

New generation C-stores, small towns, & the high street crisis

University of Southampton

&

ESRC RIBEN (Retail Industry Business Engagement Network)

Prof. Neil Wrigley & Prof. Michelle Lowe

Les Dolega & Katherine Cudworth

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University of Southampton research projects

We report findings from a project 2010/11 on how 'new generation' C-stores impact small towns, in the context of our findings from a wider project on UK high street performance during and following the global economic crisis

1. UK high streets during & following global economic crisis

- Investigates the response of UK high streets to global economic crisis & establishes the factors driving the performance of UK high streets during, and since that crisis
- Does that at regional and urban levels and attempts to conceptualise the nature of evolutionary change of UK high streets before, during and since the economic crisis

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University of Southampton research projects

2. Impact of 'new generation' C-stores on small towns

- Provides major study focused on impacts of 'new generation' C-stores and moves forward highly polarised debates on the nature of those impacts
- Examines potential of 'new generation' C-stores in anchoring existing centres and enhancing their sustainable economic development

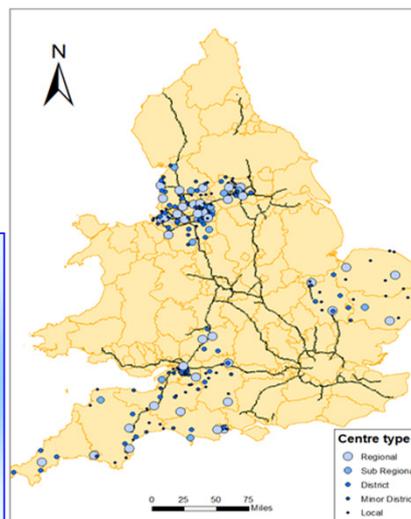


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The performance of UK high streets during global economic crisis

Cross-regional analysis

- Findings from a study of 267 Experian/GOAD surveyed centres *before* and *within* economic crisis



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Cross regional multivariate analysis

Key findings

Drivers of performance of those UK retail centres analysed

Accepted/Endorsed Findings

- **Better performance if:**
 1. Located in **south** rather than north
 2. **Small** rather than large

Novel/Intriguing Findings

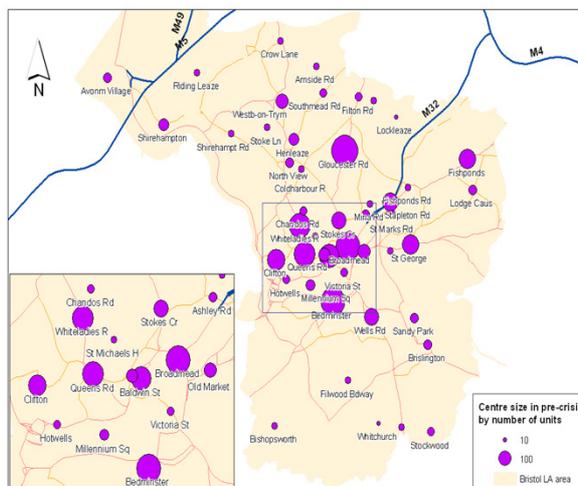
- **Better performance if:**
 1. **Diverse** going into economic crisis (high % of **small independent stores**)
 2. Experienced policy-compliant **corporate foodstore entry**
 3. High proportion of **service units** relative to retail units

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The performance of UK high streets during global economic crisis

Intra-urban analysis

- **Bristol** has unusually high number of centres surveyed by Experian/GOAD
- Of which we have info on 47 centres surveyed over 3 time periods; before, during, & coming out of crisis



Intra-urban analysis - Key findings

- **Confirms novel findings of cross-regional analysis** - i.e diversity & planning policy compliant corporate foodstore presence associated with better performance
- Additionally, all retail centres that experienced **net corporate C-store entry sustained or enhanced their performance**

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Resilience, fragility, and adaptation: new evidence on the performance of UK high streets during global economic crisis and its policy implications

Neil Wrigley, Les Dolega
School of Geography, University of Southampton, Southampton SO17 1BJ, England;
e-mail: n.wrigley@soton.ac.uk; l.dolega@soton.ac.uk
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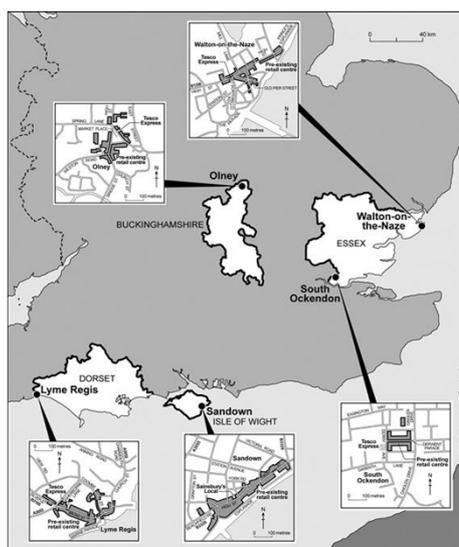
Abstract. At a time of increasing government concern with the economic health of UK town centres and high streets, and with an independent inquiry (led by Mary Portas) on *Revitalising the High Street* to report by the end of 2011, this paper seeks to make four contributions. First, to inject into an available evidence base, currently notable for its sparseness, new descriptive evidence on the differential performance of a sample of over 250 town centres/high streets in four regions of the UK as those centres adjusted to the shock wave of global economic crisis. Second, to address the task of theorising the nature of the complex adjustments underway by positioning the policy-significant findings provided in the paper within conceptualisations of 'resilience' in economic systems—particularly those which stress the anticipatory or reactive capacity of systems to minimise the impacts of a destabilising shock and which focus on resilience as a dynamic and evolutionary process. Third, to offer findings from theory-driven statistical modelling of the determinants of the differential resilience or fragility exhibited by that sample of centres. Fourth, to assess what the implications of those findings and a focus on 'adaptive resilience' might mean for the design of policy proposals and instruments aimed at revitalising UK town centres and high streets. Although some of the paper's empirical findings parallel those suggested by specialist commercial research companies which have emerged to fill the need to chart the posteconomic crisis malaise of UK retail centres, they also significantly extend available knowledge. In particular, they offer novel insight into the impact of two factors—'diversity' of a centre's preexisting retail structure and 'town-centres-first' policy-compliant 'in-centre' or 'edge-of-centre' corporate-foodstore entry. Although conventionally portrayed as polar opposites within popular debate in terms of attempts to protect and/or enhance the vitality and visibility of town centres and high streets, our analysis suggests that this may not be the case. Indeed, the retail centres in our sample which proved most resilient to the shock wave of global economic crisis were characterised by both diversity and corporate-foodstore entry.

A copy of our Environment & Planning paper is available to read

Impact of C-stores on small towns

Study design

- 5 small towns (S.England)
- Subject to in-centre, 'new generation' corporate C-store entry
- Centres surveyed (2010-11) approx. **18 months after** C-store entry
- **1500+** consumer & **200** trader surveys collected



Map of 5 case study towns

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Impact of C-stores on small towns

Key Findings

Consumer survey data reveals that new C-stores:

1. Rapidly become the centres' major trip generators

Most frequently named as **principal reason** for visiting the town centre - i.e draw consumers back to their local high streets

2. Potentially 'anchor' the town centre

33% of consumers report visiting new C-stores (most commonly visited town retailer). C-stores help maintain town centre 'buzz' & potentially 'anchor' sustainable economic health of centres by spreading of expenditure & footfall via **linked trips**

Encourage relocalisation effects

30% of local residents **relocalised** main/secondary food shopping from more **distant 'out-of-centre' stores** to the new C-stores

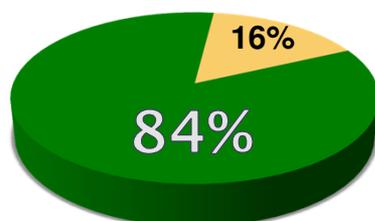
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Impact of C-stores on small towns

Key Findings

3. Spill-over of trade and footfall to other retailers and service providers in the town via **significant** (and little documented) levels of **linked trips**

Method 1 - Linked trip propensity



Always/Frequently/Occasionally combine C-store with existing retail/service providers

Never combine C-store with existing retail/service providers

Method 2 - Linked trip day of survey

63%

Respondents using C-store on the day of survey stated an intention to combine visit with existing town centre retailers/services

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Impact of C-store on small towns

Key Findings

4. Strongly **welcomed** by consumers and perceived by existing local traders to be of little threat
 - Over **50%** of **consumers** report new C-stores beneficial to themselves, local residents and the town centre
 - **70%** of **traders** report new C-stores had 'no impact' on their business & **60%** felt the new C-stores were beneficial for local residents

*Benefits highlighted by consumers & traders: **improved choice** of food retailers, greater **accessibility for elderly/less mobile** residents & C-stores **attract people to centres***

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Summary

- Forces impacting UK high streets are **not uniformly negative**
- Rise of '**convenience culture**' transformed the sector, produced high growth and spurred entry of corporate retailers - drove up standards throughout the sector
- 'New generation' corporate C-stores play vital role in enhancing vitality and viability of existing centres:
 - rapidly become **major trip generators** for small towns
 - spill over trade via **significant levels of linked trips**
 - encourage '**relocalisation** of food shopping' & play vital role in **anchoring existing retail centre** & enhancing its sustainable economic development

Key challenge for future research

- To understand the new complementarity and potentially symbiotic relationship between 'new generation' corporate foodstores and the diverse ecology of independent stores in small centres