism

Mintel

Convenience retailing,

London: Mintel, 2005, 100p.

In the light of the debate over competition in the convenience retail sector this is an important market research document. It includes results of consumer surveys of shopping habits for convenience food purchasing. It also gives outlooks for different parts of the convenience retail sector explaining why the independents are losing ground and discusses the role of the major multiples in the sector.

Convenience retailing, Food retailing

Morning Noon and Night Ltd: retail provision in disadvantaged neighbourhoods, **Renewal.net Case Study**, 2003, 7p. (available from www.renewal.net)

This study details the decision and outcomes of Morning Noon and Night's project to build a new store in Wester Hailes in Edinburgh. The impact of the store on this deprived area is outlined. A key part of company strategy is to be at the heart of the local community, employing local people and buying as locally as possible. The development brought to Wester Hailes a much needed retail outlet providing extra functions such as an ATM. The development is seen as a success in terms of proactive community, public and voluntary sector cooperation with the private sector.

Edinburgh, Neighbourhood retailing, Scotland, Wester Hailes

National Retail Planning Forum

The role and vitality of secondary shopping – a new direction,

London: NRPF, 2004, 59p.

The National Retail Planning Forum commissioned research on secondary shopping with a view to considering how planning legislation as proposed in Draft PPS6 and in the Planning and Compulsory Purchase Act would impact on secondary shopping. It seeks ways to make the planning framework positive for secondary shopping. Town centre fringe, district centres and small town centres all come under the grouping secondary shopping. Case study data from each type of secondary data was used with examples from Exeter, Seaton, Reigate, Birmingham, Doncaster, Bolton, Sutton and Cheam. The relative significance of national and local aspects of change are discussed. A number of recommendations for planning policy specific to secondary centres are made. These include creating a coherent pedestrian environment, managing change, creating financially viable developments, supporting independent business, using new methods of leasing, evolving more sophisticated planning policies and applying the sequential approach.

PPS6, Neighbourhood retailing, Secondary shopping

Smith, A. and Sparks, L.

Planning for small-scale retailing: evidence from Scotland,

Planning Theory and Practice, 2(3), 2001, 277-292.

The article provides a review of planning and other policies towards small shops and the perceived effectiveness of these policies. 32 Scottish planning authorities were surveyed to discover what policies they had towards small shops, how these operated and their perceived effectiveness. The authorities were also asked about other types of policies which they felt could be operated. The research involved study of structure plans, a questionnaire survey of planning authorities and focus group discussion with respondents. Policies being operated were largely land use based and did not distinguish between organisational forms so that smaller independent retailers were not explicitly recognised. The need to go beyond land use based planning was emphasised by the research findings.

Neighbourhood retailing

Smith, A. and Sparks, L.

The role and function of the independent small shop: the situation in Scotland, **International Review of Retail, Distribution and Consumer Research** 10(2), 2000, 205-226.

This article reports on survey work undertaken in Scotland on a variety of small shops in different locations. It looks at the roles and functions of small shops. It distinguishes between generic small shop problems and location specific issues. Solutions to problems facing small shops and strategies for small shop development will depend on the different roles small shops can play in different types of communities and locations.

Neighbourhood retailing, Scotland

Verdict

Neighbourhood Retailing 2006,
London: Verdict, 2005, 94p.

Verdict views neighbourhood retailing as one of the key emerging sectors after long neglect. This report charts the emergence of multiples in the sector and the challenges they pose to the symbol groups and in particular Spar as well as noting the role of forecourt developments. Store profiles are given and strategies for c-store groups in the present environment suggested.

Convenience stores, Neighbourhood retailing

Verhetsel, A.

Effects of neighbourhood characteristics on store performance supermarkets versus hypermarkets,
Journal of Retailing and Consumer Services, 12, 2005, 141-150.

Large store development is reaching saturation point in some European countries including the UK and Belgium. This is making smaller local developments more attractive. The paper models the relationship between neighbourhood characteristics and store product ranges showing that neighbourhood differences mean that the smaller stores require finer tuning than larger stores in terms of product range if they are to be well matched to their neighbourhoods..

Neighbourhood retailing

Welsh, R., Bent, R., Seaman, C. and Ingram, A.

The challenge to c-stores: Edinburgh South Asian responses,

International Journal of Retail and Distribution Management, 31(8), 2003, 408-417.

The focus of this article is the awareness by Asian convenience store retailers of the competitive retail environment in which they are operating. Competition was seen as the major supermarket operators and there was little thought regarding convenience store operators. Equally awareness of consumer trends was limited. Business entry decisions were investigated and the importance of maintaining independence and adherence to traditional responsibilities emerged as key factors in business strategy.

Convenience retailing

Web Sites

www.verdict.co.uk Verdict reports

www.thelocalshop.com Association of Convenience Stores web site

www.mintel.com Mintel web site

www.competition-commission.org.uk/inquiries/ref2006/grocery/index.htm Competition Commission

www.igd.com Institute for Grocery Distribution