

RETAIL AND THE HIGH STREET: THE PROFESSIONAL PERSPECTIVE

Dr John England, Director, England & Lyle Ltd, Chartered Town Planners and Board Member, Action for Market Towns

Presentation to NABMA (the National Association of British Market Authorities) Local Councils Seminar, Friday 1 July, Stratford-Upon-Avon.

Characteristics of Small Towns

There are about 1,600 small towns across England. More than 1 in 5 people (22%) in England live in small towns. The town centres of these towns are important for shopping and services to meet the needs of the town and the rural hinterland. Town centres are vital to the local economy in small towns.

Many small towns are market towns and this paper focuses on market towns. Some market towns are prospering but others are in decline. It is important to identify what makes a successful market town and what can be done to promote and strengthen market towns, especially in a difficult economic climate. Action for Market Towns (AMT) is committed to supporting market towns through the economic downturn and preparing them to be local leaders of economic recovery.

Small towns vary widely in character. Research has been carried out by the Rural Evidence Research Centre at Birkbeck College, London, working in association with Action for Market Towns, to develop a typology of rural towns in England of between 1,500 to 40,000 population. The typology uses a range of social and economic indicators to classify towns into 8 categories such as *commuting towns* with relatively high levels of professional and managerial workers; towns with high proportions of *younger households* with families; towns with mainly *retired* persons; and towns in which many households are experiencing various forms of *disadvantage and difficulty*. It is a useful way of comparing the similarities and differences between towns.

Role and Function of Market Towns

The role of a market town is essentially about the position of the town in the hierarchy of centres. The function of a market town is essentially about local distinctiveness. Market towns each have their own distinctive heritage and character, and have developed over time in different ways. The main strengths and weaknesses of market towns are as follows:

Strengths

- Existing diversity and strong independent shops
- Local distinctiveness makes strong town brands possible
- Passionate, driven and committed people working in partnership
- Historical position as hub of community
- Architecture or countryside attracts tourists

Weaknesses

- Poor retail offer, existing shops need to 'up their game'
- Poor townscapes, public realm, traffic and parking issues
- Lack of communication and partnership working amongst town councils, community groups and local business owners.
- No obvious leadership and/or resources to drive change

It is useful to illustrate the role and function of market towns with reference to the East Riding of Yorkshire. In 2009 England & Lyle carried out the Town Centres and Retail Study for East Riding of Yorkshire Council. The study was commissioned to advise the Council on planning policy for town centres and retailing and to highlight Issues and Recommendations for each market town centre. The focus was on all the market towns in the East Riding (Beverley, Driffield and 8 smaller market towns) and other large centres (Bridlington, Goole).

These centres take a large market share of spending by local residents – more than 80% of spending in convenience goods but only 40% in comparison goods. This reflects the nature of shopping patterns – people tend to visit larger centres for higher order shopping. But the local market towns have a vital role in meeting day-to-day and weekly shopping needs.

The analysis of shopping patterns enables the catchment areas of centres to be defined, taking account of both convenience and comparison goods shopping. There are overlaps between some of the catchment areas, reflecting the different roles of centres in the retail hierarchy. Beverley has the most extensive catchment area, taking in Driffield, Hornsea, Cottingham and Market Weighton, particularly for comparison goods. Goole has a relatively self-contained catchment, with almost no overlaps with the catchments of the other large centres. The catchment areas of the smaller centres are relatively limited geographically.

Beverley, Bridlington, Goole and Driffield are Principal Town Centres. The four Principal Town Centres have an important role for shopping and services across a wide area. A number of smaller centres, mostly market towns, have more localised catchment areas and are defined as District Centres. These District Centres perform the role of local service centres.

The study shows that there are strong relationships between centres within the East Riding and between the East Riding and external centres, notably Hull and York. The influence of Hull extends into the neighbouring areas of the East Riding but it declines with distance from Hull. People living in the north western part of the East Riding tend to look towards York for their major shopping needs.

In advising on Issues and Recommendations the study recognised the importance of independent shops to the distinctiveness of market towns. For instance, Beverley benefits from having a strong representation of independents as well as a good range of national multiples. It also has a successful street market on two days a week and the town is busiest on market days. Other centres in the East Riding also benefit from their street markets – notably Driffield and Pocklington.

Taking an Informed View about Multiples and Independents

There are differences in opinion about the effect of multiples, particularly large supermarkets, on small towns. It is therefore very helpful to look at some recent research by Southampton University on Revisiting the Impact of Large Foodstores on Market Towns and District Centres, published in December 2010. The report contains the detailed research findings into the effects of the opening of new large in-centre or edge-of-centre foodstores between Sept 2007 and Nov 2008. It was commissioned by Tesco and the researchers are fully aware that the report could be accused as being biased for that reason. But it is in fact a thorough and rigorous academic study report backed up by detailed case studies of 4 market towns in the South West and 4 district centres in the North West. In each region research was carried out in 3 towns which had experienced new development and one where no development had taken place (used as a control).

The main findings are that:

(1) In all six centres that experienced the opening of a new foodstore a significant level of ‘claw back’ of food shopping was evident. The new foodstores encouraged significantly fewer local residents to leave those towns for their main food shopping. The case study centres became significantly more attractive to consumers in the wider catchment areas.

(2) The new supermarkets are not just being used for ‘one-stop’ shopping. Via the mechanism of linked trips the existing town centres have experienced increased footfall and urban ‘buzz’, helping to maintain and enhance their vitality and viability. Two-thirds of respondents claimed to combine visits to the new foodstores with visits to other shops or services in the existing retail centres.

(3) One year on from the opening of the new foodstores, 70% of consumers concluded that the new store was beneficial for themselves and their families. The main reason given by consumers for perceiving these benefits relating to the belief that the new stores had attracted more people to shop in the existing centre, helping to increase its vitality and viability. The positive attitude was also attributable to the travel-saving benefits of improved local access to full-range food retail.

(4) A year after the opening of the new foodstores, almost half of the local traders interviewed thought that overall the effects of the new foodstore were 'good' for the vitality and viability of the centres. The majority of traders said that the new foodstores had no effect on their business. When asked about the main factors that affected their sales in the year after the new stores opened, the majority of local traders stated that the economic climate was the primary factor. Any reduction in sales was thought to be mostly due to general economic conditions and low consumer confidence (44%) compared to those who thought it was due to the new foodstore (15%).

How to Promote and Strengthen Market Towns

Action for Market Towns works with and supports Local Authorities, Town Councils, Community and town partnerships, emerging Local Enterprise Partnerships, independent businesses and selected partner businesses dedicated to improving the vitality and viability of small towns through innovative solutions. AMT has a national network of around 400 members and works with members and non-members through its consulting arm amt-i.

AMT has just published a report entitled 'Town Centre Comeback' which takes an objective view of retailing in market towns based on research and case studies across the country. It looks at a range of actions that can be taken to improve the High Streets of small towns. The report concludes that town centres can come back if:

Local Authorities and Town Councils:

- Understand town performance through key performance indicators
- Use evidence to make plans and implement projects that will have an impact
- Encourage artistic and entrepreneurial activity through grants and low rates
- Work with multiples and supermarkets through section 106 agreements in innovative ways
- Offer local businesses training, toolkits and opportunities to share best practice

Independent business owners:

- Work together to market the town as a complete offer
- Learn from multiples
- Exploit niches and pick up market share from failed national chains
- Capitalise on their ability to offer superior customer service
- Take advantage of grants and training on offer

Town Groups, Community Partnerships and Business Forums:

- Use technology and innovative business models to their advantage to generate an income
- Implement town wide marketing, business networks and collaborative deals
- Facilitate partnership working amongst the town council, local businesses, attractions, schools, charities and non profit organisations
- Take direct action, set up their own shops and shop local!

The report makes a number of key recommendations.

1. Know your town

Collect evidence, demonstrate effectiveness and communicate success! A strong evidence base can ensure you identify projects that will have the greatest benefit for your town. It can help you to better understand your strengths, weaknesses, opportunities and threats and to attract funding and other resources. AMT has developed a Town Action Planning framework (TAP) that is designed to help.

2. Work with Supermarkets and Multiples

Try to get supermarkets on board and keep up communication levels. Be persistent and outline the benefits of a project, backed up with evidence.

3. Collaborate and Communicate

Think of your town as a department store which has a consistent marketing message and brand. Town-wide events and loyalty cards are two ways in which the town can come together to market itself. The key is to chose a brand that builds on your town's local distinctiveness or USP and stick to it.

4. Encourage Entrepreneurialism and Creativity

Entrepreneurialism and creativity can be encouraged into our small towns. Action for Market Towns' case study database has examples of projects which have transformed empty shops into art galleries and studios. Some suggestions include offering grants and training for entrepreneurs who wish to start out in retail via a market stall, or existing market stall holders who would like to move into a shop.

5. Give the Customer what they want

Focus on the customer, not what you want from the customer. Successful traders don't fear competition, but study their competitors, learn from them and find a niche to exploit, or unmet demand to tap into.

There are four ways in which independents can compete more effectively with multiples:

- (1) Independents must have the same level of professionalism.
- (2) Independents can offer a much better level of knowledge and experience but they do not always use it.
- (3) Independents have got to learn to sell. Marketing can provide an opportunity but independents must use that opportunity to secure the sale.
- (4) Independents need to become easier to do business with than the big multiples, e.g. be prepared to deliver the goods to the person's home, order an unusual product and respond quickly to customers' needs. Be flexible!

Lessons from Good Practice: Case Studies

The AMT website holds a database of around 200 case studies to help members find replicable best practice to create thriving towns. The database can be searched by entering relevant words or phrases, and by using categories and sub-categories.

One example of these case studies is a study carried out by England & Lyle for East Riding of Yorkshire Council in 2003 on the impact of the opening of a Tesco supermarket on the edge of Beverley town centre. It is a 'before and after' study based on surveys of existing provision in Beverley, health checks of the town centre, household surveys of shopping patterns and a retail impact assessment.

The case study presents:

- A summary of the project
- The background to the opening of the Tesco store
- An analysis of the main elements of the study
- The conclusions
- Contact details
- A web link to the study report

The study showed that the effect of the opening of the Tesco store was generally positive. It brought more trade into Beverley, reduced leakage for main food shopping, improved car parking provision in the town, and provided the opportunity for linked trips to the store and shops and services in the town centre.

The case studies cover a wide range of projects. Most of them highlight successful projects in particular towns. A good recent example is the Dales Festival of Food and Drink held in Leyburn in North Yorkshire.

It has been held each year since 2002 over the May Day Bank Holiday Weekend. The event consists of a large food hall featuring produce mostly from the local area, cookery demonstrations, exhibitions, entertainment and a Real Ale Festival.

The Dales Festival of Food and Drink is organised and staffed by local volunteers and is a real community achievement. Children under 16, who attend free of charge, are especially catered for. The success of the event has been such that the organisers have been able to make grants from the surplus since 2003 towards a wide variety of community projects.

The case study includes:

- An overview of the Festival
- Need, purpose and community involvement
- Innovation and quality
- Transferability and learning points
- Funding, future financial viability and outcomes
- Contact details

Monitoring: the Benchmarking Approach

It is important to monitor the health of town centres over time and against other similar towns. PPS4 on Planning for Sustainable Economic Growth requires local authorities to measure the vitality and viability and monitor the health of their town centres. The accompanying Practice Guidance acknowledges that the use of regular health checks provides a means of monitoring changes over time and provides the local authority with a good understanding of the resilience of its centres to change.

amt-I, the consultancy arm of Action for Market Towns, has developed a framework for comparing the health of a centre against other centres as a means of setting a standard for comparison. It is known as Town Benchmarking. The approach is based on collecting data on 12 Key Performance Indicators:

- Number and range of shops and other commercial units
- Balance of comparison and convenience retail units
- The mix of key attractors, multiples, regional and independent retailers
- Number of markets and traders
- Number of vacant units
- Prime retail property yields
- Zone A rents
- Footfall counts
- Car parking
- Business confidence and performance
- Visitors' opinions
- Shoppers' origins (by postcode)

Data collection is done by local people. The data collected for each town are compared with an average figure for all the Benchmarking towns, in the region and nationally. So far about 80 towns have been benchmarked across England. The data available is extremely useful in showing how centres compare with each other and how the health of centres is changing. A number of Benchmarking towns have successfully used the evidence to apply for external funding to improve their town centre, while with data collection depending on local people, some towns have used the project to stimulate partnership activity.

Conclusions

The success of retailing in market towns depends on finding a good balance between multiples (including supermarkets) and independent shops. Recent research shows that such a balance is possible and is important. The report by AMT on Town Centre Comeback highlights what can be done to try and achieve this balance. The report and its recommendations have been sent to Mary Portas who has been asked by the Government to lead an independent review of the UK's High Streets. The review aims to identify what the Government, local authorities and businesses can do to promote the development of more "prosperous and diverse high streets".

The Prime Minister has said that "The High Street should be at the very heart of every community." AMT is urging Mary Portas to look at examples of fresh thinking which many of AMT's members are already using with great effect with initiatives such as:

- innovative local loyalty schemes which promote local shopping and put money back in to towns
- independent retailers working together to create virtual local department stores
- the use of Benchmarking so towns know where to focus their efforts to improve.

These are all good ideas which could, with further Government support, benefit small towns across the UK.

AMT's top 10 tips to beating the recession on the high street are:

1. Get the basics right: Signage and car parking are important – if your customers can't park or find their way around you will lose them. amt-i can help.
2. Organise events: Events are a good way to get people back in to your town.
3. Know your customers: A Town Centre Services package from amt-i includes business training, mystery shopping and visitor surveys.
4. Encourage loyalty: Loyalty schemes are a great way to boost business. amt-i can also help in setting up a loyalty scheme for your town.

5. Joint marketing: Link up with neighbouring towns to create a destination for visitors.
6. How well are you doing? Use the online Town Benchmarking programme.
7. Learn from others: AMT's Towns-4-Towns scheme helps you learn from the success of projects in other towns.
8. Check out case studies of good practice: The AMT website has an online library of 200 case studies of successful projects in towns throughout the country.
9. Find your way through the policy jungle: AMT members have access through our website to policy information as well as help in putting policy into practice.
10. Join Action for Market Towns: Membership opens up a whole range of services to your town.

For more information, help and advice please see the Action for Market Towns website: www.towns.org.uk
or contact AMT at 5 Baxter Court, Higher Baxter Street, Bury St Edmunds, Suffolk IP33 1ES.