



The Retail Planning Knowledge Base Briefing Paper 14

Retail Diversity

Anne Findlay and Leigh Sparks

Institute for Retail Studies
Stirling Management School
University of Stirling
STIRLING FK9 4LA, SCOTLAND
Tel: (01786) 467384
Fax: (01786) 465290
E-mail: Leigh.Sparks@stir.ac.uk
a.m.findlay@stir.ac.uk
Website www.irs.stir.ac.uk

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On 29th December 2009 the new Planning Policy Statement 4: Planning for Sustainable Economic Growth was published. The policy was announced by John Healey and Rosie Winterton on a visit to a market in Doncaster. Amongst the key policies noted in the ministerial statement was the promotion of consumer choice and retail diversity.

Retail diversity is regarded as a desirable characteristic of town centres and a necessary counter trend to the ubiquitous presence of national multiples across the UK. Whilst most commentators are agreed that traditional markets might epitomise retail diversity, defining retail diversity or incorporating it as a useful concept in policy terms remains problematic. Markets offer a range of goods, goods with different provenances, stallholders with different personalities and backgrounds from farmers to craftsmen, appeal to nostalgia, offer a different economic proposition from other retail formats and add colour and vibrance to a town centre environment thus offering consumers a different kind of shopping experience. However which of these characteristics contributes most in a meaningful way to enhance diversity remains more difficult to pinpoint. Markets of course are clearly not the only form that retail diversity can take.

From the literature there is an underlying feeling that retail diversity is desirable and may benefit town centre vitality and viability. Diversity may however be in the eye of the beholder and is mostly not conceived in absolute terms. It is most commonly the result of ad hoc development and serendipity, a coming together of old and new over time, rather than policy or planning. The Communities and Local Government Department recently commissioned work on retail diversity.

The Association of Convenience Stores has published a report on retail diversity (www.acs.org.uk) It traces how the term has been used in the planning literature and attempts to suggest both the scope of retail diversity as a concept and the range of planning and other policies required to deliver meaningful diversity.

Despite the ministers' headline statement the term retail diversity does not actually occur in Planning Policy Statement 4: Planning for Sustainable Economic Growth, only being used in the Impact Assessment statement.

Key Quotes:

‘Appropriate Retail Diversity

Ensuring an appropriate retail mix, both in diversity of store and choice of retailer, is essential. Each High Street and community needs its own mix. Larger city centre locations will be best placed to provide a range of competing retailers. Smaller locations may elect to attract shoppers through a more concentrated but diverse offer.’
(BRC, 2009)

Diversity – towards a definition

- To address diversity it first must be defined
- No one size fits all (not every street could or should replicate Marylebone High Street)
- Diversity will vary according to scale of the centre and type of frontage within centres
- Diversity is about more than just retail – a diverse centre should include a range of uses (retail, leisure, housing, civic, business space & workshops)
- A diverse centre should provide for a range of users:
 - balancing the needs of different consumers in the local community
 - a range of building types
 - a range of lease lengths



London First Retail Commission, 2009

Key Findings

- Definitions of retail diversity are very varied. Implied definitions relate to size of business, type of ownership, format, price, quality of service, range and type of goods and operator. However there are other considerations such as organisational and operational management, localisation, embeddedness and scale and type variation.
- Simple or single factor definitions are flawed. Narrow definitions will not deliver greater retail diversity. Difference can take many forms.
- Increasingly the terms diversity and choice are grouped together although they are not the same.
- What creates difference and diversity in one place would not do so in another. Retail diversity is situationally bounded.
- Best practice cases which cite retail diversity as a goal are primarily focused on wider aspects of town centres both in terms of variety of uses and in creating town centre environments which accommodate a variety of retail types.
- Consumers may demand more retail diversity but shopping patterns may not reflect intentions. What consumers value in diversity may differ from the nostalgia of small quaint independent shops sometimes equated with diversity. New forms of diversity are critical.
- US literatures define retail diversity in terms of economic integration into the local economy.
- Not all retail diversity contributes to town centre well being.
- The scope for retail planning to achieve retail diversity is limited as other aspects of retail structure and retail restructuring as well as business costs are important. BIDs may provide a more meaningful way to create diversity within town centres.

Challenges

If retail diversity is to be desired in our town centres and high streets then retailers will need to be innovative in thinking about how to provide the types of diversity which will meet modern retail demands in new and different ways adding that sense of the unique and difference. The challenge for planners is to ensure suitable places are made available and that there is a match between the places and the types of retail offer and mix. Both business and community-led approaches will both be important.

Websites

Association of Convenience Stores: www.acs.org.uk

British Retail Consortium: www.brc.org.uk

Community and Local Government: www.communities.gov.uk

London First Retail Commission: www.london-first.co.uk

Contacts

Anne Findlay: a.m.findlay@stir.ac.uk

Leigh Sparks Leigh.Sparks@stir.ac.uk

Cliff Guy: Cuy@Cardiff.ac.uk

Peter Jackson: P.A.Jackson@Sheffield.ac.uk

References

The following is a list of references which touch on aspects of retail diversity although retail diversity as a concept is not necessarily used.

Bennison, D., Warnaby, G. and Medway, D.

The role of quarters in large city centres: a Mancunian case,

International Journal of Retail and Distribution Management, 35(8), 2007, 626-638.

This study draws on interviews with urban managers and residents in Manchester's Northern Quarter. The paper suggests that real quarters are organic and are not best managed from the top down. Material from the interviews suggests that those involved in the Northern Quarter wish to pick and choose between retailers and to maintain the non-multiple specialist nature of retailing in the area. BIDs would be antithetical as a method of maintaining the nature of the quarter. The serial replication of artificial quarters will not assist in the differentiation which leads to competitive places.

British Retail Consortium

21st Century high streets: A new vision for our town centres.

London: British Retail Consortium, 2009, 29p.

An introductory section places outlines briefly the problems facing UK high streets. Priorities for action are then outlined and discussed in some detail. These are; A Unique Sense of Place. An Attractive Public Realm, Planning for Success, Accessibility, Safety and Security, Supportive Regulatory and Fiscal Regimes. Case studies are used to show good practice examples. Diversity of the retail offer is seen as contributing to the unique sense of place.

Civic Economics

The San Francisco retail diversity study.

Chicago: Civic Economics, 2007, 27p.

This study investigates the way that local businesses are embedded in the local economy measuring the returns they bring to that local economy. It is suggested that the benefits of locally based business have not been adequately recognised.

Clarke, I., Hallsworth, A., Jackson, P., de Kervenoael, R., Perez del Aguila, R. and Kirkup, M.

Retail restructuring and consumer choice. 1. Long term changes in consumer behaviour: Portsmouth 1980-2002,

Environment and Planning A, 38(1), 2006, 25-46.

This article presents the quantitative results of a three year project to study retail change in Portsmouth. The way that retail restructuring has impacted on consumer choices and satisfaction with shopping provision are studied. The match between provision and lifestyle changes is assessed with conclusions relating to the complexity which exists in the conceptualisation of what choice means in the context of different

household types. The concept of choice is viewed as the degree to which competitiveness exists at the local level.

Communities and Local Government

Planning policy statement 4: Planning for sustainable economic growth.

London: TSO, 2009, 33p.

The 2009 planning policy statement was published following the draft publication and the consultation phase. The finalised policy statement offers guidance on town centre development as well as retail development in market towns and rural areas. It includes guidance for the development plan making stage and for the assessment of proposals which do not conform to a plan's guidelines. The sequential test remains key to the policy with the aim of strengthening the town centre first focus for development.

Communities and Local Government

PPS4 Impact Assessment

London: Department for Communities and Local Government, 2009, 52p.

The impact assessment document is published separately from the policy statement although the two were published together in the draft form. The impact assessment document provides details of how impacts should be measured in order to make decisions about development applications which do not conform to the local development plan. It replaces the previous need test.

Competition Commission

Market definition

London: Competition Commission, 2007, 30p. (Groceries Inquiry Working Paper)

This paper provides the background material to the way that the Competition Commission understands the groceries market in terms of competition issues such as store size, market share, fascia, catchment and format. It defines concepts such as choice and range of stores.

Competition Commission

Groceries market investigation: remittal of the Competition test by the Competition Appeal tribunal. Decision.

London: Competition Commission, 2009.

A reassessment and wording of the proposed Competition Test. It outlines the background to the test and a cost benefit analysis of the test with examples from representative areas.

Conservative Party Commission into Small Shops in the High Street

A strategy for community hubs,

London: Conservative Parliamentary Enterprise Group, 2008, 30p.

This is a response to the findings of an investigation into why smaller retailers were being driven out of the high street. The report urges councils to readdress parking issues making town centres more accessible. It also urges a review of rates and rents arrangements so that smaller businesses could claim relief. The concept of a

community hub enterprise area is proposed. These could take a number of different forms in terms of participation and partnership but would aim to incentivise local communities and businesses.

Everts, J. and Jackson, P.
Modernisation and the practices of contemporary food shopping,
Environment and Planning D, 27(5), 2009, 917-935.

A study of how place specific shopping practices emerge. A distinction is made between choices and the social accomplishment of shopping. Differences are shown to be more than traditional and modern involving for example trust relationships of different sorts. In thinking about retail diversity the paper highlights the fact that diversity involves unseen aspects of the shopping process and also that the term choice can be misleading.

Findlay, A. and sparks, L.
Retail diversity.
Farnborough: Association of Convenience Stores, 2010, 42p. Available online at:
www.acs.org.uk

A review of how the term diversity has moved from referring to town centre diversity to retail diversity and how it has been handled in planning policy. The demands for retail diversity and the possibilities for retail diversity are discussed. The degree to which planning can deliver retail diversity are discussed and other factors involved are suggested.

Findlay, A. and Sparks, L.
Literature review: policies adopted to support a healthy retail sector and retail led regeneration and the impact of retail on the regeneration of town centres and local high streets,
Edinburgh: Scottish Government, 2009, 47p.

This report had three aims: identify what a healthy/vibrant town centre/local high street looks like; identify, in the UK, what policies/approaches have been implemented to: (a) Support a healthy retail sector in local high streets and town centres, and (b) Undertake retail led regeneration; explore what impact retail has had on the regeneration (in its widest sense – social, economic and physical) of town centres and local high streets, and how this has impacted on the wider community.

Grimley Eve
Planning for town centres: Good practice guide on need, impact and the sequential approach. Living draft.
London: Grimley Eve, 2009, 114p.

This document is out for consultation. It offers detailed guidelines on how to put retail planning policy into practice.

Guy, C.
Planning for retail development: A critical view of the British experience,
London: Routledge, 2007, 292p. 0415354536

This volume updates Cliff Guy's 1994 volume on the same subject. As such it covers the last decade of retail planning policy in the UK which has been a substantial departure from the previous decade. It includes discussion of diversity in town centres. Chapter 6 focuses on issues relating to innovation, productivity, competition and retail planning.

Guy, C.

'one massive Tesco',

Town and Country Planning, 78(10), 2009, 404-406

A discussion of what retail diversity and consumer choice are and what planning tools are there to deliver them. Retail diversity is interpreted as referring to small independent retailers and policies which are appropriate are those restricting large scale development.

Hart, A.

A neighbourhood renewal project in Dalston, Hackney: Towards a new form of partnership for inner city regeneration,

Journal of Retail and Leisure Property, 3, 2003, 237-245.

This paper draws on the urban theorists Jacobs and Florida to suggest that community-led regeneration will create the diversity of places that will foster the type of spontaneity and even quirkiness in which independent retailers can find a place. Whilst national retailers will occupy planned spaces independent retailers will need spaces which more closely reflect their identity and community links. Public policy needs to offer the flexibility to permit this type of development.

London First Retail Commission

Reinvigorating the high street: encouraging retail diversity and supporting town centres in London.

London: London First, 2009.

Despite the title the focus of this report is not on types of retailers but rather on the health and mix of town centre functions. It takes ideas from BRC's 21st Century High Streets and considers them in the context of London. The report draws on case studies and the outcomes of seminars and interviews. It has a practical orientation. There is a list of key recommendations which mainly relate to making the town environment more vibrant and attractive. It is organised under the headings: Understand centres, Manage centres, Plan for long term health and Market centres.