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

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

- Wellington
- Lower Hutt
- Upper Hutt
- Porirua

- 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

Features of centre

Relative importance

Highly relevant

Highly irrelevant

1.0
2.0
3.0
4.0
5.0

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
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

<table>
<thead>
<tr>
<th>Aro Street</th>
<th>Silverstream</th>
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<tbody>
<tr>
<td>Brooklyn</td>
<td>Stokes Valley</td>
</tr>
<tr>
<td>Maungaraki</td>
<td>Taita</td>
</tr>
<tr>
<td>Naenae</td>
<td>Thorndon (Tinakori Road)</td>
</tr>
</tbody>
</table>

- **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


