

Retailing in Scotland: Retrospect and Prospect



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Structure



- Preamble
- Retail Change and Competition in Scotland
- Drivers for Change
- Land-Use Planning and Retailing
- The Future for Retailing in Scotland



Preamble: Who Would Have Thought It?

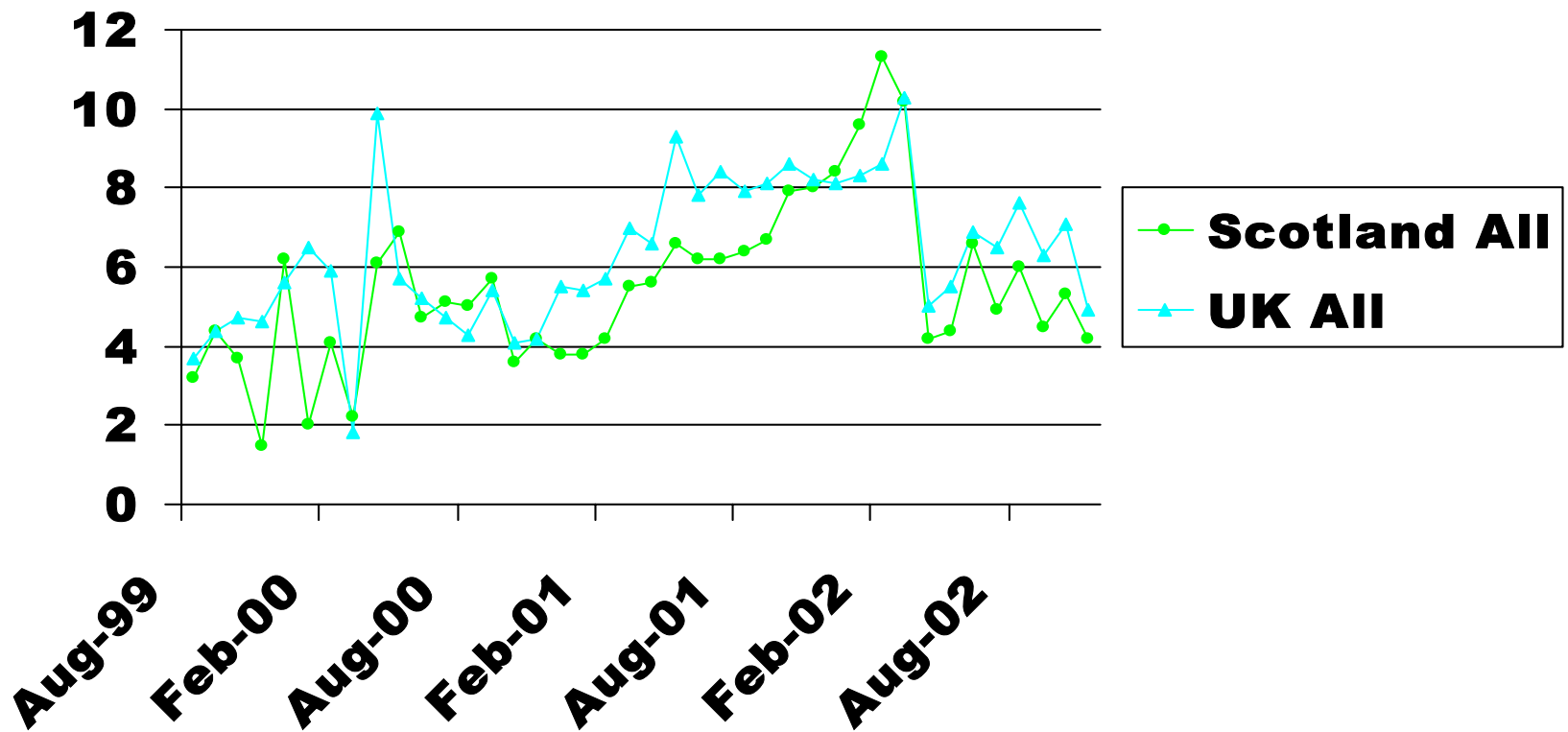
- Tesco would be #1 in UK and be the biggest Internet grocery retailer in the world
- M&S profit would fall £1bn in three years
- 20% of Scotland's food market would be taken by the world's largest retailer
- Harvey Nicks and Selfridges would want to come to Scotland



But, We Did Predict:

- Substantial growth in Scottish retail sales
- Fragmentation of consumption and demand
- Scottish retailing to be dominated by fewer firms, based outside Scotland
- Sharp reduction in the number of shops
- Growth in specific formats e.g. superstores and locational types e.g. centres

Retail Sales in Scotland 1

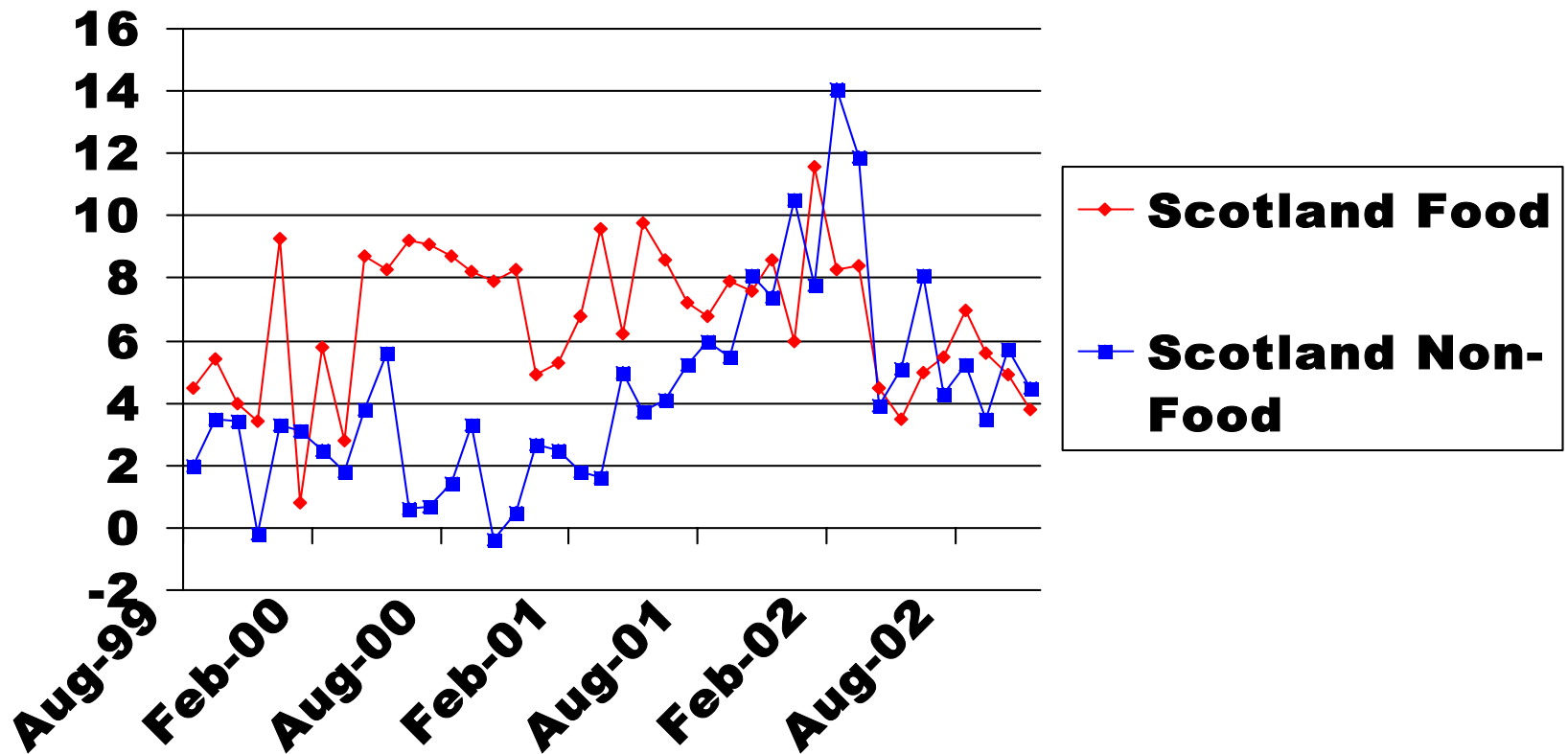


Source: Scottish Retail Sales Monitor



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Retail Sales in Scotland 2



Source: Scottish Retail Sales Monitor



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Retail Employment in Scotland

Safeway (#1)	18,870
Tesco (#2)	17,500
ASDA	12,000
CWS	7,218
Boots	6,000
Sainsbury	6,000
Marks and Spencer	5,000

Source: Scottish Business Insider 01/2002



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Retail Change and Competition in Scotland

- Change in the locations of retailing
 - A decrease in the number of shops
 - An increase in the number of superstores
 - Development of new planned (and unplanned) shopping centres
 - Increase in small store formats
 - Strengthening of primary locations and weakening of tertiary ones
 - Increase in perceived urban estate and rural problems

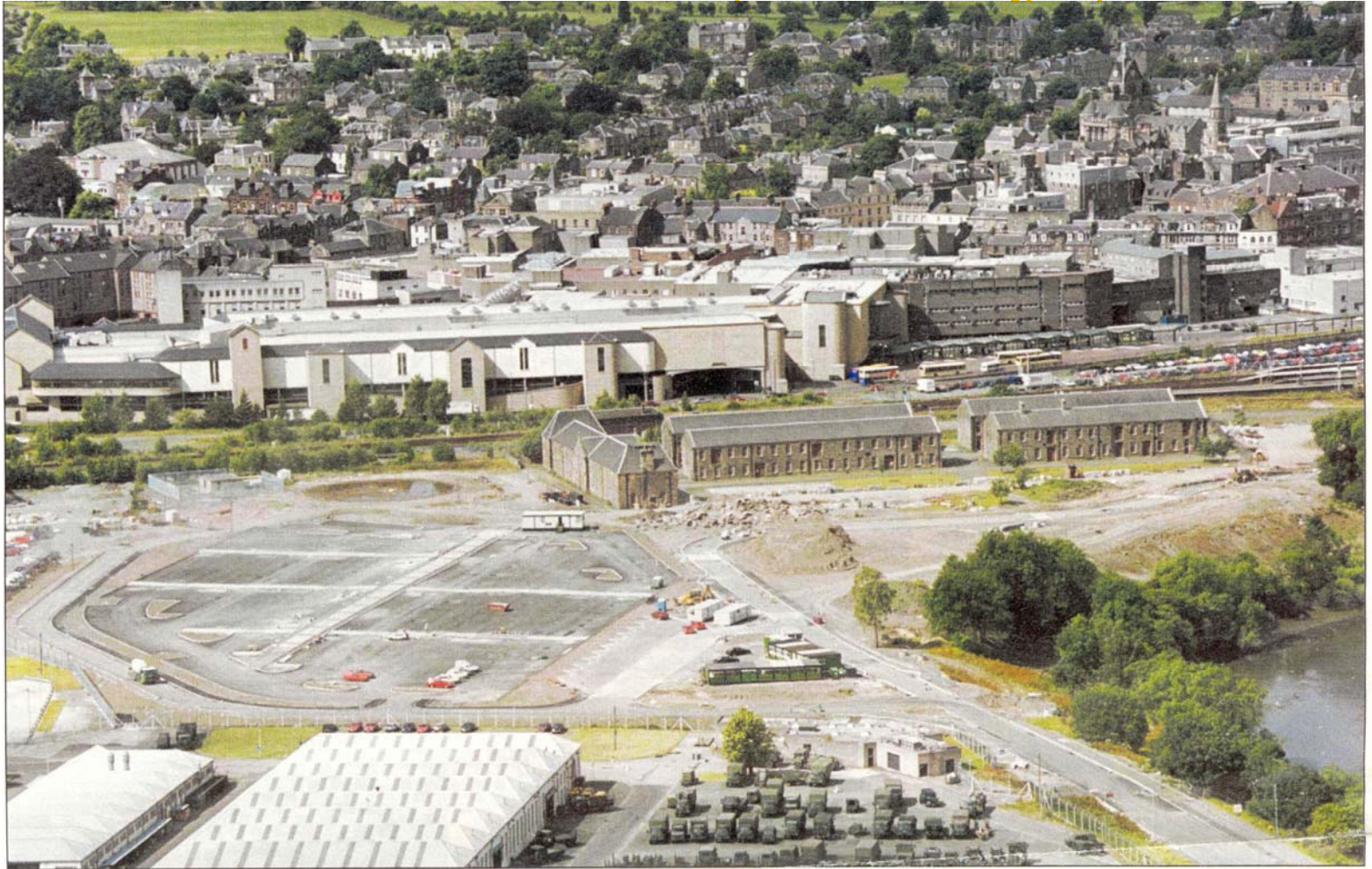


New Locations: Gretna Village



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New Locations: Stirling Town Centre



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Tesco, St Rollox : a Regeneration Store



Urban Estate



Rural Issues



Retail Change and Competition in Scotland

- Change in the management and ownership of retailing
 - Increased ownership outside Scotland and more international activity inside Scotland
 - Increased use of sophisticated technologies by retailers
 - Large retailers taking control of the supply chain
 - 'Informal' sector growing



IKEA, Braehead



Farmers' Markets



Retail Change and Competition in Scotland

- Change in the competitive effects of retailing
 - Growth of sales and floorspace but through fewer shops
 - Concentration in sales, so largest getting bigger
 - Centrally controlled formats doing better: corporate retailers strong, independents and co-operatives under pressure
 - Changes in accessibility to retail provision arising from the locational changes



Rural Access Issues



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Retail Change and Competition in Scotland

- Change in the remit of retailing
 - Quality environments to the fore
 - Wider use of town centre management with retailing as one of the components of the town
 - More awareness of retailer activity by consumers, media, stock market etc
 - Extension of superstore product ranges into services, non-food
 - Convenience aspects of retailing increasing in importance



Asda/Wal-Mart, Livingston



Convenience Formats



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Financial Services



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Points pile up quicker if you use a Tesco credit card. In addition to your normal Clubcard points, you will earn 1 Clubcard point for every £2 you spend – anywhere in the world. You can also use your Tesco credit card as a Clubcard to collect points when you pay by cash or switch.

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Lines open Mon-Friam 9am-8pm Sat 9am-6pm

Pet insurance

For as little as £4 a month for a cat and £7 for a dog, your much-loved pet's healthcare can be covered. As 1 in 3 pets suffer accident or illness every year, and with no NHS for animals, it's worth leaving their healthcare to chance?

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Lines open Mon-Friam 9am-8pm Sat 9am-6pm

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For the latest rates, either check out our leaflet in store or go to our website at www.tesco.com/finance. We give you a cash card for easy access to your savings. Plus there is the convenience of telephone and online banking with the option of cash pay-ins at any Tesco store (excluding Tesco Express).

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Lines open Mon-Friam 9am-8pm Sat 9am-6pm

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From just 16p a day*, Life Insurance from Tesco is the affordable way to give your family £100,000 of financial protection should you die or become terminally ill during the term of your policy. You could have peace of mind for you and security for your family for less than the price of your daily pint of milk. Tesco Life Insurance is provided by Norwich Union.

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home insurance

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Lines open Mon-Friam 9am-8pm Sat 9am-6pm

how to choose the right pack

This section explains the different policies that we offer, so you can choose the pack that is most suited to your needs.

This tamper-proof seal will keep your documents safe until you have bought the pack.

The re-sealable bag ensures that your documents stay safely together. You could even pop your passport and tickets in too!

All types of policy are colour coded – see page opposite for more detailed information.

This tells you the type and length of cover.

Who's covered?

The characters help show whether the policy is for 1 person, Couple or Family. This is also shown in the bubble.



- 

1 Europe for 1 week (1 trip up to 8 days)
This pack covers one trip to any European destination (as listed in the 'what's covered' section) for up to 8 days, including travelling days. Your trip must start and end in the UK. Important information: at the checkout you will be asked for the month your trip starts. If your trip starts on 1st of July you should choose July. You will be unable to purchase your cover more than 11 months ahead of travel.
- 

2 Europe for 2 weeks (1 trip up to 15 days)
This pack covers one trip to any European destination (as listed in the 'what's covered' section) for up to 15 days, including travelling days. Your trip must start and end in the UK. Important information: at the checkout you will be asked for the month your trip starts. If your trip starts on 1st of July you should choose July. You will be unable to purchase your cover more than 11 months ahead of travel.
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3 Worldwide for 1 week (1 trip up to 8 days)
This pack covers one trip to any destination for up to 8 days, including travelling days. Your trip must start and end in the UK. Important information: at the checkout you will be asked for the month your trip starts. If your trip starts on 1st of July you should choose July. You will be unable to purchase your cover more than 11 months ahead of travel.
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4 Worldwide for 2 weeks (1 trip up to 15 days)
This pack covers one trip to any destination for up to 15 days, including travelling days. Your trip must start and end in the UK. Important information: at the checkout you will be asked for the month your trip starts. If your trip starts on 1st of July you should choose July. You will be unable to purchase your cover more than 11 months ahead of travel.
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5 Winter sports europe/worldwide for 1 week (1 trip up to 16 days)
This pack covers one trip to any destination for up to 16 days, including travelling days. You will be covered for skiing & snowboarding on pistes, as well as off-piste with a qualified instructor, cross-country skiing, ice skating & surfing. Your trip must start and end in the UK. Important information: at the checkout you will be asked for the month your trip starts. If your trip starts on 1st of July you should choose July. You will be unable to purchase your cover more than 11 months ahead of travel.
- 

6 Annual multi-trips worldwide including winter sports
This pack gives you annual cover to any destination for trips up to 42 days long, including travelling days, and up to 120 days in total for the year, including 22 days winter sports cover. Your trip must start and end in the UK. Your cover starts on the date of purchase and lasts one year. All people covered on this policy can travel independently, i.e. they do not have to travel with the Clubcard holder as long as all other cover requirements are met.



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Drivers for Change



- Political structure and trends
- Economic structure and trends
- Socio-cultural and lifestyle aspirations
- Demographic structures and trends
- Product and process innovation
- Environmental changes and trends



Political structure and trends

- Land-use planning
 - Competition Commission
 - Public policy
-
- It would seem that the sector is likely to be the target of more investigations and scrutiny, and at the same time will have to be more innovative and adventurous in its locational choices



Economic structure and trends

- Sales volumes and values
 - Willingness to invest
 - Social inclusion and wealth
 - Changing retail structure
-
- Heavily dependent on the general economic situation, but overlain by the continued development of huge retailers



Socio-cultural and lifestyle aspirations

- Attitudes and beliefs
- Wants and needs
- Work and leisure

- Fragmentation and polarisation (including alienation) will remain trends. Consumers will become less tolerant and more demanding of retailers and locations.



Eclecticism?



Lifestyle Changes?



Demographic structures and trends

- Population structure
 - Household composition
 - Population location
-
- Demographics are fairly well known and can focus format attention. Where people live is more problematic and also impacts their behaviour



Product and process innovation

- Digital revolution
 - E-commerce and e-business
 - Home delivery systems
 - Retail organisation
-
- E-commerce experimentation phase has ended and the lines are becoming clearer. Home delivery remains an issue



Environmental changes and trends

- Use of space, land and location
- Logistics and supply
- The real costs of many of the things we do are going to become more transparent. Consumers and retailers are going to have to make some fundamental choices



Land Use Planning and Retailing: The Key Guidance

- 1978: First National Planning Guidelines
- 1986: Revised Retail Planning Guidelines
- 1996: Revised Retail Planning Guidelines
(with further revisions and clarifications in
1998) - current version available at
<http://www.scotland.gov.uk/library/npppg/npppg8-00.htm>
- 2003: NPPG8 Under Review



NPPG8: Policy Objectives

- To sustain and enhance the vitality, viability and design quality of town centres, as the most appropriate location for retailing and other related activities
- To maintain an efficient, competitive and innovative retail sector offering consumer choice, consistent with the overall commitment to town centres, and
- To ensure that ways of meeting these objectives are compatible with sustainable development and, in particular, that new developments are located where there are good public transport services, and better access for those walking and cycling, leading to less dependence on access by car



Impact of Retail Planning

- Good at stopping huge developments (and some others off-centre)
- Probably slowed superstore developments and some locational shifts encouraged
- Poor at encouraging town centres and small shop sustainability
- Local level engagement unclear



Impact of Retail Planning: Advocates

- Avoided excesses of USA and even England
- Development allowed has suited Scotland
- In places retail hierarchy strongly supported – helped access issues
- Regeneration now possible under balanced approach
- Big retailers not had their own way



Impact of Retail Planning: Detractors

- Brake on development, resulting in low investment and out-of-date retail facilities
- Decision-making slow, protracted, very expensive and inconsistent
- Planners biased and out-of-touch with how people shop
- Public inquiry system discredited



The Future for Retailing in Scotland

- Concentration increase - not Scottish based
- Multi-format strategies including services
- E-retailing will impact some markets highly
- Demanding customers will rule and will switch loyalties readily
- Relocation and redevelopment of sites will be common
- Fewer shops and fewer shopkeepers
- Local sourcing and Scottish producers



The Future for Retailing in Scotland

- The problems in this:
 - Locations will need continuous investment and refurbishment
 - Transport infrastructure will be important generally and for centres and home delivery
 - Accessibility issues will remain in both rural and urban areas, unless more intervention
 - Quality is a key element but the consistency?



The Future for Retailing in Scotland

■ Issues:

- What role does land-use planning have to play?
- What retail image do 'we' (I.e. Scotland) want to portray?
- How can positive trends be harnessed?
- Who picks up the pieces? And how?
- How do we support the 'right' businesses?

