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

University of Southampton &
ESRC RIBEN (Retail Industry Business Engagement Network)

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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
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

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

![Consumer Confidence Since 2002](image)
Cross regional multivariate analysis

Key findings

Drivers of performance of those UK retail centres analysed

<table>
<thead>
<tr>
<th>Accepted/Endorsed Findings</th>
<th>Novel/Intriguing Findings</th>
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<tbody>
<tr>
<td><strong>Better performance if:</strong></td>
<td><strong>Better performance if:</strong></td>
</tr>
<tr>
<td>1. Located in <strong>south</strong> rather than north</td>
<td>1. <strong>Diverse</strong> going into economic crisis (high % of small independent stores)</td>
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<td>2. Small rather than large</td>
<td>2. Experienced policy-compliant corporate foodstore entry</td>
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<td>3. High proportion of service units relative to retail units</td>
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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

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
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

<table>
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<tr>
<th>Method 1 - Linked trip propensity</th>
<th>Method 2 - Linked trip day of survey</th>
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<tbody>
<tr>
<td><img src="chart1.png" alt="Linked trip propensity chart" /></td>
<td>63%</td>
</tr>
<tr>
<td>Always/Frequently/Occasionally combine C-store with existing retail/service providers</td>
<td>Respondents using C-store on the day of survey stated an intention to combine visit with existing town centre retailers/services</td>
</tr>
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</table>

| 16% | 84% | 63% |
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

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