

EXAMINING THE IMPACTS OF A NEW  
REGIONAL INNER-CITY RETAIL  
DEVELOPMENT ON LIVERPOOL'S  
EXISTING INNER-CITY SHOPPING  
CENTRES AND OTHER RETAIL AREAS

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## Declaration

This to certify that no material contained in this thesis has been used in any other work submission for an academic award. The author is solely responsible for the work submitted in this thesis and the work of others have been appropriately acknowledged.

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## **Abstract**

The retail sector is a major contributor to the Gross Domestic Product (GDP) of the UK and is one of the world's most competitive industries. Its development in the UK has seen it expand dramatically and these changes are of particular significance in regard to retailers in traditional town and city centres. The publication of the National Planning Policy Framework (NPPF) in 2012 set out the government's objectives for town centres. The key strategies from the paper were to promote their vitality and viability by planning for their growth and development as well as promoting and enhancing existing centres. The main focus of the policy however was to promote a 'town centre first' approach in regards to new retail development. Liverpool is one of many UK cities who have recently experienced a new inner-city retail development built alongside existing inner-city retail areas, in particular, through the building of Liverpool One. Opened in 2008, Liverpool One was built to not only offer a new retail experience in the city, alongside the established inner-city retail areas, but to also enhance the existing city centre retail areas through retail-led regeneration.

The overall aim of this research is to examine the impacts that have arisen in regard to the opening of Liverpool One in particular, the impacts that this new retail development has had on the already established inner-city retail areas. A mixed methods approach was adopted; a questionnaire was developed to investigate existing retailers' sales levels and vacancy rates and changes of occupation were measured using Goad maps. Semi-structured interviews were also carried out with existing inner-city shopping centre managers.

The findings of the research suggest that the opening of Liverpool One impacted on existing retailers and shopping centres through a loss in annual sales, alterations in footfall patterns, fluctuations in vacancy rates, and changes in occupation of retail space. However, the scale of impact varied between retail areas within the city centre and the economic recession at the time of the study may have also been a contributing factor to these findings.

This research informed the development of a set of recommendations to be used as a possible industry tool when incorporating a new regional inner-city shopping centre into an existing town or city centre.

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# Chapter 1: Introduction

## 1.1 Research Background

The retail sector is an important part of any country's financial system as both consumer demand and spending help to drive the economy (Guy, 1994). In the UK, retail sales contribute to around one quarter of the country's Gross Domestic Product (GDP) and the retail sector employs over two million workers (Guy, 1994). Maintaining a prosperous retail market is therefore vital and it was reported back in 2007, that even in the previous economic climate of recession, almost three quarters of additional new retail floor space was planned for the UK over the coming decade and that the future held 'dramatic changes' in physical formats (O'Neill *et al.* 2007, p.4). The locations of where these 'dramatic changes' (O'Neill *et al.*, 2007, p.4) would take place are particularly important, especially if the impact they may have on existing shopping areas is to be considered. The retail sector's expansion and development has played an important part in the UK's built environment and has radically changed both the appearance and function of traditional city centres (Guy, 1994). This expansion is also particularly significant when taking into consideration the impacts on traditional established retailers (Guy, 1994).

The history of planned shopping centres in the UK began shortly after the end of the Second World War, where the UK experienced a demand for retail growth and expansion which was accredited to the post war economic boom (Jessen and Langer, 2012). By the late 1950's planned shopping centres began to be developed in UK town centres and given the economic prosperity at the time, the first fully enclosed shopping centres opened by the end of the 1960's (Guy, 1994). The surge in development of in-town shopping centres continued into the 1970's, assisted predominantly through funding by local councils and the increased availability of finance for property development (Guy, 1994).

The 1980's saw a change in UK government policy which moved away from retail development in town centres and lifted restrictions that had previously been in place in regard to out-of-town retail developments (Oughton *et al.*, 2003). This led to a spate of planning proposals being submitted for regional out-of-town shopping centres and between 1986 and 1990 a number of high-profile schemes were completed which included the Metro

Centre in Gateshead, Merry Hill shopping centre in Dudley, the Lakeside Centre in Thurrock and Meadowhall in Sheffield (Oughton *et al.*, 2003).

By the mid 1990's no further applications for out-of-town centre sites were considered which was attributed to a further change in government policy restricting development for out-of-town retail shopping centres (Oughton *et al.*, 2003). Although planning restrictions were tightened, out-of-town retail developments were still being built throughout the late 1990's, due to planning consent being approved prior to the restrictions being put in place (Oughton *et al.*, 2003). Following this change in government policy, which once again stipulated a stance towards inner-city retail development, as well as a period of increased growth in the UK economy, the late 1990's and early 2000's saw the completion of the first six enclosed regional inner-city shopping centres (Oughton *et al.*, 2003). These in-town schemes were each over 400,000 sq. ft. with a combination of both retail and leisure space and paved the way for a further twenty new inner-city retail schemes to be built between 2001 and the present day (Oughton *et al.*, 2003).

A significant number of these twenty-five new inner-city retail schemes have been built alongside the concept of retail-led regeneration, which can be argued as being one of the most significant philosophies in shaping the current retail landscape in British town and city centres. As a report by the Retail Strategy Group (2004, p.13) of the Department of Trade and Industry noted "retail invests in people and places, it creates new markets, provides a focus for the implementation of social policies and plays an important role in the regeneration and well-being of towns, cities and urban areas". Retail led urban regeneration also has the potential to act as a catalyst for the wider regeneration of deprived areas and cannot simply be ignored, especially when retailing plays such a vital role in the UK economy (BITC, 2007). Not only is it the third largest service based industry in the UK, the sector is also a major employer, creating new jobs and opportunities and giving communities access to local goods and services (BITC, 2007).

Although the proposed benefits of retail led regeneration are theorised to be profound, it can be argued that it is all too easy to simplify the arguments in favour of retailing as a catalyst for local economic growth. Dixon (2005, p.169) comments that "relying on 'headline figures' for job growth, for example, creates a danger that equally important issues are frequently

overlooked". It is without a doubt vital, especially as the UK emerges from the depths of recession, that the government is seen to be providing opportunities and jobs as well as pumping investment into local economies; however, it is all too easy to say that this does not impact on already existing inner-city retail shops and developments. Dixon (2005, p.169) poses some interesting questions in regard to the possible consequences of retail led regeneration such as "how does the local regeneration 'balance sheet' stack up in terms of jobs, spending, loss of local shops, the property impact in terms of shift of prime rental pitch and overall social inclusion in the local community?" It is therefore naïve to consider that retail led regeneration is without its flaws and the possible negatives from the proposed regeneration schemes need to be highlighted, something that is arguably, following a difficult economic period, being conveniently overlooked.

Furthermore, recent research by Kreuziger (2013) who investigated the built outcome of three case studies involving retail retail-led regeneration projects and their subsequent integration within the wider public realm framework, found that the results revealed similar characteristics to the negative impacts commonly associated with out-of-town centre retail developments on town and city centres. Findings by Kreuziger (2013, p.1) suggested that these new regional inner-city shopping centres were inspired and motivated by consumerism as well as values associated with commercial gain and had "transformed English urban centres into inaccessible, socially exclusive and predictable commercial environments". Further findings by Kreuziger (2013) also suggested that these retail-led regeneration developments had negatively impacted on the user benefits to the public which consequently adds further debate as to how the local regeneration 'balance sheet' stacks up when new retail developments are built with an ethos on regeneration.

Lowe (2005, p.449) argues that developments such as West Quay in Southampton pioneered the link between retail and urban regeneration and in turn "was a central component in a strategy focused on the development and promotion of successful places". Lowe's (2005) profound statement of Southampton being a pioneer is difficult to disagree with, especially when considering the popularity and economic success of the Liverpool One development. Completed in 2008 following Liverpool being named as the European Capital of Culture, this was at the time the largest city centre regeneration scheme in Europe (Daramola-Martin, 2009).

Inner-city retail development as a tool for regeneration looks set to continue and although this may be the case, only three studies have been conducted into the impacts of new inner-city retail developments on existing centres, of which one was conducted over thirty-five years ago on Eldon Square in Newcastle and the other two (Oracle Centre in Reading and West Quay in Southampton), almost ten and fifteen years ago respectively. Given the fact that over twenty-five inner-city centres have opened their doors since 2000, there have been no recent studies to understand the nature of their impacts in UK town and city centres. There also seems to be a general acceptance and approval of the merits that these developments bring without any concrete evidence. There is therefore a clear lack of understanding of the impacts of regional inner-city shopping centres and this study aims to somewhat fill that gap in knowledge.

## **1.2 Research Problem**

Since Lowe's (2005) study on the impacts of the West Quay shopping centre in Southampton there has been very little published work on the topic of new inner city retail developments. Oughton *et al.* (2003) made a valid contribution in regard to research on the Oracle Centre in Reading, however like Southampton, both reports were based on new retail developments in the South of England. There is therefore a significant gap in research, particularly on cities based in the North of England, making Liverpool in the North-West an ideal city to explore. Although it may be argued that Bennison and Davies (1980) published work on Eldon Square in Newcastle, which is also based in the North of England, the findings of their research could be considered dated, especially when taking into account that their study was conducted over thirty years ago, however, given that there are only three studies in regard to the impacts of a new regional inner-city shopping centre, their research is still highly relevant. Liverpool as a city is also significant because it offers a mixture of existing inner-city shopping centres as well as other retail areas such as a traditional high street, a retail development mix that has not been explored in previous studies.

The government's 'town-centre first' approach (Office of the Deputy Prime Minister, 2005) also lacks evidence and further research would offer the opportunity to deliberate on whether this is still the correct policy when taking into consideration its impacts on established inner-city shopping centres and retail areas. Further strategies that were also set out by the government in the most recent and previous planning policies for town centres was to enhance existing centres by promoting their vitality and viability (Office of the Deputy Prime

Minister, 2005). It is therefore worth considering whether a new retail development does enhance the entire city centre or whether its influence is confined locally to the location of where it has been built.

It is also evident that there is little research or understanding into what happens to existing inner-city shopping centres and other retail areas when a new retail development is built alongside them. The opportunity to study the nature and scale of the impacts that a new retail development may have on existing inner-city shopping centres and other retail areas would offer a valuable contribution to knowledge.

Furthermore, as mentioned previously, Lowe (2005, p.449) argues that developments such as West Quay in Southampton pioneered the link between retail and urban regeneration and in turn “was a central component in a strategy focused on the development and promotion of successful places”. Lowe’s (2005) profound statement of Southampton being a pioneer since the opening of the West Quay in 2000 is difficult to disagree with, especially when taking into consideration the various other inner-city shopping centres that have opened in recent years. These include ‘The Bull Ring’ in Birmingham, ‘Cabot Circus’ in Bristol, ‘Highcross’ in Leicester and most recently, ‘Trinity Leeds’ which opened its doors on the 21st March 2013. With the surge in inner-city shopping centre development being used as a tool for regeneration, it is imperative that more research needs to be done as to whether this strategy really does create, as Lowe (2005, p.449) states, “successful places”, especially when taking into consideration the possible impacts on already established inner-city shopping centres and retail areas. The opinion that new inner-city shopping centres through retail regeneration can only be of benefit to existing city centre shopping centres and shops therefore needs to be explored.

### **1.3 Aim and Objectives**

Following the research problems identified in Section 1.2 the aim of this study is to examine the impacts of a new regional inner-city retail development on Liverpool’s existing inner-city shopping centres and other retail areas.

The above aim will be achieved by pursuing the following objectives:

- 1) Examine vacancy rates in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.
- 2) Assess the level of sales experienced by retailers in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.
- 3) Examine the changes in occupation of retail space in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.
- 4) Explore the management strategies adopted by the existing inner city shopping centre managers in regard to coping with competition, retaining current business and attracting new business.

## **1.4 Focus on Liverpool**

Liverpool is a city in the North-West of England that has experienced 'dramatic changes' (O'Neill *et al.*, 2007, p.4) to its traditional city centre shopping area over the last decade. At the beginning of 2004, work began on the construction of Liverpool One, a 42 acre mixed use retail-led development in the heart of the city centre (Littlefield, 2009). Opened in 2008, at the time it was the largest open air shopping centre in the UK (Littlefield, 2009). Before its development, Liverpool already had four existing inner-city shopping centres, 'St Johns', 'Clayton Square', 'Cavern Walks' and 'The Metquarter'. These four existing shopping centres are made up of various retailers each offering differing shopping experiences through either type of retailer or services on offer. They are however similar in terms of being based on a traditional shopping centre design with each centre having a closed roof. Additional retail areas include Liverpool's traditional high street (Church St and Lord St) as well as Bold Street. Bold Street is located at the top of Church Street and despite its location, it is not technically part of the high street. However, its mixture of independent, small and large retailers makes it a significant retail area in Liverpool.

### **1.4.1 The City of Liverpool**

The city of Liverpool is located in the North-West of England and is situated within the county of Merseyside. According to a key statistics bulletin published periodically by Liverpool City Council in July 2015, the city has a population of 473,100, with 1,391,100 people living in Merseyside, 1,517,500 within the city region and a total of 7,133,000 in the North-West of

England (Liverpool City Council, 2015). Between January 2014 and December 2014 the city of Liverpool had an employment rate of 59.2% (189,600), the county of Merseyside 64.7% (571,000), the city region 65.1% (625,77) and the North-West 69.2% (3,106,500) (Liverpool City Council, 2015). When compared to the national average (72.4%) it is clear that the city as a whole has a particularly low employment rate. However, in recent times and in particular due to an upsurge in both the local and national economy, the city has attracted investment both in the tourism and service industries (hotels and restaurants) and production industries, notably through the Jaguar/Land Rover Group car production plant in the South of the city.

#### **1.4.2 Liverpool City Centre Retail pre Liverpool One**

Following informal interviews with the centre managers of St. Johns, Clayton Square and the Metquarter, as well as brief informal interviews with two local property agents active within Liverpool's retail market in 2013, it was established that prior to the opening of Liverpool One in 2008, both Church Street and Lord Street were the prime retail streets in Liverpool City Centre. Church Street and Lord Street's prominent location in the middle of the city centre is represented in Appendix 8. Church Street and Lord Street's standing as the prime retail streets was attributed to retailers such as John Lewis, Marks and Spencer, Next and BHS all residing on the streets respectively. Other prominent retailers included River Island, Boots, W H Smith, Dorothy Perkins, Burtons, Clarks, Kurt Geiger, Miss Selfridge and Dixons. Each of the centre managers considered both the whole of Lord Street and Church Street to be prime however the two local property agents considered that the top of Lord Street heading towards John Street train station and which is now adjacent to Liverpool One, as being less prime. They also added that the beginning and middle of Church Street, prior to Liverpool One, were what they considered the prominent prime locations for retail in Liverpool City Centre.

Both the centre managers and retail agents agreed that Bold Street, situated to the East of Liverpool One (see Appendix 8, p.297) and the other retail locations, were considered as either the secondary or tertiary retail areas although Bold Street with its offering of Waterstones, Body Shop, HMV and Argos could have been considered the more prominent of the secondary areas. Williamson Square is situated to the North-East of Liverpool One (see Appendix 8, p.297) and given its location and linked streets to Church Street, St. Johns and Clayton Square as well as Parker Street, again for the same reasons, was also

considered as a good secondary location. Furthermore, Renshaw Street, which runs into Lime Street, was also thought of as a good secondary location given its proximity to Liverpool's oldest department store Lewis's (which subsequently closed in 2010) and a large independent hardware store called Rapid. This was followed by Ranelagh Street which many people used as the main through route to get to Church Street after alighting at a bus stop outside Lewis's Department Store on Renshaw Street. Ranelagh Street was also considered to have a prominent volume of footfall as Liverpool Central train station had its main entrance onto the street.

The locations of Liverpool's four existing inner-city shopping centres before the advent of Liverpool One are also shown in Appendix 8. The Metquarter is located to the North of Liverpool One on Whitechapel, which runs directly into the cross section of where Church Street and Lord Street meet. Cavern Walks is the closest of the four shopping centres located to the North of Liverpool One with access from Mathew Street, Harrington Street and Whitechapel, although there is a direct walkway connecting the centre from Lord Street. Clayton Square and St. Johns are located to the North-West of Liverpool One and are located the furthest away from the new centre. Clayton Square has access from Church Street, Parker Street and Ranelagh Street and is located opposite Liverpool Central train station. St. Johns offers access from each side of its centre however its main entrance is situated on Elliott Street. It is also linked with Williamson Square via Houghton Street.

#### **1.4.2.1 St. Johns**

St. Johns is owned by Infra-Red Capital Partners, a London-based property funds company which took over the centre at the time of the study from the Land Securities Group. Opened in 1969, the centre offers around 360,000 sq. ft. of retail space, over two floors and has around a hundred units, with a retail mix of independent, small and large retailers. Over half of its retailers are however independents, which is quite uncommon for a shopping centre of its size.

St. Johns offers:

- Two 'Anchor' stores which are Aldi and Matalan;
- Two levels of retail offering 100 shop units consisting of small UK high street retailers and independent stores;

- 10 fast food restaurants;
- Three supermarkets including Aldi, Iceland and Sainsbury's Local;
- Holiday Inn Hotel; and
- A car park with 620 car parking spaces.

#### **1.4.2.2 Clayton Square**

Clayton Square is also owned by Infra-Red Capital Partners. Opened in 1989, at the time of the study, the centre offered 180,000 sq. ft. of retail space, over two floors, with sixty retail units and a retail mix of small and large retailers. In 2008, one of its main anchor stores Zavvi, relocated to Liverpool One, alongside many other prominent ladies fashion retailers which in turn changed the retail mix within the centre changed considerably. The following information was correct at the time of the study.

Clayton Square offered:

- Two Anchor stores, Boots (60,000 sq. ft.) and Clas Olhson (26,000 sq. ft.);
- Two levels of retail offering 60 shop units consisting of small UK high street retailers and independent stores; and
- 5 fast food restaurants.

#### **1.4.2.3 Metquarter**

The Metquarter is owned by Anglo Irish Bank Private Banking and Alanis Capital. Opened in 2006, the centre offers 160,000 sq. ft. of retail space, over two floors, with forty units and a retail mix of predominately high-end and high street retailers. Like Clayton Square, the Metquarter also experienced a number of retailers relocating to Liverpool One, namely their flag ship store Flannels. The following information was correct at the time of the study.

The Metquarter offers:

- Three 'Anchor' Stores – Jack Wills, Hugo Boss and Armani Exchange;
- Two levels of retail offering 40 shop units consisting of high end retailers including Diesel, Tommy Hilfiger, Kurt Geiger, LK Bennet and Timberland; and
- 2 restaurants and 3 cafes.

#### **1.4.2.4 Cavern Walks**

Cavern Walks is the smallest of the existing shopping centres and brands itself as a 'boutique style' centre. Opened in 2000, the centre offers 80,000 sq. ft. of retail space, over two floors, with twenty-three retailers and a mixture of high end independents and small retailers.

Cavern Walks offers:

- One Flag-Ship Store – Vivienne Westwood;
- Two levels of retail offering 23 shop units consisting of high end independent retailers including Cricket and Cavern Menswear; and
- 1 cafe.

Where Liverpool One now stands was once known as the 'Paradise Street' area. Comprehensively bombed in 1941, the site was completely flattened and as Littlefield (2009, p.27) comments, "the site became nothing but an interruption between the city itself and the historic docks to the South". Plans for the redevelopment of the area go back to 1958 and even though there were some developments on it by the end of the 1960's, these fell into disrepute and were eventually demolished (Littlefield, 2009). Although certain zones around Paradise Street remained derelict and run-down, there were some developments in the area. These included Chavasse Park (a 2–3 acre plot of unfenced grass verges), the Paradise Street Bus Station, an NCP Car Park, an indoor market named 'Quiggins', a hotel, fire station and BBC Radio Merseyside offices and studios. There were also large areas of wasteland, although some were used as car parks. Apart from the indoor market, there were no other prominent retail offerings on the site of the Liverpool One development.

#### **1.4.3 Planning and Development of Liverpool One**

Following a study in 1998 by Healey and Baker Surveyors Development Team commissioned by the City Council, it was revealed that Liverpool's reputation as a regional shopping centre was under serious threat and even smaller towns such as Chester were providing an attractive alternative to shopping in Liverpool (Littlefield, 2009). The study conducted by Healey & Baker in 1998 (now Cushman and Wakefield) at that time also suggested that a feasible scheme and site for redevelopment existed within the city centre, namely the 'Paradise Street' area. The following year in 1999 Liverpool City Council issued

a *Planning Framework* for the Paradise Street Development Area with requirements including 93,000 sq. m of retail space with at least two department stores, including a mix of modern retail and leisure services, public transport accessibility, provision for pedestrian links to surrounding areas and to ensure high quality parking alongside easily accessible road links (Littlefield, 2009). The development should also be built incorporating sustainable development principles, provide a safe and attractive environment and ensure the development enhances its surrounding area (Littlefield, 2009). In 1999, the City Council again commissioned Healey & Baker who put together the *Paradise Street Development Brief*. The document outlined that the development should be of high quality, provide space for quality department stores and other larger stores, offer retail units of an adequate size so as to attract retailers currently not in the city, encourage the use of public transport to the development, create public spaces other than retail for residents and tourists and finally to improve Liverpool City Centre's 'vitality and viability' (Littlefield, 2009). The *Paradise Street Development Brief* was essentially the guidelines for the prospective developer of the site (Littlefield, 2009).

Following the development brief in 1999, Liverpool City Council advertised in the national property press asking for developers for the site, of which 47 came forward. Companies were then shortlisted down to six and in March 2000 Grosvenor Developments Ltd were selected to develop Liverpool One. Following Grosvenor's appointment, a report by their own research division suggested that Liverpool City Centre was attracting far fewer people from its potential catchment area, that the new development had the potential to increase the number of shoppers so much so that annual retail turnover would multiply by hundreds of millions of pounds, Liverpool's economy was growing, unemployment declining, tourist numbers increasing, the number of people living in the City Centre was rising and both sales and rental growth for the Paradise Street area were predicted to grow steadily (Littlefield, 2009). All of the above secured Grosvenor's commitment to the project.

Before the development could begin, both planning permission had to be secured, as well as a number of buildings bought by offer or compulsory purchase, given that only one third of the land that had been earmarked for development was owned by the City Council (Littlefield, 2009). The first planning application was submitted in January 2001 and then resubmitted in October, following comments and critiques from a number of consultation exercises involving agencies such as English Heritage, to smaller groups including Merseytravel and local archaeological groups. Following a successful four month public

enquiry due to the developers wanting to amend the 'Unitary Development Plan' because of the need for compulsory purchase of properties, planning permission was granted in December 2002. However, plans had to be again resubmitted in February 2004 due to issues in regard to compulsory purchase and private landowners refusing to sell or cooperate alongside the development. Nevertheless, planning permission was again granted in mid-2004 and on the 22<sup>nd</sup> November building work began.

Following Liverpool being named the European Capital of Culture for 2008, one year prior to the building work commencing, the City Council wanted to combine the opening of Liverpool One with the Capital of Culture year. A deadline of May 2008 was set for which the first phase of the development should open. Work began almost immediately following planning permission being approved and anchor tenants were also secured successfully by Grosvenor, recruiting both John Lewis and Debenhams. By the end of April 2008, 80% of the units were either occupied or let and on the 29<sup>th</sup> May 2008, Liverpool One opened. This was followed by 92% of the entire development being let by the 1st October 2008, which was when all phases had been fully opened and included the newly remodelled and landscaped Chevasse Park. (Littlefield, 2009).

When Liverpool One fully opened on the 1<sup>st</sup> October 2008 the project was believed to have cost in excess of £1 billion pounds and the scheme provided 175,500 sq. m of retail and leisure facilities (Littlefield, 2009). Thirty-six individual buildings make up Liverpool One and it has three main trading levels: a ground level, upper level and a leisure level. The shopping centre is particularly well connected from either the North, East, South or West of the development (See Appendix 8, p.297). From the North there is access from either Church Street, Lord Street via St. John Street and Paradise Street respectively, both of which are the main streets running through the development. From the East the development can be accessed from Hannover Street via School Lane or College Lane, from the South directly from Paradise Street and from the West via Thomas Steers Way.

Liverpool One offers:

- Two Anchor Stores – John Lewis (22,300 sq. m) and Debenhams (17,200 sq. m);

- Two levels of retail offering 142 shop units consisting of UK High Street retailers and International brands;
- 46 restaurants, bars and cafes;
- Odeon Cinema with 14 screens;
- 5 Acre landscaped park;
- 10 bay Bus Station; and
- 3 Car Parks with 3,000 car parking spaces.

Liverpool One is owned by the Grosvenor Group, an International Development and Management Company who operate in Europe, North America, Australia and Asia. Alongside retail they develop, own and manage residential, office, hotel and leisure projects. The Grosvenor Group is operated on behalf of its owners, the Duke of Westminster and his family. According to the Allen (2015) the Grosvenor Group's property portfolio is valued at £6 billion and in 2014 the group recorded pre-tax profits of £681.8 million for 2014, a thirty-five percent increase on 2013. Although the Grosvenor Group have interests in real estate throughout the world, they are particularly known for their property portfolio in London, most notably in Mayfair and Belgravia, two of the most affluent areas in London.

## **1.5 Methodology**

Approaching research involves philosophical assumptions as well as distinct methods that will be used to conduct the research (Creswell, 2009). Once recognized, the philosophical idea will assist the researcher in whether qualitative, quantitative or mixed methods approaches will be used in the study. Creswell (2009, p.5) chooses to use the term 'worldview' as meaning "a basic set of beliefs that guide action" and this 'worldview', on the nature of knowledge, is addressed through two broad philosophies, positivism and interpretivism. Creswell (2009, p.7) summarises positivism by stating "the knowledge that develops through a positivist view is based on careful observation and measurement of the objective reality that exists 'out there' in the world and quantitative research parallels this positivist paradigm". Interpretivism, the alternative to the positivist philosophy, is "predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences therefore requiring the social scientist to grasp the subjective meaning of social action" (Bryman and Bell, 2011, p.17). It is therefore widely

acknowledged that interpretivism is a philosophy that is typically seen as an approach to qualitative research (Creswell, 2009).

However another philosophical view, 'pragmatism', contends that choosing between one position and another is somewhat unrealistic in practice (Saunders *et al.*, 2009). Pragmatism argues that the most important factor in determining which philosophy to adopt should be the research question itself, meaning therefore that mixed methods, both qualitative and quantitative, may be highly appropriate within one study (Saunders *et al.*, 2009). Both philosophical views are instrumental in helping researchers and on reflection, this research will use a pragmatist approach so as to investigate the research objectives successfully. Sales levels were analysed using survey questionnaires and vacancy rates and changes of occupation were measured using Goad maps, all of which employed a quantitative or positivist approach. The study also aims to understand how individuals, in this case the existing shopping centre managers, perceive the current environment in which they work, as well as how they are responding to it. Furthermore, it is about understanding challenges and changes amongst a small population and therefore an interpretivist or qualitative approach was adopted to investigate this using semi-structured interviews.

A consultation exercise was also undertaken with existing retail shop managers to validate the survey results and set of recommendations which had been proposed based on the findings. The recommendations were developed by the researcher as a possible industry tool when incorporating a new regional inner-city shopping centre into an existing town centre. The quantitative and qualitative data collected were analysed aided by the use of SPSS and Nvivo respectively. More detailed information regarding the methodology is provided in Chapter 5.

## **1.6 Summary of Findings, Conclusions, Recommendations and Contribution to Knowledge**

The study found that although some retailers reported an increase in sales in the five years following the opening of Liverpool One, the majority experienced a decrease to some extent. Of these, the majority noted a decrease in sales of more than 10%. The most commonly cited reason for decreases in sales was Liverpool One and it was also the most frequently suggested reason when retailers were asked as to what they felt was the most significant

reason. However, the economy was cited as the second most commonly suggested reason for decreases in sales and it would therefore be naïve to consider Liverpool One as the principal reason for sales changes when the poor state of the economy at the time of the study is taken into consideration. Furthermore, for the retailers who experienced an increase in sales, the most commonly cited reasons were the same as above and therefore although the majority of retailers attributed decline in sales to Liverpool One and the economy they were also viewed as having positive effects for some retailers.

Between 2009 and 2013, the level of change within the existing retail areas varied considerably in regard to both vacancy rates and changes in occupation. There is strong evidence to suggest from both the occupier data, interviews with centre managers and comments from retailers that Liverpool One did have an impact on existing retailers although the size and scale of this impact varies between the individual areas and given the downturn in the economy at the time, this also has to be taken into consideration. In terms of management strategies adopted by the existing inner city shopping centre managers in regard to coping with competition, retaining current business and attracting new business, it was established that each centre manager understood that the types of retailers they were trying to attract had to be suitable for their individual shopping centre however the strategies that were implemented differed considerably.

Further findings from the land use survey and comments from existing retailers suggest that Liverpool One moved the prime retail pitch in the city centre. This not only led to the relocation of many high end retailers, but also had implications in regard to footfall and public transport routes and as a consequence, it could be argued, changed the structure of retailing around the existing shopping areas depending on the proximity to the new centre. When considering whether a new retail development does enhance the entire city centre or whether its influence is confined locally to the location of where it has been built, it could therefore be argued that the existing locations closest to the new centre are the ones who benefit the most from its development. Although some of the retailers located within the proximity of the new centre felt some effects, many maintained much of their strength and it is therefore the retailers that are located within the secondary and tertiary areas that were most adversely affected. This trend contradicts the retail-led regeneration theory in that the positioning of a shopping centre will spill into the agglomeration of other retailers.

Secondly, whilst conducting this study, conversations with small and independent retailers brought home both the severity and magnitude that the impacts of Liverpool One have had on their community as a whole. Current government policy suggests that there is no sign of the 'town-centre first' approach for new retail developments being reconsidered and the concept of promoting, enhancing and maintaining the 'vitality and viability' of town centres with an emphasis on sustainable development and communities will remain a key strategy. Government policy however lacks guidance on how to adequately implement these policies in practice and the recommendations put forward in this thesis offer an opportunity to further develop and build upon the existing 'town-centre first' approach. The recommendations were therefore developed with a focus on the town-centre first approach and their aim is to promote a town centre's vitality and viability by minimising the impacts on existing retailers.

The study also highlighted that there is very little published work on the topic of new inner city retail developments. Although there has been research conducted, it could be argued that some of these studies are either now outdated or based on cities situated in the South of England (Southampton and Reading). This study contributes to the existing body of knowledge by offering a current and timely insight into the impacts of a new inner-city retail development.

Furthermore, the government's 'town centre first' approach is also not evidence based and there is no indication within government policy as to how it was developed. The findings of this study challenge the retail-led regeneration model, the theory underpinning the 'town centre first' approach, that new retail developments benefit the whole of the city centre; although some of the retailers located within the proximity of the new centre felt some effects, many maintained much of their strength and it is therefore the retailers that are located within the secondary and tertiary areas that were most adversely affected. In addition, the findings of this study contradict retail-led regeneration theory in that the positioning of a shopping centre will spill into the agglomeration of other retailers.

## **1.7 Significance of the Study**

As already indicated, there is very little published work on the topic of new inner-city retail developments. Although there has been some research conducted, it could be argued that some of studies are either now outdated (Bennison and Davies' (1980) study on Eldon

Square in Newcastle) or based on cities situated in the South of England (Southampton and Reading). Focussing on Liverpool is significant because it offers a mixture of existing inner-city shopping centres as well as other retail areas such as a traditional high street, a retail development mix that has not yet been explored in previous studies. The governments 'town centre first' approach (Office of the Deputy Prime Minister, 2005) also lacks evidence and brings into question whether regeneration through new retail developments benefit the whole of the city centre or whether this is confined to the locality of where it has been built. Studying the nature and scale of impacts that a new retail development may have on existing inner-city shopping centres and other retail areas is vital, especially when taking into consideration the influence these may have in planning for future retail developments.

It is anticipated that the findings of this research will go some way in influencing future local and even national government policy in regard to planning for town centres. The results will be beneficial to town planners when considering the impacts of planning consent for new retail developments on existing town and city centre businesses. New retail developments not only change the physical characteristics of a town centre but also influence local communities. The results of this research will therefore be of interest to people such as independent retailers, shoppers and local residents. Property managers of existing inner city shopping centres and shops may also find the outcomes of the research useful when taking into account the effects on their current interests and when planning business strategies for the future. Furthermore, academics may find the results of the research interesting as it would offer a critical analysis on a current and under-researched area and pave the way for further research into other UK cities. In sum, it is hoped that this research will provide a valuable contribution to knowledge in an under-researched area.

## **1.8 Limitations of the Study**

The aim of this study was to examine the impacts of Liverpool One on the existing inner-city shopping centres and other existing retail areas in Liverpool City Centre. Studies which focus solely on specific regions or locations are often critiqued because of the difficulty in generalising the findings of the research. However, the findings from this study have found similar trends with the three other studies on regional inner-city shopping centres as well as those from out-of-town shopping centre research. Nevertheless, further research would offer the opportunity to assess the conclusions of this study. Furthermore, a recent study by Kreuziger (2013) entitled 'The impact of retail-led town centre developments on user benefits

of public realm' was also found to be unavailable due to current restrictions on its publication by the authors academic institution. Although an extended abstract of the study was available online, a complete publication would have allowed for a more detailed analysis of the research within the review of literature, especially given the fact that it was the most recent research on the topic of retail-led regeneration.

This study focused on data collected following the opening of Liverpool One and pre 2008 data would have allowed for changes in Liverpool's existing retail areas through sales, vacancy rates and changes in occupation to be measured, so as to determine the level of change both before and after the opening of the new centre. In terms of measuring retailer sales, given that this study was undertaken six years following the opening of Liverpool One, it was anticipated pre-2008 data would lack reliability, given the length of time between the opening of the new centre and this study being undertaken. The availability of pre-2008 data from the existing retailers was also expected to be unattainable given the constraints attributed to the time period. Limitations also arose from the land use data in terms of costs. The data which was used to produce the Goad maps was not included with the final copies of the maps and although the data was available in the form of a spreadsheet, the purchase price was four times the cost of the maps themselves and with limited funds available, purchasing the data was subsequently not possible. Further constraints related to access to retailers in the Metquarter, the centre manager of Cavern Walks being unable to participate in the study, the three centre managers being unavailable for further interview in terms of the validation process for the set of recommendations and although the response rate to the retailer survey was relatively high for this type of study, an even higher response rate would have contributed to the robustness and reliability of the results.

## **1.9 Organisation of the Thesis**

This thesis has been structured into nine chapters. Following this introductory chapter, Chapters two to four cover a review of literature on various topics. Chapter two focuses on government policy and planned shopping centres in the UK and Chapter three considers impact studies in regards to regional out-of-town and in-town shopping centres. Chapter four discusses the theoretical framework for this study whilst the methodology is discussed in chapter five. The results of the quantitative and qualitative data collected are presented and discussed in Chapters five, six and seven respectively. Chapter eight outlines a set of recommendations developed by the researcher in regard to incorporating new regional

inner-city retail developments within existing town and city centres and chapter nine offers a conclusion as well as recommendations for policy and further research. Figure 1 on the following page shows a schematic representation of the thesis.

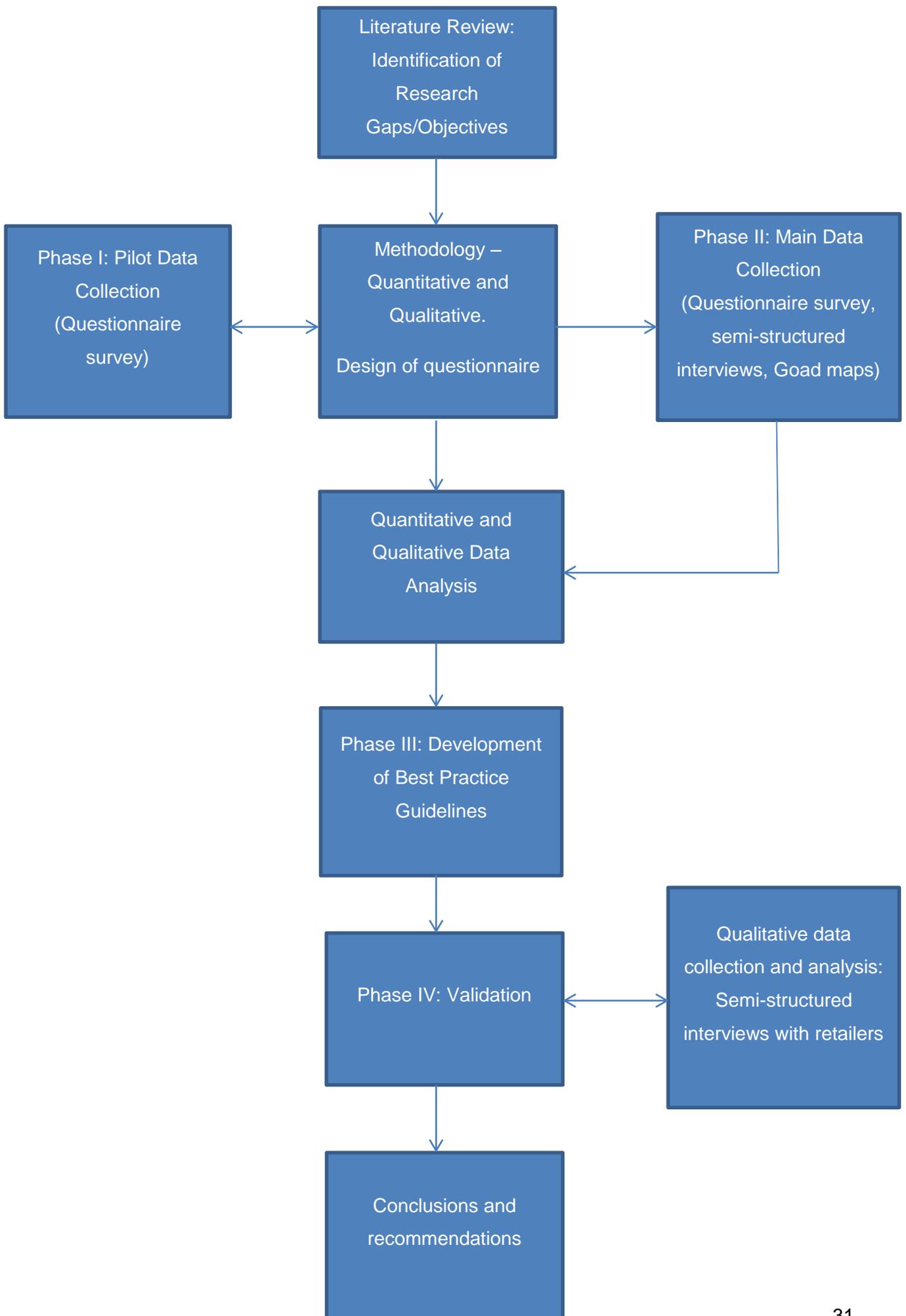


Figure 1: Schematic Representation of Thesis

## **Chapter 2: Retail Developments in the UK**

This chapter will begin by firstly outlining the search strategy adopted by the researcher so as to successfully conduct a comprehensive review of literature for this study. This is then followed by an overview of retail developments in the UK which aims to provide a context for the proposed study. Definitions in regard to shopping centres are then explored. Government policy is then be examined, the reasoning behind some of their key objectives highlighted and then these objectives critically analysed. A history of planned shopping centres in the UK will then be discussed followed by an overview of further proposed development activity. The chapter will then be summarised.

### **2.1 The Search Strategy**

So as to conduct a comprehensive and detailed review of literature for this study, a thorough and methodical search strategy was implemented towards the process of searching for relevant literature focussing on retail developments. Given the fact that many sources of academic literature are published electronically, the search strategy was primarily focussed within online academic databases. The databases explored for this review of literature included 'Emerald' 'Science Direct', 'EBSCO Host' and 'SAGE'. Key terms which were relevant to this study were in the first instance identified using the 'subject term' search facilities in each of the databases. This enabled the use of 'catalogued terms' within the databases therefore removing the prerequisite of having to use variations of words or phrases in identifying relevant literature.

Search terms used throughout each of the databases were recorded and observed to identify which terms were most relevant to the research study. Keeping a record of the search terms also meant that the literature search could be refreshed on a periodic basis therefore keeping up to date with the most recent and current published literature. 'Standard Boolean Operators' were also applied such as 'AND', 'OR' and 'NOT' which meant that search results could be widened or narrowed down. Similarly, 'Truncation' (\*) was commonly used in searching for words with various endings for example 'retail\*' would expand the search obtaining results for 'retailers', 'retailing' and subsequently plurals of each of these words. Literature was also obtained through various internet search portals, in particular Google Scholar, as well as the websites of specific journals associated with real

estate, planning and retailing. Further sources of literature were also obtained by following up references from relevant journal articles and publications. Additionally, various books were sought from the university library as well as both the public library and British library, particularly on the history of retail developments. Finally, government websites were accessed to retrieve policy documents and papers relevant to the research.

## **2.2 Definitions**

Whilst reviewing the literature relating to the topic of shopping centres it became clear that the definitions associated with these developments varies between studies and authors. For example, Liverpool One is described as an inner-city regional shopping centre however the definition of regional differs throughout the literature. Similarly, the definition of shopping centres also varies between studies, therefore it became apparent that there was a need to explore the differences between these various definitions.

### **2.2.1 'Regional' Definitions**

Regional Shopping Centres (RSCs) are defined in both current and previous government policies as “out-of-town shopping centres which are generally over 50,000 square metres gross retail area, typically comprising a wide variety of comparison good stores” (Office of the Deputy Prime Minister, 2005, p.32). The definition of RSCs is however very general and uses the difference in size as the main comparison between RSCs and town centre retail development. Robertson and Fennell (2007, p.151) however highlight that the differences are not merely one of size stating that other key characteristics include “the range, style and selection of goods and services, the physical form and the broad offer under a single roof, the location and the type of accessibility”. RSCs are also typically high profile with large landmark buildings offering high levels of car parking as well as good transport links provided by either their own railway or bus stations (Robertson and Fennell, 2007). Although the definition in government policy draws its main comparison between RSCs and town centre developments through size, it also fails to consider the differences through the functions of RSCs. For example, Robertson and Fennell (2007, p.151) comment further that “RSCs function differently from town centre developments as they draw from a wider catchment area, drawing a different sort of shopping trip”. It may therefore be argued that the government’s definition of RSCs is far too general and fails to consider the different type of shopping experience on offer by simply characterising RSCs by the size and volume of stores.

Oughton *et al.*, (2003) also highlight that the definition of RSCs used by some authors in terms of size has also changed over the years which suggests that there are no fixed boundaries associated with their classification. For example, Oughton *et al.*, (2003) cites Schiller (1987) who states that shopping centres which are deemed as regional comprise of at least 500,000 sq. ft. of comparison retailing. However, Guy (1994) observes that the lower size limit associated with an RSC can be as small as 300, 00 sq. ft. Furthermore, Oughton *et al.*, (2003) state that the largest shopping malls in North America are described as consisting of over 400,000 sq. ft. of retail space and are commonly referred to as 'regional centres'. Therefore it is worth highlighting that in terms of describing RSCs, although the size is an important characteristic, it cannot be regarded as the only defining factor.

Location characteristics have also been used to define RSCs by outlining that they are developed away from existing city centre retail areas such as out-of-town locations (Guy, 1994). These opinions suggest that RSCs cannot exist alongside inner-city retail areas however this definition pre-dates certain planning policies and initiatives in the UK. Guy (1994) also suggests that the methods used for the classification of RSCs may have to change to provide for new forms of retailing which means that the current definition of an RSC could take into consideration an inner city location. Some commentators such as Howard (1999) note that definitions regarding RSCs should also take into consideration the tenant mix of the shopping centre which sell a wide variety of products and usually include an anchor store alongside a range of other stores selling comparison goods. A variety of retailers is imperative to the success of RSCs as that is what draws custom to the centre from a wider region (Howard, 1999). It is however important to note that the literature suggests that the number of stores or the residence of an anchor store in terms of the definition of an RSC, when compared to that of other types of shopping centres is still debatable (Oughton *et al.*, 2003).

Howard (1999) also elaborates on the point of the catchment area being an important characteristic of an RSC outlining that for a centre to be truly regional, its purpose must be to serve a regional catchment area so as to draw custom to the centre from wider regions and that customers are drawn to the RSC because of the size and the range of different retail on offer. Oughton *et al.*, (2003) also supports this view suggesting that the planning approvals for the White Rose Centre in Leeds and Braehead Shopping Centre in Scotland were supported on the basis that the centres offering 600,000 sq. ft. and 1 million sq. ft. of retail space respectively meant that the public would perceive them as being regional shopping

centres. This point also leads onto the argument that some consideration should also be given as to how both customers and retailers perceive RSCs not only by the retail offering in the centres but also their physical format, for example, if the shopping centre is in a different location (non-traditional, a waterfront setting). It has therefore been suggested that if a centre differs from the formal and traditional characteristics of a shopping centre it could be classed as regional (Howard, 1999). It could however be argued that this view lacks substance as any new retail centre in an unusual or non-traditional location could then be described as regional.

Given the various definitions and features of RSC's, Liverpool One offers many of the characteristics highlighted by authors and commentators throughout the literature. It can therefore be suggested that Liverpool One does offer a regional function and can therefore be described as a *regional inner-city shopping centre*.

### **2.2.2 'Shopping Centre' Definitions**

The meanings related to the term 'shopping centre' have been shown to differ throughout the literature. As Schiller (1985) notes, the term 'shopping centre', especially in the UK, has been the source of some ambiguity for some time. Guy (1994) suggests a possible reason for this explaining that in the UK and Europe, unplanned retail areas are sometimes deemed as 'shopping centres' whilst in the US, the term is solely used for planned centres. Unplanned retail areas are "locations with several outlets that are in close proximity to one another and have evolved over time with a store mix that has resulted without any long-range planning and with no centralised management" (Levy & Weitz, 2009, p.195). Planned centres on the other hand are "retail locations that have been architecturally planned to provide a unified theme for a number of outlets (Gilbert, 2003, p.288). These are developed intentionally and usually have "large anchor stores and a number of smaller retailers to add diversity and special interest" (Levy & Weitz, 2009, p.209). The term 'shopping mall' is also used by various authors as a definition of a planned shopping centre however this term is much more common within literature focused on the US.

In line with the research conducted by Lowe (2005) and Oughton *et al.*, (2003), on the impacts of an inner-city retail development in Southampton and Reading respectively, the

definition of what constitutes a shopping centre in the UK in relation to this study was taken from the study on Eldon Square in Newcastle.

*A shopping centre is a purpose-built facility either in a precinct or mall form which contains several retail units and has been developed as a distinct complex from surrounding shopping streets. It does not include large store expansions along traditional high streets or those sections of streets which may have been redeveloped (Bennison and Davies, 1980, p.10).*

### **2.3 Government Policy**

The publication of the *National Planning Policy Framework* (NPPF) in 2012 is the most recent document setting out the government's objectives for town and city centres in the UK. In sections 2.3 and 2.4 regarding the history of planned shopping centres in the UK, government policy is discussed within the literature up to Planning Policy Guidance 6 (PPG6). PPG6 was subsequently replaced by *Planning Policy Statement 6: Planning for Town Centres* (PPS6) in 2005. The following section will critically review the most recent government policy from the publication of PPS6 in 2005 to the publication of NPPF in 2012.

PPS6, published in 2005, set out the government's objectives for town centres. The key strategies outlined in the policy statement were to promote city centres' vitality and viability by planning for their growth and development as well as promoting and enhancing existing centres (Office of the Deputy Prime Minister, 2005). Objectives stemming from these key strategies were to enhance consumer choice through shopping, leisure and local services, with the aim of providing a genuine opportunity to meet the needs of local communities (Office of the Deputy Prime Minister, 2005). Further objectives to support these strategies were through making city centres efficient, competitive and innovative, whilst also improving city centre productivity (Office of the Deputy Prime Minister, 2005). Improving transport links so that the above facilities could be genuinely accessed was also seen as an important goal.

The main focus of the PPS6 however was promoting a 'town centre first' approach in regards to new retail development. This objective outlined that current town centres would be favoured for new retail development over out of town sites. In assessing the impacts of

this policy, PPS6 claims that making additional sites available for development will have both positive and negative impacts. The paper states that the positive benefits are likely to be the strongest as it would mean additional development in town centres (Office of the Deputy Prime Minister, 2005). It is then anticipated that this would lead to the expansion of town centres into edge-of-centre sites so developments would be well connected, resulting in a number of linked trips for shoppers, therefore clawing back expenditure (Office of the Deputy Prime Minister, 2005). This theory however is not backed up with any evidence and seems to be simply an assumption.

As outlined previously, there is very little research regarding the impact of inner-city regional shopping centres (RSCs) and the two detailed studies that have been done on Eldon Square in Newcastle (Bennison and Davies, 1980) and the Oracle in Reading (Oughton *et al.*, 2003) suggest that the impacts of new retail developments, in fact, have a particularly negative effect on inner city retail. For example, the studies on the impact of inner-city RSCs have broadly, in their conclusions, found that the impacts were particularly negative on established inner-city town centres particularly in the first two years of a new centre opening. The effects also went deeper than just a reduced market share and it could therefore be argued that they undermined the 'vitality and viability' of the town centre. Although PPS6 claims that there will be negative impacts in regard to inner-city retail development, in no way are these documented or discussed and it seems that only the 'presumed' positive effects were highlighted.

Although PPS6 does not highlight what the negative impacts in regard to inner-city retail development will be, it could be argued that PPS6 took the first steps in acknowledging the potential impacts that inner-city RSCs may have on existing town centre retailers with a section in the guidelines titled 'Assessing Impact'. The section begins by outlining the following:

*Where a significant development in a centre, not in accordance with the development plan strategy, would substantially increase the attraction of the centre and could have an impact on other centres, the impact on other centres will also need to be assessed (Office of the Deputy Prime Minister, 2005, p.24)*

Although PPS6 acknowledges the potential impacts of inner-city development, the guidelines do not outline what constitutes a 'significant development' and it could therefore be argued that this leaves a certain amount of ambiguity when considering planning proposals and development decisions. Furthermore, what constitutes a 'significant development' could potentially leave the guidelines open to misinterpretation therefore leading to discrepancies and inconsistencies in planning decisions which may potentially impact on what the guidelines refer to as 'other centres'. The guidelines do however make a very valid judgement in terms of the proposed 'need' for developments outlining that "the identification of need does not necessarily indicate that there will be no negative impact" (Office of the Deputy Prime Minister, 2005, p.25). This is a particularly valid point as it takes into consideration that just because something is considered as being required, it doesn't mean that it won't have repercussions elsewhere.

The guidelines then go on to suggest what considerations should be taken account of in terms of the 'centre' or 'centres' likely to be affected which include spatial planning strategies, effect on future public or private investment, impact on trade and turnover in 'other' areas, changes in the range of services provided, likely impact of vacant properties in the primary retail areas and potential changes to the quality, attractiveness and character of 'centres', all of which have been shown to be affected through the development of an inner-city RSC in both Newcastle and Reading. Further considerations are also highlighted to make sure that new developments are accessible both for private and public transport.

One of the other key strategies outlined in the policy statement was to promote city centres' 'vitality and viability' and this phrase appears consistently throughout the guidelines. Although the phrase is used frequently, on closer analysis and subsequently to the researcher's surprise, PPS6 fails to define exactly what 'vitality and viability' means in the context of town planning. While the definition does not appear in the policy statement, the governments planning website define the phrase as "vitality is a measure of how busy a centre is and viability is a measure of its capacity to attract ongoing investment for maintenance, importance and adaptation to changing needs" (Planning Portal, 2015).

Furthermore, although the phrase 'vitality and viability' appears throughout the policy statement, the ways in which to measure this concept does not appear in the guidelines until

the final section of the guidance notes. It could therefore be argued that firstly, outlining the ways in which to measure 'vitality and viability' without a definition of what the term means is quite confusing, especially for someone who has no background in planning. Secondly, leaving this to the end of the guidance notes when it is deemed as a key strategy and mentioned throughout the policy statement is also quite unusual. Nevertheless, suggestions such as monitoring shopping rents, proportion of vacant street level property, commercial yields, pedestrian flow and accessibility are all highlighted as ways that local planning authorities can measure the 'vitality and viability' of town centres. However, what is not evident in the planning guidelines, are suggestions of how to improve the 'vitality and viability' of a centre should the 'health-checks' (a phrase used in the statement in conjunction with measuring vitality and viability) suggest otherwise.

The key principle of PPS6, as highlighted previously, was the 'town centre first' approach in regard to new retail developments. As with most town centres in the UK, there is a lack of available space and to its credit, PPS6 acknowledges this stating that growth should be accommodated by more efficient use of land and buildings within existing centres (Office of the Deputy Prime Minister, 2005). This implies that multi storey and mixed use development is essential to meet this objective and it won't be as easy as simply building a brand new development within close proximity of the town centre. A research paper by DTZ Surveyors (2005, p.16) that was prepared for Nottingham City Council suggests, "It will be necessary to include more value generators in order to make development financially viable, so the emphasis on higher density and mixed uses fits well with market realities".

Another point is that PPS6 recognises that there are certain limitations to capacity that arise from the fact that nearly every town centre in the UK is laid out differently. This means that certain town centres will be more difficult than others to develop. Although PPS6 highlights this issue, it fails to give any strategic guidance as to what local authorities should do if this problem applies to them. PPS6 simply avoids any solid advice and puts the emphasis onto the local authority stating that "local authorities need to be proactive rather than merely permissive" (Office of the Deputy Prime Minister, 2005, p.9).

As discussed, PPS6 concentrates very much on the positive effects of the 'town centre first' approach however fails to adequately outline the negative impacts of this policy. Guy (2005,

p.14) argues that “there are most certainly weaknesses to this strategy highlighting that it will create town centre cramming as well as vehicle and pedestrian congestion”. Guy (2005, p.14) comments further that “the policy ignores the negative impacts of large scale building projects within town centres and fails to protect small scale retailing against displacement”. Although Guy (2005) is making valid assumptions, it may be argued that the negative impacts of large scale building projects are inevitable regardless of where a development is being built. Town centre cramming may be avoided if new developments are well planned and the whole concept of the ‘town centre first’ approach is to either develop alongside or make accessible linkages between different retailers regardless of their size and stature, therefore protecting smaller retailers from displacement. It may therefore be argued that although Guy (2005) is making justified assumptions, many of the issues can be avoided if adequately planned by the local authority in question. Guy (2005, p.14) does however offer a further opinion that challenges the need for physical development in town centres and offers the suggestion that “encouraging improvement of retail quality and variety, not necessarily quantity, may be worth exploring”. This opinion was quite fair, especially when the 2007 recession is to be considered and offers an alternative to the costs that are associated with new developments. However, it may also be argued that town centres in the UK are in desperate need of modernisation and investment is needed to compete with the popularity of regional shopping centres that have appeared over the last thirty years.

Since the publication of PPS6 in 2005, the retail sector has undergone fundamental changes especially in regard to both the UK and global economy. The ‘credit crunch’ of 2007 meant that the market at the time was very different to that of when PPS6 was first published; a time when spending was at an all-time high and development was flourishing. The market conditions around 2007 halted many of the development pipelines and the lack of public sector funding meant that towns were less able to deal with the structural problems that they faced (Goddard, 2012). Although the global recession had not been anticipated when the strategies and objectives in PPS6 were first published, it raised the question of whether PPS6 was both outdated and less achievable. It also questioned whether new retail developments, during that economic climate, could be justified as “the slowdown in retail spending, caused by the severe recession, was compounding the effects of long term, fundamental shifts in how and where people shopped” (Goddard, 2012, p.3). This led to a downward spiral where “many towns were being left with a surplus of secondary space and with weak retail spending, the competition for sales was fierce, especially when town centres have been losing sales to out-of-centre locations and the internet” (Goddard, 2012, p.3). It may therefore be argued that for new town centre developments to be successful, it not only

relies on strategic investment and sensible town planning, but also for a steady or growing economic climate, so as to justify the investment through reliable spending from shoppers. Guy (2005) suggested at the time that new retail development policy should therefore reflect a fuller understanding of consumer use and take into consideration the economic outlook for the future.

PPS6 also made it very clear that there was an even stronger presumption against out-of-centre developments than under the previous guidance outlined in PPG6 where out-of-town shopping centres were still being, under certain very restrictive guidelines, accepted (Department of the Environment, 1996). This was being implemented through the 'sequential approach' strategy where all developments being proposed for sites not in an existing centre, should first should be thoroughly assessed so as to determine the reasons why they could not be developed in inner-city sites (Office of the Deputy Prime Minister, 2005). It could be argued that to some extent, this stronger presumption against out-of-town shopping centre approval would benefit new retail developments in town centres, as it would give an opportunity for town centres to claw back the competition as shown through town centre spending dropping to just under 40% over the last decade (Goddard, 2012).

Town centre floor space and unit numbers have also fallen by circa 14% over the last decade, mainly between 2007-2012 while in contrast to out-of-centre floor space which grew by over 23% over the same period (Goddard, 2012). These figures clearly show a decline in town centre spending and development and as research suggests, out-of-town retail has had a negative impact on the high street. However, Guy (2005) argues that by simply deciding to ignore plans for new or existing out-of-centre retail developments, it may in fact mean a decline in out-of-centre retail, causing a similar problem to that which town centres are currently experiencing. Forward planning guidance "ignores existing out-of-centre development which may in turn fossilise town centre networks and neglect opportunities to reshape off-centre networks" (Guy, 2005, p.16). Furthermore, it is critical to point out that the strategies in PPS6, as well as the opinions and thoughts of those who commented on the paper, dealt only with either the 'town centre first' approach or out-of-centre retail. What became very clear is that there is very little advice, guidance or academic literature on suburban retail, retail in market towns and retail in rural villages, although this could be regarded as a completely separate issue given the topic of the following research.

PPS6 was replaced by *Planning Policy Statement 4: Planning for Sustainable Economic Growth* (PPS4) in 2009. As the name of the policy suggests, the economic downturn in the global economy featured heavily throughout the plan with an emphasis on sustainability in planning. Many of the policies that have been referred to in PPS6 were still outlined in PPS4 namely the 'town centre first' approach, promoting city centres' 'vitality and viability' as well as implementing the 'sequential approach' strategy to proposed out-of-town developments. In essence, PPS4 was a revised version of the government's previous guidelines although with an emphasis on economic sustainability. Interestingly however, Guy's (2005) comments in regard to retail development policy taking into consideration future economic conditions was implemented in the PPS4 guidelines. Although this was most likely employed due to the economic downturn of 2007, Guy's (2005) suggestion was mirrored through PPS4 outlining that flexible policies should be set for town centres so they are able to respond to changing economic circumstances and define a network and hierarchy of centres that are resilient to future economic changes (Communities and Local Government, 2009).

A further policy which was implemented in PPS4 was planning for consumer choice and promoting competitive town centres (Communities and Local Government, 2009). Although not mentioned directly towards the impacts regarding inner-city RSCs on established retailers and most likely due to the recession of 2007, PPS4 highlights the need to support a diverse range of retail, with a strong retail mix of both comparison and convenience retailers and to recognise that smaller shops can significantly enhance the character and vibrancy of a centre (Communities and Local Government, 2009). Although the recession was particularly difficult for the retail industry, this was the first time Government policy had specifically referred to and taken into consideration small scale shops and services within its planning guidelines.

Furthermore, it could be argued that PPS4 took further steps in acknowledging the potential impacts that RSCs may have on existing town centre retailers with the following guidelines:

*In assessing the proposed locations for development, local planning authorities should take into account the impact considerations for developments over 2,500 sq. m or any locally set threshold ensuring that any proposed centre, edge of centre or out of centre sites would not have an unacceptable impact on centres within the catchment of the potential*

*development. They should ensure that proposed sites in a centre, which would substantially increase the attraction of that centre and could have an impact on other centres, are assessed for their impact on those other centres and ensure that the level of detail of any assessment of impacts is proportionate to the scale, nature and detail of the proposed development (Communities and Local Government, 2009, p.12).*

Although inner-city RSCs are not referred to by name, it could be argued that the statement in regard to developments over 2,500 sq. m is the first acknowledgment by the UK government of the direct impacts of inner-city RSCs on established retailers and that the impacts of a new development of over 2,500 sq. m on other centres should be assessed before the proposed development is given planning permission. It could also be seen as clarifying what is deemed as a 'significant development' as outlined in the previous guidelines PPS4.

The publication of the *National Planning Policy Framework (NPPF)* in 2012 is the most recent document setting out the government's objectives for town and city centres in the UK and replaced *Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4)*. The reasons for the publication of the NPPF was twofold. Firstly, following thirteen years of a Labour government, in 2010, both the Conservative Party alongside the Liberal Democrat Party were elected to run the UK. Secondly, with the change in government also came a change in the planning system and the main aims of the NPPF were to streamline the planning system, encourage community involvement in the planning process and promote sustainable development and growth (Goddard, 2013). Many of these aims were on the back of the new government's policy which they referred to as 'localism'. As Fox (2010, p.1) commented as a member of the government's 'Communities and Local Government Committee':

*The introduction of "Localism" and the decentralisation of public services will have major implications for spatial planning in England. The proposed radical reform of the planning system in the coalition government's programme for government will address and resolve concerns in the planning system and ensure an effective, accountable and sustainable new planning system is established*

Localism in the context of the planning system was therefore to decentralise planning controls and in essence, give communities more power in regard to local planning decisions. At the core of the NPPF was a presumption in favour of sustainable development which was seen as the 'golden thread' running through plan-making and decision taking (Communities and Local Government, 2012, p.4). For plan making it meant that "local planning authorities should positively seek opportunities to meet the development needs of their area" and for decision taking it meant "approving development proposals that accord with the development plan" (Communities and Local Government, 2012, p.4).

However, apart from the emphasis on communities "planning authorities should recognise town centres as the heart of their communities and pursue policies to support their vitality and viability" (Communities and Local Government, 2012, p.7) nearly all of the policies that had been outlined in both PPS6 and PPS4 in regard to town centres were maintained. As mentioned in regard to PPS4 being a revised version of PPS6 however with an emphasis on economic sustainability, the same can be said for the NPPF however with an emphasis on communities. Therefore the 'town-centre first' approach, promoting, enhancing and maintaining the 'vitality and viability' of town centres, the 'sequential approach' strategy to out-of-town developments, planning authorities taking into account the impact considerations for developments over 2,500 sq. m and so on, were all maintained within the NPPF.

Although the policies in the NPPF remained relatively unchanged, Goddard (2013) does outline some differences in terms of implementing the policies in practice. Firstly, according to Goddard (2013, p.4), "the concerns about the impact of new developments in town centres are now weighted against a clearly stated presumption in favour, particularly where the development plan is absent, silent or out of date". In essence, the impacts of new developments on a 'centre' or 'other centres' may be being put to one side and therefore possibly neglected. Secondly, "the rise of localism and the government's reluctance to use its call in powers has enabled councils to adopt widely different interpretations of the policy and planning balance based on their local circumstances" (Goddard, 2013, p.4). This brings into question the policy outlined in PPS6 regarding the fact that "need does not necessarily indicate that there will be no negative impacts" (Office of the Deputy Prime Minister, 2005, p.25). It could therefore be argued that the decentralisation of decision making alongside the different interpretations of policy may have negative impacts on an established centre or centres. Thirdly, "ongoing structural changes in the retail sector are accelerating and in many cases are outside the scope of any planning controls" (Goddard, 2013, p.4). This final

point is difficult to clarify as Goddard (2013) fails to offer any explanation as to what these 'structural changes' are however if this comment is to be taken into consideration, it may suggest that the NPPF is already becoming outdated and may need to be revised to maintain planning controls.

The review of government planning policy from PPS6 in 2005 to the current NPPF has suggested that there is no sign of the 'town-centre first' approach for new retail developments being reconsidered and the concept of promoting, enhancing and maintaining the 'vitality and viability' of town centres also remains a key strategy. Guidelines in regard to measuring the impact of a new development over the size of 2,500 sq. m do however suggest that the government are aware of the possible effects that a new RSC may have on established retailers and given both the lack of published literature and the results of the previous studies, it could be argued that it makes this research into the impacts of Liverpool One even more imperative, especially when taking into consideration future government planning policy initiatives.

#### **2.4 Planned shopping centres in the UK: 1945-1995**

Following the end of the Second World War the UK experienced a demand for retail growth and expansion, mainly as a result of the post-war economic boom, which was a period of particular economic prosperity for the country (Jessen and Langer, 2012). Economic prosperity also brought with it an increase in the 'cultural value' of goods with product aesthetics, image and quality becoming more important in society, something that manufacturers and retailers reacted too, stimulating change within the retail industry and increasing the need for more modern shopping developments (Jessen and Langer, 2012). Planning policies for new retail developments were originally directed towards existing towns and cities, with early shopping centres being developed on sites that had experienced damage during the Second World War and comprised of shops being convened around an open space or uncovered paths and walkways (Oughton *et al.*, 2003). The economic prosperity of the time added to the success of these centres and by the end of the 1960's the first fully enclosed shopping centres had been developed (Guy, 1994).

Jessen and Langer (2012), who have written comprehensively on key aspects associated with retailing, offer some valuable reasons for the expansion and development of planned

shopping centres following the end of the Second World War. Firstly, the structures that make up business developed and led to different forms of selling, as well as the relationships between production and distribution evolving, therefore effecting the organization and spatial placement of retailing (Jessen and Langer, 2012). Secondly, new forms of retailing were dependent on whether they were profitable and therefore the concentration of retailers all in one place was seen as a strategy to crowd out less profitable competitors to take market share (Jessen and Langer, 2012). Third, developments in transport not only meant that products could be manufactured and distributed much more easily but the consumers who purchased the products were also becoming increasingly more mobile through car ownership and improved public transport (Jessen and Langer, 2012). These developments in transport also had an impact on the spatial dimensions of retailing, meaning that areas became more accessible to shoppers and made the link between 'space' and 'place', especially in regards to the location of where a development was built, less of a concern (Jessen and Langer, 2012). Furthermore, improvements in transport were also linked closely to improvements in technology through the production of goods, packaging of products and storage of food (Jessen and Langer, 2012). Finally, cultural and social attitudes to retailing began to change where affluence, choice and diversity all become more significant to customers and retailers (Jessen and Langer, 2012).

Development of shopping centres surged between the end of the 1960's and early 1970's as a result of the need to increase and update central shopping areas in towns and cities and was assisted through funding by local councils and the increased availability of finance for property development (Guy, 1994). Between 1965 and 1975 around 300 town centre shopping schemes each offering over 50,000 sq. ft. in retail space, were completed in the UK, although not all the centres developed offered malls that were enclosed (Guy, 1994). The location and size of the enclosed centres are outlined in Table 1.

Table 1: Shopping Centre Developments

Town/City	Centre	Completed	Size (000 sq. ft.)
Poole	Arndale	1969	631
Nottingham	Victoria	1972	622
Luton	Arndale	1972	700
Newcastle	Eldon Square	1976	830
Manchester	Arndale	1976	1,189
Maidstone	Stoneborough	1976	542
Cardiff	St. David's	1981	581

Source: Hillier Parker, *British Shopping Centre Developments* cited in Guy (1994, p.164)

Table 1 demonstrates that following the discussion in regard to the size of RSCs in the previous section, the enclosed centres in these inner-city locations could therefore be classed as RSCs in their own right. As will be highlighted further in the chapter, it is misleading to think that RSCs were therefore only built in out-of-town locations during the 1980's. Shopping centres which focused on comparison shopping were envisaged to modernise these unplanned town centres and were also seen as a way of combatting the threat that shopping centres built on the periphery of towns or cities may have on the traditional inner-city retail (Guy, 1994). Furthermore, "structure and local plans sought to maintain traditional centres and to control decentralisation" (Davis & Howard, 1988, p.7). This trend continued into the end of the 1970's with most retail developments being centred in town and city centres, not only due to retail demands, but also within the scope of focusing on building communities (Davies & Howard, 1988). During the early 1980's, the UK suffered an economic slump which impacted on the sales of comparison retailers particularly in these enclosed centres (Oughton *et al.*, 2003). However, come the mid-1980's, the UK economy began to recover and following a rise in consumer spending on comparison goods and the increased demand for further retail space, developers began shifting their attention towards out-of-town centre sites (Oughton *et al.*, 2003).

Williams (1995) gives a brief history of RSCs in out-of-town centre sites explaining that applications began in the latter half of the 1980's, with 54 planning applications for regional centres of over 500,000 sq. ft. being submitted between 1982 and 1991. Of these applications, eight were successful. Crosby *et al.*, (2005), suggests that the reason for this was a shift in planning policy coinciding with a more relaxed approach and a presumption in favour of development however no direct legislation was passed to bring about this change.

Nevertheless, the 1988 Planning Policy Guidance Note 6 (PPG6) may have contributed to this surge in application based on comments relating to the encouragement of competition between retailers and methods of retailing (Ruston, 1999). Furthermore, PPG6 did not stipulate exact locations for new retail developments and that the location of retail developments would be left to the private sector, although the planning system would still have the final say on outcomes of any proposals (Ruston, 1999). It is also important to stress that the majority of RSCs which were granted planning permission by the government of the day, were so after public inquiries or protracted planning processes (Robertson and Fennell, 2007). The location and size of these RSCs of over 500,000 sq. ft. are outlined below in Table 2.

Although it could be argued that there was a favour towards out-of-town developments, as mentioned previously, only eight applications were successful, therefore Davies and Howard's (1988) view deeming it a 'quiet revolution' is perhaps more apt. It is also worth pointing out that many authors suggest that the latter half of the 1980's was the beginning of this 'quiet revolution' although as Table 2 demonstrates, the completion of Brent Cross shopping centre in Hendon in 1976 suggests that it began much earlier. Furthermore, not all retail development was concentrated in out-of-town sites, as between 1989 and 1990, 5 million sq. ft. of in-town developments were completed (Oughton *et al.*, 2003). However, it is worth mentioning that these developments were different to those of their predecessors in the 1960's and 1970's being somewhat smaller and in some cases, the retail offering was more specialist (Oughton *et al.*, 2003).

Table 2: Size of Shopping Centre Developments

<b>Town/City</b>	<b>Centre</b>	<b>Completed</b>	<b>Size (000 sq. ft.)</b>
Hendon	Brent Cross	1976	760
Gateshead	Metro Centre	1986	1,630
Dudley	Merry Hill	1989	1,410
Thurrock	Lakeside	1990	1,150
Sheffield	Meadowhall	1990	1,100

Source: Hillier Parker, *British Shopping Centre Developments* cited in Guy (1994, p.164)

By the end of the 1990s, no further applications for out-of-town centre sites were considered. The reason for this was “not a lack of demand rather a vehement opposition to RSCs ever since the first one was proposed” (Williams, 1995, p.241). In essence, Williams’ (1995) view was that it was only a matter of time until planning permission would be rejected on RSCs. Williams (1995, p.242), further comments on this opposition viewing RSCs as “parasitic activities which destroy city centres by diverting trade away from existing retail facilities”. Although Williams (1995) makes a sound argument against RSCs, the argument is based entirely on economic factors and could have gone further by examining, for example, the social impacts of RSCs on town centres. Crosby *et al.* (2005) however take a different approach highlighting that out of town locations also raise issues of environmental damage, emphasising car travel to and from the centres as the main cause.

Regardless of the above opinions, it became clear by the end of the 1990’s that out-of-town developments had in part contributed to the impact on trading in existing towns and centres (Ruston, 1999). This was highlighted though government commissioned studies such as research on the Brent Cross Shopping Centre in Hendon (GLC, 1980), the Merry Hill Shopping Centre in Dudley (Roger Tym & Partners, 1993) and a Parliamentary Committee Report entitled ‘*Shopping Centres and their Future: The Governments Response to the Fourth Report from the House of Commons Select Committee on the Environment*’ (Guy, 1996), all of which concluded conclusively that out-of-town shopping centres had impacted on town centre retail through loss of trade (the Brent Cross and Merry Hill studies are analysed later on in the review of literature). This resulted in government policy through the 1996 version of PPG6 applying rigorous guidelines to the location, size and type of retail development permitted and aimed to enhance the ‘vitality and viability’ of town centres whilst maintaining competition and choice in the retail system (Oughton *et al.*, 2003). It also supported the ‘town centre first’ approach and although proposals for out of town centre locations would be considered, these would be based on a ‘sequential test’ to outline conditions which planning applications should be based on for large regional shopping centres (Oughton *et al.*, 2003).

Although large regional shopping centres would therefore be considered, the test would in theory make applications particularly difficult to be passed. Further legislation through both transport and environmental policy also encouraged inner-city retail developments as opposed to out-of-town centre sites due to the effects that out-of-town centre sites had on pollution through increased use of car travel (Crosby *et al.*, 2005).

The role that out-of-town developments had in impacting on trade in existing towns and centres severely influenced the need for retail impact assessments (RIA), particularly within the planning process. England (1997) conducted valuable research into RIA by conducting a critical examination of its role within planning. The research, published a year after PPG6 had outlined the a sequential test for limiting out of town developments, outlined that government guidance was inadequate and could have been more explicit about the practical application of RIA given the role out of town developments had played in impacting on trade in existing town and city centres (England, 1997). Nevertheless, the critical examination also highlighted that assessing the impacts of new shopping developments are also quite complex and that the results cannot be easily predicted or measured (England, 1997). The critical examination also proposed a framework dealing with economic impact through the development of a matrix of retail expenditure within individual areas and forms the basis for predicting retail impact for a new or proposed development (England, 1997). Although England's (1997) research was comprehensive, especially through the development of a framework for predicting impact assessment, it is unclear whether this was put into practise within future planning decisions at either a local or national level. However, the research offered a valuable contribution to knowledge, especially in regard to the impacts of new retail developments on existing towns and city centres.

Fernie (1995) develops Schiller's (1986) views that the history of the development of RSCs in the UK was through 'waves', explaining that the first two waves began at the end of the 1970's which focused on superstore development. This theory is particularly interesting as Williams (1995), as mentioned previously, suggests that the birth of RSCs began through planning applications in the latter half of the 1980's and makes no connection between RSCs and superstore development before this time. According to Fernie (1995, p.4) the 'third wave' began in the 1980's which centred on comparison shopping and "its commencement was viewed to be synonymous with Marks and Spencer's announcement in May 1984 that it would pursue a locational strategy which would seek to develop sites in both traditional high streets and new out of town developments". This statement, by one of Britain's leading retailers, led to considerable development speculation and it may be argued that along with government strategies at the time, was the catalyst for the 54 planning applications that were put forward as mentioned previously (Fernie, 1995). It was anticipated that between 35 and 50 large regional shopping centres would be built during the late 1980s and 1990s (Fernie, 1995). This third wave, especially in terms of the volume of developments where only eight were successful, therefore never really materialised (Fernie, 1995). The reasons behind this lack of development are also very different to those of

Williams (1995) who blamed the lack of development on the impact that RSCs would have on town centres and Crosby *et al.*, (2005) who voiced environmental concerns. Fernie (1995, p.4) viewed that none of the above were to blame and states that “the stock market crash of 1987 removed the speculative developments and a combination of prolonged recession, government vacillation and planning uncertainty reduced the number of schemes built”. If this was the case, then regardless of the impacts that RSCs may have on town centres and the environment, it may be assumed that far more RSCs would have been built if not for the poor economic climate of the time.

Fernie (1995), at the time of publication, also predicted a fourth wave which concentrated on the possible impacts that new forms of out-of-town shopping developments may have through warehouse clubs (examples include Makro and Costco), factory shopping malls and airport retailing. This prediction was based on the success of the former two forms in the USA, with the popularity of bulk buying and shopping for popular brands at discount prices, therefore having an impact not only on town centres but RSCs also (Fernie, 1995). Three years after this prediction, Fernie (1998) published ‘The breaking of the fourth wave: Recent out-of-town retail developments in Britain’. In summary, the research showed that “the high expectations pertaining to a fourth wave of out-of-town development had not materialized and the predictions in the mid 1990’s were over-optimistic” (Fernie, 1998, p.303). This was blamed on the tightening of planning policy guidelines and the failure to gain consumer acceptability in an extremely competitive retail market (Fernie, 1998). Although Fernie (1998) is quite forthright in regard to discrediting the prediction of the fourth wave, it may be argued that three years is not a substantial amount of time to completely justify this opinion, especially given today’s popularity of designer factory outlet stores throughout Britain. Fernie (1996, p.11), relates this popularity to the success of outlet stores in the US and comments “the popularity of outlet stores has meant that they are currently outperforming growth in the rest of the US retail market by a ratio of 3:1”.

Despite the varied opinions on why so few RSCs were built, regardless of the economic climate and predicted shopping trends, RSCs have long been perceived as having harmful effects both on town centres and the shopping hierarchy (Robertson and Fennell, 2007). As well as being unpopular with the government, this negative image of RSCs is not necessarily based on hard evidence (Robertson and Fennell, 2007). For example, the development of RSCs brought large sums of private sector capital investment to areas that previously had very little (Robertson and Fennell, 2007). Examples of this include the Metro Centre in

Newcastle which had previously been derelict land. Although there is a risk for developers in investing in new locations, many have gone on to be successful and other extensive developments have occurred on adjoining sites through either hotels, cinemas or large arenas (Robertson and Fennell, 2007). RSCs have also been major generators of employment which “rises even further through additional seasonal employment or ‘indirect employment’, which arises from the spending of individual businesses located there on goods, supplies and services from within the local and regional economies” (Robertson and Fennell, 2007, p.154).

While the impacts on employment are very positive, Williams (1995) argues that the new jobs in these centres are merely transfers from other already established retail centres therefore simply advocating job displacement. Although Williams (1995) makes a fair argument, this is likely to happen in any sector, regardless of whether it would be used for retail or not, as experienced and knowledgeable staff are essential to any business that is expanding. Williams (1995) does however highlight the need to look more closely at the evidence and to not simply take the data at first glance. Further positive impacts of RSCs come through the tourist industry, with shopping being recognised as a popular leisure activity in the UK. “RSCs’ popularity in terms of tourism is reflected in the number of day trips to which it gives rise” (Robertson and Fennell, 2007, p.163). A report by GVA Grimley Surveyors (2010) also looked into the wider community roles of RSCs and concluded through various case studies in the North East of England that RSCs provided a range of shopping and leisure facilities and gave local communities a higher level of shopping provisions than what their local town centres could have provided.

In regard to the above literature on the impacts of RSCs, although Robertson and Fennell (2007) in particular state that the negative image of RSCs is not based on hard evidence, this argument does not resolve the issues as to the effects on town centres directly. It is without a doubt justified to say that RSCs bring investment, employment opportunities and new facilities for local communities but in no way is it reasonable to assume that these do not impact on town centres. Simply listing the benefits so as to disperse a widely acknowledged negative perception of RSCs does not suggest that they have any benefit to town centres or offer any suggestion that current government policy (which is reviewed later in the chapter) should at least be amended to apply some favour to possible new out-of-town retail developments.

## 2.5 Planned Shopping Centres in the UK: 1995 - Present

Following the tightening of government policy in PPG6 on proposed out-of-town centre sites in the late 1990's, no further developments were built. However, developments that had been granted planning permission before the legislation came into place were still upheld. These included the Trafford Centre in Manchester, White Rose Centre in Leeds, Bluewater in Dartford and the Braehead Centre in Glasgow. It can be argued therefore that these out-of-town sites brought an end to the 'third wave' as theorised by Schiller (1986) and later developed by Fernie (1995). Figure 2 demonstrates the change in government policy towards town centre sites from the mid to late 1990's. The amount of retail space being constructed at the beginning of 2000 was just over 600,000 sq. m whilst the level of out-of-town construction began to fall in the mid 1990's.

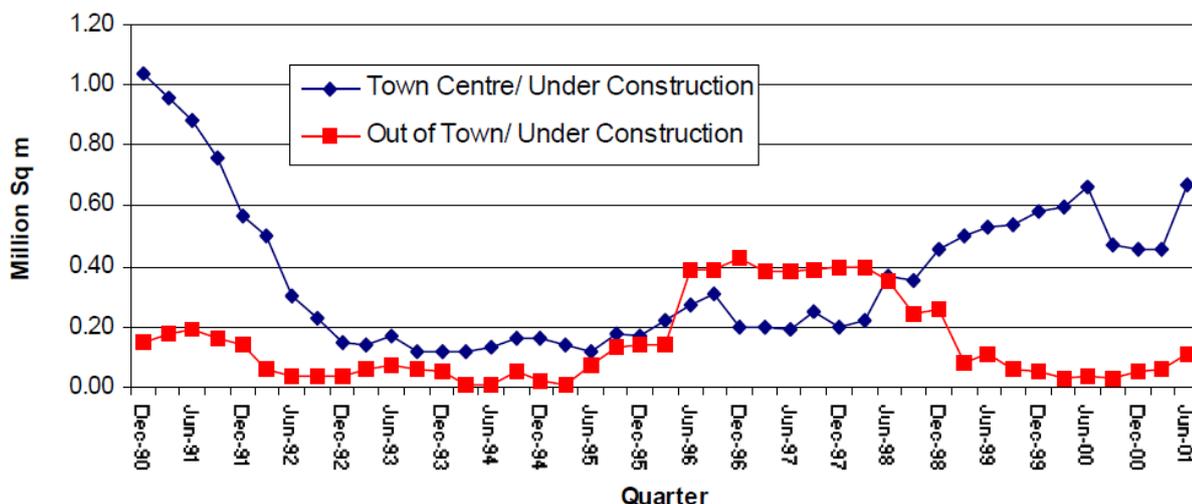


Figure 2: Shopping Centre Space under Construction in Town Centre and Out of Town Centre Locations from December 1990 to June 2001

Source: Hillier Parker (2001) cited in Oughton et al., (2003, p.10)

The late 1990's saw a resurgence of the UK economy following the economic downturn of the late 1980's (Matthews & Gardiner, 2000). The growth of the economy as well as the government legislation brought in through PPG6 has been credited for the increase in inner-city retail developments and the demise of its out-of-town counterpart, however there are some commentators who have differing views on the influence of PPG6. Wrigley (1998) for example agrees with the view that PPG6 played a part in the demise of their out-of-town retail developments however refers back to the economic recession of the late 1980's which was the 'beginning of the end' for out-of-town retail developments. Following a revision of PPG6 in 1996 which once again stipulated and reaffirmed its stance towards inner-city retail

development, the late 1990's and early 2000's saw the completion of the first six enclosed regional inner-city shopping centres which are outlined in Table 3. Since the opening of these six regional inner-city shopping centres between the late 1990's and early 2000's, a further 20 have been built or extended since 2001 to the present day (see Table 4, p.55).

*Table 3: Location and Size of Inner-City Retail Developments in the UK developed in the late 1990's*

<b>Town/City</b>	<b>Centre</b>	<b>Completed</b>	<b>Size (000 sq. ft.)</b>
Reading	The Oracle	1999	700
Glasgow	Buchanan Galleries	1999	600
Southampton	West Quay	2000	802
Dundee	Overgate Centre	2000	462
Solihull	Touchwood	2001	650
Uxbridge	The Chimes	2001	420

*Source: Hillier Parker (2001) cited in Oughton et al., (2003, p.11)*

Table 4: Inner-City Shopping Centres developed from 2001 – Present Day

Town/City	Centre	Main or Extension	Completed	Size (sq. m)
Basingstoke	Festival Place	Main	2002	102,00
Birmingham	Bull Ring	Main	2003	115,00
Canterbury	Whitefriars	Main	2004	44,700
Croydon	Cantrale	Main	2004	76,000
Norwich	Chapelfield	Main	2005	47,400
Plymouth	Drake Circus	Main	2006	39,500
Manchester	Arndale	Extension	2006	31,500
Derby	Westfield	Extension	2007	106,00
Edmonton	Edmonton	Extension	2007	32,500
Blackpool	Hounds Hill	Extension	2008	35,200
Leicester	Highcross	Extension	2008	110,000
London	Westfield	Main	2008	150,000
Bristol	Cabot Circus	Main	2008	93,000
Liverpool	Liverpool One	Main	2008	154,000
Bath	Southgate	Main	2009	51,000
Aberdeen	Union Square	Main	2009	65,000
Cardiff	St. David's	Extension	2009	130,000
Hull	St. Stephens	Main	2011	52,000
Stratford	Westfield	Main	2011	175,000
Leeds	Trinity	Main	2013	93,000

Source: Hillier Parker (2001) cited in Oughton et al., (2003, p.12)

## 2.6 Further Proposed Development Activity

Reviewing the historic development of shopping centres has outlined that the growth and expansion of the retail industry in its physical form is based predominantly on the demand from two areas of the service economy. Firstly, the demand from the property industry and secondly, the retail companies themselves. However, consumers are at the heart of this sector and inevitably their spending and expenditure dictate any changes in retail demand. When this research study began, the UK economy was still recovering from the 2007 financial crisis and although commentators have suggested that the recession finished in 2009, the after-effects in terms of consumer confidence and expenditure, especially in

regard to retail sales, are in some way still being felt today. The history of shopping centre development has shown that development prospects can alter rapidly with any changes in the economy and the relationship between the retail industries, construction, consumer expenditure and consumer confidence are all interlinked. Going forward however, and based on the fact that 12 inner-city shopping centres were completed either at the time of the last recession or in the years preceding it, the impacts on the development of shopping centres in the 21<sup>st</sup> Century seem very different to those of their predecessors in the previous century.

At the time of this study being written, new inner city retail developments were being proposed in Hereford, Chester, Middlesbrough and London and their seems to be no slowing down in this trend. “In general terms, the development of shopping centres seems to lag behind the economic cycle and although in the future there are likely to be times of reduced demand from retailers and consumers, the opposite is also likely during times of prosperity” (Oughton *et al.*, 2003, p.13). This remark made over a decade ago seems to still run true if the previous and continual rates of inner-city shopping centre development are anything to go by. Although current government policy in regard to inner-city retail will be discussed later in the chapter, it remains fairly unchanged in terms of the ‘town-centre first’ approach and looks likely to stay the same following the election of the current conservative government in May 2015.

Although inner-city retail developments look set to continue and seem to elude any changes in the economy, there is little doubt that regional inner-city shopping centres will in some way have an economic impact on their ‘host’ town or city. As McGoldrick & Thompson (1992, p.3) comment, “a major new shopping centre requires a fundamental change in the shopping habits of a large number of consumers if it is to succeed”. Although this may be the case, only three studies have been conducted into the impacts of new inner-city retail developments on existing centres, of which one was conducted over 35 years ago on Eldon Square in Newcastle and the other two (Oracle Centre in Reading and West Quay in Southampton), almost 10 and 15 years ago respectively. Given the fact that over twenty five inner-city centres have opened their doors since 2000, there have been no recent studies to understand the nature of their impacts in UK town and city centres. There also seems to be a general acceptance and approval of the merits that these developments bring without any concrete evidence. Oughton *et al.*, (2003) cite an extract from a House of Commons Select Committee report on the future of shopping centres in England which said “there seems to

be much anecdotal, but little empirical, evidence of the impact of the vast majority of retail developments” (Environment Committee, 1994, p.xliv). This position as of now remains relatively unchanged. Likewise, planning policy in terms of the ‘town centre first’ approach and its task to enhance the ‘vitality and viability’ of town centres in regard to regional inner-city shopping centres is also subject to debate. The literature in the following section suggests that this is not always the case and that new regional inner-city shopping centres, rather than benefit the whole of the city centre, are confined to the locality of where the centre has been built, consequently at the expense of the ‘vitality and viability’ of other retail areas. There is therefore a clear lack of understanding on the impacts of regional inner-city shopping centres and this study aims to somewhat fill that gap in knowledge.

## **2.7 Summary**

This chapter has provided an overview of retail developments in the UK so as to provide a context for the proposed study. Regional Shopping Centres (RSCs) have been defined and it can therefore be suggested that Liverpool One offers a regional function hence it being described as a regional inner-city shopping centre. The definition as to what constitutes a shopping centre in the UK has also been explored and in relation to this study, the definition was taken from the study on Eldon Square in Newcastle. Government Policy was then outlined and critically analysed with current planning policy suggesting that there is no sign of the ‘town-centre first’ approach for new retail developments being reconsidered. The concept of promoting, enhancing and maintaining the ‘vitality and viability’ of town centres also remains a key strategy. A history of planned shopping centres in the UK was then discussed and an overview of further proposed development activity outlined.

## Chapter 3: Shopping Centre Impact Studies

The overall aim of this study is to examine the impacts on the existing inner-city shopping centres and city centre retail areas following the development of Liverpool One. Three of the four objectives of this study focus on trading and land use effects both of which, for the purpose of this research, are deemed as being 'impacts'. This chapter explores the definition of impact within the context of retail research and highlights the differences in regard to types of impact assessment studies. This is followed by a critical review of literature in regard to studies into the impacts of regional out-of-town and regional in-town shopping centre developments in the UK. The chapter is then summarised.

### 3.1 Impact Definitions

Throughout the review of literature it became apparent that in terms of shopping centre research, there are several connotations to the word 'impact'. Oughton *et al.* (2003) note that the term 'retail impact' can be construed in a variety of ways although in much of the literature on shopping centre research its interpretation is limited. The way retail impact is defined has also changed over recent decades and "there is not a clearly accepted view of what retail impact means and how it should be interpreted" (England, 1997, p19). BDP Planning and OXIRM (1992, p.34) outline that "the bulk of retail impact assessment has centred itself to the calculation of trade diversion from an existing centre to a new development and that most of this research has been focused on the area of forecasting". However, Oughton *et al.* (2003) suggest that the term 'impact' cannot be associated only with the diversion of trade as it also relates to the effects on shoppers and retailers.

England (2000) observes that the term 'impact' in terms of new retail developments upon town centres is based on the economic impacts on trade levels as well as social impacts and environmental impacts. BDP Planning and OXIRM (1992) also categorise 'impact' literature in the same way commenting that it is based on economic tests, social tests and environmental tests. Economic impacts focus on changes to levels of trade or sales figures as a result of new shopping centre developments. Oughton *et al.* (2003) however expand on this definition and relate economic impacts of a new development on the scale, structure and diversity of a traditional centre as well as the multiplier effects of new developments on both employment levels and rates of investment. Social impacts can equate to customer

profiles, the spending habits of shoppers, whether any divisions emerge between types of shoppers as well as the effects of new retail developments on the local community. Environmental impacts are possibly the smallest category of 'impact' that appear in the literature however given the current relevance to achieve sustainability in most trades and sectors, issues regarding the environment are becoming more significant. As England (2000, p.4) notes, "Environmental impact is becoming increasingly more important because of the issue of sustainability of new shopping developments and their effect on travel patterns". Traffic patterns and the relief or creation of traffic congestion is also important as it relates to the costs of investment on infrastructure (Oughton *et al.*, 2003). Other environmental impacts can also refer to issues such as derelict or unlet buildings as a possible consequence of new developments not to mention the implications that environmental effects can have on waste management. Each of the definitions of 'impact' in relation to new retail developments is significant in themselves however they are also closely linked. A further point is that the term 'impacts' is commonly associated with negativity and given that the term has many connotations it should not always be categorised as such.

### **3.2 Impact Studies**

The review of literature has outlined that there are commonly two types of studies in relation to a new shopping centre development. Firstly, 'predictive impact assessments' concentrate on the possible effects that a new retail development may have on factors such as trade, the environment and social issues and are usually carried out alongside or before planning permission for a new centre has been granted. Secondly, post-hoc studies examine the effects of a new development after it has been built. Given that this research is on a shopping centre that has now been developed, the following review of literature will be concentrating on post-hoc studies so as to examine the actual effects of new retail developments as opposed to the probable effects, although predictive assessments will be referred to in the case of Liverpool One. Furthermore, since this research is focused primarily on trading levels and land use, this will be the main focus of the review, although social and environmental aspects will be mentioned if appropriate.

Consideration has also been given to some aspects of existing impact studies that due to the nature of the research are unavoidable. Firstly, some of the studies are more detailed than others in terms of data collection so in essence, it could be argued, that the more in-depth studies give greater reliability and significance to their results. Secondly, attributing for

example economic effects to the development of a new shopping centre can be problematic, especially when changes in both local and national economies are taken into consideration. Thirdly, the study period can also cause difficulties which is highlighted by BDP Planning and OXIRM (1992, p.43) who suggest that the “sheer pace and scale of retail change over a study period makes the task even more complex”.

Further consideration to the study period is to distinguish between research that is for example on the ‘initial’ or ‘early’ effects of trading compared to studies that cover a more established time frame. This therefore raises the debate as to what exactly is a significant amount of time to determine or measure the economic effects of a new retail development. For example, the studies reviewed range from one year in the case of the Meadow Hall centre in Sheffield to four years in the case of Merry Hill centre in Dudley. Taking the above into consideration, BDP Planning and OXIRM (1992, p.43) note in regard to the effects on the vitality and viability of a traditional centre that an out-of-town shopping centre will have, “it will take some time for an effect to be noticed and measured. It is also likely that in economic terms a trading effect will be perceived earlier than say an effect on employment levels”. There is therefore, as shown in the above examples, a lack of research in regard to long-term impact assessment.

A final point to note and which became apparent throughout the review of literature is the lack of documented research into the impacts of new regional inner-city shopping centres. The two most detailed and in-depth studies were carried out by Bennison and Davies (1980) on Eldon Square in Newcastle and Oughton *et al.* (2003) on the Oracle Centre in Reading, both of which were conducted over thirty years and twelve years ago respectively. Given the number of regional inner-city shopping centres built since the year 2000, the lack of detailed research was quite surprising. Nevertheless, detailed research into the impact of regional out-of-town centres has been somewhat better documented although their relevance, in some cases, to the impacts on traditional town centres has been questioned. Firstly, a considerable amount of the research has been directed towards the interests of certain groups or individuals and secondly much of the research relates to concepts from previous studies based on the impact of grocery stores (Oughton *et al.*, 2003). The following section reviews some of the most relevant studies mentioned above.

### **3.3 Impacts of Regional Out-of-Town Shopping Centres**

The following section will review the literature on the impact of regional out-of-town shopping centres. As mentioned previously, although research into the impact of regional out-of-town shopping centres is somewhat better documented than that of its inner-city counterpart, only a select amount of in-depth post-hoc studies have been done on out-of-town centres. Although this research is on the impact of a regional inner-city shopping centre, it was still deemed appropriate to review some of the studies on out-of-town centres given their relevance over the course of the retail development process in the UK.

#### **3.3.1 Brent Cross**

Brent Cross shopping centre opened in 1976 on the outskirts of Greater London in Hendon. In 1980 the Greater London Council (GLC) published a report into the impacts of Brent Cross which was an amalgamation of many smaller studies which principally included data obtained through shopping diaries and interviews with local residents in various town centres neighbouring Brent Cross in North-West London (GLC, 1980). In the report Brent Cross is described as occupying 9.4 acres of a 52 acre site which includes access roads for both private and public transport, a bus terminal and parking for over 5,500 cars (GLC, 1980). The centre itself has two anchor stores which included John Lewis and Fenwick's and 94 other units comprising of comparison retailers (GLC, 1980).

The interviews and shopping diaries were conducted with participants based in town centres located within pre-determined zone of the centre, which were calculated by estimated drive times, for example, 10 minutes from the centre, 10 to 20 minutes from the centre and 20 minutes and further from the centre. The sample was chosen so as to be representative of the local area and not just shoppers in Brent Cross. The interviews and diaries were undertaken in 1978 therefore two years following the opening of the centre. Results showed that just over half of the shoppers were from the 10 minute zone, a quarter from the 10 to 20 minute band and the other quarter from further away. Although this gave an indication of how far shoppers travel to come to the new centre, its relevance in terms of impacts on neighbouring town centre retail was difficult to establish and needed to be more specific. The results from the interviews and diaries also suggested that the new shopping centre's customers were high income families with access to cars (GLC, 1980). These results seem to be more appropriate in distinguishing the demographics of the new shopping centre's clientele as opposed to the impacts of the new centre on neighbouring town centre retail.

However, the authors of the research did include a question asking those participants who did not shop at the new centre for their reasons why. The study outlines that there were 500 responses to this question suggesting non-users felt they were too old for the centre, struggled with mobility or some noted that the new centre had given them no reason to stop shopping within their current retail destinations (GLC, 1980).

The study also noted that Brent Cross had a high annual turnover when compared to retailers in the surrounding traditional centres and that the success of the centre would have required for trade to be diverted away from these areas. The authors however note that no official figures were obtained from the new centre, the figures are based on estimates and it is not made clear how the data for annual turnover in the surrounding retail areas was collected. The study concludes that the 'impact' of Brent Cross had affected the various surrounding town centres in different ways and that the 'impact' was dependent on the size of each of the surrounding town centres (GLC, 1980). For example, larger town centres had felt the effects of Brent Cross through loss of trade for shops selling clothing, whilst medium-sized town centres had felt the biggest losses with a reduction in food sales and an 8% overall reduction compared to the 3% overall reduction in larger town centres (GLC, 1980). Although the above findings are useful in terms of it being the first study into the impacts of an out-of-town shopping centre, it could be argued that they provide little detailed evidence on the economic impacts on traditional town centre retailing. Emphasis on the demographics of the new centre's customers seems to have been made more of a priority as opposed to the impacts on the surrounding retail areas.

### **3.3.2 Metro Centre**

The Metro Centre opened in 1986 in Gateshead in the North-East of England. Davies (1993) who had been a joint author in the Eldon Square study conducted impact research alongside Howard (1993) into the impact of this new out-of-town shopping centre. When opened the Metro Centre offered a gross retail, leisure and service area of just over 145, 700 sq. m and was anchored by six retailers which included House of Fraser, Marks and Spencer, Littlewoods, Carrefour Supermarket, Boots and Sears (Howard and Davies, 1993).

The study was focused on establishing a 'before and after' picture in regard to the impacts of the Metro Centre's development and used a mixed methods approach to its data collection

gathering information from seven traditional town centres within the new centre's catchment area. These methods of data collection included postal surveys to local retailers, land use surveys, footfall counts, shopper surveys, household surveys and interviews with prominent figures within the area's retail industry. The methods used for data collection were particularly detailed with over 7,000 interviews being conducted (Howard and Davies, 1993).

Three years following the Metro Centre's opening, results showed that 19% of shoppers and 24% of retail spending was accredited to shoppers in the Metro Centre who lived over 30 minutes' drive from the new centre and that an estimate of sales turnover was reported to be around £200 million (Howard and Davies, 1993). It was noted that the sales at the Metro Centre were higher than national retail sales trends and were accounted for by the increased traffic from the centre's catchment area (Howard and Davies, 1993). It was also established that the Metro Centre played a similar role to its closest and largest traditional retail centre of Newcastle although differed in terms of the reasons for the trips, with the Metro Centre's shoppers tending to travel in cars and showing patterns of higher retail spending when compared to Newcastle City Centre (Howard and Davies, 1993). Further results were found to mirror that of the Brent Cross study with telephone surveys establishing that wealthier and more mobile families tended to use the new centre whilst less mobile and less well off, as well as older shoppers tended to not use it (Howard and Davies, 1993).

In regard to impacts on the traditional retailers Howard and Davies (1980) noted that in the five years following its opening, the Metro Centre took a substantial share of retail sales away from Newcastle's traditional retail town-centre although its influence spread further across the whole of its catchment area with other traditional centres also feeling the effects. Howard and Davies (1980) note that this trend was most adverse not in the centres that were largest or closest to the Metro Centre but in the weaker centres and weaker parts of the centre. By 'weaker' the authors are relating to shops in smaller towns and shops in secondary retail areas, as opposed to those located in primary locations such as traditional high streets or shops within close proximity of these primary streets. The authors summarise their findings suggesting that local planning authorities need to address the decline in these smaller towns and secondary areas. They also note that the impact of the Metro Centre may have been less severe due to retail sales growth at the time of the study and that the impacts of out-of-town shopping centres will depend on the conditions associated with the local and national economy both during the centre's development and subsequently after its opening (Howard and Davies, 1980).

The study on the Metro Centre was much more detailed than the Brent Cross research both in terms of methods use towards data collection and the time frame, i.e. a 'before and after' study. To its credit the study also took into consideration many other factors in establishing the new centres impacts such as transport implications, employment issues, land use, pedestrian activity, vacancy rates in surrounding centres and levels of trade. It could therefore be argued that the study provided the first detailed impact assessment of a regional out-of-town shopping centre and it is assumed that many of its strengths lie in its authors critically appraising the Brent Cross study and in doing so both expanding and developing the research in establishing the impacts of an out-of-town shopping centre on traditional retail centres.

### **3.3.3 Merry Hill**

In the same year that the Metro Centre opened in Gateshead (1986) a further out-of-town shopping centre named Merry Hill opened near to Dudley in the West Midlands, North-West of Birmingham. Six years following the opening of the new centre, West Midlands Planning and Transportation Sub-Committee commissioned Roger Tym & Partners to assess Merry Hill's impact on the established shopping centres in the West Midlands. The final report was published in 1993 and is what is reviewed below.

When Merry Hill opened in 1986 it offered just under 1.4 million sq. ft. of gross retail space, a food court, cinema, a car park with 10,000 spaces and a mono rail system (Roger Tym & Partners, 1993). The centre was also anchored by Marks and Spencer, Debenhams, ASDA, Sainsbury's and BHS (Roger Tym & Partners, 1993). The study used a mixed methods approach to assess the impact of Merry Hill by firstly conducting qualitative data collection in 'regional and sub-regional centres', 'town centres' and 'district and local centres' by examining changes in physical appearance and examining the views of retailers in these areas (Roger Tym & Partners, 1993). Secondly quantitative methods through the use of surveys in regard to changes in the type of retail and business type (independent, small or large retailer), retail floor space and changes in shopping flows from households were examined (Roger Tym & Partners, 1993).

As with the two previous studies, the annual turnover of Merry Hill was considered and between 1992 and 1993 it was estimated to be £302 million achieving a market share for

comparison shopping of around 15.6% in 1993 (Roger Tym & Partners, 1993). In contrast, following the household surveys in Merry Hill's catchment area, which was defined as between a 0-45 minute drive with a population of 1.85 million people, it was established that around £1,340 million of comparison retail spending was being generated (Roger Tym & Partners, 1993). When this was compared to spending on comparison shopping since 1989 (the authors do not however note their source or the exact data for this comparison) this signified a decline of around £100 million pounds and represented a 7% fall on comparison shopping expenditure between 1989 and 1993 (Roger Tym & Partners, 1993). In relation to this change in turnover, the authors highlight that Merry Hill opened during a period of recession in the UK and it would have meant that existing retailers would have also experienced some decreases in their turnover regardless of whether Merry Hill had opened or not (Roger Tym & Partners, 1993). It may therefore be argued that as opposed to the Metro Centre study in which Howard and Davies (1980) noted that increased sales due to an upturn in the UK economy 'softened the blow' for existing retailers, the same cannot be said for those established retailers in Merry Hill's catchment area adding to the impacts of the new centre.

The authors also assess the impacts of Merry Hill on the established retailers by combining the results of the mixed methods data collection and discuss them in terms of the towns which are categorised as having either 'regional and sub-regional centres', 'town centres' or 'district and local centres'. Roger Tym & Partners (1993) conclude that Dudley and Stourbridge (classed as 'town centres') were the most affected by Merry Hill outlining that Dudley was severely affected through a loss of major retailers, an increase in vacancy rates, a decline in rentals, reduced shopping flows for comparison shopping i.e. a loss in market share for comparison retailers and an overall decline in retailing. In terms of Stourbridge the effects have been less severe however rentals have declined, there has been a reduction in comparison shoppers visiting its town centre and there has been an overall decline in the quality of retailing in the centre, with Roger Tym & Partners (1993) defining 'quality' through well-known brands and high end retailers ceasing to operate in Stourbridge.

The authors continue by outlining that West Bromwich and Kidderminster categorised as 'town centres' and Halesowen, Brierley Hill and Cradley Heath categorised as 'district and local centres' also experienced adverse impacts noting similar effects as mentioned above however less severe. They also conclude that given Brierley Hill's and Cradley Heath's close proximity to Merry Hill and their offering being mainly comparison goods retailing, they

would have therefore been in direct competition with the new centre resulting in more adverse impacts to their retailing (Roger Tym & Partners, 1993). 'Regional and sub-regional centres' such as Birmingham, Wolverhampton and Walsall all were found to have experienced a 'limited impact' with the authors accrediting this to these towns and cities embarking on their own new retail developments and in part drawing on a different catchment area to that of Merry Hill (Roger Tym & Partners, 1993).

Drawing on comparisons with Metro Centre study by Howard and Davies (1980), the impact assessment on Merry Hill was also very detailed especially in regard to the mixed methods used in data collection. From a critical perspective however, the Merry Hill study was not given the same time frame to conduct the research when compared to the Metro Centre study, with the West Midlands Planning and Transportation Sub-Committee commissioning the report in November 1992 to be completed by April 1993. It could therefore be argued that five months was fairly restrictive in terms of the time frame for such research although to its credit, the authors used any data that did exist prior to the opening of Merry Hill (such as the spending on comparison shopping data between 1989 and 1993) and it was clear that they were aware of these limitations when drawing their conclusions.

### **3.3.4 Meadowhall**

Meadowhall shopping centre opened in 1990 in South Yorkshire. Three years following its opening Howard (1993) published a report through the Oxford Institute of Retail Management (OXIRM) which was followed by a further paper also in the same year examining the impacts of the new centre. Howard (1993) notes that the new centre was particularly well positioned, three miles between Sheffield and Rotherham located next to the M1 motorway and offering 12,000 car parking spaces. It also benefited from a train station that was purpose built for the new centre as well as a bus terminal (Howard, 1993). Meadowhall offered just over 112,000 sq. m of gross retail space, had six main anchor tenants which at the time included Debenhams, House of Fraser, Marks and Spencer, Boots, C&A and Savacentre alongside 230 smaller comparison retailers as well as a cinema, large food court and computer game arcade (Howard, 1993).

Howard (1993) for the OXIRM research paper began data collection through regional telephone household surveys in regard to shopping trips in the region. The surveys were

conducted a year before the centre opened and then the year after, allowing for a 'before and after' study. Howard (1993) defined Meadowhall's catchment area as a 30 minute drive from the centre and the 1989 telephone survey aimed to outline the proportion of non-food shopping trips to the regional centres within this area. The year following Meadowhall's opening in 1991, the same participants were again contacted on various occasions throughout the year in an effort to reduce sampling errors, to gain an understanding whether their shopping trips had changed (since opening of the new centre) and to define the overall shape of the catchment area (Howard, 1993). The resulting information showed that Meadowhall's catchment area was spread well over the previously defined 30 minute drive, with approximately 35% of shoppers travelling well over this distance to shop at the new centre (Howard, 1993). When compared to the Metro centre study where 25% of shoppers travelled 30 minutes or more to get to the centre, Howard (1993) notes Meadowhall's favourable position next to the motorway and the catchment area's population size as a possible explanation.

Howard (1993) in the OXIRM report noted that the results of the telephone survey in June 1991 suggested that 12% of all the survey participants' most recent 'non-food' shopping trips were to Meadowhall, although it was highlighted that this figure was based on the 'very simplest' of market share and it could be argued that this figure would possibly be higher during holiday seasons for example. The figure is also not representative of the whole catchment area as the figure would have varied across the different areas (Howard, 1993). So as to establish which of these different areas lost the most market share to Meadowhall, the telephone interviews which were conducted in 1989 were compared with the interviews in 1991 and more specifically, which was the last centre visited by the participants 1991. The results suggested a diversion of trade from various centres which can be explained through distance from Meadowhall and the 'pull factor' or appeal from the competing centre (Howard, 1993). It was also noted by Howard (1993) that changes in trading patterns impacted on changes in sales for some retailers in the various centres, although no specific sales data was given and it is assumed that this opinion was based on interviews with retailers.

The report concludes that although the telephone interviews were useful in gaining an insight into the effects of Meadowhall, they only refer to one measure which was non-food shopping trips and so the figures should not be interpreted directly as indicating 'impact' (Howard, 1993). This is a fair assumption to be made by the author although it is also quite

contradictory, as the main aim of the report was to measure the 'impacts' of Meadowhall. It could therefore be argued that this polarised the findings of the study as little was done to measure the impacts of the new centre in terms of the structure of retailing in the other centres, vacancy rates, changes in occupation etc. When compared to the other studies on out-of-town centres, it could be suggested that Howard's (1993) study lacks the diversity in data collection so as to suitably measure 'impacts'.

The findings do however signify similar results to the Brent Cross study indicating that less prosperous, immobile and older customers were less likely to use Meadowhall and therefore remained loyal to their traditional shopping centre. The study also positioned itself in terms of the economic climate of the time suggesting that unlike in the Metro Centre study where impacts on existing retailers were less severe due to increased sales, Meadowhall was opened during a time of slow economic growth which in turn would have been less favourable to the existing retailers (Howard, 1993).

Although Howard's (1993) research was the first study on the 'impacts' of Meadowhall, a further study was commissioned by Sheffield City Council as part of a wider study on retailing in the Sheffield area. Part of this report by Hillier Parker (1994) examined the effects of Meadowhall on the 'vitality and viability' of Sheffield's traditional inner-city shopping area, in line with the terms expressed in the government's planning policy guidelines (PPG6). The 'vitality and viability' of Sheffield town-centre was measured through examining pedestrian flow change, vacancy levels, rental levels, retailer demand and commercial yields. However, Hillier Parker (1994) noted that judging the vitality of Sheffield City Centre was problematic based on the lack of data available prior to the opening of Meadowhall. An example that Hillier Parker (1994) gave was through pedestrian flow count data as the only figures available for Sheffield City Centre were for 1989. The authors highlight that they used changes in sector sales to suggest reductions in pedestrian flow change and therefore their judgements are not comparative.

The authors note a similar issue in regard to vacancy rates. Although they could report the rate which stood at 12% in 1994 in Sheffield City Centre, comparable rates for the years prior to the opening of Meadowhall were unobtainable. Nevertheless, indicators such as commercial yields could be measured and analysis showed that the average shop yields in

1994 were up 1.00% compared to the May 1990 level of 6.50% however retail levels had dropped in Sheffield City Centre by 28% between May 1990 and May 1994 (Hiller Parker, 1994). Given the discrepancies in 'before and after' data, judging the 'vitality and viability' of Sheffield City Centre since the opening of Meadowhall was therefore purely speculative.

It is also worth mentioning some of the conclusions from other parts of the report which following data collection, again through the use of telephone interviews, but this time with retailers as opposed to shoppers, established that retailers no longer regarded Sheffield City Centre as a primary retail area. However, interestingly, the report suggests that retailers noted that this trend began well before the opening of Meadowhall. Reasons suggested were factors such insufficient modern retail space, lack of investment in transport and infrastructure and the rise of customers using cars and the subsequent lack of parking spaces in Sheffield City Centre. Nevertheless, the report suggests that although these factors were already in place before the opening of the Meadowhall, the new centre's development rapidly hastened the pace of change in Sheffield City Centre (Hiller Parker, 1994).

### **3.4 Impacts of new developments on traditional UK town centres**

The following section will critically review the literature on the impact of inner-city shopping centres. As mentioned previously, only two detailed and in-depth studies have been conducted over thirty years and twelve years ago respectively, although a third study on the impacts of an inner-city shopping centre in Southampton, which was conducted in 2005, will also be reviewed.

#### **3.4.1 Eldon Square Shopping Centre, Newcastle**

Bennison and Davies (1980) studied the impacts of the Eldon Square shopping centre in Newcastle City Centre. The focus of the study was on the existing traditional town centre, although the impact of the shopping centre is measured both on a local and regional scale. The principal focus of the study however is on the trading effects on the established town centre retailers and given that this study focuses on the impacts of Liverpool One on the established city centre retail, this review will be based on the local effects of Eldon Square.

Eldon Square was established in 1976 and was the first enclosed shopping centre in the Tyne and Wear region. The development was connected to the traditional high street and two other 'main' shopping streets, although the term 'main shopping streets' was not clearly defined and it is difficult to distinguish what factors contribute to making a shopping street, in the eyes of Bennison and Davies (1980), 'main'. Eldon Square when first built was approximately 1,400,000 sq. ft. therefore just over half the size of Liverpool One. The shopping centre attracted a number of well-known retailers such as Habitat and Boots, it accommodated a supermarket and around a hundred smaller comparison retailers. It was also built in conjunction with a new bus station and offered two large car parks. Eldon Square was very well connected, was accessible by both public and private transport and was well connected to the other 'main' streets in Newcastle city centre (Bennison and Davies, 1980).

The research used a quantitative approach to local data collection (town centre) through a postal questionnaire to any retailers who resided in units of 50,000 sq. ft. or over. The authors reported a good response rate although noted some bias in the data accrediting it to larger stores having their own administration departments and therefore the ability to devote time to the survey. No mention in the study was given as to why retailers who resided in units under 50,000 sq. ft. were not included in the sample. The findings of their results were that the impacts of Eldon Square began before its development due to traditional businesses being displaced for the building of the new centre which resulted in temporary changes to trading patterns. Following its development, locational impacts were felt, as it was reported that retailers who were based in close proximity to the scheme showed signs of growth whilst a steady decline was observed in retailers who were located further away from the new centre. Although it is not mentioned specifically, it is assumed that the growth relates to trading figures. Similarly the authors note that the change in trade was related to customer behaviour along the existing shopping streets as footfall was redirected to the new centre.

In regard to a shift in trading patterns, the authors summarised that although the new centre extended the area of concentrated retail activities thereby benefiting the 'main' shopping streets, it also led to a decline in trade in a large number of secondary streets and that these secondary streets do not share in the general enhancement of trade within the town centre generated by the new scheme (Bennison and Davies, 1980). Although not apparent from the authors' findings, given that their conclusions mention that the retailers in the secondary streets showed a steady decline, if this was felt by larger retailers then it is assumed that the

effect on smaller stores would have been even greater. Due to only larger stores being included in the sample, this is only an assumption and it could therefore be argued that the results of the survey do not represent the full scale of the impacts.

Following on from the success of the research, in terms of the high response rate and its significant findings, a second study was undertaken to expand on the findings of the previous research. On this occasion the research used a mixed methods approach through land use surveys and interviews and was conducted over a four year period between 1976 and 1980. Given the length of time over which the study was undertaken this allowed for a number of different surveys to be conducted and it is assumed that this also allowed for smaller retailers to be included in the sample. Examples of the surveys conducted were by measuring footfall within different locations of the town centre, land use surveys by measuring vacancy levels and relocations of businesses and interviews with retailers in regard to trading patterns.

In summary the findings were as follows. The authors note that the effects of Eldon Square on established retailers' sales levels can be distinguished between a series of short term effects in the immediate years following the centre's opening which then declined over the long term, in this instance three years. These short terms effects (the first year of trading following the opening of Eldon Square) were categorised by total trade in the city centre increasing by 15%, the new shopping centre accounting for five million pounds worth of trade being lost from the existing town centre retailers, a loss of retailers in the secondary retail areas, many of the more specialist retailers selling household goods losing trade and many independent business closing down. The long term effects were that Eldon Square continued its dominance over the existing retailers in the traditional areas, the levels of footfall remained the same around the new centre but increased in the traditional areas, previously vacant units accredited to the opening of Eldon Square in the traditional streets were filled and that the larger stores who in the first study were affected by the new centre began to show signs of recovery in their trading figures although independent retailers continued to suffer.

From a critical perspective, the authors could have compared their data with national retail trends to evaluate whether the loss of five million pounds worth of trade in the existing centre

was only an occurrence in Newcastle and not the rest of the UK, therefore strengthening their argument towards the negative effects in the immediate year following the centre's opening. It is also unclear as to whether the long term decline of the negative effects was from retailers adjusting and therefore competing with Eldon Square or due to a possible upturn in the national economy, as in the years preceding the opening of the new centre, the UK was coming out of the mid-1970's recession (Muriel and Sibieta, 2009). It is also unclear as to whether any systematic assessments were made on the data.

The authors conclude that the impacts of Eldon Square were not as severe as was originally anticipated and that "while the initial shocks of the new centre did reverberate quite widely and profoundly through the existing streets, the scale of the impact was relatively short lived and three years after its opening the resulting scars from its more adverse effects are not very marked" (Bennison and Davies, 1980). The authors do however mention that there were some retailers who didn't recover from the initial impacts of Eldon Square and that their loss from Newcastle's existing town centre should not be overlooked.

### **3.4.2 Oracle Shopping Centre, Reading**

Between Bennison and Davies' (1980) study on the impacts of Eldon Square and Oughton *et al's*, (2003) study on the Oracle Centre in Reading (which was later developed further by one of the co-authors, Crosby, in 2005), no detailed research was conducted on the impacts of a regional inner-city shopping centre on traditional town centres. Given that within the 23 years between studies almost 30 new regional inner-city shopping centres were built backed by government policy in terms of the 'town centre first approach', the opportunity to further assess both the impacts of new inner city shopping centres as well as the government's planning initiatives seem to have been missed. This lack of knowledge was acknowledged by Oughton *et al.* (2003) who conducted detailed research into the effects of the Oracle Centre in Reading.

Established in 1999, with over 76,000 sq. m of retail space (considerably smaller than Liverpool One) the new development was anchored by two department stores (House of Fraser and Debenhams), consisted of 82 retail units, 2 cinemas, 16 restaurants and parking for 2,300 cars (Oughton *et al.*, 2003). Following its opening the local council commented "The Oracle has been welcomed by Reading Borough Council as providing much-needed

retail space as a consequence to retailer demand” (BCSC, 2000, p.127 cited in Oughton *et al.*, 2003).

The study used a mixed-methods approach through a retailer survey, interviews with retailers and prominent figures in the Reading retail industry as well as land use data through the use of Goad Maps. The Goad Maps were a particularly useful asset to the data collection as they revealed occupancy data for Reading town centre between 1995 and 2003 and therefore gave an overview of land use before and after the development of the Oracle. The maps created by Experian Ltd classified business activity into groups which included non-retail; comparison retail; convenience retail; service use: charity and discount retail; leisure; vacant.

Analysis of the Goad Map data observed a 17% decline in the share of units occupied by comparison retailers in the existing town centre over the period examined. Interestingly however, the number of vacant units declined which was an unexpected result based on a large number of existing retailers choosing to relocate into the new centre (Crosby *et al.*, 2005). The decline however was observed to be as a result of the demolition of redundant space for the development of a supermarket (Crosby *et al.*, 2005). The only group which did see an increase was in leisure whose share of occupancy increased by 5%. In terms of the type of store, independent retailers observed the steepest decline with a 9% drop in independent retailers in Reading town centre between 1995 and 2003 although the sharpest decline was actually in the two years before the new centre opened. The proportion of large chain stores in the existing retail areas also remained relatively unchanged whilst the proportion of small chains increased, although not in the prime locations (Crosby *et al.*, 2005). In the two years following the opening of the Oracle it was observed that the traditional prime pitch in Reading’s town centre saw a 13% decline in comparison retailers which was accredited to the impacts of the Oracle, although many of the retailers had chosen to relocate into the new centre.

From a critical perspective, although the land use survey showed a decline in comparison retailers, given that the data observed was only on the two years following the opening of the new centre, the effects of the Oracle in the short term appear to be quite drastic. However, had the following two years also been analysed, comparisons could have been made within

the same time frame that the Eldon Square study observed. This would have allowed for an assessment as to whether the pattern of the short term effects in the immediate years following the Oracle's opening would have declined over the long term as was the case with Eldon Square. Given that this was a profound finding from the study on the effects on the traditional town centre retail in Newcastle, not to mention that the Oracle study was only the second to take place on an inner-city shopping centre, it could be argued that an important opportunity to compare the trends between both cities appears to have been overlooked.

A result from the Oracle study that can be compared to the Eldon Square research is that some of the peripheral streets in Reading's town centre retail area lost strength (Crosby *et al.*, 2005). This was also observed in Newcastle through the shrinkage in both numbers of retail establishments in the tertiary areas as well as a reduction in consumer activity (Bennison and Davies, 1980). One finding however that was not mentioned in the Eldon Square study although observed in Reading, was the increase in units that became occupied by the leisure service industry. According to Crosby *et al.* (2005) a further reason for the decrease in vacancy rates following the opening of the Oracle can be related to vacant units being converted to restaurants, cafes and drinking establishments. Although the Goad maps made this trend easier to see, this pattern was not observed in the Eldon Square study. Reasons for this may be that this was simply not the case in Newcastle however it could also be argued that this trend was down to the growth in café culture over the past 10 years or purely down to demand.

The Goad Maps in the Oracle Centre study also allowed for changes in occupation by type of retailer to be observed between large chain, small chain and independents. The study reported that the rate of change remained fairly consistent over the analysis period, averaging around 11% of units per year although it did peak in development phase and then subsequently stabilised to 9% of units per annum changing in use (Crosby *et al.*, 2005). It was however stressed that this should not have been taken as an indicator of stability in Reading's retail market as between 2000 and 2003 some 30% of units experienced a change of occupier whether in the same retail category or representing a change of type (Crosby *et al.*, 2005). Although turnover rates do not necessarily indicate town centre weaknesses they may indicate downturns in the retail market especially in tertiary areas (Crosby *et al.*, 2005).

To assess the impact of the new centre on retailers the study used a questionnaire survey with the aim of exploring changes in sales between the four quarters of the year prior to the opening of the Oracle and the four quarters after. The study noted a relatively low response rate, as opposed to the study on Eldon Square, which the authors deemed as 'good', although the exact response rate on the study in Newcastle was not disclosed. A further observation from the Oracle study was that responses were predominantly from store managers in the secondary retail areas, something that the authors do not highlight and which could have brought some bias to the results. Nevertheless, the results reported a decline in sales following the opening of the Oracle with 57% noting falls and 40% reporting a drop of 5% or more although 20% of retailers in various locations did report some increases. (Crosby *et al.*, 2005). Although the study reports falls in sales volumes, to its credit, it does compare the results to UK patterns of consumer spending over the same period. Government statistics actually showed increases in non-food spending therefore strengthening the argument for the impacts of the Oracle on the trade of the established retailers, something which the Eldon Square study could have benefitted from. Many of the retailers also noted through brief interviews that sales diversion due to changes in footfall patterns towards the Oracle Centre were to blame for these reductions. Further results from the survey indicated that retailers attributed much of their sales declines to the Oracle through changes in public transport routes, lack of parking in their areas compared to the abundance of parking offered by the Oracle as well as street works relating to the new development.

In summary the study around the Oracle raises some interesting findings although there are certain factors that should be taken into consideration. One of these, which is highlighted by the authors, is that the development was built during a period of sustained economic growth, in a town with a strong economy given its relative proximity to London and also observes a high per capita income and low unemployment rates, all of which make the impacts of the Oracle inevitably suspect should the development have been built in a different town or city for example (Crosby *et al.*, 2005). Although not directly referred to by the authors, in reiterating an earlier point in regard to the time frame of the impact assessment following the centre's development, much of the results highlight the impacts directly after the centre was opened. Further analysis on sales levels, changes in occupation vacancy rates and changes in retailer type would have given a broader spectrum to the impacts of the centre as well as a comparison to whether the short term effects in the immediate years following the Oracles opening would have declined over the long term as was the case with Eldon

Square. It is also unclear as to whether any systematic assessments were made on the data.

The study does however conclude that a development such as the Oracle would have an inevitable spatial impact on a town centre and that the Oracle moved the focus of retailing from one part of the town centre to another. Changes to public transport routes, pedestrian flow change and distorting footfall all contributed to the impacts on the existing retailers. The report also mentions that independent retailers were particular casualties of the Oracle, losing their share to small chains, although the land use survey data observed that this was not to the detriment of large multiples or the Oracle, as many independent retailers in Reading City Centre would have you believe, noted Crosby *et al.* (2005). However, the data doesn't take into consideration that the small chains have replaced larger multiples that have moved to be in or closer to the Oracle and have been replaced by less attractive brands that consequently have fewer 'multiplier effects' on the neighbouring stores (Crosby *et al.*, 2005).

### **3.4.3 West Quay Shopping Centre, Southampton**

Lowe's (2005) study on the West Quay centre in Southampton is the most recently published research on a regional inner-city shopping centre being built in a traditional UK town centre. Although the study is the most recent, it is different to the two previous studies on Eldon Square in Newcastle and the Oracle in Reading, in the sense that the authors' approach is narrative in nature and focuses predominantly on the discussions and both the economic and planning processes that led to the acceptance and then development of the centre. Given that this study focuses on the impacts of a now developed inner-city shopping centre in the case of Liverpool One, Lowe's (2005) research will be reviewed following the opening of the West Quay development, as opposed to reviewing the literature in regard to the run up to its development. It is also worth mentioning that Lowe (2005) only briefly considers the impacts on the existing retailers in Southampton's traditional town centre and the depth of her research when compared to the two previous studies reviewed is not on the same scale. However, in the same year, Lowe (2005) published a second paper with a slightly more comprehensive review of the impacts on Southampton's existing town centre retailers, although again it lacks the detailed research of the two previous studies mentioned and is based on secondary data taken from a private research company's findings.

Opened in 2000, with 74,000 sq. m of retail space (considerably smaller than Liverpool One although a similar size to the Oracle in Reading) the new development was anchored by two department stores (Marks and Spencers and John Lewis), six large 'flagship' stores and seventy other smaller comparison retailers. The centre also offered a food court and car parking space for over 4,000 cars. Alongside the retail and food offering a public transport interchange was built with a free shuttle bus service providing links to Southampton's train station and ferry terminals.

Lowe (2005) notes in her first paper that the centre was an immediate success with over 12 million people visiting it within its first year of opening and it immediately moved into number 12 in the rankings of UK shopping destinations in the same year. Worries regarding the impact of the new centre on existing shopping areas proved to be speculative although initial movements by some retailers moving into the new centre left vacant shop units (Lowe, 2005). Apart from Lowe (2005) mentioning a brief interview with a local councillor who commented that the vacant units were not a serious issue and would only be temporary due to the opening of the West Quay centre, no other detailed data collection was mentioned. Lowe's (2005) conclusion that concerns regarding the impact of the new centre on the existing retail offering were unfounded are therefore purely based on observational results with no links to data to support this claim. Lowe (2005) also fails to relate her conclusion to any of the previous studies on the development of inner-city shopping centres and in essence, does little to examine the impacts of the West Quay development on established town-centre retailers in her first report.

In the same year Lowe (2005) published a second paper on the West Quay development, this time with greater emphasis on the impacts of the centre as opposed to discussions in regard to its development, which were prominent in the first report. However, as mentioned previously, the data analysed was secondary data and a good proportion of the report was still in regard to discussions about the centre's development. Nevertheless, the report highlighted some interesting findings and although the impacts on the established shopping centres were acknowledged, Lowe (2005) saw them as being minimal and arranged them into three categories.

The first category was 'Relationships between West Quay and the existing centre'. Lowe (2005), rather than discussing relations with West Quay and other established town centre retailers, only gave the opinions of prominent figures in Southampton City Council who simply praised the new development and given that they would have been involved in the planning and development of the centre, their opinions could be classed as biased. One remark by the Head of City Development commented that the centre is "is parallel with other regional shopping centres in the UK and the West Quay is a fortress with little connection with the outside world" (Lowe, 2005 p.661). Although this statement clearly compliments the new development as a rival to other RCSs, it may also be argued that this emphasises the fact that little consideration is taken into trying to link the new development with established town centre retailing. Given the lack of say or input by the existing retailers in the study, the argument towards a positive relationship between West Quay and the existing centre is relatively one sided.

The second category is 'Vacancy rates and how to interpret them'. In summary, Lowe (2005) acknowledged that there was a marked increase in vacancy rates in Southampton town centre that they had risen considerably since 2001 and were in 2005 standing at 10.9 per cent, although the 2001 vacancy rate was not documented in the paper so it is difficult to distinguish what the level of this marked increase was. Lowe (2005, p.664) however criticised the information commenting that the "data is useful in providing a 'snapshot' of current trends and longer term analysis, over a ten year period, would indicate a better picture". Although this is a fair argument, Lowe (2005) could have associated this comment to the results of the Eldon Square study and in doing so strengthened her argument. By outlining the results of the Eldon Square study that the initial impacts felt following the development of a new centre are the most severe, however weaken over time, Lowe (2005) could have made a better justification for her point of view. Lowe (2005) also draws little attention to the rise in vacancy rates in the secondary retail areas which according to the figures outlined in the report stood at 44% in 2004, four years following the opening of the new centre.

The third category was 'Improved perceptions of the city as a retail destination' which according to Lowe (2005, p.665) "West Quay has been a vital ingredient to the external appeal of Southampton". This view is certainly fair as West Quay has brought many new retailers into Southampton however, if the vacancy rates on established shops continued to rise, then this will surely have an impact on shoppers' perceptions in the future. Lowe

(2005) concludes that West Quay had improved Southampton's image and appeal and that the impacts on the existing town centre retailers had not been as severe as was widely anticipated.

### **3.5 Summary**

This chapter has explored the definition of impact within the context of retail research and highlighted the differences in regard to types of impact assessment studies. A critical review of the literature in regard to studies into the impacts of regional out-of-town shopping centres in the UK was then undertaken focussing on research conducted on the impacts of the Brent Cross centre in London, the Metro Centre in Newcastle, the Merry Cross centre in Dudley and Meadowhall in Sheffield. Only three detailed and in-depth studies on the impacts of regional in-town shopping centre developments in the UK have been conducted over the past thirty-five years which were on Eldon Square in Newcastle (1980), the Oracle Centre in Reading (2003) and West Quay centre in Southampton (2005). This chapter has critically reviewed these studies in order to provide a context for the following research into the impacts of a new inner-city retail development focussing on Liverpool One.

## **Chapter 4: Theoretical Framework**

The aim of this chapter is to outline the theoretical framework that has been used for this study. This chapter begins by briefly outlining the importance of theory when undertaking a research inquiry. This is followed by an introduction to how the theoretical framework adopted towards this research was chosen so as to guide the structure of this study. The adopted theoretical framework is then analysed in detail so as to underpin its relevance in regards to the study. Other theoretical frameworks that were considered in relation to the subject of the study are then examined and subsequently the reasons given as to why these theories were not deemed appropriate so as to guide the structure of this research. The chapter will then be summarised.

### **4.1 Theoretical Perspective**

A theory is a formalized set of concepts or ideas that summarises and organises observations, provides explanations for phenomena and provides the basis for making predictions (Graziano and Raulin, 2010). A theory helps to explain (or predict) phenomena that occur in the world by specifying how and why the variables and relational statements are interrelated (Creswell, 2009). In order to gain an understanding into a research topic, it is first important to explore the theoretical literature so as to gain an insight and contextual knowledge about the subject (Gray, 2004). This helps to clarify what is already known on the subject, which theories or models are accepted and the most influential, which theories are disputed, what are the main theoretical debates in the field and what can be said critically about what is already known (Gray, 2004). The theoretical literature then provides both a detailed description and critical analysis on the current knowledge in the field.

From the review of literature a theoretical framework is then established which consists of the theories that underpin the basis for the study. A framework is essentially a guide that helps to logically structure a study so as that it is supported by some sort of theory. The theoretical framework is important to a study as it not only helps to clarify the implicit theory that is being used by defining the theory more clearly, but also aids in the consideration of other possible frameworks so as to reduce bias (Creswell, 2009).

### **4.1.1 Aligning Research with Theory**

Adopting a framework so as to logically structure the study led to a critical evaluation of literature based on both shopping centre theory as well as the principles that follow retail-led regeneration. Given that the topic of the research is an explorative study on the development of a shopping centre, it was first important to examine theories that had been proposed, tested and developed in regard to both the construction of shopping centres as well as the internal mechanisms that make up these retail centres. This would allow for debate as to whether the following study could be aligned with shopping centre theory or whether the development of a new inner-city shopping centre built with an ethos on regeneration, could be aligned through either a separate framework or a framework which draws on components of shopping centre theory. Following a review of literature as to how the following study could theoretically position itself, it was established that theories in regard to shopping centres were too insular and concentrated on aspects such as how shopping centres have developed, the components that make up the internal structure of shopping centres, how retailers position themselves, the dynamics of customer behaviour as well as financial and business elements such as rents and leases. As the shopping centre theories lacked positioning in terms of shopping centre development with an ethos on regeneration, it was decided to follow a framework that, although related to shopping centre development, also included mechanisms or variables that existed outside the walls of a shopping centre. This led to an evaluation of a concept known as 'retail-led regeneration theory' which was the framework adopted to logically structure this study. The following section of this chapter will introduce this concept by explaining the historical development of this theory, the components that make up this framework and a critical evaluation of the theory.

## **4.2 Retail-Led Regeneration Theory**

The origins which form the foundations of the present retail-led regeneration theory were originally adopted from the United States, where various declining inner city areas or 'downtowns' as they are known in the US, were successfully redeveloped by private developers (Geyer, 2011). Through a concept which later became known as 'Rouseification', a name which was associated with the Rouse Company, a leading 'down town' developer in the US, the Rouse Company specialised in inner city retail development primarily through waterfront and festival market place themes (Tallon, 2010). Importing this initial concept from the US was the setting stone for current UK retail-led regeneration theory.

Geyer (2011, p.4) summarises the basic concept of retail-led regeneration from Lowe's (2005) study on the West Quay shopping centre in Southampton observing that "Retail-led regeneration initiatives consist of a large department store, hypermarket or regional shopping centre serving a catchment beyond the boundaries of the local council or district which it serves, creating a net injection of retail spending within the local economy". Retail-led regeneration is therefore based on the "development of a large anchor store which should theoretically restructure the local economy to provide the physical space for new economic activities based on the diversification of the economic activities, enable the growth of agglomeration economies and attract outside investment (Geyer, 2011, p.4).

The implementation of retail-led regeneration initiatives began to be widely implemented in the UK during the 'Golden Age' of Fordist – Keynesian capitalism (roughly between the late 1950's and late 1970's), where in terms of planning policy, there was an attempt to manage patterns of urbanization and in some cases uneven spatial development (Brenner, 2004). Stringent planning policy opposed the development of superstores and out-of-town retail developments on edge of city sites, as well as any efforts to restructure the local economy (Wrigley 1998). Any retail developments that were given planning permission were relatively small and were usually built so as to provide space for an overflow of high street retail through the development of small indoor malls, the pedestrianisation of high streets or the creation of shopping precincts (Tallon, 2008). The public sector were the first to initiate these schemes and can still be seen today through modernist concrete buildings and dilapidated pedestrianised high streets, namely in some of the UK's most deprived towns and cities (Geyer, 2011).

During the 1980's and 1990's the UK retail planning policy experienced a dramatic shift, moving from loose to tight in terms of the location of retail development (Lee, 2013). In the 1980's, the application of liberal retail policies came into place and were the catalyst for a number of large scale retail developments being established on the outskirts of cities. Private developers, at the expense of traditional high street retail in inner cities, built several large shopping centres in the suburbs of UK towns and cities (Lee, 2013). Amidst the liberal retail policies of the 1980's and the influx of private developers establishing these large shopping centres on edge of city sites, the phenomenon has in some cases been referred to as the 'Store Wars' retail revolution (Fernie, 1997). This 'revolution' meant that retail became progressively more concentrated in large out-of-town shopping centres,

superstores, retail parks and warehouses, all of which offered extensive car parking and therefore attracting shoppers from greater distances (Wrigley, 1998).

The above trend shaped the theory behind the current retail-led regeneration model in the UK with Geyer (2011, p.4) commenting that “the strategy behind the model was to restructure physical buildings and locations to be appropriated for new kinds of economic activities in a post-Fordist service economy”. For these initiatives to be successful, real estate development as well as private sector funding and involvement are essential (Healy, 1991). Although these out-of-town retail-led regeneration initiatives were later limited due to their impacts on traditional inner city retail, as Williams (1995, p.242) commented, “they are parasitic activities which destroy city centres by diverting trade away from existing retail facilities”, the concepts and strategies behind the model were deemed to be suitable within towns and cities due to policies supporting densification with the hope of allowing market supply and demand to co-evolve (Geyer, 2011).

Various reasons have been given by a number of commentators on factors that have contributed to the current retail-led regeneration model. Geyer (2011) draws on the views of both Griffiths (1998) and Turok (1992), outlining that one of the foremost factors were the neo-liberalist trends in government policy in planning for urban areas which also included local government budgets being restricted, the strategy of pursuing private funding for projects and the increased participation of the private sector in policy development and decision making (Geyer, 2011). Environmental factors were also a factor which contributed to the current model. Post-Fordist pressures led to the decline of manufacturing in Britain and a change from an economy centred on production to a service centred economy. Consequently this led to the “deterioration of city centre employment, ‘urban flight’ to the service centred suburbs and the development of toxic brownfield land uses in inner cities due to the loss of production capacity” (Geyer, 2011, p.4). Social change was also a contributor to the current model foremost through the changes in public shopping patterns. Commentators such as Zukin (1998) and Tallon (2008) refer to the ever increasing accessibility and dependability on ‘car-orientated’ shopping, enclosed and climate controlled shopping centres, the growth of café culture, a ‘round the clock’ shopping environment as well as centrality, so that all goods and services are available in one place.

By the late 1980's, it was recognised that retail developments that had been built on the outskirts of towns and cities in the UK had had a detrimental effect on inner city retail, particularly on traditional high streets. Whether the decline of traditional high street retailing was predominantly down to the effects of these out-of-town shopping centres or if wider social change had played a role in the decline is debatable (Geyer, 2011). Nevertheless, various containment policies were then implemented by the government to try to limit the growth of out-of-town retail developments which consequently proved to have a significantly negative effect on potential out-of-town retail schemes. Of the 54 planning applications that were submitted between 1982 and 1991, only eight were successful (Williams, 1995).

One of the first of these containment policies became known as the 'Gummer Effect' after John Gummer, who at the time was the Secretary of State for the Environment and moved away from the deregulatory stance to retail development which his predecessor Nicholas Ridley had supported (Wrigley, 1998). The 'Gummer Effect' had close similarities to the stringent policies against out-of-town development in the 1970's and its effect meant government opposition to many large retail developments (Wrigley, 1998). The tightening of planning regulations was applied further within the policies outlined in PPG6 and PPG13 where a 'sequential test' was implemented requiring all proposed out-of-town retail developments to prove the existence of a 'need' for the retail space (Adlard, 2001). Within both PPG6 and PPG13, not only the 'need' for that retail space had to be proved but also that there were no alternative sites available within the town or city centre to where the planned retail development had been proposed to be built. A further 'class of goods test' was also implemented where it had to be demonstrated that the goods sold within the new retail development could not be reasonably traded within the town or city centre (England, 2000).

Although the containment policies caused significant changes in the nature of large scale retail developments, a range of new retail development formats emerged in different locations as an alternative for out-of-town developments. These different locations arose from developers adapting to the retail environments within which the regulation policies were interpreted (Lee, 2013). For example, by circumventing the planning regulations, large-scale shopping centres emerged in district sites and retail parks were developed in suburbs (Lee, 2013). Further strategies employed by developers were to build on brownfield sites which were previously classed as 'marginal locations' or retailers extending their existing shops or creating 'metro' stores on the high street so as to 'side-step' retail containment policies (Lee,

2013). However, the most significant change that regulatory tightening created was the rise in regional shopping centres being incorporated within urban regeneration plans (Lee, 2013). By 2002, 4.5 million square meters of retail space had been proposed with 80% of this space being located in inner city locations (Lowe, 2005). Some of the remaining space had also been successfully granted permission to be developed on peripheral sites, although this had only been approved under the notion that the 'need' of the retail development was to increase employment in that chosen area (Adlard, 2001).

Geyer (2011) has perhaps been the most effective in outlining and summarising the key principles behind the retail-regeneration model. Geyer (2011, p.7) notes that the principle economic theory behind the model is to "introduce a key anchor retailer with a large amount of additional floor space for secondary retailers thereby creating the growth of an agglomeration economy at increasing rates of return". This process is also linked to the 'historical accident factor' (Harvey, 1989) where the "location or positioning of a key retailer or shopping centre will spill over into the agglomeration of other retailers and related industries over time" (Geyer, 2011, p.7). Ravenscroft (2000) argues that by combining the scale of retail-led regeneration projects with low land values could in essence generate new market conditions for recentralisation in deprived inner cities. Many of these projects are combined with other mixed use schemes as well as improving local infrastructure and transport links, therefore expanding the positives of the scheme (Geyer, 2011). It is also anticipated that the retail-regeneration model will spill over into both residential and commercial property markets creating new homes and office space (Ravenscroft, 2000). The model further anticipates that "when the level of investment reaches a critical point, the total potential value of the well located and yet undervalued property becomes greater than the negative externalities that are sometimes associated with urban decay and toxic brownfield uses" (Geyer, 2011 p.7). Theoretically this would lead to gentrification trends being triggered within the local property market although it has to be anticipated that every city is different and therefore the scale of these gentrification trends may differ (Geyer, 2011).

Retail-led regeneration theory assumes a direct link between property development, local economic regeneration and wealth generation (Geyer, 2011). This view is based on the neo-classical assumption of supply and demand and that "free markets entail automatic, efficient and effective service provision, completion and choice" (Atkinson, 1999).

Considering this theory of economics, Geyer (2011, p.7) outlines the benefits that retail-led regeneration endeavours to provide to the local economy. These include:

- New employment opportunities and increased revenue from construction and commercial projects therefore boosting the local economy;
- Growth within the local economy and improved social amenities through property and infrastructure development;
- Capital investment and the relocation of businesses being attracted into the region;
- The local economy becoming restructured therefore making it more competitive through redevelopment and economic diversification;
- Dilapidated urban spaces being revitalised so as to create desirable living and working environments and therefore increasing property values; and
- Improving perceptions of a city through strategic marketing strategies and 'civic boosterism', a term used to promote a town or city with the goal of improving the public perception of it (Boyle, 1997).

The point in regard to improving the perception of a city has become a particularly important benefit that retail led regeneration programmes offer. Cities that have been deprived of investment and therefore attained negative stereotypes have been left with little to offer possible investors. Rebranding a city to differentiate it from cities with similar negative stereotypes has become an important tool in changing the perceptions of a city in the public eye. Examples include both the cities of Manchester and Newcastle, where property-led regeneration projects alongside the development of brownfield sites and good infrastructure have rejuvenated the cities with additional investment and employment opportunities (Halfpenny *et al.*, 2004). Repositioning cities in the globalist economy that have over time become marginalised through changes in global production has become crucial for local economies (Geyer, 2011). This repositioning of cities has also restructured industry from manufacturing led to smart industries therefore making cities more desirable to overseas capital investment (Geyer, 2011).

The current strategy involving 'flagship development' or the 'prestige development model' as it is sometimes referred to, became the principal method of implementing retail-led regeneration in Britain due to cuts in funding and restrictions applied by central government on local government between the 1980's and 1990's (Loftman and Nevin, 1995). This led to local authorities having to find other sources of funding to deliver regeneration projects

namely through the form of private sector investment. The current strategy involving retail-led regeneration through 'flagship development', is where high profile, large scale, self-contained shopping centres are built (Loftman and Nevin, 1995). The aim for local authorities and the subsequent proposals pitched for by developers is to deliver retail developments which integrate and respond positively to the built characteristics, structure, design and layout of existing town and city centres (Kreuziger, 2013).

The primary justification for using flagship developments is based on them attracting inward investment, creating and promoting new urban spaces and acting as the catalyst for increasing land values and development activities in adjacent areas (Loftman and Nevin, 1995). Using flagship developments as a strategy is also linked closely to the marketing and in some cases rebranding of cities. It can be argued that although flagship developers are the ones who are most likely to profit from the marketing activities, they are deemed to stimulate much greater and wider economic activity with potential indirect spill-over for the community and local government through outside investment due to greater publicity (Geyer, 2011). Nevertheless, this spill-over to the community and local government is generally hypothetical and comes with no guarantees. The effectiveness of flagship developments is founded on their prestige and high profiles as well as the ability to provide tangible and physical results however their development also has the potential to create disparities within the cities in which they are built (Geyer, 2011). An example being cities becoming fragmented, with new wealthy developments being built close to deprived areas, consequently creating inequality. Loftman and Nevin (1994) highlight the case of the Ladywood area of Birmingham where between 1988 and 1992 several retail-led regeneration projects were built within close proximity to Ladywood and the area declined to the third most deprived area in the UK.

The above therefore counteracts the theory that retail-led regeneration is a catalyst for increasing land values and development activities in adjacent areas. This leads to the argument that the main benefactors of many retail-led regeneration initiatives are primarily the private sector businesses themselves and not the surrounding areas, an argument which can be related to Kreuziger's (2013) research findings which suggested that new regional inner-city shopping centres were inspired and motivated by consumerism as well as values associated with commercial gain. Kreuziger (2013) also proposes a series of practical recommendations developed from the results of the research with the aim of establishing clearer and more rational relationships between physical and social retail-led environments.

The recommendations outline the need to identify and implement social structures that take into consideration the opportunities that are made available through retail-led regeneration beyond the boundaries of a new retail development (Kreuziger, 2013).

Various commentators have questioned the effectiveness of the retail-led regeneration model especially in terms of its success being linked with the strength of the economy. Griffiths (1998) observes that that the success of both the retail-led regeneration model and retail-led regeneration strategies are determined by economic factors that can neither be controlled or predicted. Geyer (2011, p.9) also observes that a link between retail-led regeneration and the benefits to local economic competitiveness has yet to be established and that there is “no uniform methodology to predict the effectiveness of retail-led regeneration initiatives in developing economic competitiveness”.

Turok (1992) offers the example of the UK retailers Burton and Next who during the consumer boom of 1985 to 1989 diversified into property development activities. The results of whether these retailers added to economic regeneration for the local economy were debatable. Trade displacement from other outlets has meant that fewer additional jobs have been created, as well as higher labour productivity in the new stores alongside the possibility that the quality of jobs may also have deteriorated with trends towards part-time work (Turok, 1992). Furthermore, retail-led regeneration projects that include national and overseas retailers take away local businesses disposable incomes and as a consequence are less likely to be integrated into the local economy (Turok, 1992). This globalisation of local retail has often contributed to poorer economic opportunities for local communities and resulted in a lower balance of payments, increases in interest rates and a decline in savings for the communities involved (Turok, 1992). A further issue that is highlighted on measuring the effectiveness of the retail-led regeneration is a lack of statistical data for retail in towns and cities across the UK, especially over an extended period of time. The few studies that have been undertaken have all cited this as a particular limitation.

However, one of the main weaknesses in the retail-led regeneration model is that each location is unique and the various attributes that make up a town or city such as population, infrastructure, labour costs, labour flexibility, quality of life, the wealth of an area etc. will all have an impact on the success of the model. Turok (1992) outlines this trend by giving

examples of areas which historically have experienced natural growth such as the South East of England, parts of Southern Germany and Southern Spain as well as areas Northern Italy where there are natural increasing patterns of economic growth and investment. In contrast, the North of England, East Germany, Northern Spain and Southern Italy have all continued to struggle in attracting investment and new businesses through either retail-led regeneration or property-led regeneration (Turok, 1992). A further argument against the success of the retail-led regeneration model is its impact on the ranking of UK cities in the urban hierarchy (Geyer, 2011). Although the shopping centre retail hierarchy of many of the UK cities has changed as a consequence of retail-led regeneration, the ranking of the cities in the UK urban hierarchy has stayed the same (Geyer, 2011). This does raise doubts as to the effectiveness of the model however patterns of urban flight have changed over the decades with the movement of people from the centre of cities to the periphery. As a consequence, the relevance of measuring the model's impact on the overall UK urban hierarchy can be debated.

One of the further benefits that retail-led regeneration theory endeavours to provide is new employment opportunities. Although this is usually the case, more often than not, retail employment has been attracted to low skilled, part-time workers, sometimes on temporary contracts, which has meant poorer quality employment opportunities (Dixon and Marston, 2003). For employment opportunities to be deemed as having an influence on the local economy, permanent roles and positions need to be created (Dixon and Marston, 2003). Many large new retail developments also attract workers from existing high street stores meaning that the jobs that have been created as a consequence of the new development are taken by workers already in employment. Large retailers also have their own employment policies and procedures, such as movement between stores and job substitution, therefore the opening of a new store may not directly mean fresh employment opportunities in the local community.

A further point in regard to retail-led regeneration theory is its impact on the traditional high street and the already established inner city retailers. Following the end of the Second World War there has been a steady decline in the number of independent retailers. Vacant units and low end retailers such as charity and budget shops have become a common sight on traditional high streets. Although retail-led regeneration may have contributed towards this decline, it has not been the only factor, with many commentators pointing towards the retail development on the periphery of cities causing pitch shifting, lower property values and

a lack of investment in high street retail (Dixon, 2005). Various social shifts have also contributed to this decline such as the rise in mall culture and 'car-orientated' shopping (Zukin, 1998). However, although retail-led regeneration theory links itself to the 'historical accident factor' (Harvey, 1989) where it is proposed that a key retailer or shopping centre will spill over into the agglomeration of other retailers over time, the steady decline of inner city high streets and independent retailers since the end of the Second World War seems to suggest otherwise. Whether the proposed benefits of following retail-led regeneration theory influences already established retailers is therefore still questionable.

Findlay and Sparks (2009) are perhaps the most recent and notable authors commenting on the influences of retail-led regeneration on established retailers. A highly relevant research report examining the role of retail-led regeneration and the impact of retail on the regeneration of town centres and local high streets was conducted by Findlay and Sparks (2009) in the form of a literature review commissioned by the Regeneration Division of the Scottish government. The literature review was requested to meet three objectives; identify what a healthy town centre and high street look like; identify what approaches have been implemented to support a healthy retail sector in high streets and town centres through the undertaking of retail-led regeneration and examine the impacts that retail-led regeneration has had on local high streets and town centres physically, economically and socially and how this has impacted on the wider community (Findlay and Sparks, 2009). The authors acknowledge, as outlined in Chapter 3, Section 3.2 of this thesis, that there is very little published work on the impacts of regional inner-city shopping centres and that the research that has been conducted, is often undertaken in isolation, focussing only on a certain point in time. Findlay and Sparks (2009, p.2) note "comparative, systematic and longitudinal research on policies and approaches, changes and impacts, as well as management structures and partnerships, is lacking". Furthermore, research concentrating on retail-led regeneration, renewal and redevelopment tends to lack focus in relation to approaches and impacts (Findlay and Sparks, 2009).

Given the governments focus on the 'town-centre first' approach to new retail development in the National Planning Policy Framework through promoting, enhancing and maintaining the 'vitality and viability' of town centres, Findlay and Sparks (2009, p.2) outline that each town centre is unique and thus what makes for a healthy town centre is based on "the history, scale, strategy and situation of each town centre as most centres operate in some form of network and/or perceived hierarchy". The authors therefore note, that promoting,

enhancing and maintaining the 'vitality and viability' of town centres is dependent on the context as well as the operation of the various mechanisms that make up individual town centres and that "there would appear to be no single retail regeneration model, as retail-led regeneration has been primarily an urban based phenomenon and it is unclear how the concepts transfer to other types of locations with very different characteristics" (Findlay and Sparks, 2009, p.6). This supports the argument that one of the main weaknesses in the retail-led regeneration model is that each location is unique and the various attributes that make up a town or city such as population, infrastructure, labour costs, labour flexibility, quality of life, the wealth of an area etc. will all have an impact on the success of the model.

Findlay and Sparks (2009) also question whether the potential of retailing in regeneration has been overly simplified and although the components that constitute a healthy town centre may seem straightforward, that is simply not the case. Given the fact that monitoring of town and city centres has been few and far between, making a distinction between changes on a national scale (through recession or the closure of major high street retailer) and micro changes (local population or retailer competition) makes measuring what constitutes a healthy town centre problematic (Findlay and Sparks, 2009). This also further strengthens the argument that evaluating the benefits of the retail-led regeneration model is difficult given that each town centre is unique and may respond very differently to changes both nationally and locally.

Findlay and Sparks (2009) also examined what approaches had been implemented to support a healthy retail sector in high streets and town centres through the undertaking of retail-led regeneration. The authors identified that "the history, context and relative health of high streets and town centres demands responses proportionate to the scale of the issues and problems (Findlay and Sparks, 2009, p.13). The authors highlight that large retail-led regeneration projects may not always be necessary and before being implemented should be evaluated against the scale of the problem at hand within each town centre respectively. For example, achieving healthy high streets and town centres have been addressed by various other initiatives such as BIDS (Business Improvement Districts), town centre management and partnerships at a local level, all of which have proved to be highly effective (Findlay and Sparks, 2009). This outlines that large retail-led regeneration schemes should be evaluated against the scale of the issues faced by a high street or town centre, especially in terms of costs. It could also be argued that these smaller scale initiatives are more beneficial to smaller and independent retailers as many large retail-led regeneration

schemes involve the opening of large multi-national retailers therefore both helping to support and protect these types of retailers.

A further observation by Findlay and Sparks (2009) in regard to approaches implemented to support a healthy retail sector is that partnerships at various levels are critical to achieving the proposed benefits of retail-led regeneration. For the initiatives to work, regeneration proposals have to 'work' around the local situation, to be of benefit for all existing retailers, "although the effectiveness of partnership working appears to be partial, piecemeal and subjective" (Findlay and Sparks, 2009, p.3). The authors outline that there is very little in literature examining whether or not this is undertaken within the retail-led regeneration process and highlight that this could be a key component in making retail-led regeneration schemes successful.

Finally, Findlay and Sparks (2009) examined the impacts that retail-led regeneration has had on local high streets and town centres physically, economically and socially and how this has impacted on the wider community. The authors noted that the main issue in evaluating the impacts of retail-led regeneration is the inconsistency within evidence and case studies (Findlay and Sparks, 2009). One of these inconsistencies is the lack of academic research into retail-led regeneration schemes which not only gives strength to the research within this thesis but also the need for further studies to be undertaken to evaluate the impacts on existing retailers in high streets and town centres. Of the research that does exist, the authors note that the impacts of retail-led regeneration schemes is that they can offer major benefits although these do vary, especially in regard to the impact on existing retailers. The authors outline that there are not enough "before and after studies" to be certain of the impacts although stress that "all retail-led regeneration schemes will not deliver the same outcomes or produce the same impacts (whether positive or negative)" (Findlay and Sparks, 2009, p.34).

Findlay and Sparks (2009) conclude that the issues of healthy high streets and town centres through retail-led regeneration are variable and that drawing strong conclusions is difficult given that the schemes vary in scale given that each location is unique. The authors note however that knowledge is hampered due to a lack of research on the subject and no routine monitoring of town centres and high streets. It could therefore be argued that this conclusion

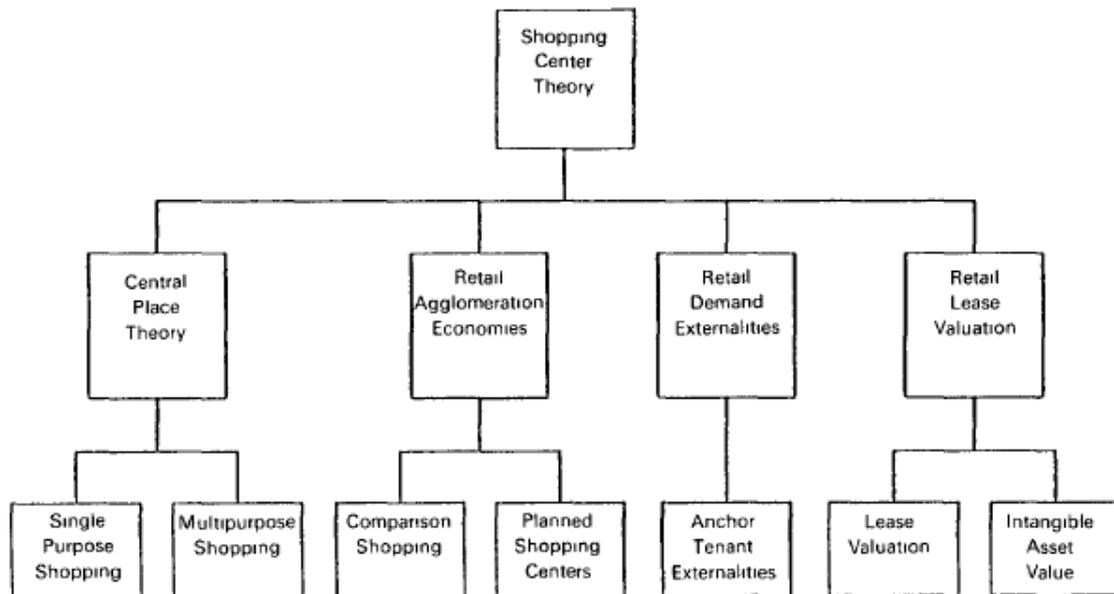
gives further support to the research within this thesis and will go some way in adding to knowledge on the subject of retail-led regeneration.

### **4.3 Shopping Centre Theory**

To begin to examine shopping centre theory it is first important to establish its roots. Eppli and Benjamin (1994) and Carter (2009) can be regarded as the most recent commentators that have summarised the most comprehensive studies into the research of shopping centres and the theory that it is defined behind it. Eppli and Benjamin (1994) offer perhaps the most detailed evaluation of shopping centre research by giving a historical overview of the research and thus following its development and evolution up until the early 1990's. Carter (2009) on the other hand takes a different approach by giving a more recent outlook on shopping centre research and collating the most recent results and theories based on the real estate market today.

#### **4.3.1 Structure of Shopping Centre Research**

Eppli and Benjamin's (1994) study into the evolution of shopping centre research offers a comprehensive overview on the development of shopping centre theory. Research into shopping centres began in the 1920's due to the popularisation and access to cars, meaning that people were able to travel greater distances to make retail purchases of high order goods (Eppli and Benjamin, 1994). The first studies were based on site selection and positioning and were conducted in collaboration with the development of shopping centres. Following on from these initial studies shopping centre research generally followed two separate, although in some ways interlinked, theoretical philosophies comprising of 'central place theory' and 'homogenous retailer agglomeration' followed by the emergence of two other theories named 'retail demand externalities' and 'retail lease valuation'. Figure 3, p.94 demonstrates the hierarchical structure of the theories.



Source: Eppli and Benjamin (1994)

Figure 3: The hierarchical structure of shopping centre research

#### 4.3.1.1 Central Place Theory

Eppli and Benjamin (1994) suggest that central place theory defines the early stages of shopping centre research in regard to site selection and positioning. The theory is based on Christaller's (1935) theoretical model where consumers make single-purpose trips to their nearest shopping centre based on a relationship between retail trade area size and distance travelled to that area i.e. the relationship of retail trade between towns (Eppli and Benjamin, 1994). The theory bases itself on range and threshold where the range is the maximum distance a consumer will travel to purchase a product and the threshold being the minimum demand necessary for a store to be economically viable (Eppli and Benjamin, 1994).

Central place theory was then tested by Berry (1967) whose research mapped a straight "desire-line" between consumers who were located in rural areas and the central areas where goods were purchased. The initial findings of the research were that they generally supported central place theory and the nearest centre hypothesis (Eppli and Benjamin, 1994). The theory was again tested and developed further, following the establishment of multi-purpose shopping behaviour which criticised the nearest centre hypothesis. This led to the "just noticeable distance" theory which suggested that customers are not always compelled to choose their closest shopping centre as a place to buy their goods (Devletoglou, 1965; Rushton, 1969; O'Kelly, 1981 in Eppli and Benjamin, 1994). The appearance of multi-purpose shopping and the "just noticeable distance" theory was later tested in Sweden by Hanson (1980) and in Canada by O'Kelly (1981) where 61% and 74%

respectively of all shopping trips were found to be multipurpose (Eppli and Benjamin, 1994). The model regarding multi-purpose shopping was then developed further by including consumers' attitudes towards transportation and storage costs.

Although the works by Christaller (1939) establish the foundations behind the theory for the spatial organization of retail businesses, this concept has been frequently criticised because of the assumption that all consumers visit their closest shopping centre when making a single-purpose shopping trip (Eppli and Benjamin, 1994). When relating central place theory to research on new inner-city shopping centres, although the theory establishes the theoretical foundations for the spatial organisation of shopping centres, the model does not adequately take into consideration all aspects of consumer behaviour, in particular multi-purpose shopping, as well as the inter-relationships among similar retailers in a central shopping location. A pull-factor which new regional inner-city shopping centres try to achieve is that consumers will travel a greater distance to multi-purpose shop as opposed to travelling directly to their nearest shopping centre. Given also that this theory was first established over seventy years ago and when taking into consideration the changing trends in terms of retailing, consumerism and shopping centre development, using central place theory as a framework to undertake this research was rejected.

#### **4.3.1.2 Homogenous Retail Agglomeration Theory**

Homogenous retail agglomeration theory which includes both the heterogeneous and homogenous clustering of retailers is based originally on the concepts formed from central place theory (Eppli and Benjamin, 1994). Hotelling's (1929) research into the clustering of retailers proposed the model that two competing businesses selling the same product will agglomerate in the centre of a market and consequently established the basis for the theoretical foundation for comparison shopping at agglomerated sites (Eppli and Benjamin, 1994). The theory also lays the foundations for the concept of utility maximization, where put simply, a customer when deciding to make a purchase will endeavour to get the utmost possible value from their spending for the least amount of money (Eppli and Benjamin, 1994). On this basis, Hotelling (1929) suggested that not only retailers who have a heterogeneous product range will benefit from clustering but also retailers who have a homogenous product range, so long as the products are slightly different (Eppli and Benjamin, 1994).

Hotelling's (1929) model was found to be particularly useful in the study of comparison shopping as it acknowledged consumers' desire to comparison shop and recognised the positive benefits that this can have on homogenous retailers in the same location (Eaton and Lipsey, 1979 in Eppli and Benjamin, 1994). Hotelling's (1929) model was then developed further by Webber (1972) whose research into consumer uncertainty found that consumers who were uncertain that they would find a specific item at a particular retailer preferred to shop at agglomerated retail sites as it reduced their chances of not finding that specific product (Eppli and Benjamin, 1994). This concept added to the theory of comparison shopping and as this theory developed, Buckin (1967) highlighted the importance of taking into consideration customer habits and the type of product purchased whilst Nevin and Houston (1980) highlighted the variety of products available (Eppli and Benjamin, 1994).

Nevin and Houston's (1980) research in regard to comparison shopping theory was particularly interesting as their findings suggested that the variety of products available to consumers totalled over half of all the explained variations in the sales of a shopping centre (Eppli and Benjamin, 1994). Nevin and Houston (1980) also established that a 'special' store or anchor tenant contributed to the draw of customers to a shopping centre. Further findings from their research also suggested that secondary competitors in a shopping centre had both a significant and positive relationship in influencing the income generated in a shopping centre and the rate of return on its assets (Eppli and Benjamin, 1994). These findings were then reinforced by Hirschmann's (1978) model in regard to the structure of the retail industry. Hirschmann (1978) concluded that competition between retailers is predominantly between stores on the same level of shopping centres and stores operating on different levels, rather than compete with each other, actually reinforce each other (Enis and Roering, 1981 in Eppli and Benjamin, 1994). This theory is reinforced by West *et al.* (1985) summarising that a well-organized shopping centre, with a desirable and sought after mix of tenants, can be of benefit to non-anchor retailers by creating positive agglomeration economies. Planned shopping centres limit the number of low-order merchandisers into the centre who often sell the same merchandise, favouring the entry of high-level homogeneous retailers and by doing so, enable comparison shopping (Eaton and Lipsey, 1982 in Eppli and Benjamin, 1994).

It may be argued that the foundation for retail agglomeration theory in regard to comparison shopping is still relevant to new inner-city shopping centres, with developers understanding that a well-organised shopping centre with both a desirable and sought after mix of tenants

is paramount to the success of a centre. The theory does however only relate to the direct benefits on a shopping centre which is outlined with the favouring of high-level homogeneous retailers over low-order merchandisers. This theory may be regarded as inappropriate to the research at hand with new inner-city shopping centres promoting themselves as beneficial to not only the centre but other retailers around the centre's periphery. The benefits that retail agglomeration achieves are therefore restricted to the centre, unlike the philosophy that new-inner city shopping centres claim to adhere to, by taking into consideration other retailers in and around the centre.

#### **4.3.1.3 Retail Demand Externalities**

As with the case of retail agglomeration developing from central place theory, the theory of retail demand externalities took a similar path emerging from retail agglomeration. As outlined by Eppli and Benjamin (1994), proponents of retail demand externalities theorise that in large shopping centres, low-order goods retailers and smaller retailers receive demand externalities from the additional customer traffic that is generated by high-order or anchor retailers. Therefore the retail sales of smaller non-anchor tenants increases when an anchor tenant is present in a shopping centre. This theory differs from homogenous retail agglomeration as rather than a two-way beneficial effect between retailers, this creates a one-way positive effect from the larger anchor retailers to non-anchor retailers (Eppli and Benjamin, 1994).

Stanley and Sewall (1976) were particular advocates of this theory who added a variation to Huff's (1964) gravity model on spatial analysis. The results from Stanley and Sewall's (1976) research, by adding an image variable, showed that consumers compared stores not just by distance and size but also through other criteria which included the quality and variety of goods on offer, cleanliness of the stores, friendliness of staff, location and price (Eppli and Benjamin, 1994). Analysis of the results concluded that "stores whose chains have strong favourable images can draw customers from longer distances than can similar-sized stores representing a chain that is mediocre" (Stanley and Sewall, 1976. p.52 cited in Eppli and Benjamin, 1994). Nevin and Houston (1980) also developed the theory further by adding retail and tenant mix to the model. Their findings concluded that a sought after and desirable tenant mix is extremely influential to the overall 'enjoyment level' of the shopping centre experience and their findings were also similar to that of a study by Anderson (1985) who

established that anchor department stores are a significant factor to the level of sales in women's fashion (Eppli and Benjamin, 1994).

Further studies such as Eppli's (1991) research on the externality effects of anchor tenants on non-anchor tenants which concluded that non-anchor tenant sales increase by \$35 to \$123 per square foot in a shopping centre with a high fashion image anchor or Brueckners (1993) theoretical model of how to maximise positive externalities between stores by analysing the optimal allocation of anchor and non-anchor tenants, all successfully contributed to the theory of retail demand externalities (Eppli and Benjamin, 1994).

It can be argued that retail demand externalities is perhaps one of the most applicable conventional shopping centre theories when related to the impact of new inner-city shopping centres. When referring to this theory in regard to the benefits that new inner-city shopping centres claim to achieve, through the introduction of a key anchor retailer that will create economic growth for secondary retailers, then the theory of retail demand externalities comes in line with this framework. However, this creates only a one-way positive effect from the larger anchor retailers to non-anchor retailers and the theory is profoundly based on the benefits that will be achieved within the centre and not the wider economy, something that new inner-city shopping centres claim to influence. Using retail demand externalities as a framework when undertaking this research was therefore deemed as inappropriate as it could not relate to the wider regeneration of an area, something that new inner-city shopping centres claim to achieve. However, it is worth mentioning that the theory of retail demand externalities does form part of the framework towards the theory of retail-led regeneration and is therefore an important concept in the model.

#### **4.3.1.4 Shopping Centre Valuation**

The conventional method towards the valuation of shopping centres is based on estimating current and future cash flows. Therefore not only are fixed rents taken into consideration but also percentage rents (which are based on a tenant paying an overage rent when sales surpass a pre-set amount) and operating expenses which is an amount that is passed through by the owner and paid for by the tenant (Eppli and Benjamin, 1994). Financial theorists and commentators have developed wide-ranging literature on this topic however much of the research has been directed towards Net Present Value (NPV) analysis and

whether a net benefit exists with leasing when considering between a purchase or lease decision (Eppli and Benjamin, 1994). This initial lease valuation research established the theoretical foundations for Equilibrium Lease Payments (ELPs) and forms the foundations for various retail lease decisions (Eppli and Benjamin, 1994).

The ELP model developed by McConnell and Schallheim (1983) relates the theory of retail demand externalities with rent analysis (Eppli and Benjamin, 1994). The model was then applied in Miceli and Sirmans (1992) research which revealed that a combination of base rents and overage rents encourages the internalization of inter-store externalities (Eppli and Benjamin, 1994). Their research regarded the leasing of shopping centres as an “example of a common agency problem where multiple interdependent principals (the tenants) coordinate their behaviour through a common agent (the landlord) (Eppli and Benjamin, 1994, p.19).

Further studies have also examined the changes of shopping centre rents when factors such as leased store size, shopping centre life span, anchor tenant type and general economic data are taken into consideration. In particular, the studies on anchor tenant type found that the image of an anchor tenant as well the perception, reputation and overall standing of a shopping centre can have a significant effect on the sales of a particular centre (Mejia and Benjamin, 2002). This suggests that a ‘well-run’ centre also has an additional effect on the value of shopping centres. Although aspects of shopping centre valuation theories were considered for their suitability towards a framework for this research, valuation of shopping centres was deemed to, as its name suggests, focus on the financial aspects of shopping centre theory and therefore deemed not wholly applicable in the context of this research.

#### **4.4 Recent Shopping Centre Research**

Carter (2009) is one of the more contemporary commentators on shopping centre research and offers a more current outlook by collating the most recent results and theories based on the real estate market today. Carter (2009) briefly draws on the previous theories discussed however, relates much of the success of the modern day shopping centre to ‘internalizing externalities’. These are the demand externalities of customers of the shopping centre which include lease and price discrimination, determinants of rents, space allocation, agency

theory, store location, special autocorrelation, juxtaposition of different non-anchor store types and business enterprise value (Carter, 2009).

Lease and price discrimination relates to the trade-off between base rents and overage rents in shopping centre leases and thus whether “tenants paying relatively high (low) base rents pay relatively low (high) percentage rents and/or have a higher (lower) threshold level of sales” (Carter, 2009, p.167). Determinants of rents however focuses on different aspects which contribute to determining rent through customer drawing power. These variables include factors such as the design of the centre, its location, the amount of vacant space in the centre and the age of the centre. Carter (2009) also highlights the theory of optimal space allocation, a theory put forward by Brueckner (2009) where a tenant’s sales revenue increases based on the externalities of other tenants and therefore rent and space allocations can contribute to the amount of rent paid by a tenant. Agency theory is also an expansion of the optimal space concept “where groups of principals (tenants) with inter-dependent interests coordinate behaviours through the common agent being the landlord or developer” (Carter, 2009, p.170). The purpose of this is to internalize the demand externalities present in the shopping centre and that the landlord or developer provides the necessary effort so as to benefit all the stores in that centre (Carter, 2009).

The theory of store location and spatial autocorrelation are also more recent theories where the positioning of a store in a shopping centre or how the stores position themselves with respect to one another can therefore benefit from the positive demand externalities this creates. This gain is not only for the tenants but also for the landlord/developer who benefits through higher rents as a result emphasising “the optimal decisions of the mall developer as the perfectly discriminating monopolist” (Brueckner, 1993, p.13). These theories also lead to the concept of dispersed juxtaposition proposed by Carter and Vandell (2005) which following research on eleven types of stores in a shopping centre suggested that non-anchor tenants do not cluster together but disperse among themselves (Carter, 2009). Their findings from the data analysed were however deemed not significant due to complications as to how the measurements were made (Carter, 2009). Finally the concept of business enterprise value of shopping centres has also been put forward by financial researchers by examining the rent paid by existing tenants on a lease renewal versus that paid by new tenants on identical space. Many commentators have concluded that the suggestion of there being no difference in rents between renewals and new tenants is incorrect (Fisher and Lentz, 1990). Research has actually suggested that with each lease renewal there is a

marginal increase in the business enterprise value component of the rents (Fisher and Lentz, 1990).

Although many of the theories based on recent shopping centre research such as lease and price discrimination, determinants of rents, space allocation, agency theory, juxtaposition of different non-anchor store types and business enterprise value offer alternatives to the classic shopping centre theories, using one of the theories as a sole framework for this research was deemed unsuitable given their lack of positioning in terms of shopping centre development with an emphasis on regeneration. However, the recent shopping centre theories of store location and spatial autocorrelation do go some way in forming part of the framework towards the theory of retail-led regeneration through the positive demand externalities that they create, for example, through the introduction of a key anchor retailer that will create economic growth for secondary retailers, a concept that retail-led regeneration initiatives through the development of a new regional inner-city shopping centre also claim to achieve.

#### **4.5 Summary**

Aligning research to a framework helps to logically structure it so as that it is supported by theory. An evaluation of 'retail-led regeneration theory' has offered the framework within which this research will be grounded. Retail-led regeneration theory assumes a direct link between property development, local economic regeneration and wealth generation and is based on the neo-classical assumption of supply and demand. This theory was deemed suitable as it aligns itself with the concepts that retail-led regeneration initiatives aim to achieve through the development of a new regional inner-city shopping centre.

Other shopping centre theories were considered, however they either lacked positioning in terms of shopping centre development with an ethos on regeneration or were deemed not wholly applicable in the context of this research. Reasons as to why they were deemed not wholly applicable ranged from how long ago the theories were developed (given the changing trends in retailing), the theories not taking into consideration other retailers outside the centre, the theories being too focused on the financial aspects of a shopping centre or being deemed unsuitable given their lack of positioning in terms of shopping centre development with an emphasis on regeneration. Retail-led regeneration theory offers a

framework that relates to both shopping centre development as well as other variables, namely regeneration and therefore led to the evaluation that retail-led regeneration theory offered the framework to logically structure this research.

## **Chapter 5: Research Methodology**

This chapter provides an insight into the methodological approaches that have been considered for this study and justification of which methods were chosen as the most appropriate, so as to meet the research objectives successfully. This chapter will begin by outlining the concepts of research and then examining research paradigms so that the different approaches to knowledge can be explored with particular emphasis on philosophies that direct the nature of research. The strategies of enquiry shall then be explored followed by a focus on sampling techniques and methods of data collection. Methods of data analysis shall then be discussed followed by an explanation of the tools used to analyse the data. The importance of reliability and validity to the study shall also be considered. Finally the chapter will outline the specific methodology adopted for the study as well as offer justifications for the chosen methods. The chapter will then be summarised.

### **5.1 Concepts of research**

Anderson (1990, p.4) defines research as “a disciplined attempt to address questions or solve problems through the collection and analysis of primary data for the purpose of descriptions, explanations, generalisation and prediction”. In the broadest sense, the definition of research includes any gathering of data, information and facts for the advancement of knowledge (Shuttleworth, 2008). An important characteristic of any research project is the reasons why it is to be embarked upon. Blaikie (2000, p.47) notes that “academic reasons for undertaking research involve making a contribution to a certain discipline so as to add knowledge in a particular field, seek answers to intellectual puzzles, participate in debate or develop social theory”. However, Blaikie (2000, p.47) also comments that research is not only for academic purposes and that researchers in either the public or private sectors also contribute by “trying to find a solution to social problems, helping groups or communities achieve certain goals, assisting in the development of social policy or contribute to public or private sector decision making”. In considering these positions, the research that will be undertaken in this study will aim to contribute to both public and private sector decision making.

The reasons for undertaking research are connected with the type of research, whether it being basic or theory-orientated research or applied or policy-orientated research. Blaikie

(2000, p.49) summarises the two types of research commenting that “basic research is concerned with producing knowledge for understanding and applied research with producing knowledge for action”. Blaikie (2000, p.49) comments further that “basic research is concerned with advancing fundamental knowledge about the social world through the development and testing of theories whilst applied research is concerned with practical outcomes and trying to solve some practical problem, with helping practitioners accomplish tasks with the development and implementation of policy”. In relation to the objectives for this study, a basic research approach shall be adopted. This has been established by the fact that basic researchers are more detached and academic in their approach, tending to have their own purposes, whilst applied researchers are more pragmatic and usually have to pursue aims that have been set by others (Blaikie, 2000).

## **5.2 Research Paradigms**

A paradigm is a general organizing framework for theory and research and sets out the basis for conducting research in a good way (Neuman, 2010). A research paradigm refers to the philosophical assumptions and beliefs as well as distinct methods that will be used to conduct the research (Creswell, 2009). When planning a study, researchers need to think through the philosophical world view assumptions that will be brought to the study, the strategies of inquiry that are related to this world view and the procedures of research that will endeavour to interpret the approach into practice (Creswell, 2009). Although philosophical ideas remain largely hidden in research, they still influence the practice of research and need to be identified (Slifie and Williams, 1995). Once recognized, the philosophical idea will assist the researcher in whether qualitative, quantitative or mixed methods approaches will be used in the study. Creswell (2009, p.5) chooses to use the term ‘worldview’ as meaning “a basic set of beliefs that guide action”. They also appear in literature as epistemologies and ontologies. According to Bryman (2008) epistemology refers to what constitutes acceptable knowledge. Epistemology therefore provides a background for determining what kinds of knowledge are legitimate whilst also trying to understand ‘what it means to know’ (Gray, 2004). Ontology on the other hand refers to the nature of existence and embodies understanding ‘what is’ (Gray, 2004). Creswell (2009, p.5) however summarises the term ‘worldview’ as a “general orientation about the world and the nature of research that a researcher holds”. This ‘worldview’ on the nature of knowledge is addressed through three broad philosophies, positivism (quantitative approach), interpretivism (qualitative approach) and pragmatism (multi-methodology approach).

### **5.2.1 Quantitative Approach**

Bryman and Bell (2011, p.15) define positivism as “an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond”. Walliman and Buckler (2008, p.160) expand on this definition commenting that “positivists maintain that in order to know something it should be observable and measurable”. The gathering of knowledge through the philosophy of positivism means that “the observer must take a detached and neutral view of the phenomenon” (Walliman and Buckler (2008, p.160). Blaikie (2000, p.102) comments further that “only that which can be observed, that is, experienced by the senses, can be regarded as real and therefore worthy of the attention of science”. Walliman and Buckler (2008, p.160) observe that what is inherent to the positivist approach is a set of assumptions that underpin this philosophy. These are as follows:

Order – There is a conviction that the universe has an order which means that links can be established between events and their causes which in turn allows predictions to be made.

External Reality – This maintains that everyone shares the same reality, it is assumed that knowledge is sharable and verifiable and that a theory on observations can be tested.

Reliability – It is assumed that human intellect and perceptions are reliable.

Parsimony – This maintains that the simplest explanation is the best and that needless complexity should be avoided.

Generality – It must be possible to generalise from particular instances to others.

Creswell (2009, p.7) summarises positivism by stating “the knowledge that develops through a positivist view is based on careful observation and measurement of the objective reality that exists ‘out there’ in the world and quantitative research parallels this positivist paradigm”.

### **5.2.2 Qualitative Approach**

Interpretivism is seen as the alternative to the positivist philosophy as it argues that the subject matter of the social sciences (people and their institutions) are fundamentally different from that of the natural sciences (Bryman, 2008). Interpretivism is defined by

Bryman and Bell (2011, p.17) as being “predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences therefore requiring the social scientist to grasp the subjective meaning of social action”. Walliman and Buckler (2008, p.161), although along the same lines as Bryman and Bell (2011), comment further that “interpretivists maintain that humans are inextricably bound up with the events of the world and that it is impossible for anyone to stand aside and observe it impartially, as if it were, ‘from on high’. This view is particularly helpful in understanding the difference between the two philosophies and Walliman and Buckler (2008, p.162) give the example that if research is being conducted on anything to do with human society then “the scientific method is poorly equipped to track the inconsistencies, conflicts, beliefs, ideals and feelings that form such an important part of human life”. In order to further understand the differences, Walliman and Buckler (2008, p.162) compare the assumptions that were previously referred to under positivism by outlining the below:

Order – Our understanding of the world is based on our own human perceptions. As time passes, our ordering of the world also changes. This is not through the world changing but through our attitudes towards life, society and belief changing.

External Reality – Our perceptions of the world are all individual and what we perceive is interpreted through our feelings and understanding.

Reliability – It is viewed that our senses can be influenced which leads to a personal interpretation of either past events or surroundings however it is possible to take this as a reliable method of organizing data and ideas.

Parsimony – It is argued that life and society are not as simple as to interpret them in a logical pattern so that a simple explanation can be given.

Generality – Individuals and events are unique to each person so it is argued that they cannot be categorised.

Bryman and Bell (2011, p.18) conclude that the fundamental difference between interpretivism and positivism is that it “Resides in the fact that social reality has a meaning for human beings and therefore human action is meaningful, therefore they act on the basis of the meanings that they attribute to their acts and to the acts of others”. It is therefore

widely acknowledged that interpretivism is a philosophy that is typically seen as an approach to qualitative research (Creswell, 2009).

Both the philosophical views that have been examined are instrumental in helping researchers to understand the world however it is important to stress that both philosophies are not without criticism. It may be argued that the positivist approach is inflexible, because of its concern for control, meaning that scientific explanation seems to be the only means of explaining behaviour (Cohen *et al.*, 2000). This in itself diminishes possible debate about values, informed opinion, moral judgements and beliefs (Cohen *et al.*, 2000). It may also be argued that through positivism's desire to explain that the world is governed by laws and theories, it makes for a society without conscience and to some extent, diminishes the characteristics that make humans human (Cohen *et al.*, 2000). Positivism however is particularly useful in its ability to collect quantitative data, support or refute the theories that have been put forward and in essence, provide a better account for envisaging the future. Critics of interpretivism however argue that this philosophy, in its approach in abandoning scientific procedures of verification, is giving up the opportunities of discovering useful generalisations in regard to behaviour (Cohen *et al.*, 2000). There have also been suggestions that anti-positivists are rejecting the approach of physics in favour of methods that could be argued as being suited more towards literature, biography and journalism (Cohen *et al.*, 2000).

### **5.2.3 Multi-Methodology Approach**

As mentioned in the previous section, both positivism and interpretivism are not without criticism. This has led to a further philosophy emerging which combines both methods and is known as the multi-methodology approach or pragmatism as it is sometimes referred to. Pragmatism emphasises the need to focus on the problem at hand by drawing from all available resources, therefore both quantitative and qualitative assumptions, when engaging in the research (Creswell, 2009). Pragmatism therefore "opens the door to the use of multiple methods, different worldviews and assumptions as well as different forms of data collection and analysis" (Creswell, 2009, p.11).

The use of the multi-methodology approach should not however be assumed to be the best technique to address a research problem, simply because it applies both philosophies to a

research question. Not all situations justify the use of mixed methods. For example, Creswell (2009, p.7) outlines that a qualitative approach by itself may be best when the researcher “aims to explore a problem, honour the voices of participants, map the complexity of a situation or convey multiple perspectives of participants”. However, a quantitative approach may be better when the researcher seeks to understand the relationship between variables or determine if one group performs better on an outcome than another group (Creswell, 2009). Therefore choosing to use a mixed methods approach should be merited by the situation and when preparing a research study, the researcher needs to provide a justification for the use of this method. Some examples that could warrant a mixed methods inquiry are as follows: when one data source may be insufficient, results need to be explained, exploratory findings need to be generalised, a second method is needed to enhance a primary method and when an overall research objective can be best addressed with multiple phases or projects (Creswell, 2009).

According to Saunders *et al.*, (2009, p.146) the mixed methods approach is commonly used in case study research as “the case study strategy has the ability to generate answers to the question ‘why?’ as well as the ‘what?’ and ‘how?’ questions and for this reason is most often used in explanatory and exploratory research”. The data collection techniques in a case study may therefore be various, used in combination and include, for example, interviews, observations, documentary analysis and questionnaires (Saunders *et al.*, 2009). With this being the case, the multiple sources of data are likely to need to be triangulated.

Triangulation refers to the view that “quantitative and qualitative research may be combined to triangulate findings in order that they may be mutually corroborated” (Creswell and Plano Clark, 2011, p.62). Saunders *et al.*, (2009, p.146) offer a more simplistic definition outlining that “triangulation refers to the use of different data collection techniques within one study in order to ensure that the data is telling you what you think it is telling you”. For example, qualitative data gathered using semi structured group interviews may be a valuable way of triangulating quantitative data gathered by using a questionnaire for instance (Saunders *et al.*, 2009).

Considering that both quantitative and qualitative approaches have strengths and weaknesses, using the two paradigms in research could therefore be seen as

complementary rather than substitutable (Hussein, 2009). Adopting a multi methodology approach also adds to the breadth of the study as well as providing strengths that offset the weaknesses of both quantitative and qualitative research (Creswell and Plano Clark, 2011). Mixed methods research is also 'practical' as it leaves the researcher free to use all possible methods to address the research problem at hand (Creswell and Plano Clark, 2011). However, some scholars disagree with this view because of how quantitative and qualitative data are linked to differing philosophical assumptions therefore making mixed methods untenable (Creswell and Plano Clark, 2011). This later view has however been fiercely challenged, and in recent times, the links between methods of data collection and the larger philosophical assumptions are not as tightly connected as envisioned in the early 1990's (Creswell and Plano Clark, 2011). This doesn't however take away from the fact that to conduct mixed methods research successfully, requires the researcher to firstly have the skills to use both qualitative and quantitative approaches and secondly, the time to gather the data and resources for extensive data collection and analysis (Creswell and Plano Clark, 2011). When selecting an appropriate approach to research design, Creswell (2009) outlines the following factors that a researcher should consider: the research problem at hand, their particular worldview, the personal experiences of the researcher and finally, the audiences that will accept their research such as journal editors and readers, conference attendees and fellow academics.

### **5.3 Strategies of Enquiry**

As mentioned in the previous section, social research is conducted against the background of a research paradigm. The paradigm which is subsequently chosen by the researcher then influences which strategies the researcher will use. For example, some strategies are associated with the quantitative research paradigm and others with the qualitative paradigm. Although this forms an outline for which strategy is most appropriate, it may be argued that allocating strategies to one approach or the other is unduly simplistic and it must be stressed that no research strategy is either superior or inferior to any other. (Saunders *et al.*, 2009). Also, what is most important is not the paradigm that is attached to a particular strategy but that the correct strategy is chosen, so as to enable the researcher to answer the particular research question and meet their objectives successfully. The choice of research strategy will therefore be guided by the research question and objectives, the extent of existing knowledge as well as the amount of time that is available to the researcher (Saunders *et al.*, 2009).

Strategies of enquiry are quantitative, qualitative or mixed method designs and according to Creswell (2009, p.11), “provide specific direction for procedures in a research design”. Quantitative research is a means for testing theories by “examining the relationship amongst variables” (Creswell 2009, p.4). Data collection usually involves experiments or surveys through the use of questionnaires or structured interviews. Qualitative research involves looking into why things happen rather than how they occur. Data collection techniques for this type of research are for example, observation, un-structured interviews or focus groups. The mixed method design is an “approach to inquiry that combines both forms” (Creswell 2009, p.4).

Commonly there are two approaches to inquiry, the structured approach and the unstructured approach. Kumar (2005), comments that the structured approach is usually classified as quantitative research and unstructured as qualitative research. The structured approach through design and questions for example are all predetermined however the unstructured approach is more flexible (Kumar 2005). The design of a study can also be classified into three groups, cross-sectional, before-and-after studies and longitudinal studies. Cross-sectional studies aim to find out the prevalence of a phenomenon or problem (Kumar 2005). Before-and-after study design measures change and longitudinal studies measure the extent of change over time (Kumar 2005).

### **5.3.1 Quantitative Research Strategies**

As mentioned previously, one of the methods of data collection in quantitative research is through experiments. Experimental research is mainly influenced by the positivist paradigm using the logic and principles found in natural science research. However it does also feature in social science research, considerably in psychology (Saunders *et al.*, 2009). Nevertheless, the main emphasis of experiments is to study causal links so as to determine if a specific treatment influences an outcome (Creswell, 2009). It can then be assessed as to whether a change in one independent variable yields a change in another dependent variable (Saunders *et al.*, 2009). More complex experiments can also take into consideration the size of the change and the relative significance of two or more independent variables (Saunders *et al.*, 2009). Neuman (2011, p.47) also helps to clarify experimental research in the social sciences by providing the following explanation: “Research in which the researcher manipulates conditions for some research participants but not others and then compares group responses to see whether doing so made a

difference". Saunders *et al.*, (2009, p.142) summarises experiments explaining that "they tend to be used in exploratory and explanatory research and are ideally suited to answer 'how' and 'why' questions".

The use of surveys is a further quantitative research strategy and provides a numerical account of trends, attitudes or views of a population by studying a sample of that population (Creswell, 2009). Survey research uses a written questionnaire or formal interview to collate the information and unlike an experiment, the researcher does not manipulate the conditions for the research participants. Instead, the answers from the research participants who have all been asked the same questions are carefully recorded with the intent of generalising from a sample to a population (Creswell, 2009). Additionally, the data obtained using a survey strategy can then be used to suggest possible reasons for relationships between variables and then to produce models of these relationships. Saunders *et al.*, (2009, p.144) summarises the survey strategy explaining that "it is a popular and common strategy in business and management research and is most frequently used to answer 'who', 'what', 'where', 'how much' and 'how many' questions.

### **5.3.2 Qualitative Research Strategies**

Both Creswell (2009) and Neuman (2011) respectively have helped to identify five main approaches that are linked to qualitative research strategies. These five main approaches are ethnography, grounded theory, case studies, phenomenological research and narrative research. All are defined and summarised below:

Ethnography is a research strategy that focuses its attention on describing and interpreting the social world through first hand field work (Saunders *et al.*, 2009). It involves the researcher studying a group of people over a prolonged period of time by collecting mainly observational and interview data (Creswell, 2009). This involves the researcher immersing themselves into the world of the participants being studied so they can be both observed and interviewed informally. Although time consuming, the research process is flexible and evolves contextually in response to the lived realities that are confronted in the field setting (Creswell, 2009).

Grounded theory is another form of research strategy which according to Saunders *et al.*, (2009, p.592) “is a strategy in which theory is developed from data being gathered by a series of observations or interviews”. With this type of strategy, data is collected without an initial theoretical framework and the data collected then leads to the development of predictions which can then be examined in further observations that may confirm or disprove the predictions (Saunders *et al.*, 2009). One of the particular strengths of grounded theory is that it seeks a theory that is comparable with the evidence, that is clear-cut and rigorous, capable of replication and being able to be generalized (Neuman, 2011). The theory isn't however without its criticisms with Suddaby (2006) arguing that grounded theory is not an excuse to simply ignore existing theory or literature on the topic being researched.

Case Studies are a further research strategy and are a particularly useful method if “research is to be conducted on a system, organisation, event, or even a person or type of personality” (Walliman and Buckler, 2008, p.172). Case studies can be defined as “an opportunity for one aspect of a problem to be studied in some depth within a limited timescale” (Bell, 1999, p.10). Case Studies also provide an opportunity for intensive analysis. This means that generalisations may be made that will be applicable to other similar cases, therefore making “case studies likely to produce the best theory” (Walton, 1992 cited in Neuman, 2011 p.42). It could therefore be argued that a case study has a detailed focus thus because of its thorough analysis, has the capability to tell a larger story (Neuman, 2011).

A common question that arises when choosing the case study approach is ‘how many people are required for a case study? Opie (2004, p.74) goes some way in answering this question by defining a case study as an “in-depth study of interactions of a single instance in an enclosed system”. This definition highlights that the issue of numbers for a case study is therefore meaningless (Opie, 2004). However, the crucial focus of a case study is that it is on a real situation with real people and it aims to establish a picture of a certain aspect of social behaviour or activity in a certain setting (Opie, 2004). It also aims to “examine the factors that influence a certain situation through the interactions of events, human relationships and other factors that are studied in a certain location (Opie, 2004, p.74).

Case studies offer various advantages; Cohen *et al.* (2000) summarises these strengths by outlining that the results can be easily understood by a wide audience, they speak for themselves, catch unique features that could be lost through large scale data collection and are strong on reality. Cohen *et al.*, (2000) comments further that case studies can be easily interpreted therefore making comparisons with similar research easier. Case studies also give the researcher the ability to embrace and build upon unanticipated events and uncontrolled variables should they occur (Cohen *et al.*, 2000). There are however critics of case studies, namely from more traditional researchers, who argue that “case studies incorporate no statistical test and do not readily permit generalisation” (Anderson, 1990, p.158). They also lack reliability as it is argued that another researcher may derive an alternative conclusion (Anderson, 1990).

Phenomenological research is a research strategy that sees social phenomena as being socially constructed (Saunders *et al.*, 2009). It is a strategy that is predominantly linked to identifying the essence of human experiences by attempting to comprehend reality through the eyes of those who are living it. Creswell (2009) argues that understanding the lived experiences makes phenomenology not only a method but also a philosophy in itself.

Finally, narrative research involves the researcher studying the lives of individuals so as to hear the personal experiences and stories about their lives. The information is then retold by the researcher into a narrative chronology (Creswell, 2009). The narrative strategy is practically useful when conducting research which is of a sensitive nature. Narratives may also have a therapeutic impact, as the participants may feel more at ease by speaking about a certain situation or event (Kumar, 2005).

### **5.3.3 Mixed Method Research Strategies**

Mixed method research strategies are as the name of the strategy suggests, using both quantitative and qualitative approaches to data collection. The concept of mixing different methods is derived from the thought that all methods have limitations. Biases which were inherent in any single method could neutralize or cancel the biases of other methods (Creswell, 2009). For this reason, triangulating data sources which was touched upon in the previous section, has been established as a means for seeking convergence across quantitative and qualitative methods. For example, the results from one method can help

identify other participants to study or questions to ask for the other method (Creswell, 2009). Alternatively, the data produced from qualitative and quantitative research can be combined into one large database or the results used simultaneously to reinforce each other (Creswell, 2009). For these reasons, mixed methods of inquiry have been established and Creswell (2009) outlines three general strategies.

Firstly, the sequential strategy is a process where the findings from one method are expanded on by using another method (Creswell, 2009). For example, a qualitative interview could be conducted for exploratory reasons. This is then followed up with a quantitative survey with a large sample to see whether the results can be generalised to a larger population. Secondly, a concurrent strategy could be used where both qualitative and quantitative data are merged to provide a more comprehensive analysis of the research problem (Creswell, 2009). This could be achieved by collecting the data at the same time and then integrating the information when trying to understand and analyse the overall results. Finally, the transformative mixed method strategy uses a theoretical lens as an overall perspective within a design which comprises both qualitative and quantitative data (Creswell, 2009). This lens acts as a framework for the study encompassing for example areas of interest, methods for collecting data and outcomes or changes predicted by the study (Creswell, 2009).

#### **5.4 Sampling and Methods of Data Collection**

Sampling, in its most basic form, involves selecting a small set of cases from a larger set of cases so it can be generalised to the population. Kumar (2005, p.164) expands on this description outlining that “sampling is a process of selecting a few (a sample) from a bigger group (the sampling population) to become the basis for estimating or predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group”). A sample is therefore a sub group of the population that is being studied. The concept of sampling can be very advantageous as it saves on time, costs and human resources. However it does also have a disadvantage as the information that is gathered is only an estimate so a higher possibility of error exists (Kumar, 2005). Sampling could therefore be described as a trade-off as on one-hand, time and resources are being saved however on the other hand, the accuracy levels of the findings are much lower.

The primary use of sampling in quantitative studies is to obtain a representative sample that closely represents a larger collection of cases called the population (Neuman, 2011). Once the sample data has been analysed in detail, it can then be generalised onto the whole population. Neuman (2011) notes that very precise sampling procedures need to be used in order to create the representative samples in quantitative research and these procedures rely on the mathematics of probabilities. This type of sampling technique is called 'probability sampling'. Nevertheless, sampling in qualitative research is very different as the main aim of most qualitative inquiries is to explore or describe the diversity in a situation, phenomenon or issue (Kumar, 2005). Qualitative research does therefore not attempt to quantify or determine the extent of that diversity as it is more interested in the aspects and features of the social world on the sample. The aspects and features of the sample highlight or 'shine light into' key dimensions or processes in a complex social life (Kumar, 2005). A study based on a sample of information from one person, one event or one situation is therefore deemed as being perfectly valid (Kumar, 2005). Unlike sampling in quantitative studies that relies on the mathematics of probabilities, qualitative sampling therefore uses a 'non-probability sampling' technique.

#### **5.4.1 Probability Sampling**

According to Saunders *et al.*, (2009, p.598) probability sampling is a "selection of sampling techniques in which the chance, or probability, of each case being selected from the population is known and is not zero". For a sampling method to be called a probability sample, each element in the population has to have an equal and independent chance of being selected in the sample (Kumar, 2005). Simple Random Sampling (SRS) is a common probability sampling technique especially if the total population is small and it can be applied using a 'fishbowl' draw. This method involves all the elements being numbered using separate slips of paper for each element and the slips are then put into a bowl. The sample size from the population is agreed upon and then the slips are pulled out until the number of slips selected equals the sample size which was decided upon. If there is a larger population, there are various computer programs that can select a random sample (Kumar, 2005).

Systematic Sampling is another common probability sampling technique and involves numbers being allocated to each element in the sampling frame. A sampling interval is then used to select random elements from the frame (Neuman, 2011). For example, once a

sample size has been decided on, every  $k$ th (e.g., third or twelfth) is selected into the sample. Stratified Sampling is a further technique and involves the population being divided into two or more relevant layers. (Saunders *et al.*, 2009). A random sample, be it systematic or simple, is then drawn from each of the layers. It can be argued that dividing the population into layers is advantageous as it means the sample is more likely to be representative therefore ensuring that each layer is represented proportionally through the sample (Saunders *et al.*, 2009). However, dividing the population into layers therefore adding an extra stage to the sampling procedure may take up more time and may be more challenging to explain when compared to an SRS or Systematic sample (Saunders *et al.*, 2009). Finally, Kumar (2005) highlights Cluster Sampling as another method. This is particularly useful if the population being studied is quite large, for example, a city or country. Cluster Sampling involves putting the population into groups called clusters and then elements within each cluster are selected again using the SRS technique (Kumar, 2005).

#### **5.4.2 Non-Probability Sampling**

Non-probability sampling is where the chance or probability of each case being selected is either not known or cannot be identified (Saunders *et al.*, 2009). In such situations, Kumar (2005) outlines four non-random designs that are commonly used in both qualitative and quantitative research which are summarised as follows: Quota Sampling is when the researcher chooses a sample based on certain characteristics of the population, for example, gender or race and then a predetermined number of people are approached to take part in the study (Neuman, 2011). Although this technique may be seen as being quite efficient (low costs and a guarantee of the inclusion of a type of characteristic), the resulting sample is not a probability one so the results cannot be generalised to the sampling population (Kumar, 2005).

Accidental sampling is also another technique and although similar to Quota Sampling, this method does not rely on any types of characteristics as inclusion criteria for the sample. Although this technique is again a less expensive and time consuming method, some of the population approached may not have the required information which is relevant for the study (Kumar, 2005). A way of minimising this risk is to use a judgemental sampling technique. In this type of sample, the primary consideration is to look at which people will provide the best information so as to achieve the objectives of the study. "This type of sampling is

particularly useful when trying to construct a historical reality, describe a phenomenon or develop an area of research in which little is known” (Kumar, 2005. p.179).

Finally, ‘snowball sampling’ is the process of selecting a sample through networking. Individuals are selected, the information collected from them and then they are asked to bring other people into the study so they can also become part of the sample. The process then continues until it is deemed that enough information has been collected. Although this technique is useful as it begins with a few individuals and then grows, the choice of the other participants that the initial individuals choose could be deemed as biased (Kumar, 2005).

### **5.4.3 Sample Size**

The size of a sample is a compromise between the constraints of time and cost and the importance of precision (Bryman and Bell, 2011). Sample size also depends on factors such as population characteristics, the data analysis technique which will be used and the degree of confidence in sample accuracy required for the research being undertaken (Neuman, 2011). It is generally accepted that the larger the sample size the more accurate the estimates of the research will be (Kumar, 2005). However, in reality, the constraints of a budget through time and cost make this particularly difficult (Kumar, 2005). It may also be argued that the question of sample size is less important in qualitative research as the main focus is on exploring or describing a situation, issue, process or phenomenon (Kumar, 2005). Nevertheless, Bryman (2012) comments that the larger the sample, the more representative it is likely to be (provided that the sample is randomly selected) and this is irrespective of the size of the population from which it is drawn.

## **5.5 Methods of Data Collection**

In order to answer research objectives successfully, ‘research tools’ need to be identified and then constructed, so as to collect information for the study. Identifying which research tools will be used and then constructing good research instruments is particularly important for any investigation. This will not only affect the quality of the data but also the relevance and accuracy of the required information. On occasion, the information that is required for the study is already available and therefore only needs to be extracted. However, there are other times when the information must be collected. Based on these broad approaches to gathering information, data can be categorised as either ‘primary data’ or ‘secondary data’.

Primary data is therefore first-hand data and secondary data is second-hand data. An example of primary data could be determining the job satisfaction of the employees of a particular organisation whilst secondary data could be using the organisation's records to ascertain its activities (Kumar, 2005). Neither primary nor secondary data can provide 100 percent accurate and reliable information as the quality of the data gathered is dependent on the skills of the researcher (Kumar, 2005).

As discussed previously in regard to research strategies, data collection methods are similar as there are certain methods which can be attributed to quantitative research and others to qualitative research. However, it is important to mention that data collection methods are not connected exclusively to either quantitative or qualitative research and as Kumar (2005, p.119) comments, "the choice of a method depends upon the purpose of the study, the research objectives, the resources available, the time constraints and ultimately the skills of the researcher".

### **5.5.1 Quantitative Methods of Data Collection**

As mentioned previously when discussing quantitative strategies of enquiry, both experiments and surveys are the most commonly used methods of quantitative data collection. Before embarking on data collection through either experiments or surveys, also as mentioned previously, a sample is chosen so that the results can be generalized to a population. Although these methods of data collection are so a generalization of a population can be achieved, the aim of both methods does differ to some extent. For example, the aim of surveys is to provide a numeric description of trends, attitudes or opinions of a population. However, the difference with experimental design is that "the basic intent is to test the impact of a treatment on an outcome whilst then controlling all other factors that might influence that outcome" (Creswell, 2009). Therefore, the aim of both methods is varied although they both belong under the same paradigm of quantitative data collection. A further method of quantitative data collection can be conducted through observation. Saunders *et al.*, (2009, p.288) outlines that observation involves "the systematic observation, recording, description, analysis and interpretation of people's behaviour". It may be argued that observation leans more towards the side of qualitative data collection as it involves people's behaviour and discovering the meanings that people attach to their actions. However, 'structured observation' is more concerned with the

frequency of these actions and is highly organised by following systematic rules for observation and documentation (Neuman, 2011).

Gathering information through surveys is a fundamental method of quantitative data collection. However the word 'surveys' is quite a general term and for the purpose of this review of methods the use of 'questionnaires' in quantitative data collection shall therefore be evaluated. Questionnaires in quantitative data collection are usually structured by asking the same set of closed ended questions in a predetermined order (Saunders *et al.*, 2009). The design or type of questionnaire however differs in regard to how the questionnaire is administered and by the amount of interaction that the researcher has with the respondents (Saunders *et al.* 2009).

There are typically two ways in which questionnaires are directed to the respondents, either 'self-administered' questionnaires or 'interviewer-administered' questionnaires. Self-administered questionnaires are completed by the respondents and are typically administered by sending them out in the post and then asking for the questionnaires to be sent back to the researcher. Other options are for the questionnaires to be hand delivered and then collected at a later date. However, with the development of information technology, particularly over the last decade, many questionnaires are now administered electronically either by email or 'internet-mediated' questionnaires (Saunders *et al.*, 2009). Interviewer-administered questionnaires are on the other hand recorded by the interviewer on the basis of each respondent's answers and are usually collected through either telephone or face to face interviews.

Kumar (2005) offers several advantages for using both self-administered and interviewer-administered questionnaires as forms of quantitative data collection. Firstly, not having to interview respondents means that savings can be made not only through time but also through travel costs. Secondly, questionnaires administered through the post or via email mean that a larger geographical area can be reached for the study. Self-administered questionnaires also offer greater anonymity as there is no face-to-face interaction with the respondents. This is particularly useful when the data being gathered is of a sensitive nature. Interviewer-administered questionnaires are also useful particularly in terms of face-

to-face interviews as the researcher is able to offer explanations should a certain question not be understood or if the respondent requires some kind of clarification to a question.

Questionnaires are however not without their weaknesses. Kumar (2005) observes that questionnaires are notorious for their low response rate as well as having a self-selecting bias, as those who return the questionnaire may have certain motivations that are different to those who do not send them back. Other criticisms include there being a lack of opportunity to clarify issues, respondents may consult with others whilst completing the questionnaire and a response from a questionnaire cannot be supplemented with other information, such as observations by the researcher for example (Kumar, 2005). In regard to face-to-face interviews, they are also time consuming, not only because it makes the process of administering the questionnaire longer but also if the respondents are spread over a large geographical area. The costs associated with travelling to administer the questionnaire will therefore also make the process more expensive.

Despite the various advantages and disadvantages associated with questionnaires as a method of data collection, Saunders *et al.* (2009) argue that the choice and type of questionnaire is influenced primarily by the research question at hand as well as the objectives of the study. Further influences include characteristic of the respondents, the size of the sample, the types of questions that are being asked and the number of questions being asked (Saunders *et al.*, 2009). It is therefore the nature of the research question, the objectives of the study and ultimately the researcher themselves that decide what type of questionnaire is best suited for that particular research.

### **5.5.2 Qualitative Methods of Data Collection**

Creswell (2008) outlines observations and interviews as being the main qualitative methods for data collection although the use of documents and audio-visual data is also common. As outlined previously, observation involves studying people's behaviour and as a qualitative method of data collection, its emphasis is on discovering the meanings that people attach to their actions. There are two types of method that are commonly used when observing people and these are through either 'participant' or 'non-participant' observation. Participant observation is where the researcher actively participates in the activities of the group being observed so as to discover for themselves the meanings that people attach to their actions

(Saunders *et al.*, 2009). Non-participant observation on the other hand is where the researcher does not get involved in the activities of the group however remains an observer so as to draw conclusions from the groups' activities (Kumar, 2005). Although observation as a method of qualitative data collection can be very rewarding because the researcher is able to observe at first hand the experiences and actions of a group, this method does have certain weaknesses. For example, individuals or groups may change their behaviour when they are aware that they are being observed and there is the possibility of observer bias so there is no easy way to validate the observations being drawn from them (Kumar, 2005). It can also be argued that the interpretations drawn from the observations may vary depending on the observer.

Interviews are defined by Walliman and Buckler (2008, p.172) as "a way of finding out information by speaking to and importantly, listening to another". Cohen *et al.* (2000, p.267) expands on this definition commenting that an interview is an "interchange of views between two or more people on a topic of mutual interest, seeing the centrality of human interaction for knowledge production and emphasising the social situatedness of research data". In qualitative data collection, non-standardised interviews can be undertaken either one to one so for example, face to face, telephone or internet interviews or with many people, which could include group interviews or focus groups. The data that is collected from qualitative interviews helps not only to understand the 'what' and the 'how' but more importantly the 'why' (Saunders *et al.* 2009).

Interviews are particularly useful when trying to understand the 'why' as they offer the opportunity to explore topics in more detail and depth. This can be achieved by asking open ended questions in either unstructured or semi-structured interviews. Unstructured interviews offer almost complete flexibility in terms of their contents and structure. Although there is a general area of interest, questions may be formulated or issues raised and they offer a real opportunity to explore a topic in depth. Semi-structured interviews on the other hand are not as flexible as they already have a list of predetermined themes and questions to be covered. However, they still offer the opportunity to explore and probe respondents' answers should the need arise.

There are also two types of interviews that can be categorised according to their purpose, normative and elite. Normative interviews are usually used when researchers are doing mass surveys and the aim is to find the views and opinions of large numbers of people (Anderson, 1990). "In essence, these routine interviews are little more than a questionnaire but in oral form" (Anderson, 1990, p.223). Elite interviews however are used on a small number of elite individuals and the interview is focused on their particular knowledge or experience about the subject being discussed (Anderson, 1990).

There are several advantages of the interview as a method of data collection. Firstly, it may be argued that people are more engaged in an interview, than say, completing a questionnaire (Anderson, 1990). Secondly, the questions asked can be clarified and then if required, the answers probed, meaning that more complete information can be collected (Anderson, 1990). "It is this opportunity for in-depth probing that makes the interview so attractive when dealing with informed respondents" (Anderson, 1990, p.222). Thirdly, interviewing allows the interviewer to take note of non-verbal cues such as gestures, the interviewees facial expressions or changes in tone of voice (Anderson, 1990). However, interviews do also have their disadvantages. It may be argued that recording responses, especially if the interviewer is responsible for writing them down may be problematic (Anderson, 1990). Secondly, the reliability and validity through the quality of responses depends on the interviewer, meaning that unless the interview is standardised, then different interviewers may attain different answers (Anderson, 1990). Thirdly, the detail of answers given by the interviewee may be affected due to time limitations or through the possibility of interruptions (Anderson, 1990).

## **5.6 Data Analysis**

There are various approaches to analysing both quantitative and qualitative data however the most common methods are through the use of computer software such as SPSS for quantitative data and Nvivo for qualitative data. SPSS is perhaps the most widely known and most widely used statistical software when it comes to quantitative data analysis. Although it does have some limitations, its strengths lie in the fact that it offers the ability to run a full set of statistical tests with both easy access to descriptive statistics and frequencies as well as offering a wide variety of charts and graphs. Nvivo is again perhaps the most widely used software when it comes to analysing qualitative data given its ability to

reduce a number of manual tasks and gives the researcher more time to discover tendencies, recognise themes and derive conclusions (Wong, 2008).

### **5.6.1 Quantitative Data Analysis**

The processes involved in the analysis of quantitative data are entirely dependent on the type of data that is being collected. Data first needs to be categorised into either categorical data or quantifiable data. Categorical data cannot be quantified numerically and is either positioned into sets or categories (which is classed as nominal data) or ranked (which is classed as ordinal data) (Gray, 2014). Quantifiable data on the other hand can be measured numerically and is classed as either interval or ratio data (Gray, 2014).

Nominal data comprise of categories that cannot be ranked in order, an example being the numbers on sports players' shirts, with the number 1 shirt being no worse than that of a player with the number 2 shirt, therefore the numbers have no meaning other than denoting the type of player (Field, 2011). Ordinal data comprises the ordering or ranking of data and shows not only what has occurred but also the way in which it occurred (Field, 2011). Although it is possible to say if one category is better than the other, it is not possible to determine the size of the difference between the categories (Gray, 2014). Interval and ratio data however consist of variables where the distances or differences between the categories are identical across the range of categories and can therefore be measured (Bryman, 2012). However, the difference between interval and ratio data is that interval data has no fixed zero however ratio data has an absolute zero (Neuman, 2011). Nevertheless, in the context of social research, most ratio variables exhibit this quality, so there is not much distinction between them (Bryman, 2012).

Statistically analysing quantitative data can be performed using various statistical techniques however the statistical test applied is based on a broad range of factors. The first of these factors is hypotheses, for example, "hypotheses related to the characteristics of groups compared with relationships between variables. Even with these broad groups of hypotheses, different tests may be required" (Gray, 2014, p.571). Therefore a test for comparing differences between group means will be different to a test comparing differences between medians and even for the same sample, a different test may be applied depending on its size (Gray, 2014). Assumptions in regard to the distribution of populations will also

affect the type of test chosen, with different tests being used for populations that are distributed evenly, to those that are not, with a further consideration also relating to the level of measurement of the variables in a hypothesis (Gray, 2014).

Statistically analysing quantitative data is also based on whether the data is either parametric or non-parametric. Field (2009) has written extensively on statistical methods of analysis and outlines the assumptions that must be met of the data set so as to use parametric techniques. Firstly, the data must be normally distributed, i.e. hypotheses testing depends on having data that is normally distributed and if this assumption is not met, the rationale behind the testing is flawed (Field, 2009). Secondly the data must have a homogeneity of variance meaning that the variances should be the same throughout the data (Field, 2009). Finally the data should also be measured at interval level and the data should also be independent, i.e. the data from the participants are independent of each other therefore the behaviour of one participant does not influence the behaviour of another (Field, 2009). Non-parametric tests however do not rely on the restrictive assumptions of parametric tests and do not assume that the sampling of the data is normally distributed (Field, 2009). They function by ranking the data thus finding the lowest score and ranking it as 1, the second highest and ranking it as 2 and then as the process continues, this results in the high scores being represented by large ranks and the low scores in small ranks, meaning that the analysis can be performed on the ranks rather than the actual data (Field, 2009).

There are a variety of tests that can be performed on both parametric and non-parametric data. Parametric tests include T-tests and Analysis of Variance tests (ANOVA) whilst non-parametric tests include the Mann-Whitney Test, Wilcoxon-Signed Rank Test, Kruskal-Wallis test and the Friedman Test (Pallant, 2013). The following will provide a summary of the different statistical tests.

T-tests are used when there are either two groups or two sets of data allowing for the mean score to be compared on a continuous variable (Pallant, 2013). Paired sample t-tests are applicable when comparing a measurable variable on one group (such as scores over time) however independent t-tests are appropriate when you have two groups (Gray, 2014). Using a t-test allows for the comparison between two groups so as to measure whether

there is any statistically significant difference between them. Running a t-test in software such as SPSS calculates the probability of whether the results from the two groups were obtained by chance (giving a result of more than 0.05) or whether an actual difference does exist between the groups (giving a result of less than 0.05).

Analysis of variance (ANOVA) differs from the t-test as it is used when comparing the means of three groups or more (Pallant, 2013). This statistical technique uses the F-ratio (which is the ratio of two mean square values) to test the overall fit of a linear model and therefore tests for whether group means differ (Field, 2009). A large F ratio shows more inconsistency among the groups which means it is more than you'd expect to see by chance and a significant F test indicates a rejection of the null hypothesis which demonstrates that the population means are equal (Pallant, 2013). However, this does not establish which of the groups differ although this can be rectified by conducting post-hoc tests which compare the means of all combinations of pairs of groups (Pallant, 2013). ANOVA tests can also be conducted using either a 'One-Way ANOVA', where groups are independent from each other or 'Repeated Measures ANOVA', where the same participants are measured under different conditions (Pallant, 2013).

Non-parametric tests make fewer assumptions of the data and most work on the principle of ranking the data (Field, 2009). The Mann-Whitney test and Wilcoxon-Signed Rank test are the non-parametric equivalent of the independent t-test and both tests are equivalent (Field, 2009). The Mann-Whitney u test looks for differences between two independent groups by comparing the medians of the two groups, converting the scores to ranks and then assessing whether the ranks for the two groups are significantly different from one another (Pallant, 2013). If there are no differences between groups then a similar number of high and low ranks would be anticipated (Field, 2013). Likewise, the Wilcoxon-Signed Rank test also converts scores to ranks and measures participants on either two occasions or under two different situations (Pallant, 2013).

The Kruskal-Wallis test is the non-parametric equivalent of the one-way ANOVA and tests for whether three or more independent groups differ (Field, 2009). When this test is performed in SPSS, the output information is presented through Chi-Square value, degrees of freedom (df) and the significance level (Asymp.Sig). If the significance level is less than

.05 it can be established that there is no statistically significant difference in the continuous variable across the groups (Pallant, 2013). From the output on SPSS the mean rank may also be observed which shows which of the groups had the highest overall ranking that corresponds to the highest score on the continuous variable (Pallant, 2013).

The Friedman test is again a non-parametric equivalent test and relates to the repeated measures ANOVA. The test is used when taking the same participants and measuring them at three or more different points in time or under three or more different conditions (Pallant, 2013). When this test is performed in SPSS the output information is the same as described for the Kruskal-Wallis test above. If the significance level is less than .05 then there is no significant difference across the groups. The mean rank can also be observed as noted above.

### **5.6.2 Qualitative Data Analysis**

Qualitative data refers to all non-numeric data and can come in many forms, be it short list responses in questionnaires, transcripts of in-depth interviews to whole policy documents (Saunders *et al.*, 2009). Given the nature of the data, the approaches to analysing qualitative data are very different to those of quantitative data. Non-standardised interviews are typically audio-recorded and then transcribed. There are typically two approaches to qualitative analysis, either a deductive or inductive approach. The deductive approach is through the use of theoretical propositions that aid in the development of a framework to help organise and direct the analysis (Saunders *et al.*, 2009). There is much debate in regard to this approach because the prior specification of a theory can introduce an early closure on the issues being explored as well as the possibility of theoretical concepts being lost from the views of participants in a social setting (Bryman, 2012). It does however also have advantages as it can link research to existing knowledge in a chosen subject area therefore aiding an initial analytical framework (Saunders *et al.*, 2009). The alternative method is through an inductive approach so as to see which themes or issues are derived from the data which can then be followed up and explored (Baker, 1999). This approach is commenced with no clear or defined theoretical framework however in its place relationships are identified in the data which can then lead to the development of questions and hypotheses and consequently theory.

Due to the diverse nature of qualitative data, there is no standardised procedure for its analysis. However, it is still possible to group the analysis of data into three main types of processes which include either the summarising (condensation) of meanings, categorisation (grouping) of meanings and structuring (ordering) of meanings using narrative (Saunders *et al.*, 2009). Summarising of data involves condensing the transcribed text so that principal themes can be observed and relationships between themes can be explored.

Categorising data involves the development of categories and subsequently assigning these categories to meaningful chunks of data (Saunders *et al.*, 2009). These categories can be derived from a theoretical framework or may be guided by the purpose of a research question and objectives. Corbin and Strauss (2008) suggest the following sources to develop names for these categories which include the use of terms that emerge from the data, basing the names on actual terms that are used by participants or deriving terms from existing theory or literature. The categories that are devised then provide a well-structured and analytical framework to pursue the analysis (Saunders *et al.*, 2009). As the analysis progresses, a more hierarchical approach to categorisation will develop, where some codes or labels will be used to highlight analytical links between them and will also aid in the interpretation of the data (Saunders *et al.*, 2009). The use of analytical software such as Nvivo is widely used to aid this process as it offers the ability to unitise data so that certain parts of the data can be appropriately categorised. Generating categories, processing the data to fit in to these categories and designing a suitable system for them to go into, all aids in the process of analysing the data (Saunders *et al.* 2009). This analysis will help to see emerging themes, stimulate other themes and as a consequence of this build a universe of all themes in the study which can be reorganised, sorted, combined, discarded or extended into further analysis (Neuman, 2011).

Whilst categorisation involves fragmenting qualitative data, there is an argument that researchers should retain the integrity of the data collected therefore commencing analysis using exact transcripts or the exact set of notes that are produced during the data collection (Saunders *et al.*, 2009). A further process of analysing qualitative data is therefore narratively. Narrative analysis is an approach that is “sensitive to the sense of temporal sequence that people, as tellers of stories about their lives or events around them, detect in their lives and surrounding episodes and inject into their accounts” (Bryman, 2012). Data collected when using narrative approaches is primarily based through in-depth interviews. It is based on the concept that understanding and meaning will be promoted by analysing data

in its original form rather than fragmenting it through categories or coding. Narrative analysis therefore takes into consideration the engagement with the participant, the actions they took, the significance of these actions and the association with the events that followed, all within the narrative flow of the story but without compromising the social context within which these events took place (Saunders *et al.*, 2009).

## **5.7 Validity, Reliability and Ethics**

Validity is extremely important and is essential for effective research. As Cohen *et al.* (2000 p.105) notes, “If a piece of research is invalid then it is deemed as being worthless”. Validity refers to the integrity of the research findings and the extent to which the data collection methods accurately measure what they were intended to measure (Saunders *et al.*, 2009). Reliability on the other hand refers to how dependable or consistent something is and suggests that if repeated, it will be identical or very similar under the same conditions (Neuman, 2011). Validity is required in both quantitative and qualitative research and takes many different forms. For example, in qualitative data, validity could be examined through the honesty and depth of the data achieved, the participants who were approached or the objectivity of the researcher (Cohen *et al.*, 2000). In quantitative data validity may be improved through careful sampling, making sure that the instruments to conduct the research are appropriate and that the treatment of statistical data is suitable (Cohen *et al.*, 2000). Creswell (2009, p.190) comments that “validity does not carry the same connotations in qualitative research as it does in quantitative research, nor is it a companion of reliability or generalizability). In essence, qualitative validity means that the researcher looks for the accuracy of the results whilst using certain procedures while qualitative reliability shows that the approach to the research is the same across different researchers and different projects (Creswell, 2009). Validity therefore refers to the accuracy of the result while reliability refers to the consistency of the data. Both terms may be summarised by stating that they assess the trustworthiness of what is being conveyed in the study.

Measuring both validity and reliability can be addressed in various ways. In regard to reliability, a popular concept is the ‘test/re-test’ method and is commonly used for establishing the reliability of a research tool. During this test, the instrument is administered once, and then again, under the same conditions. The ratio between the test and retest scores is then measured which will give an indication of the reliability of the instrument. The greater the value of the ratio, the higher the reliability of the instrument (Kumar, 2005). The

'split half' technique is another method for measuring reliability and is designed to correlate half of the items with the other half and then compare the results. This method is particularly appropriate when measuring attitudes towards an issue or phenomenon (Kumar, 2005). Measuring validity also has various techniques with the most basic being 'face validity'. This method refers to a judgement by the scientific community that the indicator actually measures what it is intended to measure (Neuman, 2011). 'Content validity' is a further technique and addresses whether or not the full content of a definition is represented in a measure (Neuman, 2011). Finally, 'criterion validity' is where a comparison is undertaken of how people have answered a new measure of a concept with existing and widely accepted measures of a concept (Gray, 2004).

Although good research strives towards the ideal of near perfect reliability and validity, this is simply not possible (Neuman, 2011). Reasons for this can be explained by outlining certain threats to validity. These can be categorised through internal and external threats. Creswell (2009 p, 162) summarizes internal threats as being "experimental procedures, treatments or experiences of the participants that threaten the researcher's ability to draw correct inferences from the data about the population in an experiment". However, external threats arise "when experimenters draw incorrect inferences from the sample data to other persons, other settings and past or future situations" (Creswell, 2009, p.162). Internal validity therefore refers to the causes and effects of correlations and to the degree to which causal conclusions can be drawn (Gray, 2004) and external validity refers to the generalizability of the results (Anderson, 1990). Reliability is also prone to certain threats and these factors can include the wording of questions, the physical setting, the respondent's mood and the nature of interaction between the interviewer and interviewee (Kumar, 2005).

Whilst validity and reliability are paramount towards good research, the principles of ethics have become an increasingly important feature in how research is conducted (Creswell, 2009). The ethics of research, as defined by Gray (2004, p.58) is "concerned with the appropriateness of the researcher's behaviour in relation to the subjects of the research or those who are affected by it". Since research in the real world deals with people and the things that affect them, ethical issues may arise either when the research is being planned, implemented or when it is being reported (Gray, 2004). Although certain ethical issues may be obvious and in some ways common sense, others may be less clear. Gray (2004, p.58) highlights this issue suggesting that "one challenge with ethical behaviour is that it lies in a 'grey zone' where clear-cut dichotomies between what is right and wrong may not exist".

Ethics is important in research because working within an ethical framework gives security to those who are being researched. For example, research encompasses people in activities or situations that they would otherwise have not been involved in therefore providing researchers with privileged knowledge about them (Opie, 2004 p.25). Researchers therefore need to safeguard their participants by developing a trust with them, promote the integrity of the research and guard against wrongdoing that may impact on their business or organisation (Creswell, 2009). It is also important to stress that working within an ethical framework not only protects the participants of the research but also the researcher.

## **5.8 Adopted Methodology**

The emphasis of this section is to outline the methods used so as to investigate the research objectives of the study. The first objective was to assess the level of sales experienced by retailers in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008. Given the nature of the research objective a quantitative approach was adopted through the distribution of a questionnaire to each shop occupant/manager from the sample. The second and third objectives were concerned with examining the vacancy rates and changes in occupation in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008. Given again the nature of these research objectives, two types of approaches were adopted. Firstly, a quantitative approach through the use of Goad Maps by extracting data from the maps on both vacancy rates and changes in occupation (Goad Maps are explained in more detail in Section 5.8.3 on p.126) and secondly a qualitative approach by asking open-ended questions to the shopping centre managers regarding vacancy rates and changes in occupation whilst conducting interviews. Although both approaches were used, the quantitative approach was deemed to be more suitable as data could be extracted and then measured from the Goad maps as opposed to simply the opinions expressed by each centre manager respectively in the interviews. Finally, the fourth objective was to explore the management strategies adopted by the existing inner city shopping centre managers in regard to coping with competition, retaining current business and attracting new business. A qualitative approach was adopted to investigate these strategies through the use of open-ended questions whilst interviewing each of the centre managers respectively. In regard to the validation of the recommendations for new inner-city retail developments which stemmed from the results of the survey, the data collected from the Goad maps and the interviews with centre managers, a consultation exercise was conducted with city centre retailers therefore applying a qualitative approach to validation. Originally a focus group was planned

to validate the set of recommendations however after approaching a number of retailers to participate in this validation procedure, it became clear that it was unlikely that a convenient time could be arranged for all the retailers to meet at one time.

From the above evaluation of methods used so as to investigate the research objectives of the study, a multi-methodology approach was chosen. Given the nature of the four research objectives, the research focussing on one case, i.e., Liverpool One, the prospective benefits that methodological triangulation offers (as outlined at the beginning of this chapter) and the notion that adopting a multi-methodology approach adds to the breadth of a study by offering strengths that are offset by the weaknesses of both quantitative and qualitative research, the multi-methodology approach was deemed to be the most appropriate for conducting the following research. The pragmatic approach was also beneficial as using mixed-methods research meant the freedom to explore all possible methods to address the research problem at hand.

### **5.8.1 Sampling**

The population for this study were the centre managers from the existing inner city shopping centres, individual store managers that are trading in the shopping centres and individual shop managers in Liverpool city centre. The inclusion criteria for this study were any inner city shopping centres or shops that are currently trading on Church Street, Lord Street, Bold Street and any of the 'other' retailers located on the streets adjoining Church Street, Lord Street and Bold Street.

The sampling frame from which retailers and centre managers were selected for both the quantitative and qualitative data collection was decided via geographical location. The sample selection consisted of any shopping centre located in Liverpool city centre, any individual retailers located in one of these shopping centres, any retailers in Church Street, Lord Street or Bold Street and any 'other' city centre retail areas which are predominately streets that adjoin Church Street, Lord Street or Bold Street. Both Church Street and Lord Street are historically Liverpool's 'high streets' and Bold Street has also historically been regarded as a 'main' shopping street because of its position running directly into Church Street.

The full survey sampling frame consisted of 256 stores and the full interview sampling frame was four centre managers, reflecting the four established inner-city shopping centres. The survey sampling frame figure was calculated by personally approaching all the shops that at the time, were either trading inside the shopping centres, trading on either Church Street, Lord Street or Bold Street or trading in the 'other' city centre retail areas. The sample selection criterion was for any retailer currently trading in the geographical locations stated above. It was however anticipated that some of the participants may not have been trading for the full 5 years since the opening of Liverpool One in 2008 and subsequently some retailers may have closed or moved away as a consequence of Liverpool One opening. Any retailers that had not been trading for the full five years since 2008 were still invited to complete the survey (from the year that they had begun trading) as it was considered that regardless of when they began trading, their own thoughts or opinions regarding the impact of Liverpool One may still be considered useful. It was noted that this would have implications for the representativeness of the sample however dismissing any possible data that may have proved useful towards the study seemed negligent. The technique used for selecting the sample was the judgemental sampling technique given that the primary consideration of this type of technique is to look at which people will provide the best information so as to achieve the objectives of the study, in this case the established retailers and centre managers in the geographical locations mentioned above.

On receipt of the Goad maps from Experian Limited, it emerged that the company had included more areas of Liverpool City Centre than had initially been requested. Although all of the geographical locations mentioned above had been included, many extra streets which were not included in the survey sample (for example, streets that are based on the outskirts of the traditional retail centre but not classed as prime pitch retail) had also been incorporated into the Goad maps. Given that Experian Limited had included these extra streets, the decision was taken to include them into the sample when analysing the Goad maps. The extra streets were incorporated into the 'other' city centre retail areas hence the total number of city centre units examined in the Goad maps being larger than in the survey sample.

## 5.8.2 Quantitative Data Collection - Survey

### 5.8.2.1 Structure and design of Questionnaire

The template and design of the survey was drawn from the review of literature in Chapter 3 as well as those that were used in the retailer surveys carried out on Eldon Square by Bennison and Davies (1980) and the Oracle Centre by Oughton *et al.* (2003). The aim of the survey was to assess the level of sales for retailers in each of the five years following the opening of Liverpool One in 2008. The questions were phrased by asking retailers whether their store had seen an increase, decrease or no change to their sales and whether any changes had been substantial (more than 10%), moderate (5%-10%) or slight (less than 5%). The format and structure of these questions, drawn from both the Eldon Square and Oracle Centre studies, have proven to be successful in the past. It was also considered useful to adopt the above format when asking for sales figures as it is unlikely that any specific data would be released by retailers with the likelihood of the information being classed as confidential. The authors of the Eldon Square study noted that “it has been found that the response to a direct question about absolute turnover brings a very poor response. A question about large or small increases or decreases is far more successful. In the current surveys, definitions of ‘slight’, ‘moderate’ and ‘substantial’ change in % terms were offered to clarify both the questions and the results” (Howard & Davies, 1993, p.115).

As well as asking retailers about the change in level of sales, they were then requested to choose the main reasons for these changes from a list of possible causes and to then rank the three most important reasons in order of significance. In both the Metro Centre and Eldon Square studies, respondents were asked for their own (subjective) explanations of the change in sales they had experienced. However, in the Oracle Centre study, a list of possible reasons was given for the respondents to choose from. It was decided to adopt this form of a ‘tick list’, rather than the respondents own opinions, as this would make it both quicker and easier for the participant. Respondents were nevertheless given the opportunity to provide more detailed comments regarding the effect of Liverpool One on their store if they chose to do so. This was provided by an ‘other reasons’ box below the tick list. It was also decided to not include any questions in regard to changes to the number of staff employed or hours worked or changes to store promotions and sales campaigns. As the authors of the Oracle study noted who also excluded the above “the aim was to keep the questionnaire short and directed and not to damage the response rate” (Oughton *et al.*, 2003, p.75).

### **5.8.2.2 Pilot Questionnaire**

Before the questionnaire was fully distributed, it was amended several times both in terms of its design and content. Although the template and design had been drawn on from previous studies, consultation with two local retailers in regard to the phrasing of certain questions proved to be invaluable. An example of this being that the less and greater than symbols (< and >) were replaced with the words 'less than' and 'more than'. The survey was then first piloted via the post to the retailers on Church Street and Lord Street, historically Liverpool's 'main' shopping streets. The piloted survey gave a zero response rate and it was judged that a full postal distribution may not only give a very poor response rate, but also prove to be expensive in terms of the costs of postage. Although feedback was sought from the retailers that had received the piloted survey, no reasons were given as to why they had not responded. On reflection, various reasons for the initial low response rate were assumed. These included the questionnaire being too time consuming (especially when taking into account the high tempo and demands of everyday retailing), retailers not understanding the aim of the study, retailers being reluctant to divulge sales information and certain retailers having a policy of not discussing business with an external source.

With all these possible reasons taken into consideration, it was decided that the questionnaire would be hand delivered to each retailer in Liverpool city centre. It was assumed that personal distribution would give the opportunity for potential participants to be briefed on the aim and objectives of the survey, ask any questions that they may have in regard to the study and to explain why the survey was being conducted. Although this method of distribution was more time consuming and added an unforeseen obstacle in terms of the plan of work having to be extended, the likelihood of a better response rate was expected to be far higher. The final version of the questionnaire was five pages in length and is included in Appendix 4. In line with ethics and University policy, all respondents were guaranteed strict confidentiality.

### **5.8.2.3 Full Scale Data Collection**

The questionnaire was hand delivered to the sample frame as indicated above and passed on to the store managers. If a store manager was not available then the survey was passed on to his deputy. All managers were given the option to either return the questionnaires by post or to have them collected on completion. Collection of the completed questionnaire also led to brief discussions with store managers as well as the opportunity to answer any

questions that arose from the completion of questionnaires by the store managers. Distribution of the questionnaire began at start of June 2014 and finished at the end of August 2014. Firstly the four inner shopping centres were approached followed by the retailers in the Church Street, Lord Street and Bold Street and finally the 'other' city centre retail areas. Each retailer that was approached to participate in the study was recorded in a field note diary. Any subsequent information regarding the retailer such as name of the store manager, time of distribution, brief interview notes and time of collection were all noted in this diary. Before distributing the questionnaires to the individual retailers in St. Johns, Clayton Square, the Metquarter and Cavern Walks, permission was sought from each of centre managers. Permission was obtained via email as contact had already been established following interviews with each centre manager. Following the request to distribute the questionnaires, only the Metquarter declined.

Ninety three completed questionnaires were returned, equating to a response rate of 36%. This proved to be quite a surprisingly high response rate, especially when compared to previous studies. For example, the Oracle study in Reading had a response rate of 19.25% and Oughton *et al.* (2007, p.78) noted that "this fairly low response rate, which is not atypical for this type of survey as shown by existing impact work, can be explained by the sensitive nature of the information requested and the possible need to look up turnover data". However, the successful response rate for this study may be accredited to various factors. Firstly, many of the surveys were collected rather than sent back in the post. When the participant chose to have the survey collected, a time and date was prearranged for collection. This then gave the participant a deadline to work towards so it may be argued that the chances of collecting a completed questionnaire became more likely. Secondly, many of the participants were approached as the stores opened between 9am and 10am. This is predominantly the quietest period of the day in terms of city centre retailing so it gave the opportunity for the questionnaire to be completed without interruption.

It is also possible that by hand delivering the questionnaires, a rapport was established with each of the participants. The objectives of the study could then be discussed and there was a short time for questions. This personal approach could have made the participants more willing to partake in the study. Furthermore, it could also be argued that the theme of the study was particularly significant to the various participants' stores so they saw the study as being relevant to them. However, it may also be argued that only those participants who had the time to complete the questionnaire or wished to influence the result of the investigation

replied. Additionally, on collection of the completed questionnaires, some of the participants granted very brief interviews and it is possible that some of the answers that were given may have been directed towards what they assumed the interviewer wanted to hear. It is also important to bear in mind that all of above reasons for the resulting high response rate may have introduced some bias to the results. The returned questionnaires were then screened.

As shown in Table 5, p.137 apart from the Metquarter, there were responses from all the other main retailer locations in the city centre. Different locations had varied response rates and the reasons for these differing response rates are outlined below.

From the 30 retailers that were approached in Clayton Square, 28 agreed to participate and 19 returned completed questionnaires. The fact that just under two thirds of the retailers returned the questionnaire could be attributed to the high volume of vacant units that were visible in the shopping centre at the time of distribution. As mentioned in the interview by the shopping centre manager of Clayton Square, when Liverpool One opened, many of the high end ladies fashion retailers left Clayton Square to go into Liverpool One. With the high vacancy rate in Clayton Square, it could be argued that the remaining retailers therefore may have felt more obliged to complete the questionnaire.

Table 5: Location of Retailer Participants in Liverpool City Centre

Location	Approached to Participate in Survey	Agreed to Participate	Returned Questionnaire
Clayton Square	30	28	19
St. Johns	100	15	8
Metquarter	0	0	0
Cavern Walks	12	12	5
Bold Street	39	39	24
Church St / Lord St	39	6	2
Other	35	35	35
<b>Total</b>	<b>256</b>	<b>136</b>	<b>93</b>

Although St Johns shopping centre had the most retailers, only 15 of the 100 retailers approached agreed to take part, with a total of eight returning completed questionnaires. On reflection, it was found that many of the retailers that were approached in St Johns seemed to not fully understand the objectives of the survey therefore seeming apprehensive and reluctant to participate. One of the reasons for this uncertainty could be attributed to the fact that many of the stores in St Johns are primarily independent retailers of an ethnic Asian background with English being their second language. This barrier may have led to misunderstandings as to the aim of the survey. Another possible reason for the low response rate could be attributed to the St Johns Identification badge which had to be worn for security purposes. Although on introduction the participant was made aware that the study was being conducted for the purposes of a PhD, the St Johns ID Badge may have caused confusion as to who the research was for, making retailers reluctant to participate.

All of the 12 retailers approached in Cavern Walks agreed to participate in the study and 5 completed questionnaires were returned. Cavern Walks is the smallest of the shopping centres within Liverpool city centre and at the time of questionnaire distribution, there were only 3 vacant units out of a total 15 in the shopping centre. Over half of the retailers

approached on Bold Street returned completed questionnaires. As with Clayton Square, it may be argued that this high response rate is down to the street losing a number of its retailers to Liverpool One. However, Bold St has historically been a popular destination for independent retailers which could account for the high response rate. This is especially the case when considering the possible impacts that a large shopping centre housing multinational retail brands and shops may have on independent retailers.

The retailers on Church Street and Lord Street were reluctant to participate in the survey with only six of those approached (out of the 39) agreeing to take part. Only two of those participants then returned completed questionnaires. One explanation for the retailers being unwilling to participate is because many of the shops are large multi-national brands who have a strict policy of not partaking in external data collection. Many were also unwilling to participate quoting data protection. However, for some of the retailers participation was at the discretion of the manager, which applied to the five questionnaires that were returned.

In regards to the 'other' city centre retail areas, all the 35 retailers agreed to participate in the study and all of them returned completed questionnaires. This very high response rate may have been attributed to retailers feeling the need to participate in the study because of their location (historically not in a main shopping area or just off a street with high levels of footfall) and therefore wanting to have their voices heard so to say. A further possible explanation is that retailers in these 'other' areas may have felt that participating in the study would in some way promote their profiles. Some retailers in these 'other' areas had already established groups between themselves to work together in trying to enhance the profile and promote their locations as shopping destinations.

### **5.8.3 Quantitative Data Collection – Goad Maps**

Goad Maps or Goad Plans as they are sometimes referred to, give a bird's eye view of a retail centre showing the individual buildings and their uses, the exact location of all retail outlets in a specific city centre and any vacant premises. They also feature key location factors such as pedestrian zones, road crossings and car parks. They were first developed by Charles E. Goad in 1875 who produced the maps for fire insurance services. Shopping centre Goad Maps were initially developed in the 1960's and the maps have gradually become more detailed with over 3,000 city centres across the world now being mapped.

Experian Limited are currently the only providers of Goad Maps with their services being used prominently in the commercial property industry.

For the purpose of this research, Experian Limited were approached to construct Goad Maps for Liverpool City Centre for 2009, 2010, 2011, 2012 and 2013. These maps provided occupier data for the retail units in Liverpool City Centre. As Experian Limited produced the maps, they explained that the maps could not be amended or made to be bespoke regardless of the research purposes and therefore the occupier data that would be given is what Experian Limited defined as the 'city centre'. Initially this was thought to be a possible limitation to the study but on further investigation and consequent draft maps being sent for observation, the shopping areas that Experian Limited defined as the 'city centre' were the same as had been established at the beginning of this research. However, a limitation that did arise from Experian Limited was that the data which was used to produce the Goad Maps was not included with the final copies of the maps. When this was queried, the data in the form of a spreadsheet could be made available but at a cost which was four times the cost of the maps themselves. With limited funds available, purchasing the data was subsequently not possible. Therefore for analysis purposes, the data from the Goad Maps had to be extracted manually and inputted into a spreadsheet. Not only did this create further efforts, it also significantly extended the time taken to analyse the data. Nevertheless, the occupier data from the Goad Plans were inputted into a spreadsheet to allow for analysis.

Experian Limited provided three types of Goad Maps for the purpose of this study. The first type of Goad Map was for 'Retail Land Use'. The coding scheme for 'Retailer Land Use' was based on the classification used by Experian Limited which comprises of various retail categories (approximately thirty) and grouped under the nine main headings as outlined below. These headings were also the same as what Experian provided Oughton *et al.* (2003) in the Oracle Centre Study.

The 'Retailer Land Uses' were coded as follows:

- Comparison Retail
- Convenience Retail
- Financial and Business Services
- Leisure Services
- Non-Retail Space
- Other Retail
- Retail Services
- Vacant Non-Retail Buildings
- Vacant Outlets

These 'Retailer Land Uses' for the subsequent five years were then inputted into a spreadsheet for analysis. The second type of Goad Map provided by Experian Limited was for 'Type of Retailer'. The retailer types were coded as follows:

- Independents (Four or less stores nationwide)
- Multiples (Five or more stores nationwide)

The coding scheme for 'Type of Retailer' was again based on the classification used by Experian Limited. This differed from options that were given in the retailer survey which asked whether a participant was a 'single independently owned shop', 'part of a small chain' (with less than 10 stores) or 'part of a large chain' (with more than 10 stores). As mentioned previously, Experian Limited could not amend or make bespoke maps regardless of research purposes and therefore the data that Experian Limited had coded as 'Independents' being four or less stores nationwide or 'Multiples' being five or more stores nationwide had to be used.

The final Goad Map provided by Experian Limited shows the number of occupier changes between 2009 and 2013. This map was perceived to be particularly useful as it would establish which retail units have experienced the highest number of occupancy changes over the subsequent five years and most importantly, in which areas of the City Centre these units were located.

#### **5.8.4 Qualitative Data Collection**

Each of the four centre managers from St. Johns, Clayton Square, the Metquarter and Cavern Walks were all contacted via email to invite them to participate in the study. In line with ethics and University policy, all centre managers were emailed a participant information sheet regarding the study and were guaranteed strict confidentiality. Of the four centre managers, the manager of Cavern Walks was unavailable to participate in the study. Each of the interviews was then recorded following consent from the participants.

So as to explore the management strategies adopted by the existing inner city shopping centre managers in regard to coping with competition, retaining current business and attracting new business, the data was collected using semi structured, elite interviews. Semi-structured interviews were selected as the method to investigate the objective in regard to the research question for two reasons. Firstly, all the participants were connected through their role in managing shopping centres, so to answer the research question successfully, it was imperative to ask a number of standardised questions across all cases enabling comparisons to be made. Secondly, the research study would benefit from the thoughts and personal opinions of the participants. As Bryman and Bell (2011, p.466) confirm, "In qualitative interviewing, there is much greater interest in the interviewee's point of view". Although questionnaires for each of the centre managers were considered, this type of structured approach was not seen as suitable as it lacked interaction and the opportunity to explore certain avenues of interest. Similarly, it was anticipated that some of the participants' answers may require further expansion, probing or investigation. Questions that were not in the initial interview guide were able to be asked following responses given by the respective centre managers. It was also considered that questionnaires did not offer the depth of information required from the respective centre managers.

A semi-structured approach was therefore suitable for this study as it allowed for a number of predetermined questions to be asked whilst following up any other interesting lines of enquiry indicated by the centre managers. Conversely, a structured approach may have constrained this type of further investigation limiting flexibility of both the questions and the answers that the centre managers gave. A semi structured approach therefore allowed for new questions to be asked that followed up on the interviewees replies (Bryman, 2008). Furthermore, an unstructured approach may have been more appropriate when investigating personal experiences rather than factors affecting business. Such an approach would also have made comparisons across interviews difficult.

A cross-sectional method was also chosen as it was deemed useful in obtaining an overall picture as it stood at the time of the study (Kumar 2005). This type of study was appropriate to investigate the research objective because of its simplicity and relevance to the economic climate at the time of the interviews. Cross-sectional studies consist of the point of research being established, the study population being identified (i.e. shopping centre managers in Liverpool) and then the respondents contacted to find out the relevant information (Kumar 2005). A longitudinal study design was deemed not suitable for this research for two reasons. Firstly, the scale of the time period that would need to be assessed is restricted given the time constraints to the study. Secondly, obtaining for example secondary data such as financial records for the shopping centres would have proved to be very difficult as it was unlikely that the centre managers would have allowed a student access to such sensitive data.

#### **5.8.4.1 Procedures for Collecting and Analysing the Interview Data**

As mentioned previously, a semi-structured approach was suitable for this study as it allowed for a number of predetermined questions to be asked whilst following up any other interesting lines of enquiry indicated by the centre managers. The centre managers were identified as the most suitable choice of research informant as they were all connected through their role in managing shopping centres and so as to answer the research question successfully, it was imperative to ask a number of standardised questions across all cases enabling comparisons to be made. Secondly, the research study would benefit from the thoughts and personal opinions of the centre managers. In line with this approach, semi-structured interviews were conducted, the answers recorded and then transcribed. This enabled the examining of relationships amongst the participants through focusing on the

respondents' descriptions, accounts, opinions and feelings. As this information was expressed in words rather than statistical data, a thematic analysis was employed as the most relevant way of analysing the interview data. Gray (2004, p.327) outlines the basis for this analysis as a "process that involves the breaking down of data into smaller units as to reveal their characteristic elements and structure".

Thematic analysis uses the wording from participants to form codes and theme labels. Creswell (2009, p.186) defines coding as "the process of organising the material into chunks or segments of text before bringing meaning to information". This text data is then categorised through themes and allows for analysis. Creswell (2009) also comments on the development of codes outlining that codes can be developed on the basis of the emerging information that has been collected (inductive), using predetermined codes that fit the data (deductive) or by using a mixture of predetermined and emerging codes. The conventional approach, according to Creswell (2009), is to use the codes that emerge during the analysis and using predetermined codes is often only used when specific theory is being examined. With this study being linked to the theoretical framework of the retail-led regeneration model it could be argued that the thematic analysis was generated deductively. However, some of the codes that were identified may have not been linked directly to the specific questions that were asked given the semi-structured approach that the researcher adopted. In this case it could be argued that the thematic analysis was generated inductively.

The basis for the thematic analysis was undertaken using a systematic procedure as outlined by Braun and Clarke (2006) through the following steps:

#### Familiarisation of the Data

Firstly the researcher familiarised himself with the data and made sure it was organised correctly so as to begin the analysis process. This meant that the interviews were transcribed from a digital Dictaphone so they could be downloaded directly to a computer. Each interview was transcribed as accurately as possible with only certain things omitted such as "urm's" between sentences for example. The completed transcripts were then read thoroughly so that the researcher was familiar with the text. Any initial indications of themes or codes from this provisional review were noted down.

## Generating Codes

The initial codes were generated by first identifying certain parts of the data that were of interest to the researcher. These initial codes were the first step towards the development of broader themes. This was aided through the use of Nvivo software so that the codes or 'nodes' as they are called in Nvivo, can be organised and stored and become points for where other concepts and ideas can then be followed or developed.

## Themes

Once the data had been successfully coded the analysis moved into the process of restructuring the free nodes (first level codes) into themes or 'tree nodes' as they are known in Nvivo. Tree nodes are an effective tool in Nvivo as they help to organise the free nodes, make them easy to identify, can help to create other trees that may have not been noticed by identifying further nodes and can aid in recognising patterns between groups of nodes.

The themes and nodes within these themes are outlined below:

### Theme 1: Property Management Techniques

Nodes: Original concepts, new concepts, customer base, design of the shopping centre, brands, types of retailers, image, price, pre-2008, post-2008.

### Theme 2: Vacancy Levels

Nodes: Positive impacts of Liverpool One, negative impacts of Liverpool One, footfall, leases, economy, neglected retail areas

### Theme 3: Management Strategies

Nodes: Retaining current business, attracting new business, rival shopping centres, customer service, future aspirations, new shopping centres

## Review

Now that the themes had been established, the thematic structure was reviewed to make sure that it was organised and as accurate as possible. Each of the individual free nodes was evaluated to make sure that they were in the appropriate tree nodes or whether they needed to be divided again. Once this review had been completed they were then related back to the original objective to clarify that the outcomes from the findings were applicable. The themes were then named appropriately.

## Verification

Before the analysis could be written up the findings were again reviewed to ensure that they were accurate and reliable. In line with University policy the findings were also evaluated to confirm that they were ethically correct. The analysis was consequently verified with each of the centre managers to clarify that they approved of the content of the interviews.

### **5.8.4.2 Validation of Findings and Recommendations**

This section outlines the process of validation for the survey results, interviews with shopping centre managers, Goad maps and set of recommendations.

#### **5.8.4.2.1 Validating Survey Findings and Recommendations with Retailers**

Of the 93 retailers who returned completed survey questionnaires, 10 were approached so as to validate the survey findings and set of recommendations which had been proposed based on the findings. So as to make the process as convenient as possible for the participants and given the demanding nature of everyday retailing, it was anticipated that many of the store owners or managers would find it difficult to put aside a considerable amount of time for the procedure. Given the above, an information sheet with an executive summary of the survey results and the proposed set of recommendations was delivered to each of the retailers who had agreed to participate in the validation process (see Appendix 6, p.290). The information sheet also contained a general opinions section so the retailers could note down any comments, opinions or suggestions that they may have in regard to the results of the survey and proposed set of recommendations. Following delivery of the information sheet and instructions relayed regarding the procedure, a date and time was agreed with each participant to allow for a meeting with the researcher so that their

comments, opinions or suggestions could be expanded on and explored in more detail. The validation exercise was conducted face-to-face with each of the participants. Of the ten participants, six were independent retailers, two were part of a large chain (10 or more stores) and two were part of a small chain (five stores or less).

#### **5.8.4.2.2 Validation of Goad Maps**

It was not necessary to validate the Goad map data as the maps produced by Experian Ltd are subject to the company's own internal validation procedures as outlined below through email correspondence with Experian:

*Experian Regarding data validation/Quality Control:*

*We have a person attend the centre/town that is being surveyed in person and they do the data collection and a first line of QC by collecting photos as well.*

*At the point the data is returned, there is further QC work done on what is being returned against other data sources and via the use of supplied photos.*

*Finally the plan is processed by the team who do additional QC checks to the data as they process it to ensure everything is correct and investigate any anomalies or suspicious looking changes.*

*The data and the plan are then published at that point.*

#### **5.8.4.2.3 Validating Interviews and Recommendations with Shopping Centre Managers**

The three shopping centre managers were each emailed transcripts of their individual interview as well as a copy of the qualitative data results and analysis chapter from the thesis. Each centre manager was asked to read the transcript of their interview as well as the copy of the qualitative data results and analysis chapter so as to establish that the views and opinions expressed by each manager had been correctly interpreted. They were also asked if they wished to revise or clarify further on any statements that had been made in the interview and if so, whether they would be willing to be interviewed again so that any comments, opinions or suggestions could be expanded on and explored in more detail. As with the validation procedure for the results of the survey, the proposed set of

recommendations were also emailed to each of the centre managers and contained a general opinions section so that the managers could note down any comments, opinions or suggestions that they may have in regard to the proposed recommendations. Each centre manager was again offered to participate in an interview with the researcher so that their comments, opinions or suggestions regarding the recommendations could be expanded on and explored in more detail. Of the three shopping centre managers only the manager of Clayton Square responded confirming that their views and opinions had been both captured and interpreted correctly alongside some additional notes in the general opinions section regarding the recommendations. Unfortunately the manager of Clayton Square was unavailable to participate in a further interview.

### **5.8.5 Data Analysis**

As with the data collection process, the data analysis was divided into three stages. The first stage involved the statistical analysis of the quantitative data collected through the questionnaires and was aided by the use of SPSS. The second stage involved descriptive analysis of the Goad maps to show and summarize whether any patterns which emerged from the data. The third stage involved the analysis of the qualitative data collected through the interviews and was aided by the use of Nvivo. The objectives of the study formed the foundations for the data analysis therefore each objective was analysed using the techniques that were considered most appropriate so as to address the research objectives. The next section therefore recaps the objectives of the study and explains the processes used to analyse the data so as to meet these objectives.

*Objective 1: Assess the level of sales experienced by retailers in in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008*

As was mentioned previously, the template and design of the survey was drawn from the review of literature in Chapter 3 as well as those that were used in the retailer surveys carried out on Eldon Square by Bennison and Davies (1980) and the Oracle Centre by Oughton *et al.* (2003). What became apparent from both the review of literature and from the studies carried out by the two previous authors, was that apart from the descriptive analysis and presentation of results from the surveys, the statistical techniques used (if any)

to analyse their data had not been outlined. Given the lack of in-depth research into the impacts of new retail developments on established inner-city shopping centres and inner-city retailers, there was very little guidance as to which statistical techniques had been used or were therefore the most appropriate, when analysing survey data on the above topic. Hence, the process of analysing the data meant a thorough review of statistical techniques so as to distinguish which techniques were the most appropriate in establishing whether there were any statistical significances within the data other than just a descriptive analysis and presentation of results outlining patterns and trends from the data.

Preceding the actual analysis, the quantitative data was first coded. A data file was then created, data inputted into SPSS and then screened to check for any errors. The screening was a particularly important process as if any of scores had been inputted incorrectly and therefore fallen outside the range of predetermined codes, it could have distorted the statistical analysis. For example, if gender was coded as 1 = Male and 2 = Female and scores were found to be other than 1 or 2 then there would be an error in the data input. Also, as outlined previously, any retailers that had not been trading for the full five years since 2008 were still invited to complete the survey (from the year that they had begun trading). With this in mind and given the inevitability that some of the participants may have either left blank or missed certain questions when completing the questionnaire, any missing data was coded as '99'.

The next stage of the analysis procedure was to obtain the descriptive statistics for the data in SPSS. This would not only give a summary of the cases in the data file but was also an important process before embarking on any statistical analyses as it gave the opportunity to check that none of the 'assumptions' being made by the individual tests was being violated (Pallant, 2013). The output statistics could then also be examined further however this was dependent on whether the variables were categorical or continuous. Given the format of the questionnaire, the data that had been collected was categorical data. This meant that in the case of using SPSS to aid in the analysis, more detailed information on the data could be obtained using the frequencies procedure available within the statistical software. In assessing the annual level of sales experienced by retailers, section 2a of the questionnaire (see Appendix 4) asked retailers whether sales in their shops had decreased, increased or had no change between when Liverpool One opened in 2008 to 2012. If the retailers had experienced a decrease or an increase in their sales they were asked whether it was substantial (more than 10%), moderate (between 5-10%) or slight (less than 5%). If they

had experienced no change to their sales they were asked to tick the 'no change' box. Each of the responses given by the retailers for the five years had been inputted into SPSS via the individual codes that had been allocated for >10%, between 5-10%, <5% etc.

Following the output in regard to level of sales, SPSS produced frequency tables for each of the corresponding years. The data was then descriptively analysed as well as the Friedman test used to see if there were any statistically significant differences in the level of retailer sales between 2009 and 2013 (see next chapter for results). Given that the data was categorical and therefore did not meet the stringent assumptions of parametric techniques (as outlined previously in the chapter), non-parametric equivalent tests were explored so as to establish which test would be the most appropriate. The Mann-Whitney test, Wilcoxon-Signed Rank test and Kruskal-Wallis test were all considered as possible tests to run on the data however none of the tests was deemed suitable.

The Mann-Whitney test for example is based on two variables, one categorical variable with two groups and one continuous variable (Pallant, 2013). In this instance the data set being examined did not fit within these boundaries. The Wilcoxon-Signed Rank test is designed for use on one group of participants on the same continuous scale and measured on two different occasions (Pallant, 2013). Although the data set being analysed was on one group, the measurement was on more than two different occasions. In this instance, over five years. The Kruskal-Wallis test on the other hand allows the comparison of scores on some continuous variable for three or more groups however in this instance, there was only group, the selected retailers. Based on the above, the Friedman test was deemed the most appropriate statistical test for this data as it is used when taking the same sample of participants (or cases) and measuring them at three or more points in time or under three different conditions (Pallant, 2013). Given that there was one sample of participants being measured at five different time periods (2009 – 2013) it was considered to be the most suitable test to be used so as to establish if there were any statistically significant differences in the level of retailer sales.

In assessing the level of sales experienced by retailers, section 2b of the questionnaire (see Appendix 4, p.281) asked retailers what had been the main reasons (if any) for the changes in annual sales for their shop over the past five years. Each of the responses given by the

retailers for the five years had been inputted into SPSS via the individual codes that had been allocated for the different reasons. When analysis began in establishing the main reasons for changes in annual sales it was recognised that the questionnaire had not taken into consideration whether the reasons selected by the retailers were related to a decrease, no change or increase in sales. This oversight was attributed to both an error on the researcher's part and also potentially to the zero response rate from the original pilot test, as it was assumed that this may have been brought to the attention of the researcher when analysing any possible pilot test data. Nevertheless, so as to find a solution to this problem, the levels of decrease, increase or no change which had been coded, for example, >10%, between 5-10%, <5% etc. were recoded, so the selections made by the individual retailers per year were coded as to whether they had experienced simply a decrease, no change or increase. This meant that that selections made by the retailers in section 2b of the questionnaire could be related and then consequently examined according to their selections made in section 2a of the questionnaire.

The consequent recoding allowed for the analysis of section 2b of the questionnaire so that the reasons to which retailers had attributed towards decreases and increases to their annual sales could be explored. This meant that the main reasons given by a respondent for changes to their annual sales each year could be corresponded to the consequent level of change in annual sales that the respondent had indicated for each year, be it either decrease, no change or increase. SPSS, through its crosstabs feature, meant that the output for the above corresponding data could show annually which main reasons respondents felt were responsible for either increases or decreases in their sales. The output from running the crosstabs feature meant therefore that the relationships between the corresponding variables could be compared. The output data for the annual reasons for increases and decreases were then put it into a table and consequently displayed in a chart to allow for descriptive analysis and presentation of results.

Section 2c of the questionnaire (see Appendix 4, p.281) asked respondents to rank the three most significant reasons for changes in annual sales per year from the selections they had made in section 2b. The aim of this was to establish an overall picture as to which reasons retailers felt were the most significant from 2009 to 2013. Following the output from the above data, SPSS produced frequency tables for the most significant, second most significant and third most significant reasons for each of the years which were consequently displayed in charts to allow for descriptive analysis and presentation of results.

In assessing the annual level of sales experienced by retailers, the information that retailers had given such as whether their shop was independently owned, part of a small chain or part of a large chain, as well as the location of their shop in Liverpool City Centre, all meant that an analysis could be performed between the level of annual sales and type of retailer as well as level of annual sales and location. The individual information that had been collected on type of retailer and location was coded accordingly and entered into SPSS. Following the output from the above data, SPSS produced frequency tables for each of the corresponding years. The data was then descriptively analysed and then in order to provide a more robust analysis to establish whether there were any statistical significant differences in the level of annual sales for types of store and shop location, a Kruskal-Wallis test was performed on the data.

As outlined previously, other non-parametric tests were also explored so as to establish which test would be the most appropriate. The Kruskal-Wallis test however was deemed the most suitable to use as it allowed for the comparison of scores on some continuous variable (in this instance years) for three or more groups (type of retailer and location of retailer). Although the Wilcoxon-Signed Rank test was considered, it is designed for use on one group of participants and in this instance the participants had been separated into groups according to their type and location and measured on more than two different occasions. Using the Friedman test was also considered however as with the Wilcoxon-Signed Rank test, it was not deemed suitable due to the participants being separated into individual groups rather than being measured as one sample.

*Objective 2: Examine vacancy rates in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.*

To examine vacancy rates in the existing inner city shopping centres and other city centre retail areas the analysis drew on the same descriptive methods that had been used in the Oracle Centre study by Oughton *et al.* (2003). The three individual sets of Goad Maps which were produced by Experian Limited from 2009 to 2013 included 'Retail Land Use', 'Type of Retailer' and 'Occupation Changes'. The 'Retail Land Use' Goad maps were subsequently used to examine vacancy rates as 'vacant outlets' had been coded as such on these maps for the five years in question. As mentioned previously, a limitation that did arise from

Experian Limited was that the data which was used to produce the Goad Maps was not included with the final copies of the maps. Therefore for analysis purposes, the data from the Goad Maps had to be extracted manually and inputted into a spreadsheet. Not only did this create further efforts it also significantly extended the time taken to analyse the data.

Given that the data set which had been used to create the maps had not been made available, extracting the data regarding vacant units was achieved by painstakingly counting each of the vacant units from the individual shopping centres and other retail areas for each of the years. So as to limit any errors whilst extracting the data, the vacant units were counted separately for each of the individual shopping centres and retail areas and each vacant unit marked on the map once it had been counted. The number of vacant units from each of the years for the individual centres/areas were then inputted into a spreadsheet. The process of counting the individual vacant units for each of the years was completed on two further occasions in order to ensure accuracy in data entry. The same process for extracting the data was also carried out for 'Business Type' as well as 'Retailer Type'.

Following the open-ended questions that were asked to the shopping centre managers whilst conducting interviews, the subject of vacancy rates was also analysed qualitatively and was aided through the use of Nvivo,. This meant that any opinions or comments in regard to vacancy rates were put into the relevant themes which had been developed through the use of Nvivo. Any relevant opinions or comments made by the centre managers in regard to vacancy rates were then discussed alongside the results following the Goad maps analysis.

*Objective 3: Examine the changes of occupation of retail space in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.*

To examine changes of occupation in the existing inner city shopping centres and other city centre retail areas the analysis again drew on the same descriptive methods that had been used in the Oracle Centre study by Oughton *et al.* (2003). Given the issue that the data which was used to produce the Goad Maps was not included with the final copies of the

maps, for analysis purposes, the data from the Goad Maps had to be once again extracted manually and inputted into a spreadsheet. In order to compare the number of occupational changes in Liverpool City Centre, Experian Limited produced a Goad Map where each individual retail unit was displayed and highlighted with a colour that related to the number of times each individual unit changed occupancy between 2009 and 2013. So as to limit any errors whilst extracting the data, each individual unit was counted separately for each of the individual shopping centres and retail areas and each unit marked on the map once it had been counted. The number of occupier changes for the individual units from each of the years for the centres/areas were then inputted into a spreadsheet. The process of counting the individual units for number of occupier changes was again completed on two further occasions in order to ensure accuracy in data entry. As with the case of vacancy rates, any relevant opinions or comments made by the centre managers in regard to occupancy changes during the interviews were then also discussed alongside the results following the Goad maps analysis.

*Objective 4: Explore the management strategies adopted by existing inner city shopping centre managers and individual shop managers in regard to coping with competition, retaining current business and attracting new business.*

As mentioned previously, a semi-structured approach was suitable for this study as it allowed for a number of predetermined questions to be asked whilst following up any other interesting lines of enquiry indicated by the centre managers. So as to meet the above objective, semi-structured interviews were conducted, the answers recorded and then transcribed. This enabled the examining of relationships amongst the participants through focusing on the respondents' descriptions, accounts, opinions and feelings. As this information was expressed in words rather than statistical data, a thematic analysis was employed as the most relevant way of analysing the interview data. Gray (2004, p.327) outlines the basis for this analysis as a "process that involves the breaking down of data into smaller units as to reveal their characteristic elements and structure". Please refer back to section 5.8.4.1 where the procedures for collecting and analysing interview data are outlined in more detail.

### **5.8.5.1 Validation of Survey Findings and Recommendations**

The final phases of analysis involved the analysis of data collected for the purpose of validating the survey findings and proposed recommendations which had been developed based on the findings. This included qualitative data collected through the use of consultations with 10 of the 93 retailers who completed the survey questionnaires. As outlined in Section 5.8.4.1.3, p.135, although the individual shopping centre managers had also been invited to participate in the consultations as part of the validation of the proposed recommendations, the managers of St. Johns and the Metquarter did not respond to the invitations and the manager of Clayton Square was unavailable. Nevertheless, each consultation was transcribed as accurately as possible and the completed transcripts were then read thoroughly so that the researcher was familiar with the text. Each transcript was then re-read and responses relating to the research findings and recommendations were highlighted to identify main themes and topics. This procedure meant that any comments, opinions or suggestions that participants may have had could be included or adapted within the final set of recommendations as deemed necessary (see Chapter 9, Section 9.3).

### **5.8.6 Validity, Reliability and Ethics**

Before the survey questionnaire was fully distributed, it was amended several times both in terms of its design and content. Consultation with two local retailers in regard to the phrasing of certain questions clarified that they could be clearly understood to ensure that reliable responses were obtained. Furthermore, once the data had been obtained and inputted into SPSS for analysis, it was consequently screened to check for any errors. The analysis of the Goad maps was completed on three separate occasions and although this was a painstaking procedure, given that the data set was not provided alongside the maps, it was deemed necessary in order to ensure accuracy in data entry. In regard to the semi-structured interviews with the centre managers, the coding of the interview transcripts was done on more than one occasion and in a consistent manner. The initial coding was then verified by another person to ensure reliability. Regarding ethical issues, approval was obtained from the University before any of the data collection began which included the pilot survey. Each of the participants was given information sheets in regard to the study and given assurances regarding confidentiality. Each of the centre managers gave consent to the name of their centres being referred to throughout the research. Before any of the semi-structured interviews were recorded consent was sought from each of the participants (See Appendix 3, p.279 for participant information sheet).

## **5.9 Summary**

This chapter has provided an insight into the methodological approaches that have been considered for this study as well as an outline and justification of which methods were chosen as the most appropriate, so as to address the research objectives successfully. Both concepts of research and research paradigms have been examined with particular emphasis on philosophies that direct the nature of research. Strategies of enquiry have also been explored with a focus on sampling techniques and methods of data collection. Methods of data analysis were then discussed with an explanation of tools used to analyse data. The importance of reliability and validity of the study have also been considered. Finally the chapter outlined the specific methodology adopted for the study as well as offering justifications for the chosen methods.

## **Chapter 6: Quantitative Data Results and Analysis**

One of the four research objectives which was set out in Chapter 1 was to assess the level of sales experienced by retailers in in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008. This chapter presents and discusses the results from the questionnaire surveys conducted amongst retailers in Liverpool City Centre. This chapter begins by outlining the characteristics of the retailer participants as well as any in-store changes that had occurred since the opening of Liverpool One in 2008. Changes in the level of sales for the participating retailers will then be analysed followed by an examination of the principal reasons for these variations in sales. Finally, the comments or opinions that participating retailers made in regard to the effects of Liverpool One on their store, as well as retailing in Liverpool City Centre, shall be analysed. The chapter will then be summarised.

### **6.1 Characteristics of Retailer Participants**

With regards to the type of business, Figure 4, p.157 shows the highest number of respondents were from retailers selling comparison or high order goods. These are relatively expensive goods such as clothing or electrical items. The remaining respondents were made up of retailers selling convenience or low order goods. The 'other' shops were retailers selling individual products such as fancy dress and souvenirs.

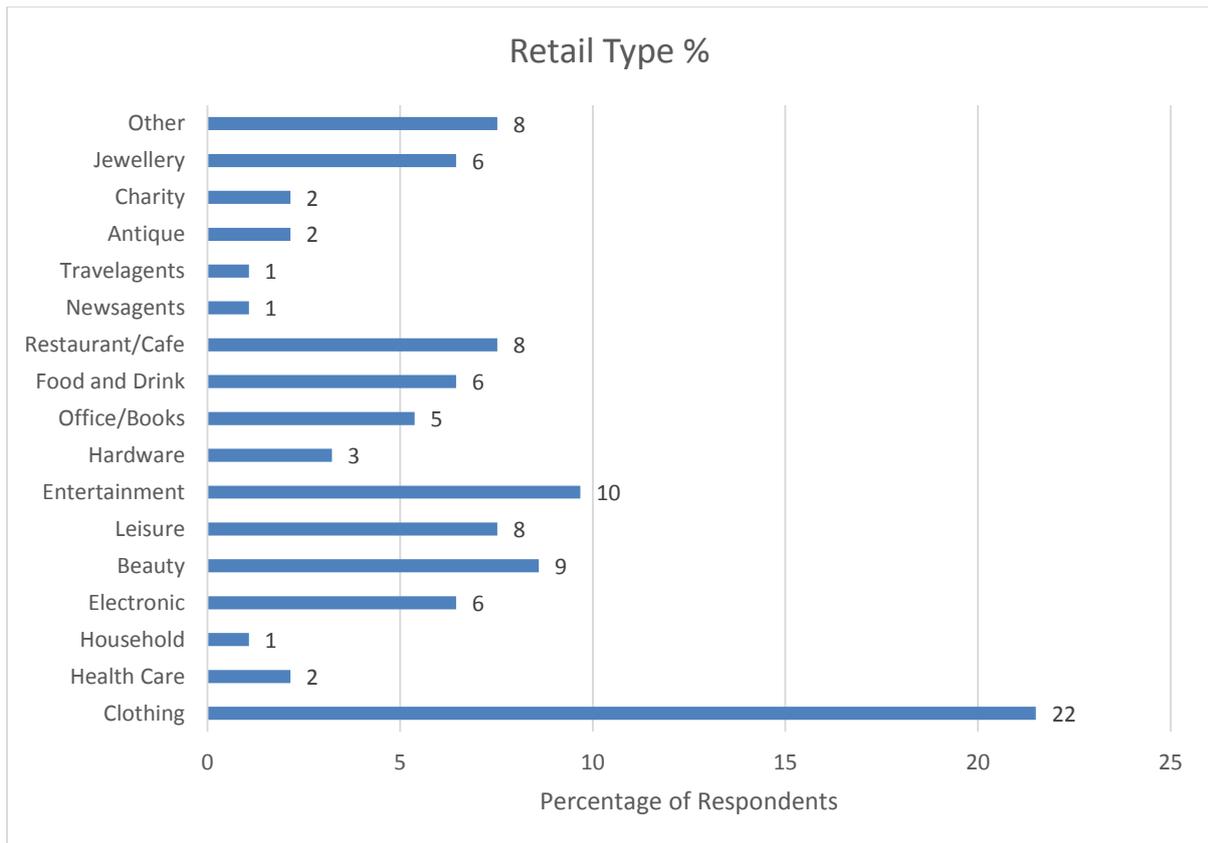


Figure 4: Retail Type

In terms of store type, Figure 5, p.158 illustrates that just under half of the respondents (47%) were from single independently owned businesses, followed closely by large chain stores (44%) and then small chain stores (9%). The high percentage of both independent and large chain stores reflects the mixture of retailing in Liverpool city centre.

There is a significant difference in the number of years that respondents have been trading in Liverpool city centre. Figure 6, p.158 shows that the majority of respondents have been trading for sixteen years or more (44%) whilst the fewest were between eleven and fifteen years at 15%. Just over 40% have been trading for ten years or under.

The average period of time that respondents have been trading was 17 years with a maximum of 70 years and a minimum of 1 year. The standard deviation for trading period was 13.1 years indicating considerable variability. The distribution also appears to be positively skewed which has been caused by some of the respondents businesses trading for fifty years or more.

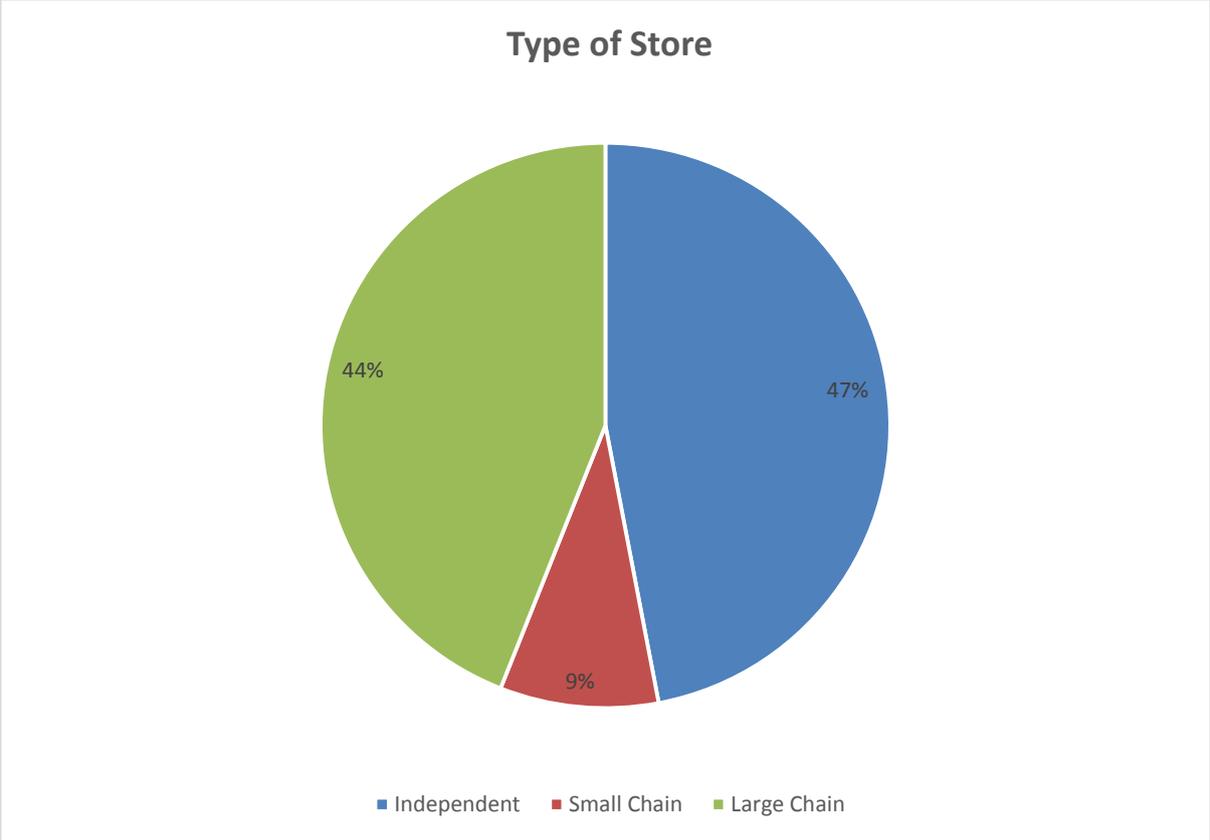


Figure 5: Type of Store

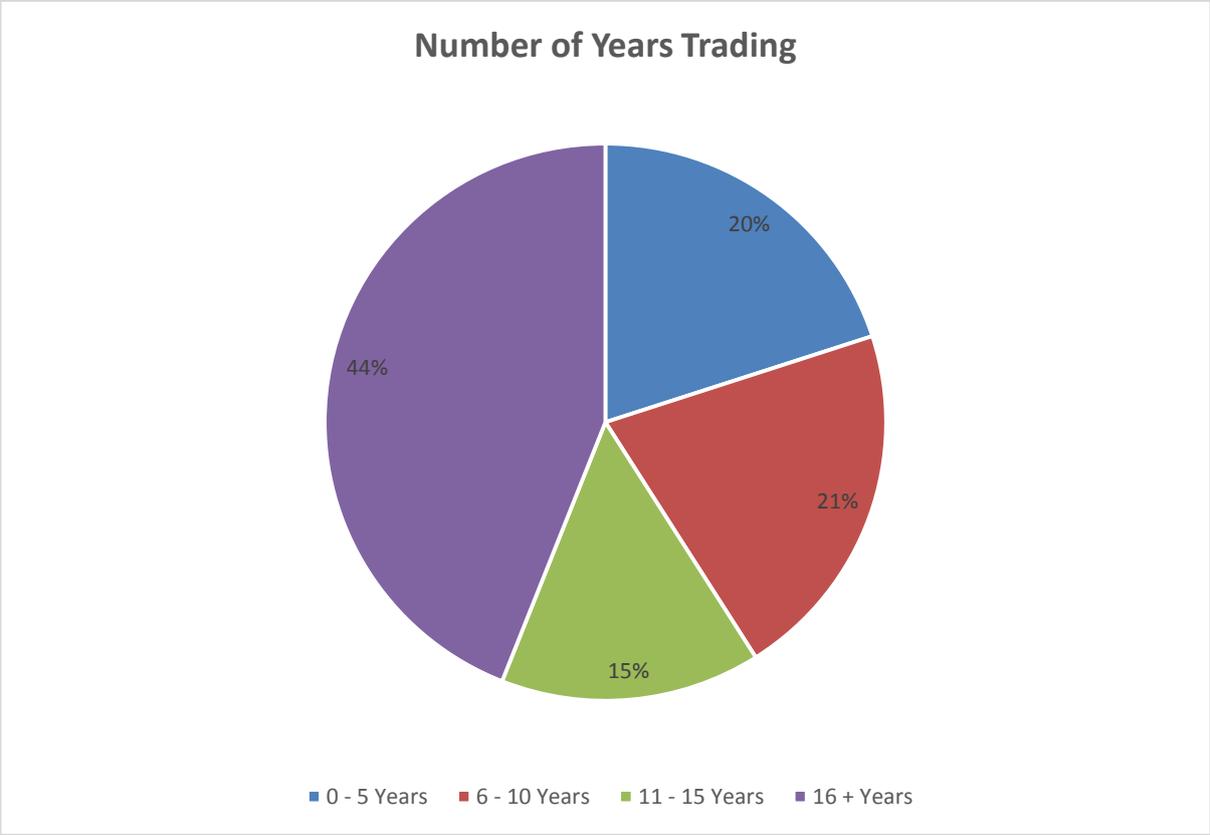


Figure 6: Number of Years Trading

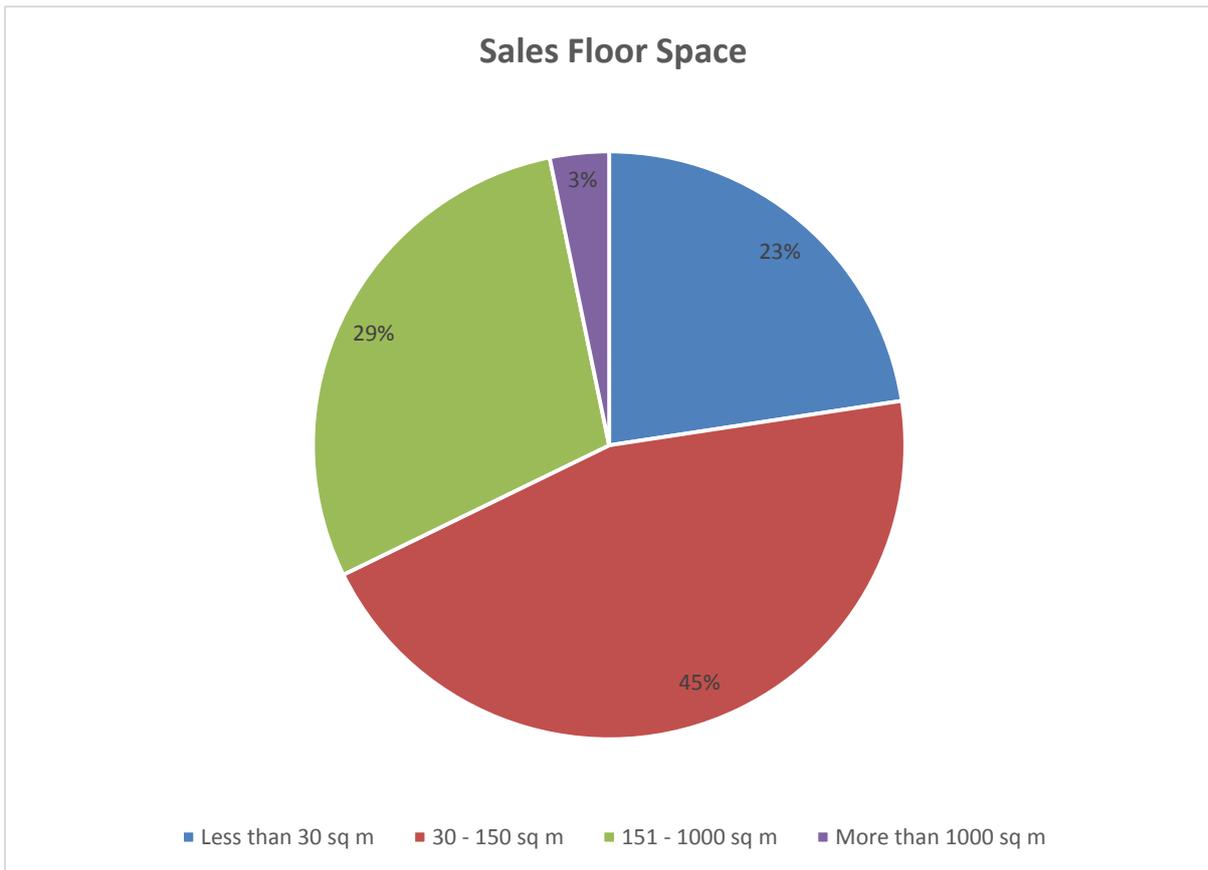


Figure 7: Sales Floor Space

In regard to the floor space of participant retailers, Figure 7 illustrates that just under half (45%) of the respondents have 150 square metres or less of sales floor space whilst 23% have less than 30 square metres. According to a local retail agent, a retail unit of any less than 30 square meters would be classed as a small kiosk/shop whilst units between 30 and 150 square metres would be considered a standard shop unit and therefore the average size. This description of an average size retail unit was therefore seen in just under half of the respondents having a ‘standard’ size unit. However, well over a quarter (29%) of the respondents had larger units between 151 and 1,000 square meters while 3% had floor space over 1,000 square metres which would be classed as a large retail unit. The fact that there were respondents with units over 1,000 square metres reflects both the size and status of the retail offering available in Liverpool city centre.

The average amount of sales floor space from the respondents of the survey was 171.4 square metres. The largest of the floor spaces was 1,114 square meters with the smallest

being 10 square metres. The standard deviation was 240.6 which once again indicated considerable variability and the floor space appears to be a positively skewed distribution.

## **6.2 In-Store Change**

Results from the retailer survey indicated that well over three quarters of the respondents (82%) said there was no change in the amount of sales floor space in their store since Liverpool One opened in 2008. This reluctance to make any changes over the past five years may have been associated with existing retailers going through a period of indecision and uncertainty as to whether the opening of Liverpool One would affect their stores in any way. The investment associated with making changes to the sales floor space, either by increasing or decreasing it, may not have been perceived as a worthy venture at such an uncertain time. This may also help to explain why only a small proportion of retailers noted any change in the amount of sales floor space in the retailer survey. Of those that did experience any changes, 12% indicated an increase whilst 6% noted a decrease.

Of the 12% of retailers that noted an increase, three of the retailers were large multinationals selling specialist products which included health supplements, mountaineering apparatus and home audio equipment respectively. These are specialist products that are not currently available in Liverpool One. The remaining nine retailers were independent stores that sold bespoke items also not available in Liverpool One. These included stores selling fancy dress, bespoke jewellery, vinyl records and alternative fashion clothing. Furthermore, one of these independent retailers also sold exclusive designer clothing and their main aim was to sell clothing that was not available elsewhere in Liverpool and in some cases even the UK. These stores can all be described as 'destination retailers' where customers are drawn to them because of the specialist products that they sell. They therefore don't have to rely as heavily on passing trade and footfall. It is also important to add that these retailers must not have seen Liverpool One as a threat and were confident that with the goods that they were selling, they would not be affected by the new development.

Of the 6% that noted a decrease in floor space, two of the stores are fashion retailers and two stores sell food and drink. These four retailers are in direct competition with many of the stores in Liverpool One and rely heavily on passing trade. The final two stores who noted a decrease were an antique shop and an audio equipment retailer. Although they are not in

direct competition with Liverpool One, both rely heavily on passing trade and are located a considerable distance away from the new development in what can be described as the 'other' or 'secondary retail' areas. Both owners of the stores commented that the reduction in sales floor space had been taken to reduce stock levels as a consequence of products that were not selling.

In regard to other in-store changes, just under two thirds (65%) of retailers said there had been no refurbishments or layout changes in their stores since the opening of Liverpool One in 2008. Out of the remaining 35% who had experienced changes, sixteen of these retailers were the ones who had seen an increase or decrease in sales floor space in their store. This would seem logical for refurbishments or layout changes to follow a change in the amount of floor space. There were also two further retailers who on the survey noted that their sales floor space increased however then ticked that no refurbishments or layout changes had taken place in their store. The retailers in question may have therefore added to their sales floor space by opening up a previously vacant area of their shop or they may have simply failed to answer the question. Retailers were also given the opportunity to provide details regarding the refurbishment of their stores or any layout changes. The majority of comments mentioned cosmetic work to their stores such as new carpets, walls being painted, new rails or shelving being added and new lighting being installed. Others commented that it was their company policy to rearrange the floor space and refurbish their store every three years. However, there was no clear indication that any of these changes to their stores had been encouraged by the development of Liverpool One or to compete alongside it.

Respondents were also asked as to whether their store had undergone a change in store manager since the opening of Liverpool One in 2008 to which 40% said that there had been. It may be argued that this fairly high turnover of managers could be linked to the performance of their stores through increased competition from Liverpool One. However it may also be down to companies restructuring their management, possibly rotating managers throughout regional stores or management staff simply leaving for opportunities elsewhere. Whether the opening of Liverpool One had any effect on management turnover is therefore difficult to measure, especially when the information that would need to be requested from retailers would most likely be confidential.

Finally, retailers were asked if there had been any other in-store changes that had taken place in their stores since the opening of Liverpool One in 2008. Eighteen retailers suggested a common theme in regard to changes to the levels of stock, both in terms of increases and decreases. Of these eighteen retailers, thirteen also suggested that as a consequence of Liverpool One, not only had the levels of stock increased/decreased, but the range of products that retailers were selling had also changed.

For example, the three large multinational retailers who all noted an increase in their floor space all noted that their stock levels had increased. Although the increases in floor space may automatically suggest increases in stock levels, the three retailers in question all sold niche products not available in Liverpool One. Each of these retailers suggested that as a consequence of the new development, not only had the range of products that they sold changed, but the quality of their products had also increased. This had then resulted in an increase to the prices that they were able to charge for their niche products and subsequently, higher sales. Although the retailers in question were not in direct competition with Liverpool One, the close proximity of their stores to the new development, suggests that they were benefiting from the spill over of 'high end' shoppers attracted to Liverpool One. This was also the case for an independent fashion retailer who although in competition with the stores in Liverpool One, had decided to stock more exclusive and subsequently more expensive clothes. Although the store manager commented that they had conceded customers to Liverpool One, they had also benefited from the spill-over of the high end shoppers by changing their product range. Another retailer also within close proximity noted that the competition from Liverpool One had meant them retraining their staff, shifting their sales targets and changing the products that they were offering, all of which had benefited the store through an increase in sales.

However, it is also important to add that other stores had decreased their levels of stock and had noted that this had been a consequence of Liverpool One. The stores in question were predominantly the retailers that had decreased their floor space, so lowering their levels of stock was not a surprise. However, two further independent fashion retailers who are in direct competition with the new development noted that they had reduced their stock levels because of the similarity of their products also being sold in Liverpool One and as a consequence, had experienced poor sales. Like the previous retailer who had decided to sell more high end and exclusive products, they too had decided to follow this strategy,

however because of their location in a secondary retail area, they had not benefited from the overflow of high end Liverpool One customers.

Additionally, one retailer commented that a further in-store change was that they had to employ inexperienced voluntary staff in 2010. This decision was taken due to a fall in level of sales and subsequently meant that they could not afford to offer competitive salaries. This retailer associated the fall in sales with competition from Liverpool One and because of its location in a secondary retail area, had suffered from the reduction in footfall. The retailer in question has subsequently closed down.

The opinions expressed by the retailer participants in relation to both increases and decreases in stock levels, as well as product range, seem to indicate that the location of existing retailers, in regards to their proximity to Liverpool One, had a positive influence on their sales, which may have been attributed to the spill-over of shoppers attracted to the new centre. Retailers located within secondary areas who were in direct competition with Liverpool One had not felt the same benefits and had associated this with the reduction in footfall, because of the opening of the new centre. Similar results were also found in the Eldon Square study with Bennison and Davies (1980, p.39) noting “the most visible and lasting effects of the new scheme were that in some cases retailers exhibited new signs of growth by virtue of their close proximity to the scheme and in others, a steady decline induced by their increased distance from the new centre”. Comparable results exhibited from the Oracle Centre study also noted that “it is possible that retailers more distantly located from the Oracle have not benefited in the same way as those located near to the new centre” (Oughton *et al.*, 2003, p.81). This brings into question the concept of ‘historical accident factor’ (Harvey, 1989) which is linked closely to the retail-led regeneration model, which suggests that the location or positioning of a new shopping centre will spill over into other retailers over time (see Chapter 4, Section 4.2). The results suggest that this is not always the case, especially when considering the retailer in the secondary retail area who suffered as a result of reduced footfall and subsequently closed down.

### **6.3 Level of Sales**

One of the objectives of the survey was to analyse the change in the level of sales for each of the five years following the opening of Liverpool One in 2008. Although all ninety three

retailers answered this question, on inputting the survey data into SPSS, it was found that there was some missing data (coded as 99) for four out of the five years, as seen in Table 6:

Table 6: Responses to level of sales 2009-2013

	Sales 2009	Sales 2010	Sales 2011	Sales 2012	Sales 2013
<b>Valid</b>	79	83	88	90	93
<b>Missing</b>	14	10	5	3	0

Explanations for the missing data may perhaps be attributed to certain retailers not having the sales data for that specific year or that simply the participant overlooked a certain year by error. However, as is shown in the table, the missing data clearly decreases as the years go by, suggesting that the later the year, the harder it was for the retailer to find that specific data, hence why some of the later years may have been left blank.

Figure 8, p.165 illustrates that for each of the five years beginning with 2009, around two thirds of the respondents (65%, 65%, 61%, 61% and 58% respectively) experienced a decrease in their level of sales. As outlined in the Oracle Centre study by Oughton *et al.*, (2003) those respondents who indicated that they had experienced 'No Change' would have actually experienced a small decrease in the volume of sales when the effects of inflation are taken into account. This would also apply to this survey as retailers were requested to base their responses upon actual sales receipts. Therefore, for each of the five years beginning with 2009, around three quarters of respondents (79%, 77%, 69%, 73% and 68%) experienced a decrease in their real level sales. On the other hand, for each of the five years beginning with 2009, well over a quarter experienced some increase in nominal sales (21%, 24%, 30%, 27% and 34%). Once again as was highlighted in a similar study on the Oracle Centre in Reading, it is possible that respondents who recorded an increase of less than 5% for each of the years may have actually experienced no change or a small decrease in the volume of sales when the effects of inflation are considered (Oughton *et al.*, 2003).

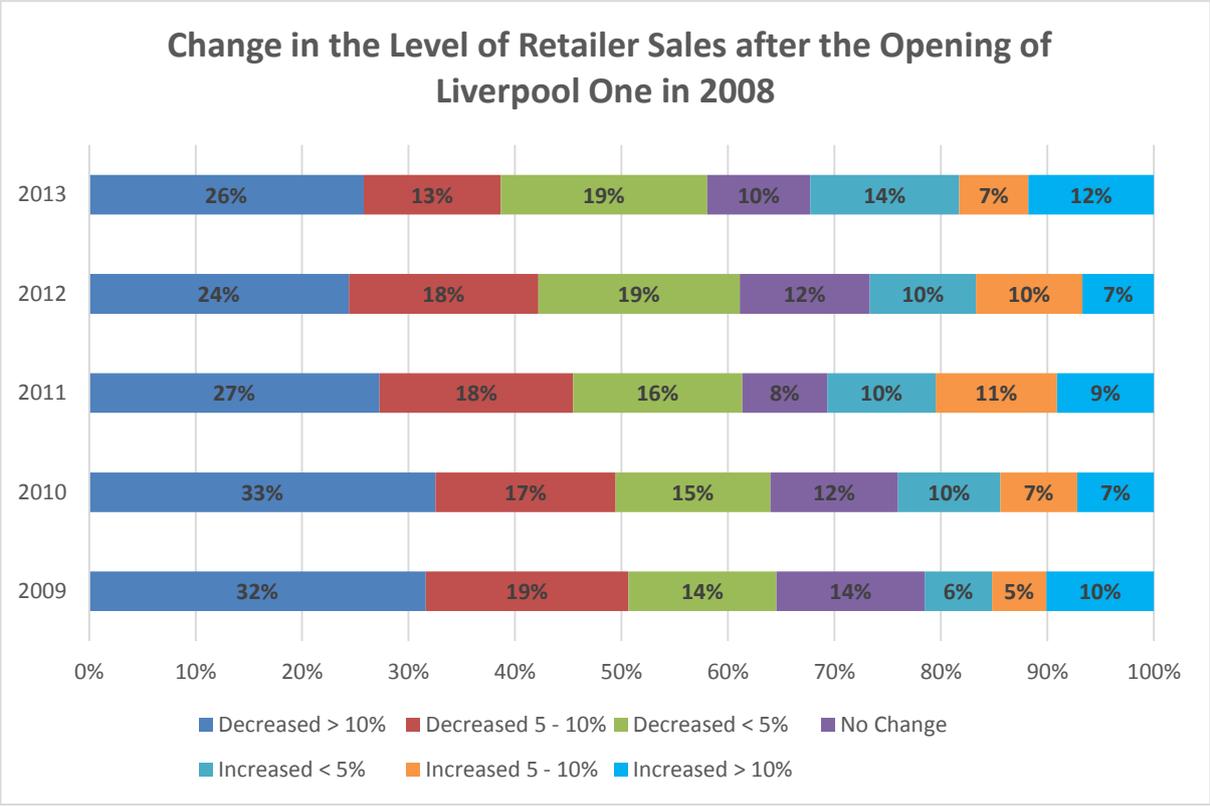


Figure 8: Change in the Level of Retailer Sales Following the Opening of Liverpool One in 2008

Based on Liverpool One opening in 2008, respondents noted an overall decrease in their sales from 2009 to 2013 and the highest number of responses were from retailers who noted a decrease of more than 10% throughout the subsequent years. Although the number of respondents who noted a downturn in their sales (by more than 10%, between 5 and 10% or less than 5% respectively) reduces over the subsequent years, this reduction is only minimal. However, the number of respondents who noted an increase to their sales does rise over the subsequent years and the number of respondents noting an increase above 10% consistently has the highest number of responses from 2010 (except in 2011 where the response rate for between 5% and 10% was only 1% higher). Nevertheless, when compared to the responses from retailers who had noted decreases in sales, the margin is clearly evident. Therefore, although some respondents experienced an increase in sales from 2009 (which consequently increased over the subsequent years), the majority of respondents noted reductions in their sales, particularly in regard to decreases over 10%.

However, in order to provide a more robust analysis to this trend, a Friedman test was undertaken to determine if there was any statistically significant differences in the level of retailer sales between 2009 and 2013. As outlined in Chapter 5 a Friedman test was

deemed the most appropriate statistical test for this data as it is used when taking the same sample of participants (or cases) and measuring them at three or more points in time or under three different conditions (Pallant, 2013). In this case, the same sample of participants was the retailers and measuring them at three or more points in time was through the responses they had given in regard to their changes in sales each year between 2009 and 2013. The practical issues being tested through the Friedman test would therefore show whether the level of retailer sales did significantly change between the five years following the opening of Liverpool One in 2008. The output from the Friedman test is displayed in Table 7, p.167 and the results show that there were no significant differences in the level of retailer sales between 2009 and 2013 following the opening of Liverpool One in 2008. This is indicated by a Sig. level of .599 suggesting that level of retailer sales did not dramatically differ between 2009 and 2013. If the significance level had been less than .05 it could have been concluded that there was a significant difference between the years. Although the Friedman test presented no significant difference between the years, the mean ranks per year were also produced (2.95, 2.92, 2.94, 3.00 and 3.19 respectively). With a scale of 1.00 to 7.00 (1.00 being 'Decreased > 10%' and 7.00 being 'Increased > 10%') the average response from survey participants following the opening of Liverpool One in 2008 was that from 2009 to 2011, there was a decrease in sales of below 5% and then in 2012 and 2013 the survey participants felt that there had been no change to their sales. I.e. the survey participants felt that their sales decreased in the first three years following the opening of Liverpool One in 2008 and then the sales levels recovered as they felt no change to their sales thereafter. Figure 9, p.167 demonstrates this trend.

The results from the Friedman test were particularly interesting, especially when the trends are compared to the results of the Eldon Square study in Newcastle. Bennison and Davies (1980) noted the effects of Eldon Square on existing retailers' sales levels can be distinguished between a series of short terms effects in the immediate years following the centre's opening which then declined over the long term, which in their study was three years. The results from the retailer survey in terms of change in level of retailer sales also suggests the same trend, that survey participants felt that their sales decreased in the first three years following the opening of Liverpool One in 2008 and then the sales levels began to recover thereafter. This was a particularly significant finding given that only three studies have been conducted on the impact of new inner-city shopping centre developments and the results therefore suggest a common theme that the effects on existing retailer sales were most prominent in the immediate years following a new centre's development but then showed signs of recovery.

Table 7: Friedman Test on the Change in Level of Retailer Sales

Descriptive Statistics				
	N	Percentiles		
		25th	50th (Median)	75th
Sales 2009	79	1.0000	2.0000	4.0000
Sales 2010	79	1.0000	2.0000	4.0000
Sales 2011	79	1.0000	2.0000	5.0000
Sales 2012	79	1.0000	3.0000	4.0000
Sales 2013	79	1.0000	3.0000	5.0000

Ranks	
	Mean Rank
Sales 2009	2.95
Sales 2010	2.92
Sales 2011	2.94
Sales 2012	3.00
Sales 2013	3.19

Test Statistics <sup>a</sup>	
N	79
Chi-Square	2.759
df	4
Asymp. Sig.	.599

a. Friedman Test

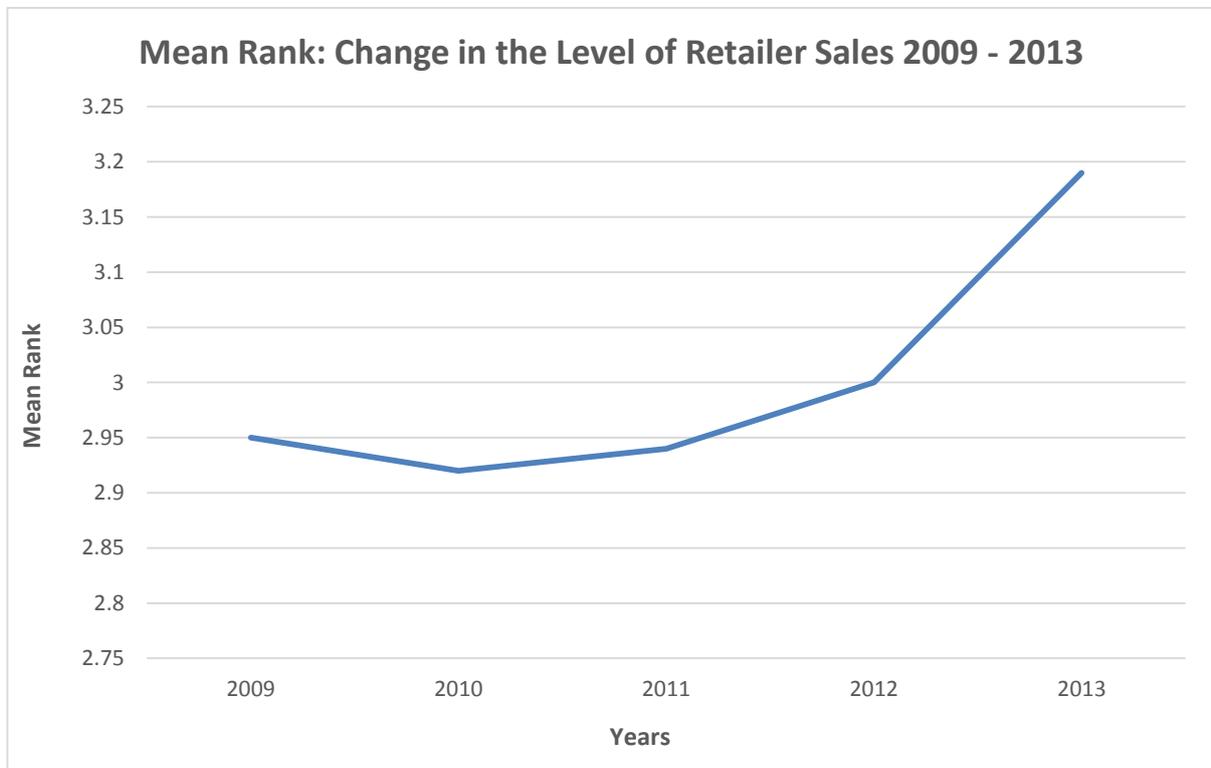


Figure 9: Mean Rank: Change in the Level of Retailer Sales 2009-2013

From the survey findings presented in Figure 8, p.165, it is clear that the trading performances of the majority of survey respondents following the opening of Liverpool One have reduced. However, it is also important to consider that although the survey respondents indicated decreases to their sales from 2009, the lack of previous sales data (pre 2008) makes comparison difficult, especially when trying to attribute a specific reason or cause for this reduction. It is also possible that over the same time period, retailers in other UK town centres where no new inner city shopping centre has been developed, may also have experienced similar decreases. It is therefore naive to simply assume that the opening of Liverpool One in 2008 was the reason for the consecutive decreases in sales of the survey respondents without some sort of comparison.

So as to establish whether the decreases in sales experienced by the survey respondents may in some way be attributed to the opening of Liverpool One, the changes in the level of sales experienced by the respondents were compared to the changes in the level of national retail sales for each of the five consecutive years following 2008. The Office for National Statistics (ONS) retail sales index was used to make this comparison, in particular, the 'Predominantly Non-Food Stores' sales index. The index that was used was not seasonally adjusted and the value, rather than volume of retail sales, was used for this comparison. The reason for this is that the value of retail sales is a measure of retail trade at current prices so includes an element of retail sales inflation. The decision to use the 'Predominantly Non-Food Stores' sales index was also based on the high volume of fashion retailers that responded to the survey. The reason why the 'All Retailers' sales index was not used as a comparison was because this included supermarkets, non-store retailing and fuel stores, all of which were not part of the sample of retailers based in Liverpool city centre. Preferably, a comparison should have been made with the retail sales in the whole of the North West of England rather than national sales, as regional trends can be different when compared to the whole of the UK, however, regional retail statistics were not readily available. Furthermore, the ONS publishes its retail sales index on a month by month basis with the comparison being made between the month in question and the same month in the previous year. It was therefore difficult to find data on the ONS website which gave a complete overview of retail sales for a whole year. It was therefore decided to compare the annual data from the ONS from October 2009 as Liverpool One was officially opened in October 2008.

For each of the five years beginning in October 2009, the value of national retail sales for 'predominantly non-food stores' increased by 4.2%, 5.0%, 2.6%, 2.3% and 0.7% respectively. When these national increases are compared with the results of the survey, this annual growth is very different to the value of retail sales experienced by the survey respondents. As mentioned previously, around two thirds of respondents experienced a decrease in their sales receipts following the opening of Liverpool One in 2008. For four out of the five years, the national increases were below 5%. In comparison, for each of the five years beginning with 2009, only a small proportion of respondents (6%, 10%, 10%, 10%, and 14%) note an increase of less than 5% in the value of their sales. In 2010, the national increase was exactly 5%. In comparison, only 7% of respondents noted an increase of between 5% and 10% in their sales receipts. If it is assumed that the retail sales trends in the North West of England are similar to those of the national retail trends from 2009 to 2013, it may be possible to suggest that the opening of Liverpool One did have some effect on the retail sales of the survey respondents. It may also suggest why the changes in actual sales receipts of the respondents were so different to those of the national changes and why the majority of survey respondents noted decreases in the value of their sales.

For each of the five years beginning in 2009, well over a quarter of respondents (32%, 33%, 27%, 24% and 26%) experienced a considerable decrease of more than 10% in their actual sales receipts. A smaller number of respondents noted either a moderate decrease of 5% - 10%, or a slight decrease of less than 5%, however the percentages for both moderate and slight decreases are quite similar. Nevertheless, the high volume of respondents noting a considerable decrease in their actual sales receipts suggests that a large proportion of retailers have arguably been affected by the opening of Liverpool One, some even severely. In contrast, for each of the five years beginning in 2009, around a tenth of respondents (10%, 7%, 9%, 7% and 12%) experienced a considerable increase of more than 10% in their actual sales receipts. A similar number of respondents also noted an increase of between 5% - 10% and less than 5% in the value of their sales. It may therefore be argued that because such a similar number of respondents found their sales increasing either below 5%, between 5% and 10% or above 10%, these survey respondents have not equally benefited from the opening of Liverpool One and therefore only for a few was it particularly profitable, i.e., sales increasing by more than 10%.

Finally, for each of the five years beginning in 2009, a similar number of survey respondents experienced a decrease in their level of sales (65%, 65%, 61%, 61% and 58%). However, of

these respondents noting a decrease, the highest proportions (65%) who experienced a substantial decrease of more than 10% were in 2009 and 2010. It may therefore be argued that sales were most adversely affected for the survey respondents in the first two years following the opening of Liverpool One in 2008.

### **6.3.1 Type of Retailer (Independent, Small Chain or Large Chain)**

Figure 8, p.165 illustrated the level of sales change experienced by survey respondents since the opening of Liverpool One in 2008. As mentioned previously, although some respondents experienced an increase in sales from 2009 (which consequently increased over the subsequent years), the majority of respondents noted significant reductions to their sales, particularly in regard to decreases over 10%. In the survey, respondents were also asked whether their store was a single independently owned shop, part of a small chain (with less than 10 stores) or part of a large chain (with more than 10 stores). As established in Figure 5, p.158, 44% of survey participants were from independent stores, 9% from small chain stores and 47% from large chain stores. Table 8, p.172 shows the number of retailers from the three different types of stores who experienced either decreases, no change or increases to their sales over the period of 2009 to 2013.

From 2009 to 2013, an average of around 65% of the independent retailers noted decreases to their sales. The number of independent retailers who note a decrease to their sales is consecutive year on year however does go up slightly in both 2012 and 2013. When compared to the retailers who note an increase, on average around 25%, it is clear that there is quite a significant divide. The remaining 10% of independent retailers note no change to their sales. Equally, study participants from the large chain stores noted similar decreases, with an average of around 55% noting reductions in sales and 30% noting increases. The remaining 15% of retailers noted no change. The study participants who were the least represented in the study were the retailers who classed themselves as small chain stores. Sixty percent of these retailers noted decreases in sales. There were also no increases to sales in the first three years following the opening of Liverpool One. Furthermore, there were no changes in sales for smaller retailers in either 2010, 2011 or 2012 respectively.

Although Table 8, p.172 shows the number of retailers from the three different types of stores who experienced either decreases, no change or increases to their sales over the period of 2009 to 2013, as per one of the four research objectives which was set out in Chapter One, the objective was to assess the 'level of sales' experienced by retailers in in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.

Figures 10, p.172 shows the level of sales change experienced by the independent, small chain and large chain retailers who participated in the study between 2009 and 2013. Beginning with the independent stores, the prevalent theme that becomes apparent in terms of sales decreases is that the most frequently selected level of decrease was more than 10% for each of the consecutive years (apart from 2012 where a decrease of less than 5% was very slightly higher). The most frequently selected level of sales decrease of more than 10% was in 2010 followed by the second highest in 2009 and 2013, meaning that the study participants noted the highest decreases in sales in the first three years following the opening of Liverpool One. Retailers who selected decreases in sales of below 5% was the second highest with a particular peak in 2012. The least selected level of sales decrease was between 5% and 10% and was very similar over the five years. Few independent retailers noted increases to their sales in the first two years following the opening of Liverpool One although the number of retailers who noted increases in sales does rise slightly over the five years.

Table 8: Type and Number of Retailers Experiencing a Decrease, No Change or Increase in Sales from 2009-2013

	2009			2010			2011			2012			2013		
	Decrease	No Change	Increase												
Independent	25	3	9	25	4	10	25	3	13	28	4	9	27	6	11
Small Chain	5	2	0	7	0	10	7	0	0	6	0	2	4	1	3
Large Chain	21	6	8	21	6	10	22	4	14	21	7	13	23	2	16

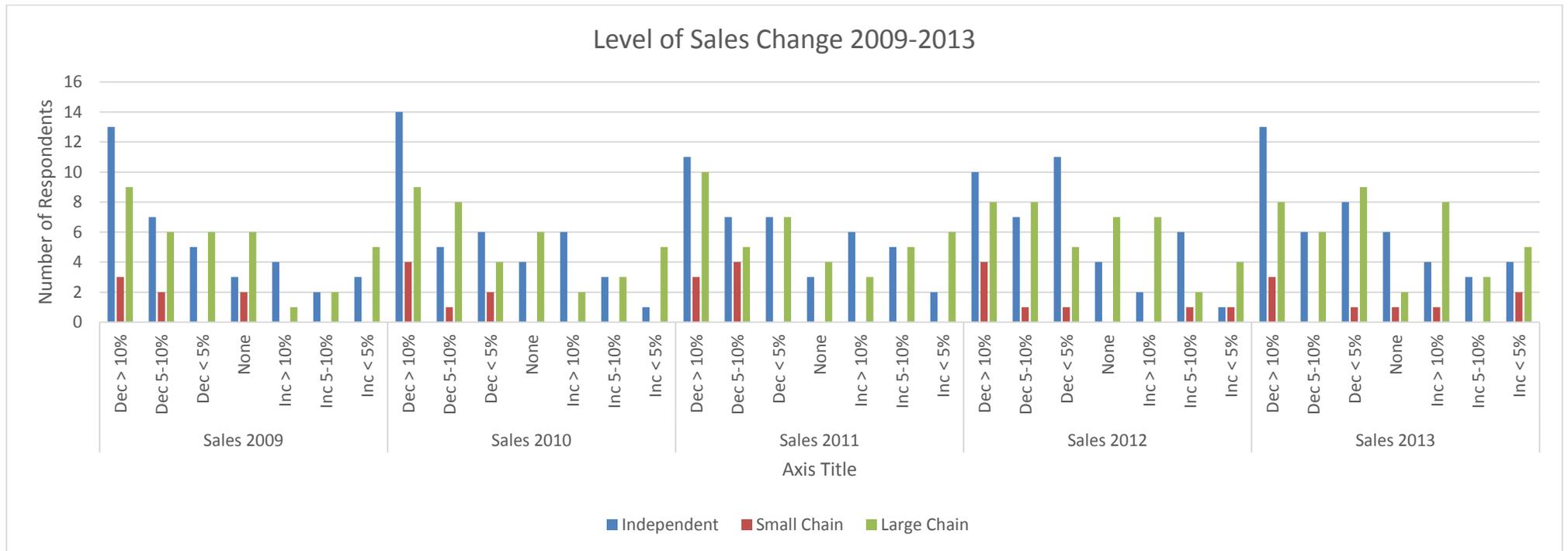


Figure 10: Level of Sales Change 2009-2013

In regard to the level of sales change experienced by study participants from large chain retailers, the most frequently selected level of decrease was again more than 10% with the most selections for this level being made in 2011 followed by 2009 and 2010 respectively. As was the case with independent stores, study participants from the large chain retailers also noted the highest decreases in sales in the first three years following the opening of Liverpool One. The number of selections for decreases in sales between 5% and 10% and then below 5% were very similar with a peak in the selection of decreases of under 5% in 2013. Large chain retailers did note some increases to sales however the majority were below 5% although in 2012 and 2013 there was a rise in retailers who saw increases in sales over 10%. There was also a steady frequency of large chain retailers who noted no change to their sales levels.

The small chain stores who were the least represented of the study participants most frequently selected a decrease of more than 10% for their change in the level of sales with no small chain retailers indicating increases to sales in the first three years following the opening of Liverpool One. There were also no changes to the level of sales for small chain stores in 2010, 2011 and 2013 respectively.

In order to provide a more robust analysis to establish whether there were any statistically significant differences in the level of retailer sales and types of store following the opening of Liverpool One in 2008, a Kruskal-Wallis test was performed on the data. As outlined in Chapter 5 a Kruskal-Wallis test was deemed the most appropriate statistical test for this data as it allows the comparison of scores on some continuous variable for three or more groups (Pallant, 2013). The scores are converted to ranks and the mean rank for each group is compared. In this case, the continuous variable was the years (2009 to 2013) and the three or more groups were the independent, small chain and large chain retailers. The practical issues being tested through the Kruskal-Wallis test would therefore show whether the level of retailer sales did significantly change between the five years and type of store following the opening of Liverpool One in 2008. The output from the Kruskal-Wallis test is displayed in Table 9, p.174 and the results show that there were no statistically significant differences in the level of retailer sales and type of store following the opening of Liverpool One in 2008 as no year had a significance level of .05 or below. Although the Kruskal-Wallis test concluded that there were no significant differences, in 2011 the test gave an output of .059 showing that there was a modest difference between the level of retailer sales and type of store but not significant because of the opening of Liverpool One.

Table 9: Kruskal-Wallis Test on the Change in Level of Retailer Sales and Type of Store

Ranks			
	Shop Information	N	Mean Rank
Sales 2009	Independent	37	38.55
	Small Chain	7	31.29
	Large Chain	35	43.27
	Total	79	
Sales 2010	Independent	39	40.94
	Small Chain	7	26.50
	Large Chain	37	46.05
	Total	83	
Sales 2011	Independent	41	44.24
	Small Chain	7	23.93
	Large Chain	40	48.36
	Total	88	
Sales 2012	Independent	41	43.88
	Small Chain	8	36.38
	Large Chain	41	48.90
	Total	90	
Sales 2013	Independent	44	43.95
	Small Chain	8	48.50
	Large Chain	41	49.98
	Total	93	

Test Statistics <sup>a,b</sup>					
	Sales 2009	Sales 2010	Sales 2011	Sales 2012	Sales 2013
Chi-Square	1.956	4.209	5.649	1.888	1.119
df	2	2	2	2	2
Asymp. Sig.	.376	.122	.059	.389	.571

a. Kruskal Wallis Test

b. Grouping Variable: Shop Information

### 6.3.2 Level of Sales – Location

As mentioned in the previous section, Figure 8, p.165 illustrated the level of sales change experienced by survey respondents since the opening of Liverpool One in 2008. For the purposes of the study, respondents were asked to give the address of their store so the locations of the study participants could be grouped into the seven designated retail areas in Liverpool City Centre. As with 'Type of Retailer' which was examined previously, this information could then be used alongside the level of sales change to observe changes in the level of sales experienced by the study participants in the different city centre locations. The seven designated retail areas were Clayton Square, St. Johns, Metquarter, Cavern Walks, Bold Street, Church St / Lord Street and Other. Table 10, p.177 shows the number of retailers from the designated retail areas who experienced either decreases, no change or increases to their sales over the period of 2009 to 2013. The percentage of respondents from each of the retail areas were as follows: Clayton Square 21%, St. Johns 11%, Cavern Walks 9%, Bold Street, 30%, Church Street / Lord Street 4% and 'Other' 25%. Metquarter was not included in the table as permission was not granted to distribute the survey in the shopping centre.

From 2009 to 2013, an average of around 50% of the retailers from Clayton Square noted decreases to their sales. The number of retailers who noted a decrease also increases year on year. An average of 35% of retailers noted an increase to their sales although this increase does decline gradually until 2013 when it peaks considerably. The remaining 15% of retailers who note no change to their sales decreases consecutively year on year from 2009 to 2013 (apart from 2012 where there is a slight increase). Study participants from St. Johns, Cavern Walks and Church Street / Lord Street were the least represented in the study and all showed varying results. Retailers in St Johns noted consecutive decreases to their sales and there were no increases until 2013. Retailers in Cavern Walks noted a year on year increase in sales peaking in 2013 however some retailers did note decreases. Church Street / Lord Street had the fewest responses from survey participants however the small number of retailers that did participate in the study predominantly noted increases to their sales. Retailers in Bold Street made up the highest percentage of respondents and an average of just under 70% of study participants indicated decreases to their sales. The number of retailers who specified decreases to sales were similar year on year. When compared to the retailers who note an increase, on average just over 20%, it is clear that there is quite a significant divide. However, this trend is interrupted in 2013 when retailers in Bold Street note a significant increase in sales. When compared with the level of

respondents noting increases in 2009, the number of respondents increases seven fold. Retailers who indicated no change on Bold Street were similar over the five years.

Retailers in the 'Other' shopping areas were the second highest respondents to the survey and an average of just over 50% of study participants indicated decreases to their sales. The number of retailers indicating decreases to sales is consecutive year on year although this does increase in both 2012 and 2013. The number of retailers in the 'other' shopping areas who noted an increase in sales gradually increases and there is a significant peak in 2013 with five times more respondents noting increases to their sales than in 2009. Retailers observing no change to their sales was similar over the five years.

Although Table 10, p.177 shows the number of retailers from the seven different locations who experienced either decreases, no change or increases to their sales over the period of 2009 to 2013, once again as per one of the four research objectives which was set out in Chapter One, the objective was to assess the 'level of sales' experienced by retailers in Liverpool's existing inner city shopping centres and other city centre retail areas since the opening of Liverpool One in 2008.

Figures 11 – 15, pp.178-180, show the level of sales change experienced by the retailers in the seven different retail areas in 2009, 2010, 2011, 2012 and 2013. Beginning with Clayton Square, the most frequently selected level of decrease was more than 10% for each of the consecutive years. The most selections for sales decreases of more than 10% were in 2012 and 2013, four and five years after the opening of Liverpool One. The number of selections for decreases in sales of below 5% was the second highest with a peak in 2011. The least selected level of sales decrease was between 5% and 10% and was very similar over the five years apart from in 2010 where the number of selections increased marginally. The level of increases to sales or no change to sales was parallel over the five years with no year showing any significant differences.

Table 10: Number of Retailers in Liverpool City Centre Reporting a Decrease, No Change or Increase in Sales from 2009-2013

	2009			2010			2011			2012			2013		
	Decrease	No Change	Increase												
Clayton Square	8	4	5	10	3	5	12	2	5	11	3	5	12	0	19
St. Johns	8	0	0	8	0	0	7	1	0	7	1	0	5	2	8
Cavern Walks	1	2	1	1	0	3	2	0	3	2	0	3	1	1	5
Bold Street	17	2	3	18	2	3	18	2	4	17	3	4	16	3	24
Church St / Lord St	1	0	1	0	1	1	0	0	2	0	0	2	0	0	2
Other	16	3	7	16	4	8	15	2	13	18	4	13	20	3	35

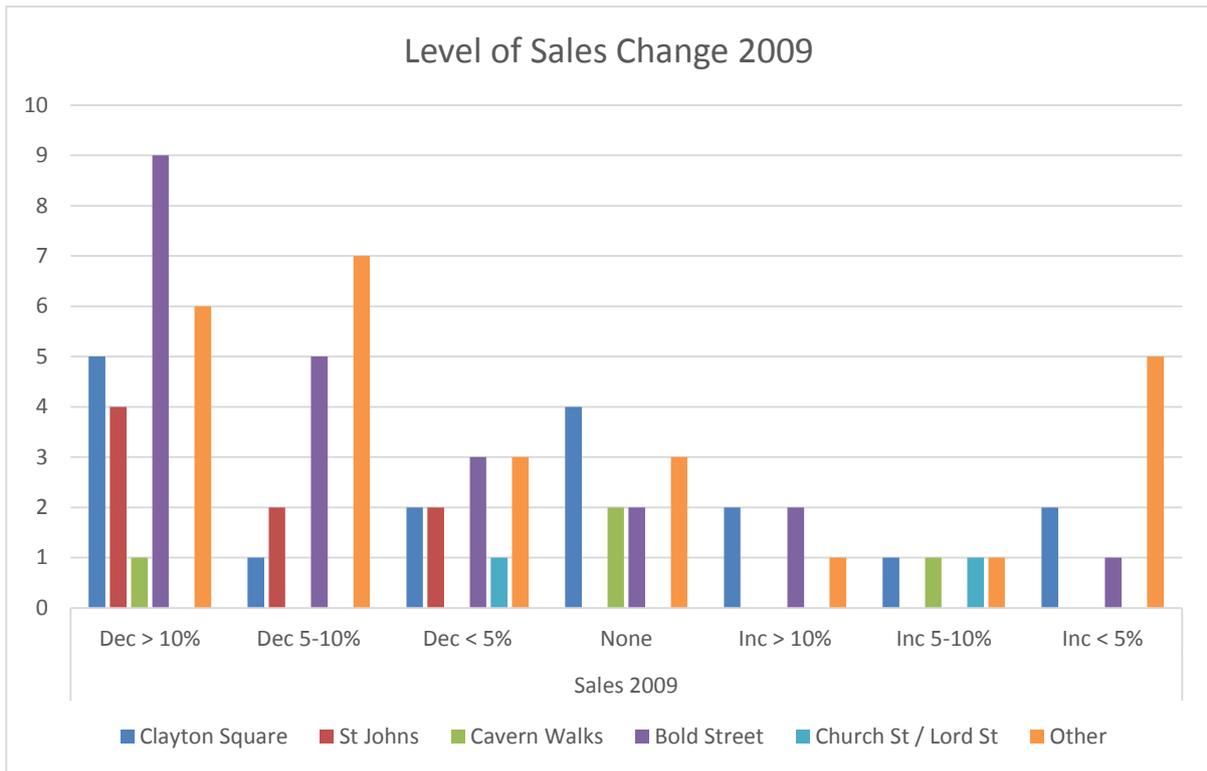


Figure 11: Level of Sales Change 2009

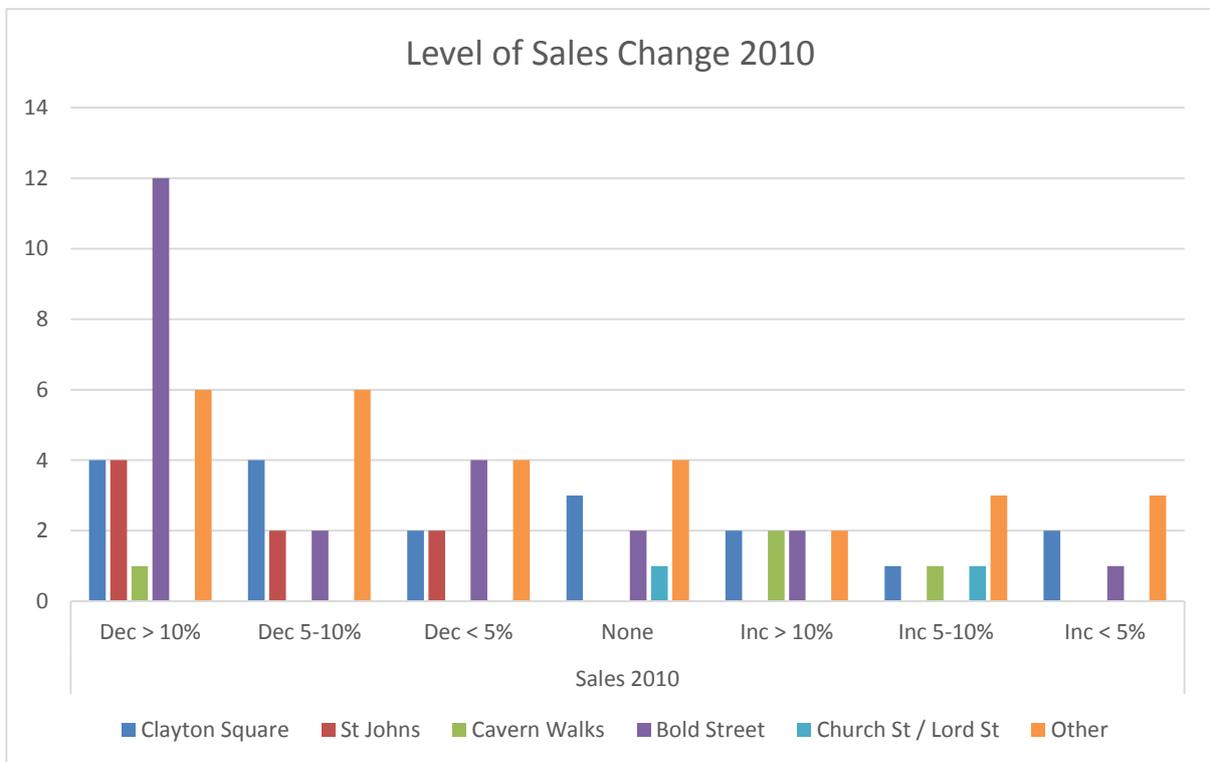


Figure 12: Level of Sales Change 2010

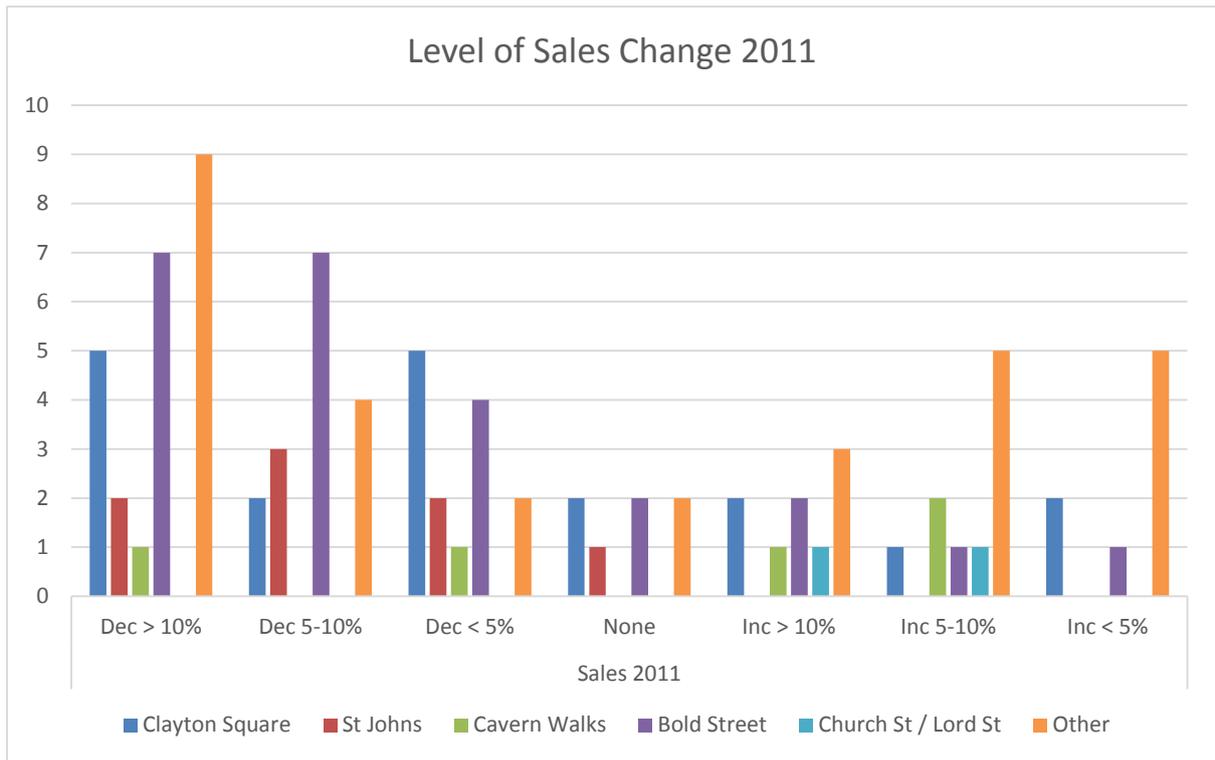


Figure 13: Level of Sales Change 2011

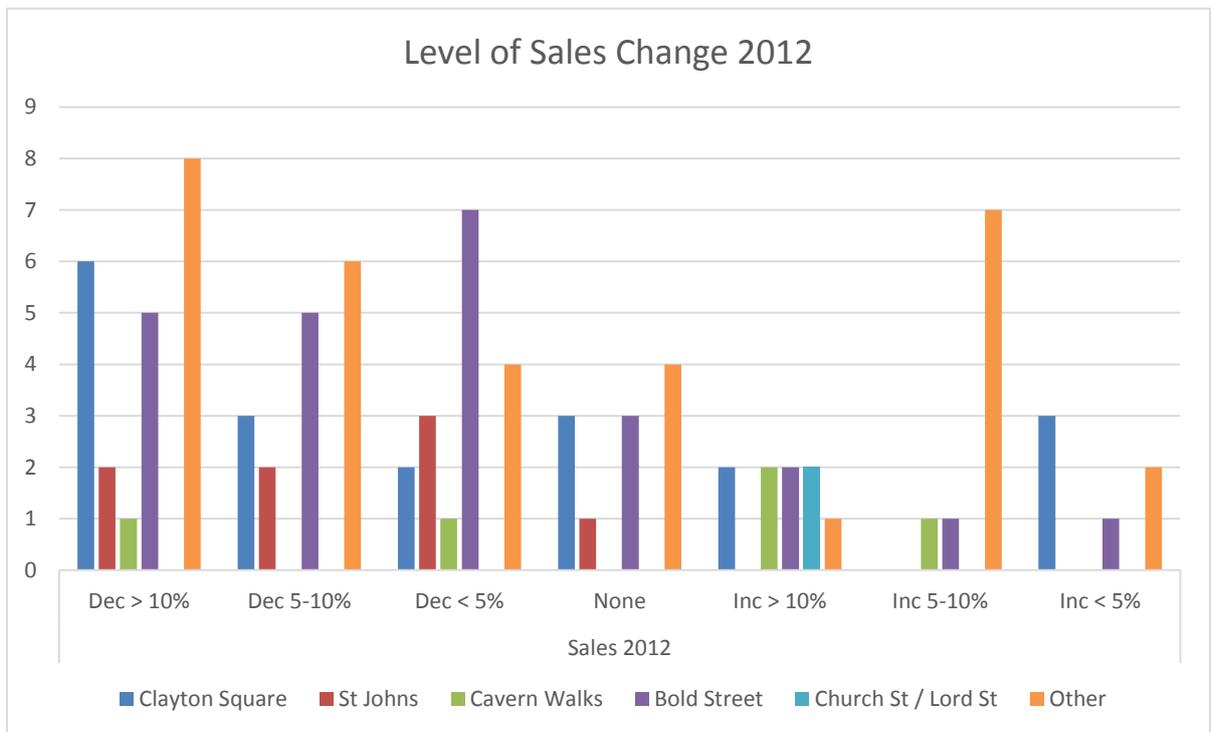


Figure 14: Level of Sales Change 2012

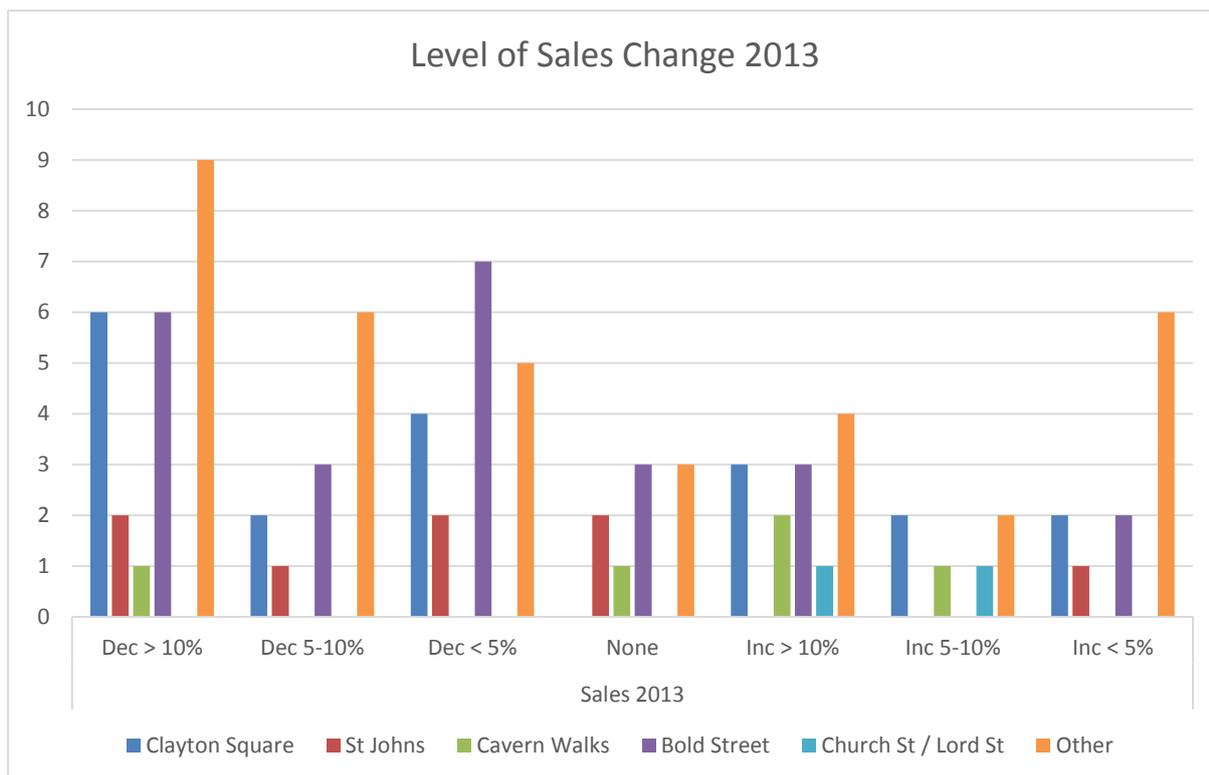


Figure 15: Level of Sales Change 2013

As mentioned previously when analysing the overall level of sales change, retailers in St Johns noted consecutive decreases to their sales and there were no increases until 2013. A decrease of more than 10% was most frequently selected level both in 2009 and 2010 however the remaining years show similar levels of sales change for both sales below 5% and for sales between 5% and 10%. The few retailers that participated in the study from Cavern Walks selected a decrease of more than 10% in each of the five years however this small shopping centre also noted increases to their sales in particular by more than 10% and between 5% and 10% respectively. The 70% of retailers in Bold Street who had indicated decreases to their level of sales showed that the predominant level selected by the study participants was more than 10%. This was followed by a decrease of below 5% which rose in both 2011 and 2012. The level of increases to sales or no change to sales in Bold Street was parallel over the five years with no year showing any significant differences. Church Street / Lord Street had the fewest responses from survey participants however the small number of retailers that did participate in the study predominantly noted increases to their sales of over 10% and between 5% and 10% in 2012 and 2013.

Retailers in the 'Other' shopping areas who indicated decreases to their level of sales showed that the predominant level selected by the study participants was more than 10%. The most selections were for sales decreases of more than 10% were in 2012 and 2013, four and five years after the opening of Liverpool One. The number of selections for decreases in sales of between 5% and 10% was then the second highest with the least selected level of sales decrease being below 5%. The level of increase to sales that was chosen most frequently was below 5% with similar results in 2009, 2011 and 2013. The number of selections for increases in sales between 5% and 10% was then the second highest with a significant rise in 2012. Increases in sales levels of above 10% were the least frequently chosen selection however there was an increase in this selection in 2013. The number of 'Other' retailers observing no change to their sales was similar over the five years.

In order to provide a more robust analysis to establish whether there were any statistically significant differences in the level of retailer sales and location following the opening of Liverpool One in 2008, a Kruskal-Wallis test was performed on the data. As outlined previously, a Kruskal-Wallis test was deemed the most appropriate statistical test for this data as it allows the comparison of scores on some continuous variable for three or more groups (Pallant, 2013). The scores are converted to ranks and the mean rank for each group is compared. In this case, the continuous variable was the years (2009 to 2013) and the three or more groups were where the retailers were located, i.e., Clayton Square, St. Johns, Cavern Walks, Bold Street, Church Street/Lord Street and Other. The practical issues being tested through the Kruskal-Wallis test would therefore show whether the level of retailer sales by location did significantly change between the five years following the opening of Liverpool One in 2008. The output from the Kruskal-Wallis test is displayed in Table 11, p.183 and the results show that there were no statistically significant differences in the level of retailer sales and location following the opening of Liverpool One in 2008 as no location had a significance level of .05 or below.

Although the results from the Kruskal-Wallis test showed that there were no statistically significant differences in the level of retailer sales and location following the opening of Liverpool One in 2008, it is worth referring the to the discussion in Section 6.2 with comments by retailers suggesting that those located within close proximity of Liverpool One benefited through increases to their sales, possibly due to the spill-over of shoppers attracted to the new centre. When these comments are considered against the location of the existing retailers within Liverpool city centre and therefore their proximity to the new

centre, the results suggest that their comments may be supported. For example, although the least represented in the sample, the retailers in Church Street and Lord Street, who are located within close proximity to Liverpool One (see Liverpool city centre retail map in Appendix 8, p.297) reported only sales increases. Similarly, retailers in Cavern Walks also located closely to Liverpool One reported more increases than decreases especially in regard to increases above 10%. On the other hand, retailers located in Clayton Square and Bold Street predominately reported decreases to sales levels and their locations are the furthest distance from Liverpool One. This gives strength to the suggestion that retailers located within close proximity of the new centre are more likely to benefit from Liverpool One than those located further away.

Table 11: Kruskal-Wallis Test on the Change in Level of Retailer Sales and Location

<b>Ranks</b>			
	<b>Location</b>	<b>N</b>	<b>Mean Rank</b>
Sales 2009	Clayton Square	17	45.21
	St Johns	8	26.25
	Cavern Walks	4	49.13
	Bold Street	22	33.61
	Church St / Lord St	2	57.75
	Other	26	43.46
	Total	79	
Sales 2010	Clayton Square	18	46.39
	St Johns	8	27.50
	Cavern Walks	4	55.88
	Bold Street	23	33.02
	Church St / Lord St	2	66.50
	Other	28	46.96
	Total	83	
Sales 2011	Clayton Square	19	45.13
	St Johns	8	34.44
	Cavern Walks	5	55.40
	Bold Street	24	38.04
	Church St / Lord St	2	70.75
	Other	30	48.38
	Total	88	
Sales 2012	Clayton Square	19	44.32
	St Johns	8	35.75
	Cavern Walks	5	56.10
	Bold Street	24	42.98
	Church St / Lord St	2	71.00
	Other	32	47.28
	Total	90	
Sales 2013	Clayton Square	19	45.42
	St Johns	8	44.06
	Cavern Walks	5	58.20
	Bold Street	24	43.67
	Church St / Lord St	2	74.75
	Other	35	47.63
	Total	93	

Test Statistics<sup>a,b</sup>

	Sales 2009	Sales 2010	Sales 2011	Sales 2012	Sales 2013
Chi-Square	8.243	11.799	6.730	4.390	3.636
df	5	5	5	5	5
Asymp. Sig.	.143	.038	.241	.495	.603

a. Kruskal Wallis Test

b. Grouping Variable: Location

#### 6.4 Reasons for Changes in the Level of Sales

The results of the survey provide an indication as to the main reasons to which responding retailers attributed the changes in the level of sales they had experienced between 2009 and 2013. All ninety three respondents provided answers to this question however the figures shown in Figure 16, p.185 and Figure 17, p.188 have been calculated as percentages. For each of the five years the survey respondents were able to select any number of reasons from a specified list that they believed contributed to changes to their level of sales.

Figure 16, p.185 shows which reasons were most often selected by the survey respondents as being responsible for any decreases in their level of sales between 2009 and 2013. For the first three years the most frequently selected reason by the survey respondents (51%, 49% and 49% respectively) was the opening of Liverpool One in 2008. In 2012 Liverpool One is the second most frequently selected reason (43%) and in 2013 it once again the most frequently selected reason (40%) albeit alongside a different reason. However, it is also clear from the selections made by the survey respondents that Liverpool One was not deemed the sole reason for decreases in annual sales. The economy was selected almost as many times as Liverpool One (48%, 45% and 44% respectively) with only a few percentage points difference between the two reasons in 2009, 2010 and 2011. The economy was then the most frequently selected option (48%) in 2012 and then also the year after in 2013 (40%), alongside Liverpool One. With the global financial crisis beginning in 2007 and plunging the UK into recession, it was of no real surprise that the economy would feature highly as a frequently selected reason.

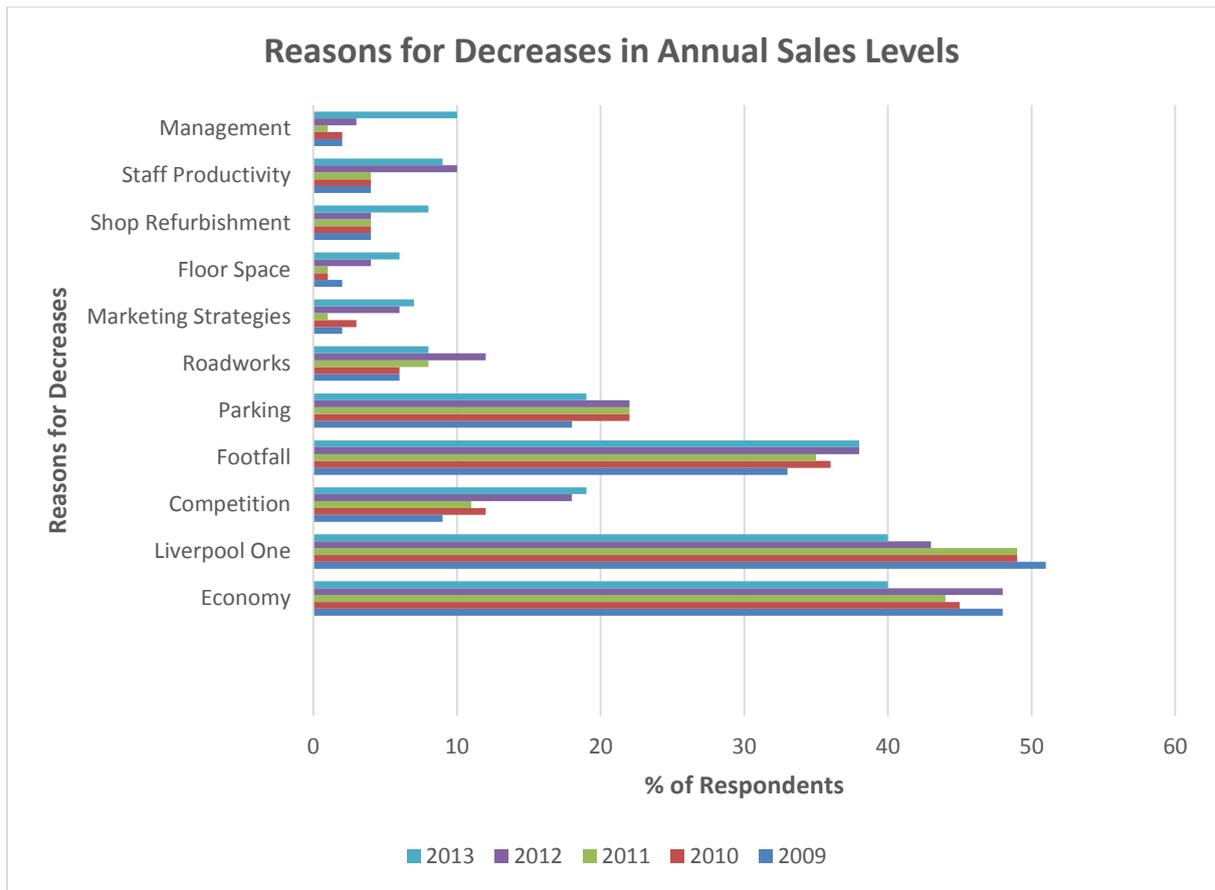


Figure 16: Reasons for Decreases in Annual Sales Levels

Following Liverpool One and the Economy, Footfall, in particular ‘Pedestrian Flow Change’, was then the most selected reason for decreases in annual sales (33%, 36%, 35%, 38% and 38% respectively). Many of the retailers had noted that the opening of Liverpool One had “moved the high street” and in turn created a new area of focus for shoppers which had reduced footfall in the traditional shopping areas. This had then impacted on passing trade in the ‘other’ city centre retail areas. ‘Availability of Parking’ was then chosen by an average of around 20% of respondents each year and the issues in regard to both lack of parking spaces, as well as the cost of parking in Liverpool city centre, were frequently mentioned by respondents in the General Opinions section at the end of the survey. Competition from new or existing retailers outside of Liverpool One, particularly in 2012 and 2013, was then cited as another reason for a decrease in sales levels. It could be suggested that by 2012 the UK economy had begun improving and as a consequence the Liverpool retail market became more competitive. This may explain why the number of respondents giving this reason (9%, 12%, 11%, 18% and 19% respectively) increased consecutively between 2009 and 2013. The improvement in the economy could also be argued as a catalyst for new retailers moving into the city centre and occupying units that had become vacant either as a

consequence of the recession or because the existing tenants had moved to Liverpool One when it opened leaving the existing units empty for some time.

It is also clear from Figure 16, p.185 that there was an overwhelming divide between the most frequently chosen reasons and the less frequently chosen reasons. Of the less frequently chosen reasons, 'changes in the amount of floor space', 'new marketing strategies' and 'changes within management' were the least selected at an average of 3% respectively. This was followed by 'shop refurbishment' and 'staff productivity' selected at an average of 5% respectively. The highest average of the less frequently chosen reasons was 'street works' at 8%. It is however important to note that this reason was selected primarily by retailers on Renshaw Street, a road in one of the 'other' city centre retail areas that has had ongoing road works taking place on it. These road works were at their height in 2012 and this could be the reason for the small peak in that year, as shown in Figure 16, p.185.

A final point to note in regard to reasons for decreases in annual sales levels is the overwhelming divide between the three most frequently chosen reasons and the remaining reasons selected by the study participants. Figure 16, p.185 demonstrates that Liverpool One, the economy and footfall (pedestrian flow change) were the most frequently selected reasons and it is therefore plausible to argue that these were the most significant reasons for decreases in the sales levels of the study participants. It is also interesting to note that although Liverpool One and the economy are continually the most selected reasons for sales decreases between 2009 and 2013, the number of respondents choosing these reasons declines consecutively over the years (apart from in regard to the economy in 2012) . This suggests that more survey respondents were adversely affected by Liverpool One and the economy in the immediate years following its opening than in the years that followed. However, the reason of footfall goes against this pattern and steadily increases between 2009 and 2013 (apart from in 2011 where there is a slight decrease). With many of the retailers noting that the opening of Liverpool One had "moved the high street" and in turn created a new area of focus for shoppers, it could be suggested that the results of the survey show a link between pedestrian flow change becoming a more apparent reason for decreases in sales from 2009 to 2013 and therefore the possibility that this impact could be connected with the opening of Liverpool One.

Figure 17, p.188 shows which reasons were most often selected by the survey respondents as being responsible for any increases in their level of sales between 2009 and 2013. When compared to the reasons given for decreases in sales, it is clear that the percentage of reasons chosen for increases in annual sales are much lower. It is also evident that unlike in Figure 16, p.185 where there is an overwhelming divide between the most frequently chosen reasons (Liverpool One, Economy and Footfall) and the less frequently chosen reasons, the selections made by the survey participants are much broader. Although the Economy in 2012 and 2013, Liverpool One in 2011 and 2013 and Footfall in 2011 and 2013 had more frequent responses respectively. 2013 was also the year which had the most reasons selected for increases to their annual sales by the survey respondents. However, when specifically considering Liverpool One's impact as a reason for sales increases, it may be argued that in contrast to the reasons selected for decreases in sales, its impact has been much less significant.

The economy and footfall, particularly in 2011 and 2013, also feature as reasons for sale increases. From comments made by retailers in the 'General Opinions' section at the end of the survey, the upturn in the economy could also explain why 'New Marketing Strategies' and 'Staff Productivity' were then selected more frequently in 2013 as both retailer and consumer confidence had returned. On the other hand, some retailers commented that Liverpool One had also become a well-established shopping destination by 2012 and therefore argued that this had increased the number of shoppers coming to Liverpool City Centre and in turn increased the footfall. Nevertheless, two retailers from the 'Other City Centre Retail Areas' noted that they felt footfall had increased in their locations as the novelty of Liverpool One had worn off and retailers were now looking for 'something different' to what Liverpool One offered.

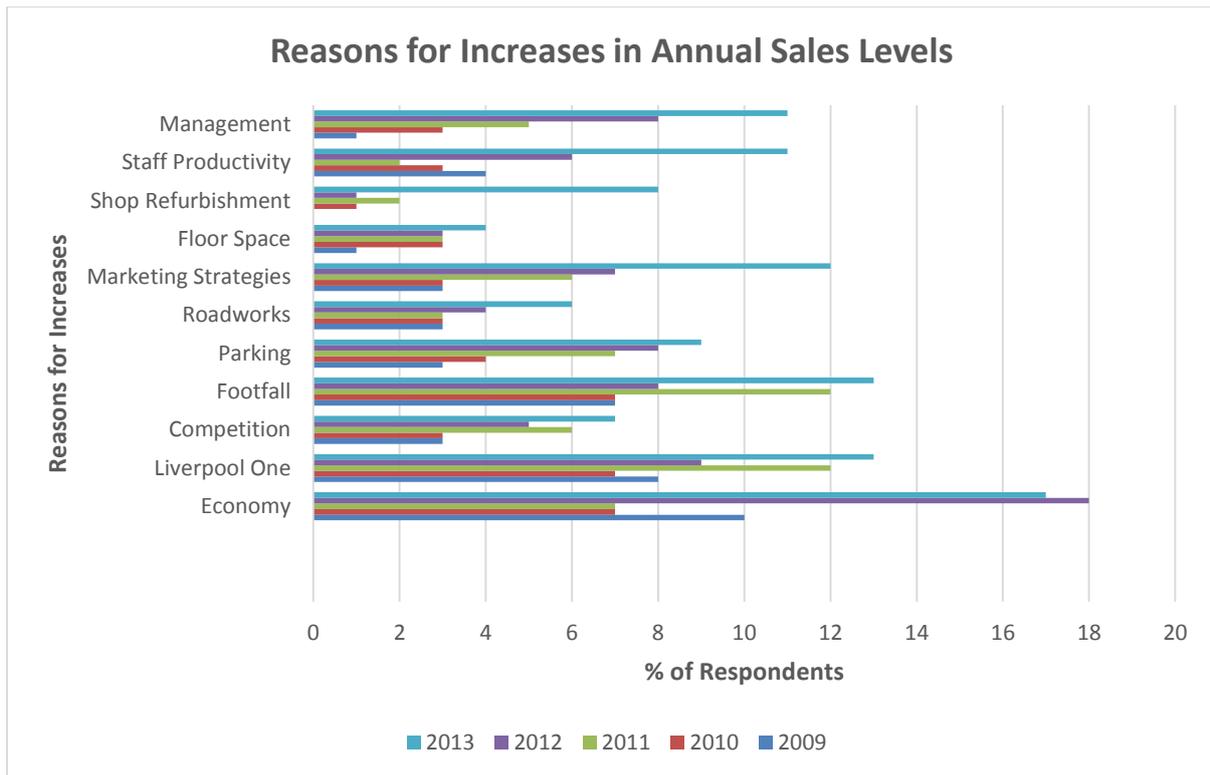


Figure 17: Reasons for Increases in Annual Sales Level

In conclusion, the reason that was selected by most respondents as being responsible for decreases to their sales was the 'Opening of Liverpool One'. This was followed closely by the 'Economy' and then 'Footfall'. The results show that the survey respondents were most adversely affected by Liverpool One and the economy in the immediate years following the centre's opening. There was also an overwhelming divide between the three most frequently chosen reasons and the remaining reasons selected by the study participants, making it plausible to argue that these were the most important reasons for decreases in the sales levels of the study participants. The results of the survey also show that pedestrian flow change (footfall) is selected more frequently year after year suggesting that this reason could be connected with the opening of Liverpool One. In regard to reasons given for increases in sales, the number of reasons selected by the study participants is much lower. The reasons selected by the study participants are also much broader, however the 'Economy', followed by the 'Opening of Liverpool One' and 'Footfall' have the most overall selections. From comments made by retailers in the 'General Opinions' section at the end of the survey, improved economic conditions, particularly in 2012 and 2013, was the principal reason for increases to retailers' sales. It may also be argued that the improvement in the economy could be linked to higher levels of footfall with consumers having 'more money in their pockets' and therefore the volume of shoppers increased in Liverpool City Centre.

## 6.5 Most Significant Reasons for Changes in the Level of Sales

Following the second part of the survey where respondents were asked to select which reasons they believed were responsible for changes in annual sales levels, they were also asked to rank which of these reasons they felt were the most significant in contributing to these changes. For each of the years respondents were asked to indicate the most, the second most and third most significant reason for changes in sales from the reasons indicated in the survey. Of the retailers who indicated which were either the most, second most or third most significant, most provided answers to this question, although only the reasons that were selected were included in the charts below, hence why some of the reasons are missing. As some of the reasons were not selected, it was also decided to present the results in actual number of respondents rather than percentages. The most significant reasons for each of the years are reported below in Figures 18 – 22, pp. 189 - 191. The results for the second and third most significant reasons can be seen in Appendices 9 and 10.

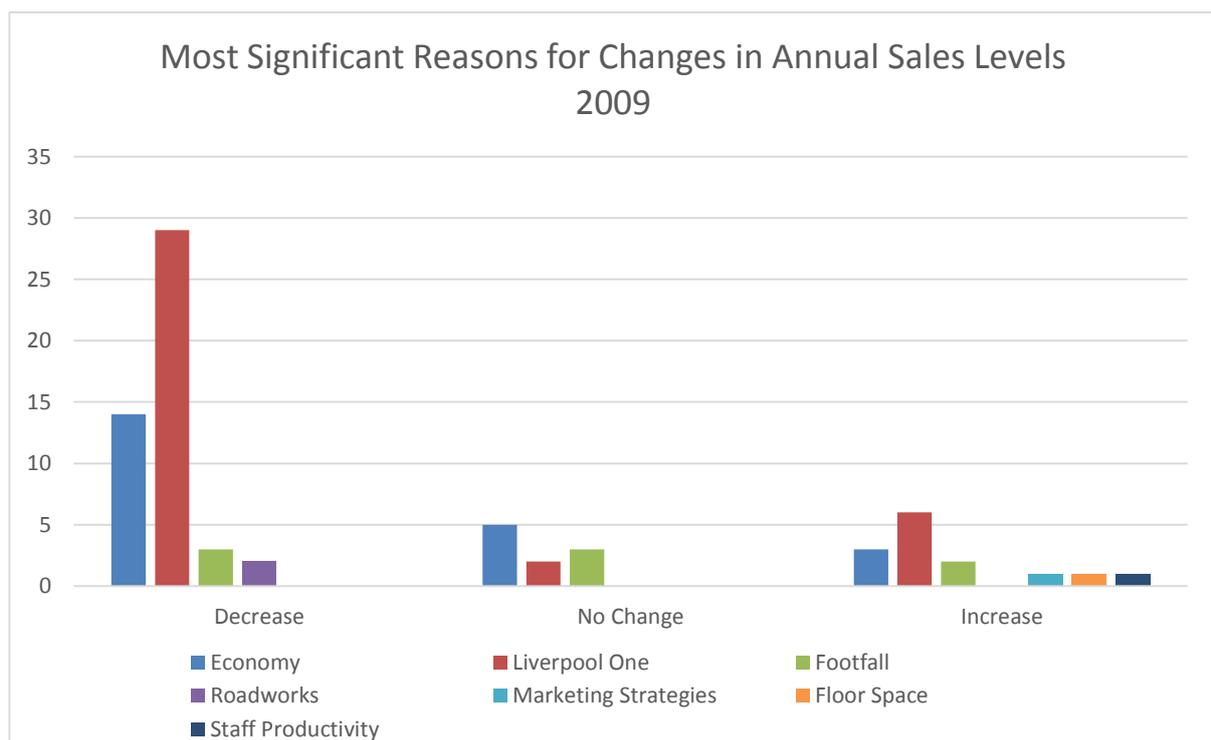


Figure 18: Most Significant Reasons for Changes in Annual Sales Levels 2009

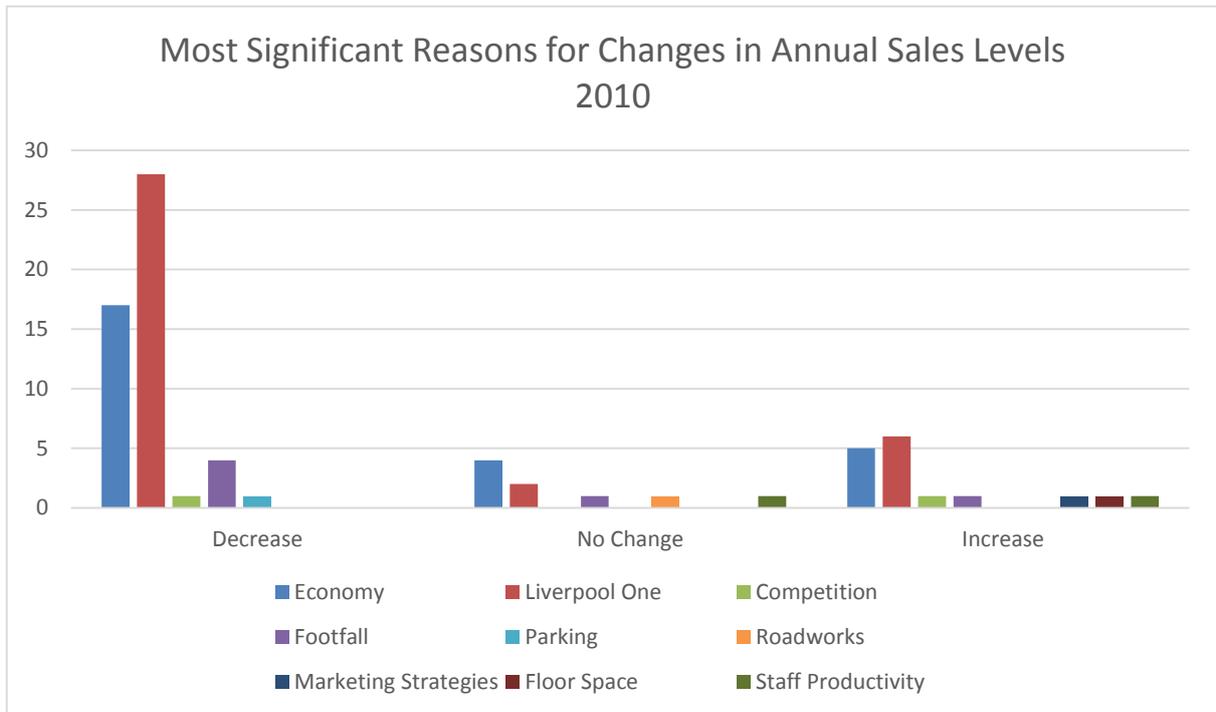


Figure 19: Most Significant Reasons for Changes in Annual Sales Levels 2010

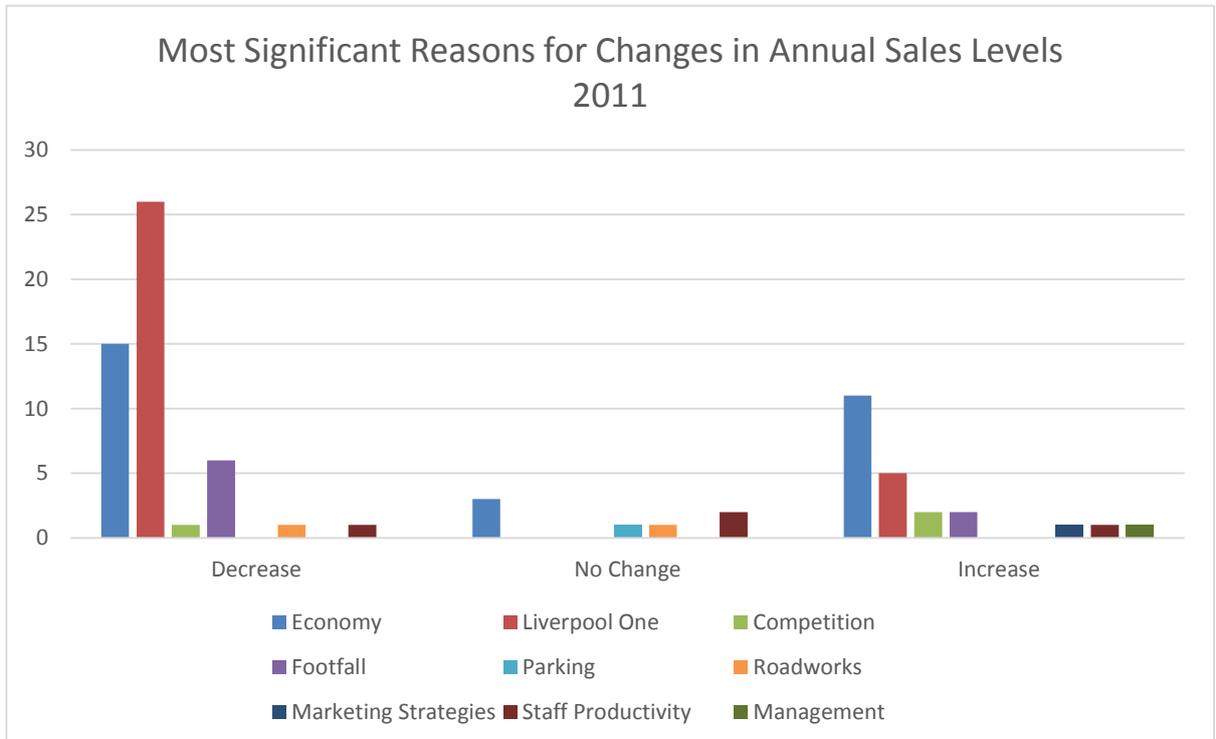


Figure 20: Most Significant Reasons for Changes in Annual Sales Levels 2011

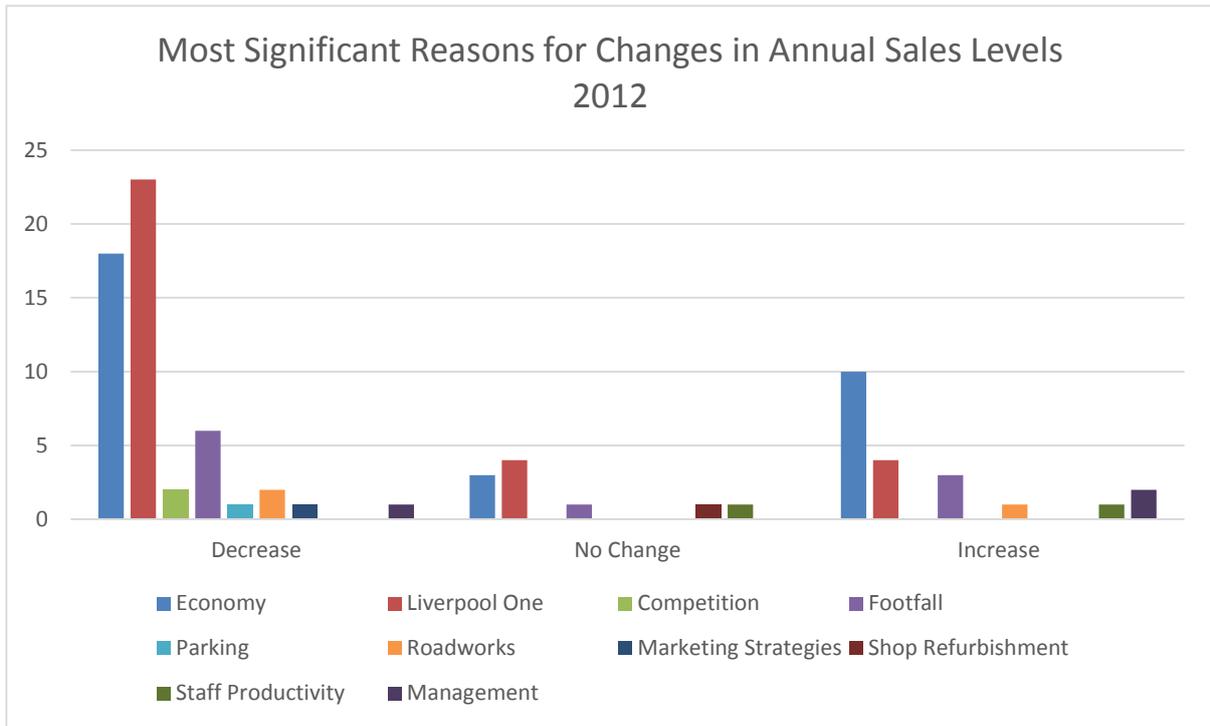


Figure 22: Most Significant Reasons for Changes in Annual Sales Levels 2012

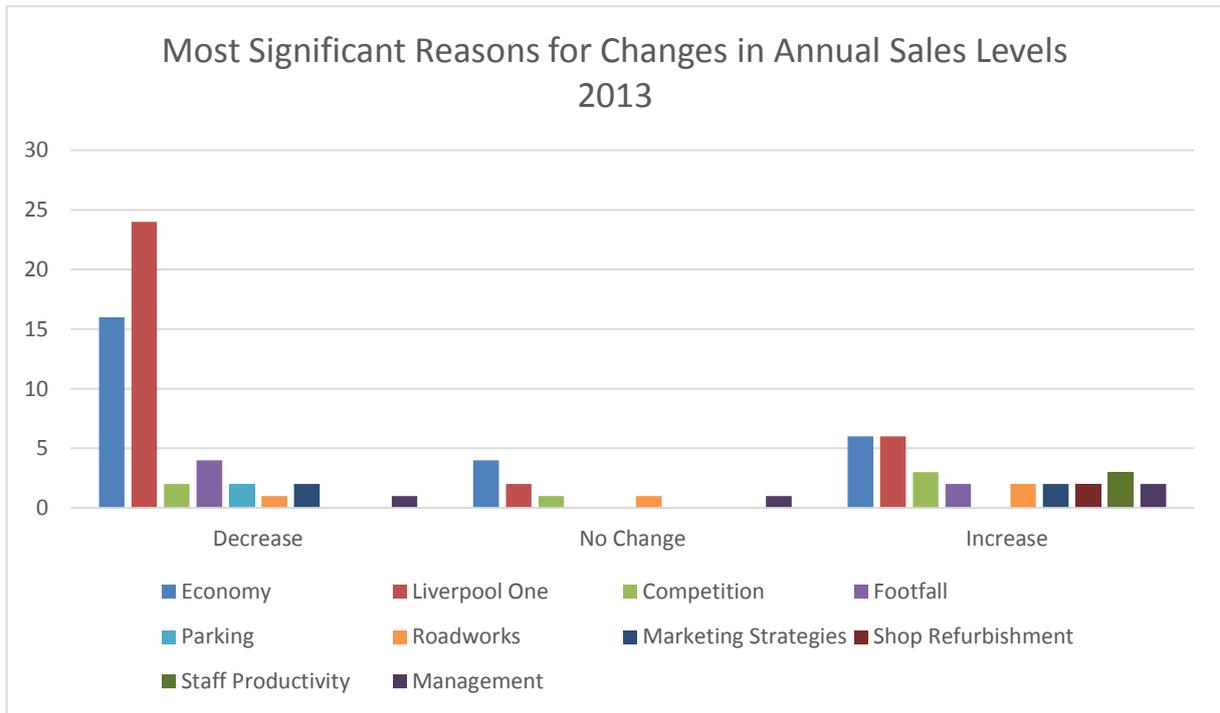


Figure 21: Most Significant Reasons for Changes in Annual Sales Levels 2013

Figures 18 to 22, pp. 189 - 191, show the most often selected significant reasons that respondents suggested have been responsible for either decreases, no change or increases in their level of annual sales from 2009 to 2013. The most often selected reason for decreases in annual sales from 2009 to 2013 was attributed to the opening of Liverpool One with the highest number of respondents selecting it as the most significant reason in 2009, the year following the opening of the new centre. The number of respondents that selected Liverpool One as the main reason for decreases to annual sales did however fall between 2009 and 2013 however only marginally from 29 in 2009 to 24 in 2013. The second most significant reason was attributed to the economy with the highest number of respondents selecting this reason in 2012. The third most significant reason was a change in footfall although when compared to the reasons of Liverpool One and the economy, the number of respondents were significantly lower. In terms of the number of respondents who experienced an increase in their sales, the most significant reason was attributed to Liverpool One, however only in the first two years following the opening of the new centre. From 2011 to 2012 the economy was then selected as the most significant reason for increases to annual sales until 2013 when both the economy and Liverpool One had an equal number of respondents.

Although Liverpool One and the economy were selected as the most significant reasons for both decreases and increases to annual sales levels, it is clear that survey respondents overwhelmingly felt that the opening of Liverpool One and the economy had been to the detriment of their annual sales levels. These results reinforce the previous conclusion that the opening of Liverpool One had been the main reason for decreases in the annual sales levels of the survey participants followed closely by the economy. In terms of the second most significant reason for changes in sales both the opening of Liverpool One and the economy were again the most often selected reasons for both decreases and increases in sales although the number of selections were almost equal. In regard to the third most significant reason for changes in sales, the economy was overwhelmingly regarded as the most often selected reason for decreases in sales in 2009. Liverpool One and the economy were then equally selected in both 2010 and 2011 however in 2012 and 2013 the economy is again the most often selected. The same can also be said for the most significant reason for increases in sales with the economy having the most selections over the five year period.

## 6.6 Analysis of General Opinions Provided by Retailers

Section 4 of the questionnaire gave the opportunity for participants to comment or give any opinions that they had regarding the impacts of Liverpool One on the performance of their store or retailing in Liverpool City Centre. Although retailers were given this opportunity, when the returned questionnaires were reviewed, many had either left this space blank or their comments were very brief. One of the reasons for this may have been due to time constraints given the demands of everyday retailing. A further reason could have been that retailers were unwilling to give too much detail when taking into consideration competing rival businesses and therefore were reluctant to divulge too much information on the performance of their stores even though they had been promised strict anonymity. Nevertheless, the brief comments that were made by retailers were analysed and identified a number of recurring themes.

The most frequently reoccurring theme was to do with footfall and in particular the flow of shoppers from the existing shopping centres and streets (Lord Street, Church Street and Bold Street). Participants commented that Liverpool One had altered pedestrian flow not only because they were attracted to the new centre but also because of its location. This was particularly the case for retailers on Bold Street who commented that because of its distance from Liverpool One, they believed that it had made shoppers reluctant to make the journey over to their street. Given Liverpool One's large car park as well as the main bus station now being located next to the new shopping centre, retailers commented that it had made Liverpool One the obvious destination for shoppers with cars or shoppers using public transport. This also drew comment to the lack of parking spaces close to the existing retail areas and that the main bus station was now the hub for most routes coming in and out of Liverpool City Centre. Retailers in Clayton Square and Bold Street in particular noted that due to some of the larger retailers such as Waterstones and HMV relocating to Liverpool One, the anchor stores that once contributed to the footfall in their centre and street respectively had been taken away. Some of their comments are outlined below:

### *Footfall*

*"Liverpool One has successfully killed one entire end of the city centre which now struggles to get any footfall"*

*“Has made Liverpool One the centre of town and not Church Street anymore. We don't get the footfall at all anymore”*

*“Liverpool One has shifted the entire shopping centre away from Bold Street with a detrimental effect on footfall”*

*“People have been drawn over to Liverpool One and away from other City Centre areas. Our footfall patterns changed immediately when it opened”*

### *Transport*

*“The transport routes have changed and it's made Liverpool One the destination meaning clients no longer get off at the bus stop adjacent to our store”*

*“City Council promised us a bus service to our area following the bus route changing, never happened”*

*“Most of the people used to alight on Renshaw St. Now that the buses highlight that they terminate at Liverpool One they stay on”*

### *Parking*

*“Moreover the parking spaces at Liverpool One which are plenty and easier for drivers to get too”*

*“If we get free parking near to Bold Street it will give us a chance. Everyone parks at Liverpool One”*

## *Relocation of Retailers*

*“Since the opening of Liverpool One a lot of retailers have relocated from Clayton Square and Bold Street. This has created an empty buffer of streets at the top end of Church Street, shoppers turn around at this point”*

*“The number of empty units in Clayton Square, Church Street and Bold Street, especially because Waterstones left to go Liverpool One is massive. We have no anchor left”*

*“Since the bigger shops relocated, because everyone travels to Liverpool One, they deem it too far to come to us because they can get everything there”*

Following the recurring themes of footfall, public transport, parking and relocation of retailers, a common phrase that was either mentioned alongside the above or simply, as in the case of some retailers, the only comment they made, was that “the opening of Liverpool One has meant a decrease in our sales”. Given the results as displayed in Figure 16, p.185, this came as no real surprise. However, many of the independent retailers located on Bold Street and in the ‘other’ retail areas, also commented on the fact that they felt like they were now being neglected and given very little support by the local council. This was not only through issues that some retailers in these areas pointed out such as them feeling that business rates were too high and increasing annually or the council’s reluctance to support them “in their time of need” as one retailer commented, but also in regard to retailers feeling that the council were now putting all their emphasis on Liverpool One when promoting the city’s retail offering. Three retailers in particular referred to this stressing that any marketing campaigns both throughout the city or regionally, were all aimed towards Liverpool One, with little or no emphasis on the existing retail offering in the city centre. Examples which these three retailers referred to were through city centre events or seasonal activities such as during the Easter and Christmas periods. They stressed that any such events were now tailored around Liverpool One with little effort made to combine them or include them with the established retail areas. Some of their comments are outlined below:

*“Events, celebrations or activities are now all centralised around Liverpool One and this has distracted shoppers and tourists away from the independent shops in our area. Resources and advertising have all been over concentrated on Liverpool One and we don’t even get Christmas lights anymore”.*

*“It feels as though Liverpool One has priority on everything from maintenance of areas to Christmas street decorations. If you are not in Liverpool One you are forgotten about, like the Christmas markets for example, all around Liverpool One. Our area has become steadily worse although rates have risen whilst facilities and services have been reduced”.*

Interestingly, the comments above were made by independent retailers in Bold Street and the ‘other’ retail areas however no such issues were mentioned by the shops located in the established shopping centres. The reasons for this are most likely that these centres have their own events and marketing campaigns so less significance is directed towards events organised by the council.

It is also worth mentioning that not all the comments made in the general opinions section of the questionnaire were negative. Two retailers located in the ‘other’ retail areas expressed that although Liverpool One had made an impact on their annual sales it wasn’t at a significant detriment to them and that they expected their sales figures to recover. They also mentioned briefly that had Liverpool One been built on the outskirts of Liverpool then it would have had much more of an impact and that it was better that shoppers were still being directed towards the city centre rather than to its periphery. Another positive remark was that Liverpool One had meant an increase in tourists to the city centre which meant that those who would not have usually been attracted to the city were now more likely to visit. The retailer in question remarked that many tourists had ‘stumbled’ across her shop and if it wasn’t for Liverpool One they wouldn’t have had this extra business. Finally one retailer in Bold Street observed that Liverpool One had been good for Liverpool’s retail offering as the high proportion of independents located in Bold Street offered a different shopping experience to that on offer in Liverpool One. She remarked that although things had been tough since the new shopping centre opened, shoppers will eventually come back, once they become tired with the monotonous and cloned products on offer in Liverpool One.

## 6.7 Summary

The retailer survey provided an indication of the change in actual sales experienced by retailers located in the existing shopping centres and other retail areas from 2009 to 2013 following the opening of Liverpool One in 2008. The type of retailers who responded to the survey were predominantly from both independent and large chain stores although there was a slight proportion of small chain retailers who also returned surveys. For each of the five years, although some respondents noted an increase in sales, the majority experienced a decrease, with the largest decreases of 10% being felt in the first two years following the opening of Liverpool One in 2008. Although the majority of retailers noted a decrease, the statistical test applied to the data found no statistically significant differences in the level of retailer sales between 2009 and 2013. However, the mean ranks per year have indicated that the survey participants felt their sales decrease in the first three years following the opening of Liverpool One in 2008 and then the sales levels recovered thereafter.

In terms of type of retailer, independent retailers predominantly noted decreases to their sales over the five year period examined with the highest decreases being felt in the first three years following the opening of Liverpool One in 2008. Large chain retailers also felt similar levels of decreases to their sales although they did begin to see some increases with sales over 10% in both 2012 and 2013 respectively. Small chain retailers predominantly felt only decreases to their sales although the statistical test applied to the results showed no significant differences between the level of retailer sales and type of store. In terms of location, Bold Street, Clayton Square and the 'other' areas felt the largest decreases to their sales although once again the statistical test applied showed no significant differences between level of retailer sales and location.

Liverpool One, the economy and footfall were the most frequently selected reasons for decreases in sales over the five year period examined with Liverpool One and the economy being the most selected reason between 2009 and 2011, two years following the opening of Liverpool One. In terms of increases to sales, the same reasons were also given although the number of reasons selected by the study participants was much lower. The same pattern was observed when retailers were asked which reason was the most significant for changes to their annual sales, although Liverpool One was overwhelmingly chosen over the economy and footfall, particularly in the first three years following the opening of the new shopping centre.

## Chapter 7: Land Use Survey Findings

Two of the four research objectives which were set out in Chapter One were to examine the changes in occupation and the vacancy rates of existing retail space in Liverpool city centre following the opening of Liverpool One in 2008. As mentioned previously, existing literature on the impact of any new inner city inner retail development is limited, with only the study by Oughton *et al.*, (2003) on the impacts of the Oracle Centre in Reading providing a brief guide to methods of analysing the land use data of Goad Maps. This chapter draws on the same methods used by Oughton *et al.*, (2003) by examining Goad Maps, which were produced and obtained from Experian Limited. The chapter begins by giving an introduction to Goad Maps and the data which was used in their construction. The number of occupier changes to the existing Liverpool city centre retail units is then analysed followed by an analysis of changes in the occupation of Liverpool City Centre retail units by both business type and retailer type. The vacancy levels of the existing retail units between 2009 and 2013 are also assessed within the business type analysis followed by a summary of the chapter.

### 7.1 Goad Maps

Goad Maps or Goad Plans as they are sometimes referred to, give a bird's eye view of a retail centre showing the individual buildings and their uses, the exact location of all retail outlets in a specific city centre and any vacant premises. They also feature key location factors such as pedestrian zones, road crossings and car parks. They were first developed by Charles E. Goad in 1875 who produced the maps for fire insurance services. Shopping centre Goad Maps were initially developed in the 1960's and the maps have gradually become more detailed with over 3,000 city centres across the world now being mapped. Experian Limited are currently the only providers of Goad Maps with their services being used prominently in the commercial property industry.

For the purpose of this research, Experian Limited were approached to construct Goad Maps for Liverpool City Centre for 2009, 2010, 2011, 2012 and 2013. These maps provided occupier data for the retail units in Liverpool City Centre. As Experian Limited produced the maps, they explained that the maps could not be amended or made to be bespoke regardless of the research purposes and therefore the occupier data that would be given is what Experian Limited defined as the 'city centre'. Initially this was thought to be a possible

limitation to the study but on further investigation and consequent draft maps being sent for observation, the shopping areas that Experian Limited defined as the 'city centre' were the same as had been established at the beginning of this research. However, a limitation that did arise from Experian Limited was that the data which was used to produce the Goad Maps was not included with the final copies of the maps. When this was queried, the data in the form of a spreadsheet could be made available but at a cost which was four times the cost of the maps themselves. With limited funds available, purchasing the data was subsequently not possible. Therefore, for analysis purposes, the data from the Goad Maps had to be extracted manually and inputted into a spreadsheet. Not only did this create further efforts, it also significantly extended the time taken to analyse the data. Nevertheless, the occupier data from the Goad Plans were inputted into a spreadsheet to allow for analysis.

Experian Limited provided three types of Goad Maps for the purpose of this study. The first type of Goad Map was for 'Retail Land Use'. The coding scheme for 'Retailer Land Use' was based on the classification used by Experian Limited which comprises of various retail categories (approximately thirty) and grouped under the nine main headings as outlined below. These headings were also the same as what Experian provided Oughton *et al.*, (2003) in the Oracle Centre Study.

The 'Retailer Land Uses' were coded as follows:

- Comparison Retail
- Convenience Retail
- Financial and Business Services
- Leisure Services
- Non-Retail Space
- Other Retail
- Retail Services
- Vacant Non-Retail Buildings
- Vacant Outlets

These 'Retailer Land Uses' for the subsequent five years were then inputted into a spreadsheet for analysis. The second type of Goad Map provided by Experian Limited was for 'Type of Retailer'. The retailer types were coded as follows:

- Independents (Four or less stores nationwide)
- Multiples (Five or more stores nationwide)

The coding scheme for 'Type of Retailer' was again based on the classification used by Experian Limited. This differed from options that were given in the retailer survey which asked whether a participant was a 'single independently owned shop', 'part of a small chain' (with less than 10 stores) or 'part of a large chain' (with more than 10 stores). As mentioned previously, Experian Limited could not amend or make bespoke maps regardless of research purposes and therefore the data that Experian Limited had coded as 'Independents' being four or less stores nationwide or 'Multiples' being five or more stores nationwide had to be used.

The final Goad Map provided by Experian Limited shows the number of occupier changes between 2009 and 2013. This map was perceived to be particularly useful as it would establish which retail units have experienced the highest number of occupancy changes over the subsequent five years and most importantly, in which areas of the City Centre these units were located.

In order to assess how the occupation of units in Liverpool's existing inner city shopping centres and city centre retail areas changed following the opening of Liverpool One in 2008, an initial overall assessment of the occupation of the city centre units for 2009, 2010, 2011, 2012 and 2013 was undertaken. The Goad Maps showing the number of occupier changes between 2009 and 2013 within Liverpool's existing inner city shopping centres and city centre retail areas was then assessed. The aim was to establish whether the opening of Liverpool One had possibly influenced the turnover of tenants. The third analysis was to assess the Goad Maps showing the occupier changes between 2009 and 2013 within Liverpool's existing inner city shopping centres and city centre retail areas by both business type and then by retailer type. The aim was to establish whether the opening of Liverpool One may have affected the type of retailers in the existing city centre units and the type of

trading activity being conducted. The final analysis was to assess the Goad Maps for the number of vacant units between 2009 and 2013. The aim was to establish the extent of vacancy rates in the five years following the opening of Liverpool One. The vacancy rate data from the Goad maps could then be used to clarify the vacancy levels reported by the centre managers in 2012 (see Chapter 8, Section 8.2) and it would give an outline of the vacancy rates for 2009, 2010, 2011 and 2013 in each of the existing shopping centres and other existing retail areas. The vacancy rate data could also be used to establish whether there were any trends within the vacancy levels to support two of the centre managers' claims that the vacancy levels were associated with the opening of Liverpool One. Furthermore, the vacancy levels in the whole of the city centre could be compared to results of previous research (see Chapter 3, Section 3.4) to establish whether the trends reported in vacancy levels in those studies, following the opening of a new regional inner-city shopping centre, could be compared to those in Liverpool city centre, following the opening of Liverpool One. It could then be debated as to whether Liverpool One may have influenced vacancy levels in the existing city centre units as reported within previous research on new regional inner-city shopping centres.

### 7.1.1 Existing and Occupied Liverpool City Centre Retail Units between 2009 & 2013

Table 12: Existing and Occupied 'City Centre' Units from 2009-2013

	2009	2010	2011	2012	2013
<b>Number of 'City Centre' Units Examined</b>	904	904	904	904	904
<b>Number of Non-Retail and Vacant Non-Retail Units</b>	59	56	54	48	55
<b>Number of Units Under Dev/Fit Out/Refurbishment</b>	45	72	71	70	62
<b>Number of Existing Retail Units</b>	800	776	779	786	787
<b>Number of Vacant Units</b>	111	116	120	116	119
<b>Number of Occupied Units</b>	689	660	659	670	668
<b>Vacancy Rate</b>	16.0%	14.9%	15.4%	14.7%	15.1%
<b>Proportion of Existing Units Occupied</b>	86.1%	85.0%	84.6%	85.2%	84.9%
<b>Proportion of Existing Units Unoccupied</b>	13.9%	15.0%	15.4%	14.8%	15.1%

Table 12, p.201 shows that the occupation of 904 units from the existing inner city shopping centres and city centre retail areas were examined from 2009 to 2013. For each year, removing those units that were categorised as 'non-retail' and 'vacant non-retail' (row two) as well as units 'under development / fit out / refurbishment' (row three) shows the number of existing retail units (row four). For each year, the number of 'vacant units' (row five) was then also removed and row seven shows the number of occupied existing retail units. The largest decrease occurs between 2009 and 2010 where the number of occupied units reduces from 689 units to 660 units, a decrease of 29 units. Between 2010 and 2011, there is a reduction of only one occupied unit before there is an increase of 11 occupied units in 2012 to 670. There is then a slight reduction by two units in 2013 to 668.

Although the number of existing retail units drops from 800 in 2009 to 776 in 2010, there is then a steady annual increase of existing retail units to 787 in 2013. The number of vacant units also steadily increase from 111 in 2009 to 120 in 2011 before reducing to 116 in 2012 and then finally increasing to 119 in 2013. For each year, taking the number of vacant units (however not including the units that were categorised as 'under development / fit out / refurbishment') as a percentage of the number of existing retail units, the vacancy rate could be calculated. Row seven shows that the vacancy rate increases from a rate of 13.8% in 2009 to 14.9% in 2010 and then 15.4% in 2011. It then decreases to 14.7% in 2012 before increasing again in 2013 to 15.1%. Finally, for each year, taking the number of occupied units in row six as a percentage of the number of existing retail units in row four, the occupation rate could be calculated as shown in row eight. This reduced from 86.1% in 2009 to 84.6% in 2011 before increasing to 85.2% in 2012 and finally decreasing to 84.9% in 2013. The proportion of existing units unoccupied were also calculated and are shown in row nine.

## **7.2 Number of Occupier Changes in Liverpool City Centre's Existing Retail Units between 2009 & 2013**

In order to assess the number of occupational changes in the sample selection for the study, a Goad Map was sought with data from 2009 to 2013 so as to compare the number of changes in the occupational status in the existing city centre retail units following the opening of Liverpool One in 2008. Initially, the data and maps requested so as to perform this analysis were from 2004 to 2013 so as to compare the occupational statuses of the existing city centre retail units five years pre and post opening of Liverpool One. Following

correspondence with Experian Limited, certain occupational data on Liverpool City Centre was unavailable pre 2009. Also, in order to compare ten years of possible incomplete occupational data, Experian Limited explained that ten single maps would have to be produced, significantly increasing the costs to the study. Due to limited funding and possible incomplete data pre 2008, negotiations with the designers at Experian Limited established that a single Goad Map showing the number of occupier changes between 2009 and 2013 would be the most practical and cost effective way to both display and subsequently analyse the occupational data.

In order to compare the number of occupational changes in Liverpool City Centre, Experian Limited produced a Goad Map where each individual retail unit was displayed and highlighted with a colour which related to the number of times each individual unit changed occupancy between 2009 and 2013 (see Appendix 13, p.307). A change in occupational status as defined by Experian Limited was a move from occupation to vacancy and vice versa or a change from one occupier to a different occupier. This analysis was carried out for the whole of Liverpool city centre but Liverpool One was excluded from this section of the land use analysis. Any units which were occupied by a retailer at any time during the analysis period from October 2009 to October 2013 were included in the analysis. Units that were either defined as Non-Retail Space or Vacant Non-Retail were excluded. Non-retail space was excluded from the analysis as this study is primarily focused on retail. The changes in occupational status for the remaining units were then examined.

*Table 13: Overall Change in Occupational Status 2009-2013*

<b>Units Experiencing a Change in Occupational Status between 2009 and 2013</b>	
0 Change	62%
1 Change	27%
2 Changes	9%
3 Changes	2%
4 Changes	0.2%

Table 13 shows that between 2009 and 2013, a total of 497 units (62%) experienced no change in occupational status, 218 units (27%) experienced one change in occupational status, 76 units (9%) experienced two changes in occupational status, 13 units (2%)

experienced three changes and two units (0.2%) experienced four changes. For these existing units either the occupier changed during the period or an occupied unit became vacant or vice versa. A limitation to these statistics, as mentioned previously, is that there was no comparable data pre 2009 so as to analyse and compare data before Liverpool One opened. Occupational data for other UK cities was sought for the same time period, so as to make a comparison with Liverpool City Centre, but a lack of detailed, reliable or precise information was unavailable. This made evaluating the impact of Liverpool One, through the occupational status of the existing retail units over time, difficult. Although the overall occupational status of the existing retail units in Liverpool City Centre pre 2008 could not be compared, an assessment of which existing retail areas from the selected sample had experienced the highest turnover of tenants since the opening of Liverpool One could be assessed.

*Table 14: Overall Change in Occupational Status by Location from 2009-2013*

	<b>No Change</b>	<b>One Change</b>	<b>Two Changes</b>	<b>Three Changes</b>	<b>Four Changes</b>
<b>St. Johns (103 Units)</b>	66	25	11	1	0
<b>Clayton Square (40 Units)</b>	25	11	4	0	0
<b>Metquarter (45 Units)</b>	29	12	3	1	0
<b>Cavern Walks (20 Units)</b>	11	9	0	0	0
<b>Church St/Lord St (58 Units)</b>	38	15	4	1	1
<b>Bold St (107 Units)</b>	61	29	15	2	0
<b>Other (432 Units)</b>	267	117	39	8	1

Beginning with the largest of the existing inner city shopping centres Table 14 shows that of the 103 units in St. Johns, 25 units experienced one change in occupancy between 2009 and 2013. This equates to just under a quarter of the total percentage of the centre. Eleven units then experienced two changes of occupancy and one unit changed occupants three times. Clayton Square also experienced a quarter of their units changing occupancy once which totalled eleven units and four units experienced two changes of occupant. Of the 45 units in the Metquarter, twelve units experienced one change in occupancy which again equates to over a quarter of the total units in the centre. Four units then changed occupants twice and one unit changed occupants three times. The final inner city shopping centre, Cavern Walks, experienced nine of its units changing occupancy which equates to just under

half of the units in the centre. Of the four inner city shopping centres, Cavern Walks has the lowest number of units with a total of 20. In the 'other' shopping areas, 117 units experienced one change in occupancy which equates to over a quarter of the total percentage of units. Thirty-nine units then experienced two changes of occupancy which is just under ten percent of the total percentage. Finally, eight units experienced three changes and one unit four changes of occupancy.

So as to evaluate the extent of each centre's occupancy levels between 2009 and 2013, the number of changes were measured against the total number of units in each centre/area. This was to identify which of the centres or areas had experienced the highest turnover of tenants between 2009 and 2013. Table 14, p.204 shows that between 2009 and 2013 Cavern Walks experienced the highest turnover of tenants with a total of 45% of its units changing occupancy. This was followed closely by Bold St which experienced a total of 43%. Units in Church Street/Lord Street had the lowest number of occupational changes totalling 35% whilst St. Johns and the Metquarter also had fewer occupational changes amounting to 36% respectively. Clayton Square had a total of 37% of its units changing occupancy and finally the 'other' areas just over 38%. In terms of the number of times a unit changed occupancy, Cavern Walks experienced 45% of its units changing hands once although there were no further changes to any of its units between 2009 and 2013. Clayton Square, the Metquarter, Bold Street and the 'other' areas experienced 27% of its units changing occupancy once whilst 25% of the units in St. Johns and Church Street/Lord Street saw one occupier change.

In regards to the areas in which unit's experienced two changes of occupation, Bold Street had the highest turnover with 14%. This was followed by St. Johns and Clayton Square with 10% of their units changing occupancy twice. The 'other' areas then had 9% of their units change hands twice with Metquarter experiencing 7% and finally Church St/Lord St experiencing a total of 6% of their units changing occupation twice over. Only 2% of the units from each of the areas (excluding Clayton Square and the Metquarter which had none) experienced units that changed occupation on three occasions however it is worth noting that of these 2%, the 'other' areas had eight units in total change occupancy three times within the five year period. Finally, only one unit in both Church Street/Lord Street and the 'other' areas changed occupancy on four occasions between 2009 and 2013.

Within the five year period analysed well over a third of each of the centres and 'other' areas saw a change in occupancy, with Cavern Walks experiencing just under half of its total units changing occupant. Considering the size of Cavern Walks (20 units), having nearly half of its units change occupancy in the space of five years may be regarded as a high turnover of tenants. However, when comparing the occupancy changes in Cavern Walks to the retail land use data between 2009 and 2013 (see Figure 32, p.223) there were only between one and two vacant units in the centre each year (up until 2013 where there were five) meaning that although there was a high overall turnover in the centre, the units were quickly occupied. Figure 32, p.223, also shows that the units were predominantly occupied by comparison retailers so the centre was still able to attract and compete with the types of retailer that are predominantly on offer in Liverpool One.

The area with the second highest turnover of tenants was Bold Street with 43% of its units changing occupancy between 2009 and 2013. Although its turnover in relation to one occupier change was similar to that of the other shopping centres and areas, Bold Street experienced the highest number of units that changed occupier twice in the five year period analysed. Of the 15 units that changed occupier twice between 2009 and 2013, eight of the units had been consecutively used by comparison retailers. Therefore over half of the units that changed occupier twice between 2009 and 2013 had comparison retailers as tenants and who were consequently in direct competition with the types of retailer on offer in Liverpool One. It could therefore be suggested that as a consequence of this competition, Liverpool One may have had a role to play in the change of occupational status of the said units. This suggestion can also be supported by three well known comparison retailers relocating from Bold Street to Liverpool One during the five year period analysed. These included Waterstones, HMV and Pulp.

However, on closer examination, Figure 26, p.215 shows that the vacancy rates on Bold Street remained relatively unchanged and only once increasing from 10% to 11% in 2011. This suggests that although Bold Street had the most units that changed occupants on more than one occasion, like in Cavern Walks, this didn't affect the overall vacancy levels on the street and the units although changing occupation, didn't stay vacant for any great length of time. It may also be suggested that due to the relocation of some of the stores from Bold Street to Liverpool One, it created space for other comparison retailers to move into the units that they had left. Two further units also experienced three changes in occupancy on Bold Street although these did not comprise of comparison retailers but tenants offering leisure

services. Leisure services consequently made up the second highest type of retailer that changed occupation in selected units on Bold Street.

Following on from Bold Street were the 'other' areas in Liverpool City Centre that experienced just over 38% of their units changing occupation between 2009 and 2013. Their turnover in relation to both one, two and three occupier changes were similar to that of the other shopping centres and areas at 27%, 9% and 2% respectively although the 'other' areas did make up the largest of the sample selection meaning that 115 units experienced one occupational change, 39 experienced two occupational changes and 8 experienced three occupational changes. In contrast to the Bold Street units which were predominantly occupied by comparison retailers, just under half of the units in the 'other' areas were consecutively occupied by leisure service retailers. When considering the possible impacts that Liverpool One may have had on the level of occupier changes in the 'other areas', with the 'other' areas being predominantly occupied by leisure service retailers and Liverpool One having very few in comparison, any kind of connection would be speculative. However, in the following years after the opening of Liverpool One in 2008 Figure 38, p.230 shows the vacancy rate rising year on year from 13% in 2009 to 17% in 2012. This could indicate that although the percentage of occupier changes was similar to that of the other shopping centres and streets, the units that changed occupancy may have been vacant for longer periods of time in between tenants following the opening of Liverpool One in 2008. Nevertheless, a lack of pre-2008 occupier data makes this difficult to distinguish.

The Metquarter experienced 36% of its units changing occupancy between 2009 and 2013. Once again the turnover was similar to those of the other shopping centres with 27% of units experiencing one change of occupant however units that experienced two changes were significantly lower at 7%. When considering the possible impacts of Liverpool One on the number of occupier changes in the Metquarter Figure 30, p.220 shows that in 2009 the vacancy rate was at 9% then rose substantially to 22% in 2010 progressively rising to 29% in 2013. As was suggested in the 'other areas', this again could indicate that although the occupier changes were similar to those of the other centres and areas, the units that changed occupancy may have been vacant for longer periods of time in between tenants following the opening of Liverpool One in 2008. The substantial rise in the vacancy rate from 9% in 2009 to 22% in 2010 may also suggest that the occupational changes in the Metquarter began to take place quite soon after the opening of Liverpool One in 2008. Figure 30, p.220 also shows that the majority of the Metquarter's tenants were comparison

retailers who were consequently in direct competition with the types of retailer on offer in Liverpool One. However, due to budget restrictions, single maps for each year showing occupational change were unobtainable, so the exact year of when these changes took place in the Metquarter cannot be confirmed. Nevertheless, this suggestion can also be supported by well-known retailers relocating from the Metquarter to Liverpool One in 2009. These included the Metquarter's largest tenant Flannels and also Whistles, Hobbs and Coast.

Clayton Square experienced 37% of its units changing occupancy between 2009 and 2013. Once more the turnover was similar to those of the other shopping centres and areas with 27% of units experiencing one change of occupant however units that experienced two changes were higher than that of the Metquarter and 'other' areas at 10%. There were no units that changed occupier on more than two occasions at Clayton Square. Figure 28, p.218 shows that Clayton Square had consistently the highest vacancy rates of any of the other shopping centres and areas examined with vacancy levels reaching 35% in 2013. It also had the highest vacancy rate in the year following the opening of Liverpool One in 2008 at 29%. In regards to the possible impact of Liverpool One on Clayton Squares occupier changes, many of the centre's high end fashion retailers relocated to Liverpool One not long after its opening in October 2008. Further retailers followed in 2010 such as Zavvi (one of Clayton Square's anchor stores). Given that the vacancy rate went from 29% in 2009 to 34% in 2010 and then back down to 29% in 2011, this could suggest that many of the occupational changes experienced were directly in the first three years following the opening of Liverpool One in 2008.

St. Johns, like the Metquarter, experienced 36% of its units changing occupancy between 2009 and 2013. The turnover of tenants was slightly less than that of the other shopping centres and areas with 25% of units experiencing one change of occupant. However, the number of units that experienced two changes were similar to Clayton Square at 10% and St. Johns also had one unit that changed occupier on three occasions. The year following the opening of Liverpool One in 2008, St. Johns had the lowest vacancy rate of all the other centres and areas at 5%. This did however increase to 14% in 2010 until gradually decreasing to 6% in 2012 before increasing two fold to 12% in 2013. The sudden increase in the vacancy rates in 2010 and then the vacancy rates falling to 6% in 2012 suggest that the majority of occupier changes took place in 2010 when units became empty and in 2012 that they became tenanted again. It may also suggests that Liverpool One may have had an

impact on St. Johns in the first three years following its opening in 2008 as it wasn't until 2012 when the vacancy level began to recover.

The area with the lowest turnover of tenants was Church Street and Lord Street with 35% of its units changing occupancy between 2009 and 2013. Twenty-five percent of their unit's experienced one change of occupant and only 6% experienced units that changed occupant twice. Church Street and Lord Street were however the only area to experience a unit change occupant on four occasions between 2009 and 2013. Church Street and Lord Street are traditionally the 'main' two shopping streets in Liverpool City Centre with around two thirds of their units being occupied by comparison retailers and the remaining being occupied predominantly by financial/business services and retail services. Although the two streets are in direct competition with the retail offering in Liverpool One, many of the better known brands such as Marks and Spencers, Next, River Island and BHS have been tenants on the streets for a significant length of time and are therefore established in large retail units which are not available elsewhere in Liverpool City Centre.

In regards to the possible impact of Liverpool One on Church Street and Lord Streets occupier changes, the vacancy rate for the two streets was at its highest in 2009 at 17%. The vacancy rate recovers significantly in 2010 to 7% and stays at a similar rate until 2013 which would signify that the majority of occupier changes were experienced in the first two years following the opening of Liverpool One in 2008 and it could be suggested that this was as a consequence of Liverpool One opening. The location of where these occupier changes took place could also be seen as significant with the units that experienced two changes and the unit that experienced three changes of occupant all being continually tenanted by comparison retailers and all being located within direct proximity to Liverpool One.

### **7.3 Change in Occupation of Liverpool City Centre's Existing Retail Units 2009 - 2013**

In order to assess how the occupation of units in Liverpool's existing inner city shopping centres and city centre retail areas changed following the opening of Liverpool One in 2008, individual Goad Maps were sought from Experian Limited showing the occupier changes between 2009 and 2013 by both business type and retailer type. The aim was to establish whether the opening of Liverpool One had affected the type of retailers in the existing city

centre units and the type of trading activity being conducted. In order to assess the occupational changes by business type in Liverpool City Centre, Experian Limited again produced individual Goad Maps for 2009, 2010, 2011, 2012 and 2013 where each individual retail unit was displayed and highlighted with a colour that related to the type of retailer in each of the units (see Appendices 11-12). In order to assess the occupational changes by retailer type in Liverpool City Centre, Experian Limited produced individual Goad Maps for 2009, 2010, 2011, 2012 and 2013 where each individual retail unit was displayed and highlighted with a colour that related to the retail land use of each (see Appendices 11-12).

The occupier data from the Goad maps were inputted into a spreadsheet to allow for analysis which was carried out for the whole of Liverpool City Centre, however Liverpool One was again excluded from this section of the land use analysis. Any units which were occupied by a retailer at any time during the analysis period from October 2009 to October 2013 were included in the analysis. Units that were either defined as Non-Retail Space or Vacant Non-Retail were excluded. Non-retail space was excluded from the analysis as this study is primarily focused on retail. The changes in occupational status for the remaining units were then examined.

### **7.3.1 Overall Change in Occupation by Business Type in Liverpool City Centre's Existing Retail Units 2009 - 2013**

In order to assess how the occupation of units by business type in Liverpool's existing inner city shopping centres and other city centre retail areas changed following the opening of Liverpool One in 2008, an initial overall assessment of the occupation of the city centre units in October 2009, 2010, 2011, 2012 and 2013 was undertaken (see Appendix 11).

For the 904 existing City Centre retail units examined, Figure 23, p.211, shows the proportion occupied by various business types for 2009 to 2013. Over the period examined the proportion of units that were occupied by comparison retailers was 35.7% in 2009 and then reduced to 32.6% in 2010, an approximate decline of 3%. The proportion then increased slightly to 32.9% in 2011 and 33.0% in 2012 before reducing to 31.1% in 2013. Therefore between 2009 and 2013, barring the slight increases in 2011 and 2012, there was an overall decrease of 4.6% in the number of comparison retailers in Liverpool's existing retail units with the largest falls taking place in the second year following the opening of

Liverpool One and the final year of the period examined. Comparison retailers in the existing retail areas are also in direct competition with the types of retailer on offer in Liverpool One, which could suggest a possible link between the opening of Liverpool One and a reduction in comparison retailers, especially when considering one of the largest decreases was felt in 2010 not long after Liverpool One opened.

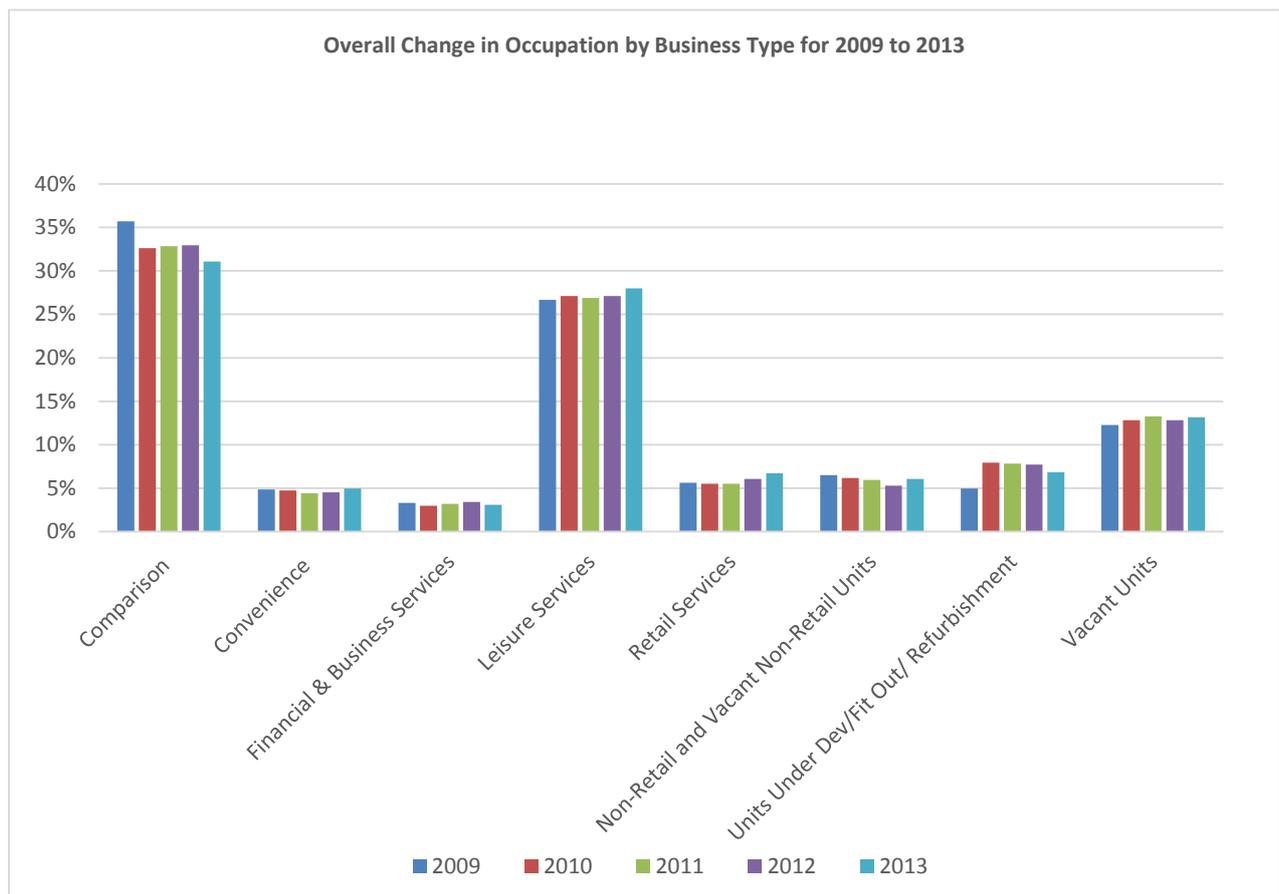


Figure 23: Overall Change in Occupation by Business Type in Liverpool's Existing Retail Units 2009-2013

In terms of the small proportion of convenience retailers occupying Liverpool's existing retail areas, their numbers remained reasonably stable, with only minimal reductions to their share from 4.9% in 2009 to 4.4% in 2011 and then an increase to 5.0% in 2013. The same can also be said for financial and business service retailers but their numbers did fluctuate over the period examined from 3.3% in 2009 to 3.0% in 2010 to an increase of 3.4% in 2011 and then a drop again in 2013 to 3.1%

The second highest proportion of units in the existing retail areas were occupied by leisure service retailers which saw a small but steady increase in their share of occupied units from 26.7% in 2009 to 28.0% in 2013, with the largest increase being felt in the final year of the period examined rising by just under 1%. Retail services also remained steady with their proportion of units in the existing retail areas occupying 5.6% in 2009 and 5.5% respectively in 2010 and 2011. They did however see an increase of 1.2% in their proportion of occupied units beginning in 2012 when their share rose to 6.1% and then to 6.7% in 2013.

The proportion of vacant units in Liverpool's existing retail areas also increased steadily from 12.3% in 2009 to 13.2% in 2013. In the immediate years following the opening of Liverpool one in 2008, the vacancy rate rose by 0.5% to 12.8% in 2010 and 13.3% in 2011 before dropping by the same amount in 2012 to 12.8%. It then increased again in 2013 to 13.2%. The vacancy rate for the period examined therefore rose by just under 1% following the opening of Liverpool One in 2008.

In summary, the number of units occupied by comparison retailers decreased from 323 units in 2009 to 281 in 2013, with the largest decrease (28 units) occurring in 2010, which was two years following the opening of Liverpool One. The number of convenience retailers remained relatively unchanged with 45 units being occupied in 2013, one extra unit than in 2009. The number of financial and business retailers also remained relatively stable with 28 units being occupied in 2013 although this was two fewer units than in 2009. The number of leisure service retailers occupying units increased by 12 totalling 253 units compared to the 241 units in 2009, with the largest increase (eight units) occurring in 2013. The number of units occupied by retail service retailers also increased by 10 units with 61 units being occupied in 2013 compared to 51 units in 2009, with the largest increase (eight units) also occurring in 2013. Finally the number of vacant units rose from 111 units in 2009 to 119 units in 2013 with the largest increase (five units) occurring in 2010, which was two years following the opening of Liverpool One.

### 7.3.2 Overall Change in Occupation by Retailer Type in Liverpool City Centre's Existing Retail Units 2009 - 2013

In order to assess how the occupation of units by retailer type in Liverpool's existing inner city shopping centres and city centre retail areas changed following the opening of Liverpool One in 2008, as with business type, an initial overall assessment of the occupation of the city centre units in October 2009, 2010, 2011, 2012 and 2013 was undertaken (see Appendix 12).

The total number of existing city centre retail units that were examined by type of occupying retailer changed for the five years that were examined as only the 'occupied' units were included in the analysis. Therefore units that were coded as either 'non-retail', 'vacant non-retail', 'under development / fit out / refurbishment' or vacant were removed from the analysis. This meant that a total of 689 units were analysed in 2009, 660 in 2010, 659 in 2011, 670 in 2012 and finally 668 in 2013.

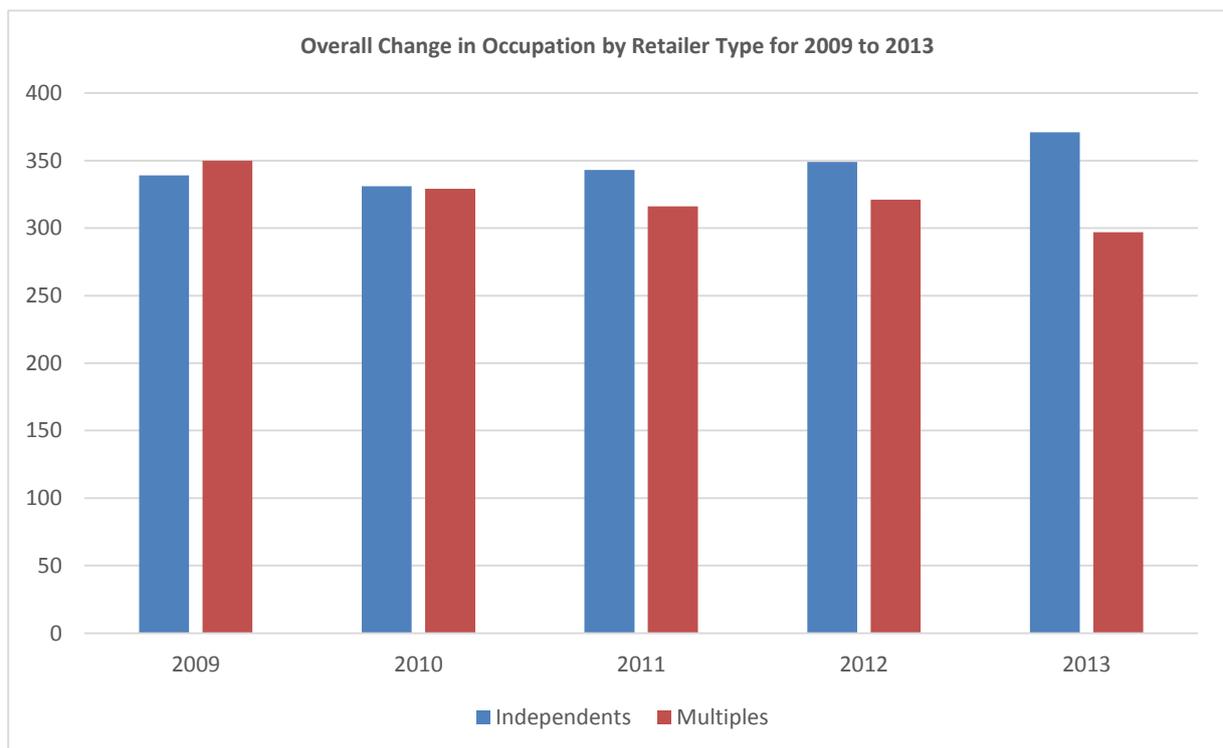


Figure 24: Overall Change in Occupation by Retailer Type in Liverpool's Existing Retail Units 2009-2013

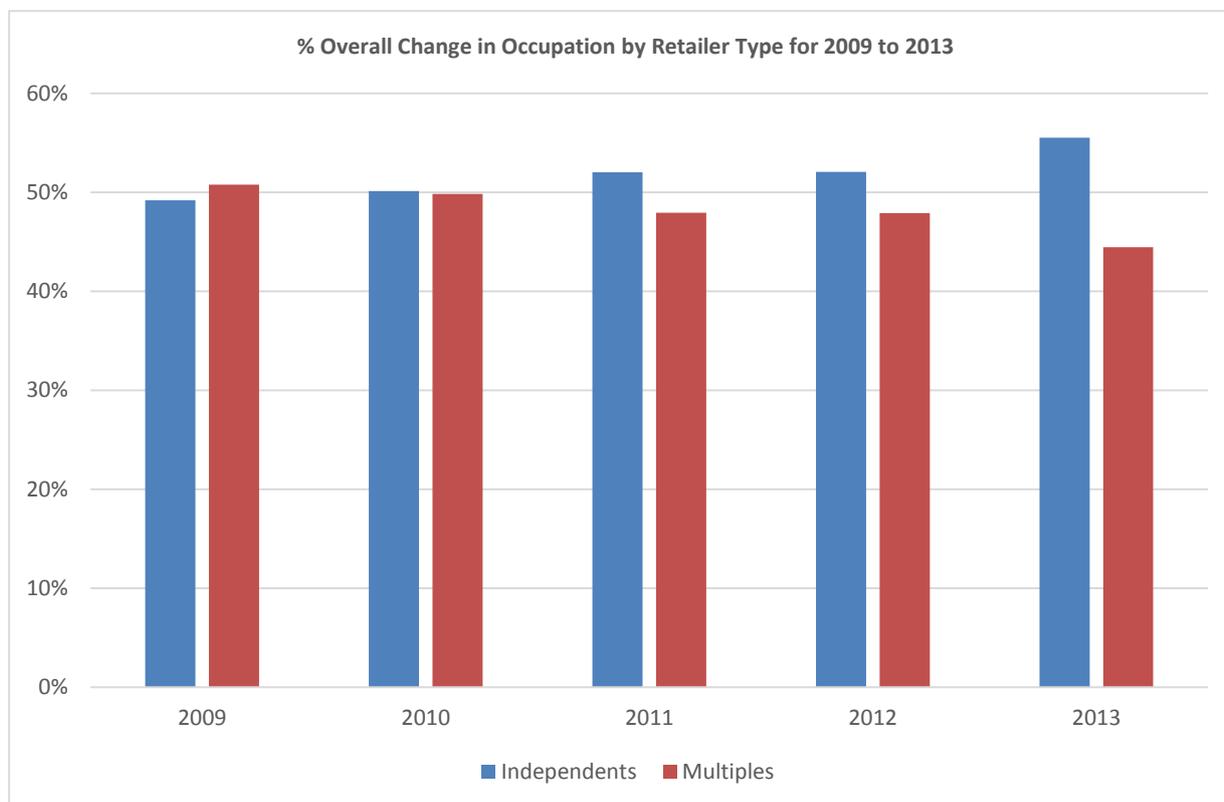


Figure 25: Overall % Change in Occupation by Retailer Type in Liverpool's Existing Retail Units 2009-2013

For the existing occupied units examined, Figure 25 shows the proportion occupied by either independent retailers (four or less stores nationwide) or multiple retailers (five or more stores nationwide) while Figure 24, p.213, shows the actual numbers. The year following the opening of Liverpool One in 2008, there were 689 units in the existing city centre retail areas with 49.2% classed as independents and 50.8% classed as multiple. In 2010 both the number of independents and multiple retailers occupying the existing city centre units reduced to 331 independents and 329 multiple retailers. Although the actual number of retailers reduced, the percentage distribution for independent retailers increased to 50.2% whilst the distribution for multiple retailers decreased to 49.8%. The distribution however is still reasonably even between the two types of retailer. In 2011, the proportion of units occupied by independent retailer then increases by 1.8% to 52.0%, grows marginally by 0.1% in 2012 and then increases significantly by 3.4% to 55.5% in 2013. On the other hand, the proportion of units occupied by multiple retailers over the same period decreases by 1.8% in 2011 to 48.0%, decreases marginally by 0.1% in 2012 and then decreases significantly by 3.4% to 44.5% in 2013.

In summary, the number of units occupied by independent retailers increased from 339 in 2009 to 371 in 2013, with the largest increase (22 units) occurring in 2013, however there

was a slight decrease (eight units) in 2010 which was two years following the opening of Liverpool One. The number of units occupied by multiple retailers decreased from 350 in 2009 to 297 in 2013, with the largest decrease (24 units) also occurring in 2013, five years following the opening of Liverpool One.

### 7.3.3 Change in Occupation of Liverpool City Centre’s Exiting Retail Units by Individual Shopping Centres and Other Retail Areas 2009 - 2013

In order to assess how the occupation of Liverpool City Centre’s retail units changed by both business type and retailer type in the existing individual shopping centres and other retail areas, the Goad Maps for each of the years examined were divided into the various locations. Each of the locations was then examined separately for October 2009, 2010, 2011, 2012 and 2013.

#### 7.3.3.1 Change in Occupation by Business Type: Bold Street

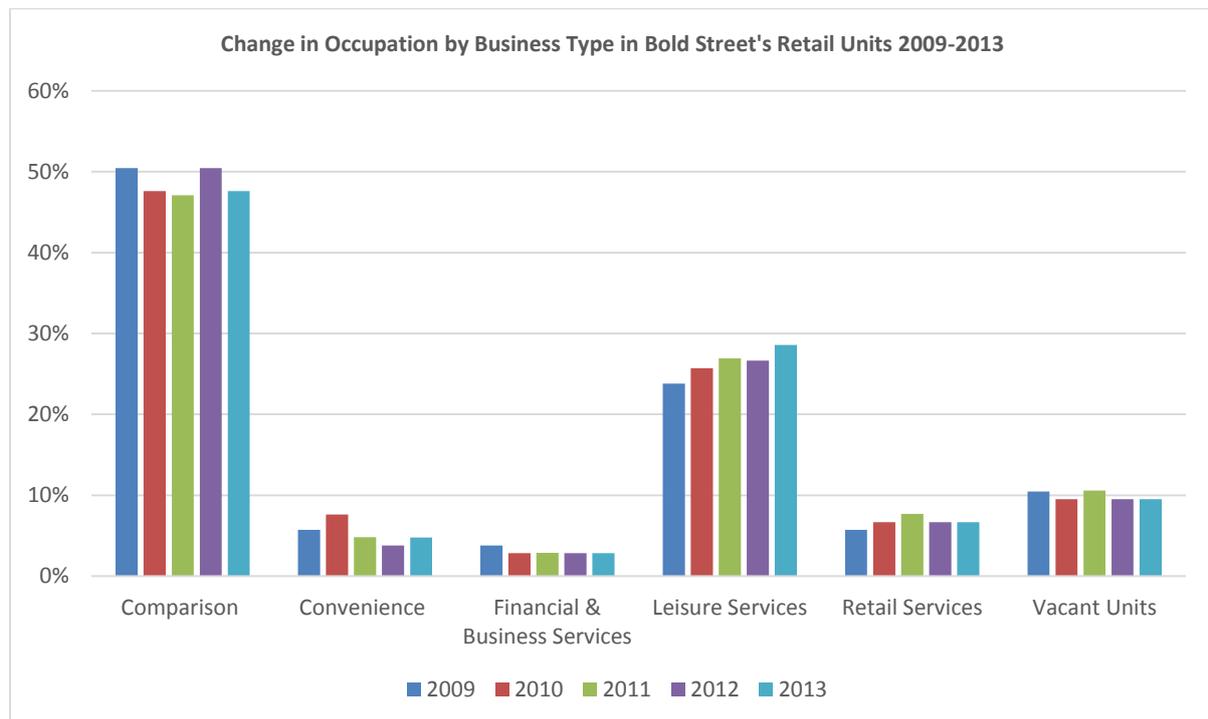


Figure 26: Change in Occupation by Business Type in Bold Street's Retail Units 2009-2013

Figure 26 shows the proportion occupied by various business types for 2009 to 2013 in Bold Street. As can be seen from Figure 26, just under half of the street is occupied by

comparison retailers, with the second highest population being leisure service retailers and with the remaining retailers making up the rest of the street's occupants. Over the period examined the proportion of units that are occupied by comparison retailers was 50.5% in 2009 and then reduced to 47.6% in 2010, a decline of approximately 3%. The decline continued into 2011, although only marginally, with a further reduction of 0.5%. The proportion then increased to 50.5% in 2012, a growth of 3.4%, but reduced once more in 2013 by approximately 3% to 47.6%. Therefore between 2009 and 2013 the proportion of units occupied by comparison retailers declined by approximately 3%, with the largest decreases being felt in the second year following the opening of Liverpool One and the final year of the period examined, although there was an increase in 2011 to 50.5%.

In terms of the small proportion of convenience retailers occupying Bold Street, an increase by approximately 2% occurred in the second year following the opening of Liverpool One, taking their proportion from 5.7% in 2009 to 7.6% in 2010. There was then a decrease of 2.8% in 2011 with a further 1% decrease in 2012 taking the proportion of units occupied by comparison retailers to 3.8%, however this increases by the same percentage once more in 2013 to 4.8%. Therefore, between the year following the opening of Liverpool One and the final year of the period examined, the units occupied by comparison retailers fell by just under 1%. Financial and business retailers saw a fall of just under 1% in their proportion in 2010 to 2.9% however this then remained unchanged for the remainder of the period examined.

The second largest proportion of retailers occupying Bold Street was by leisure service retailers which experienced a continual growth to their population from 23.8% in 2009 to 28.6% in 2013, which equated to a rise of just under 5%. This was the largest continual change experienced by any of the business types on Bold Street. Retail service retailers also saw an increase to their occupation of units on the street rising from 5.7% in 2009 to 7.7% in 2011, an increase of 2%. This did however decrease in 2012 to 6.7% but then remained the same in 2013.

In terms of the proportion of vacant units the vacancy rate remained relatively stable with only a 1% increase or decrease per year over the period examined. The first decrease

came in 2010, the second year following the opening of Liverpool One, however then recovered in 2011 to 10.6% and fell back to 9.5% for the remainder of the period examined.

### 7.3.3.2 Change in Occupation by Retailer Type: Bold Street

Figure 27 shows the proportion occupied by retailer types for 2009 to 2013 in Bold Street. It can be noted that the percentage occupation between independents and multiples is approximately 60% independent and 40% multiple in the year following the opening of Liverpool One. What is clear from Figure 27 is that the occupation by independent retailers shows a continual annual growth from 60.6% in 2009 to 66.3% in 2013 compared to a decline in multiple retailers from 39.4% in 2009 to 33.7% in 2013. The actual number of units which were occupied by independent retailers increased from 57 in 2009 to 59 in both 2010 and 2011 followed by a further increase to 61 in 2011 and finally to 63 in 2013. The actual number of units which were occupied by multiple retailers decreased from 37 in 2009 to 36 in 2010, 34 in both 2011 and 2012 and finally to 32 in 2013. The figures therefore suggest that the fall in the unit share occupied by multiple retailers was subsequently replaced by independent retailers.



Figure 27: Change in Occupation by Retailer Type in Bold Street's Retail Units 2009-2013

### 7.3.3.3 Change in Occupation by Business Type: Clayton Square

Figure 28 shows the proportion occupied by various business types for 2009 to 2013 in Clayton Square. As can be seen from Figure 28, the shopping centre is primarily occupied by comparison retailers with the remaining retailer types each making up either 10% or below of the population respectively. Over the period examined the proportion of units that are occupied by comparison retailers was 53.7% in 2009 and then reduced to 43.9% in 2010, a decline of approximately 10%. The proportion then began to recover in 2011 and 2012 to 48.8% but decreased once more in 2013 to 35.0%. Therefore between 2009 and 2013 the proportion of units occupied by comparison retailers declined by approximately 19%, with the largest decreases being felt in the second year following the opening of Liverpool One and the final year of the period examined, although there was an increase in 2011 to 48.8%.

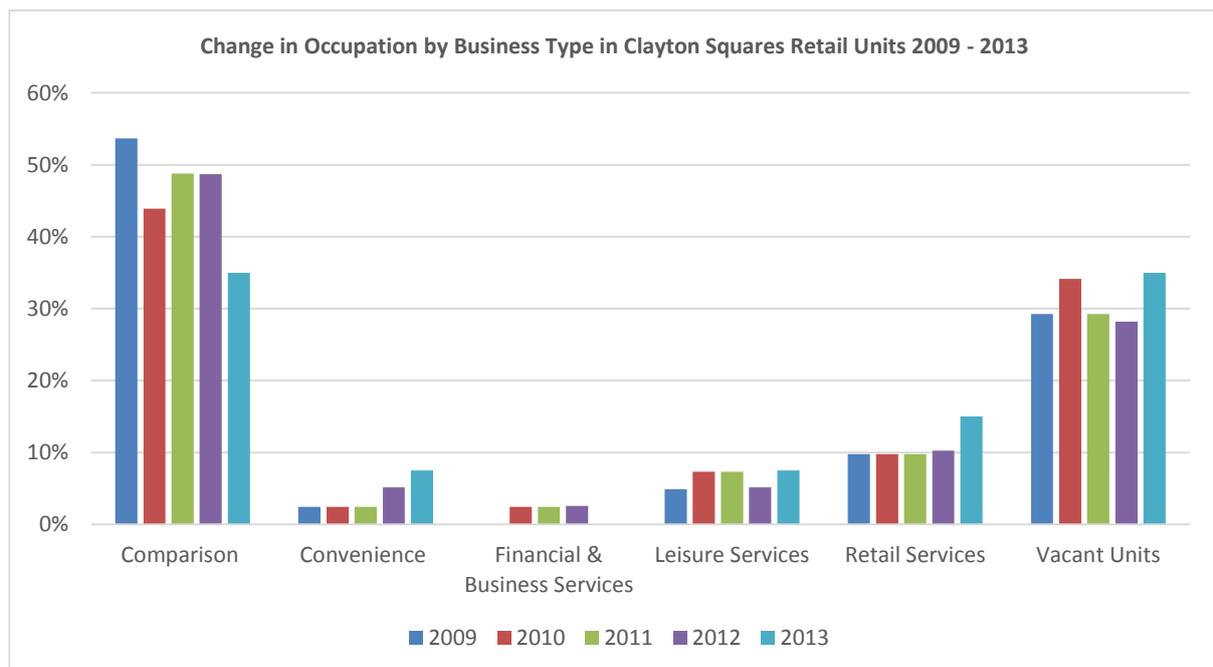


Figure 28: Change in Occupation by Business Type in Clayton Square's Retail Units 2009-2013

In regard to the remaining retailer types, convenience retailers remained unchanged for the first three years following the opening of Liverpool One in 2008 however then saw an increase in their share from 2.4% in 2011 to 5.1% in 2012 and then 7.5% in 2013, an increase in three years of just over 5%. Financial and business services retailers remained unchanged throughout the period examined which was also the case for retail service

retailers, although they did see an increase in their share from 10.3% in 2012 to 15.0% in 2013, an increase of just under 5%. Leisure service retailers saw an increase in their share in the second year of the period examined rising from 4.9% in 2009 to 7.3% in 2010. This figure remained unchanged in 2011 however decreased once more in 2012 to 5.1% before recovering to a share of 7.5% in 2013.

In terms of the proportion of vacant units the vacancy rate was already particularly high at the beginning of the period examined standing at just under 30%. The vacancy rate then rose to 34.1% in 2010 before recovering to some extent to just under 30% which it maintained up until 2013 when it increased once more to 35.0%. Therefore between 2009 and 2013 the vacancy rate in Clayton Square increased by just under 6%. With the share of comparison retailers decreasing by 10% over the period examined and the vacancy rate increasing by 6%, a considerable proportion of the units that became vacant and then stayed vacant, were therefore units that had been occupied by comparison retailers. The inability to re-let the vacant comparison retailer units and the share of comparison retailers decreasing, suggests that comparison retailers may have no longer been attracted to the centre

### 7.3.3.4 Change in Occupation by Retailer Type: Clayton Square

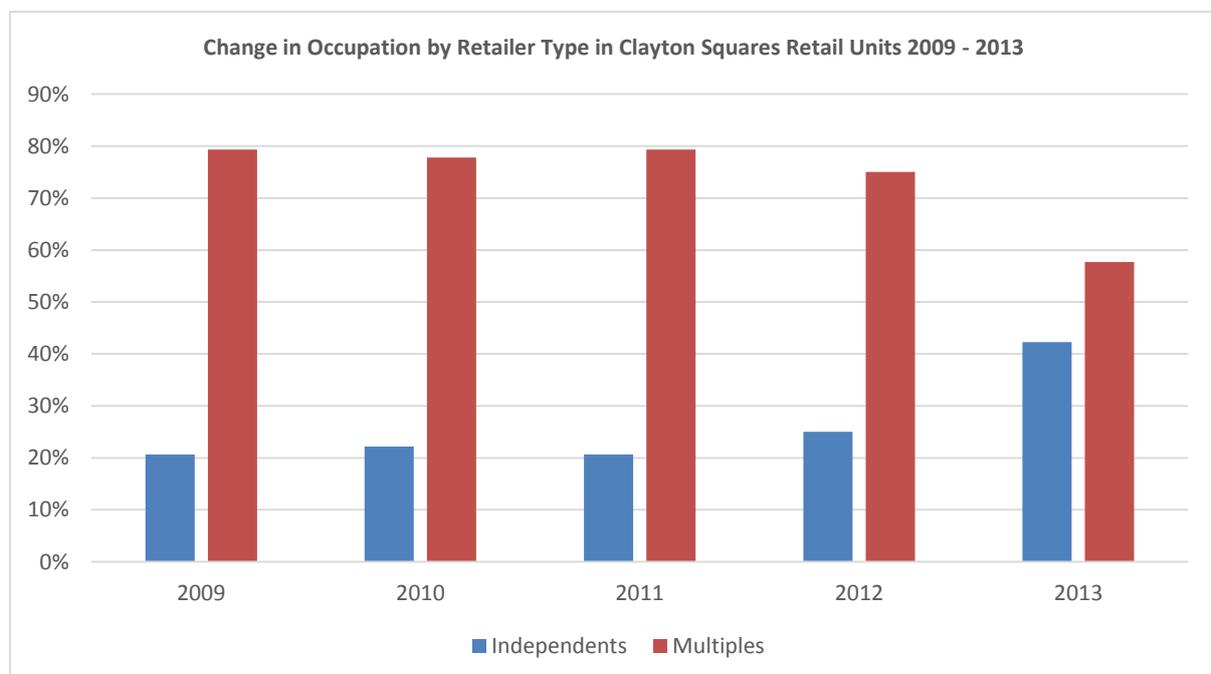


Figure 29: Change in Occupation by Retailer Type in Clayton Square's Retail Units 2009-2013

Figure 29, p.219, shows the proportion occupied by retailer types for 2009 to 2013 in Clayton Square. Given that the Clayton Square was historically regarded as a centre with high end retailers it is of no surprise that the majority of its units were predominantly populated by multiple retailers. It can also be noted that the percentage occupation between independents and multiples is approximately 20% independent and 80% multiple in the year following the opening of Liverpool One. Between 2009 and 2011 the proportion of both independent retailers and multiple retailers stayed relatively the same albeit a small increase to the number of independent retailers and decrease to the number of multiple retailers by 1.5% in 2010. However, in 2012, the proportion of independent retailers increased from 20.7% in 2011 to 25.0% in 2012 whilst the proportion of multiple retailers decreases from 79.3% to 75.0%. This trend continued into the final year of the period examined with independent retailers making up 42.3% of the units in the centre and multiples 57.7%. Therefore between 2009 and 2013 the proportion of independent retailers more than doubled whilst there is a significant decline in the number of multiple retailers signifying a significant change in regard to the type of retailer on offer in Clayton Square.

### 7.3.3.5 Change in Occupation by Business Type: Metquarter

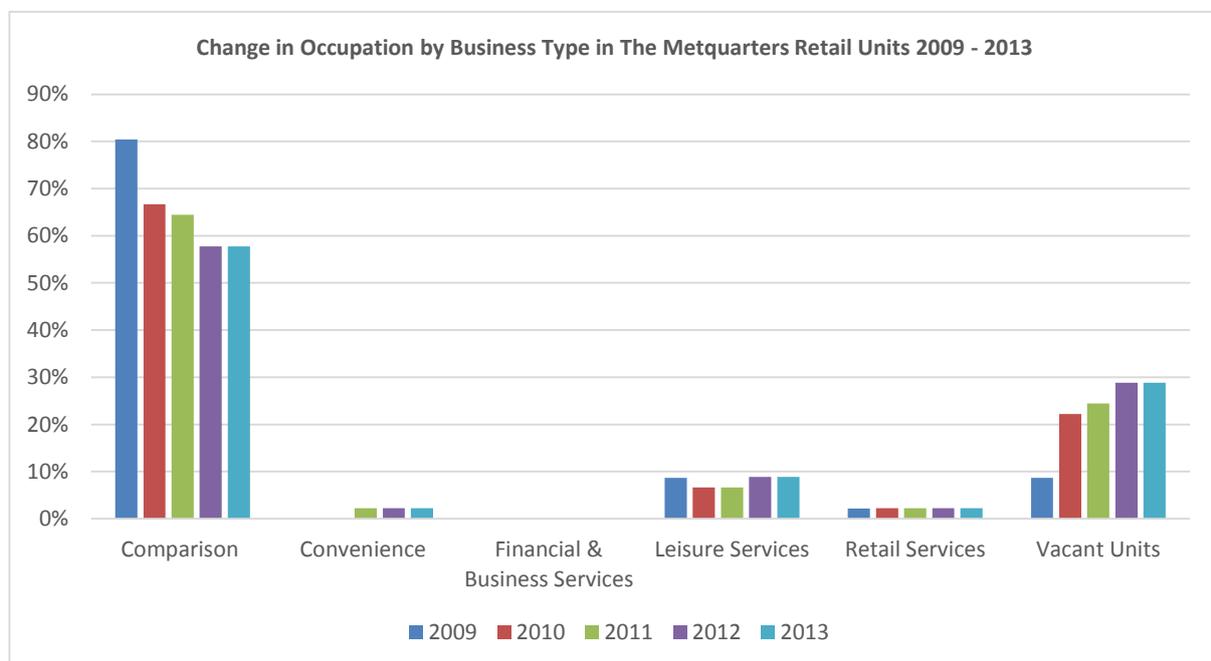


Figure 30: Change in Occupation by Business Type in Metquarter's Retail Units 2009-2013

Figure 30, p.220, shows the proportion occupied by various business types for 2009 to 2013 in the Metquarter. As can be seen from Figure 30, p.220, as with Clayton Square, the shopping centre is primarily occupied by comparison retailers with the remaining retailer types each making up either 10% or below of the population respectively. Over the period examined in the Met quarter the proportion of units that were occupied by comparison retailers reduced significantly. Between 2009 and 2013 the proportion of units occupied by comparison retailers declined by just under 23%, with the largest decrease (13.7%) being felt in the second year following the opening of Liverpool One.

In regard to the remaining retailer types the majority remained unchanged during the period examined. There were no convenience retailers in the Metquarter until 2011 and the small proportion of retail service retailers also continued to be the same. The percentage of leisure service retailers also remained relatively stable albeit a drop from 8.7% in 2009 to 6.7% in 2010 although this did recover in 2012 to 8.9%.

In terms of the proportion of vacant units over the period examined, as with the case of Clayton Square, the vacancy rate was particularly high reaching a peak of 28.9% in 2012 and 2013, an increase of just over 20% from its 2009 rate of 8.7%. The largest increase to vacancy levels was seen in 2010 when the vacancy rate increased significantly from 8.7% in 2009 to 22.2% in 2010, an increase of 13.5%. The increase in the vacancy levels between 2009 and 2010 also coincided with the decrease in comparison retailers over the same period and on closer inspection, the overall vacancy rate increase was almost the equivalent to that of the overall comparison retailer decrease. As with Clayton Square, the Metquarter's decline in the proportion of comparison retailers had a significant effect on its vacancy rates as well as its inability to successfully re-let these units to other comparison retailers over the period examined. This may suggest that comparison retailers may have no longer been attracted to the centre.

### 7.3.3.6 Change in Occupation by Retailer Type: Metquarter

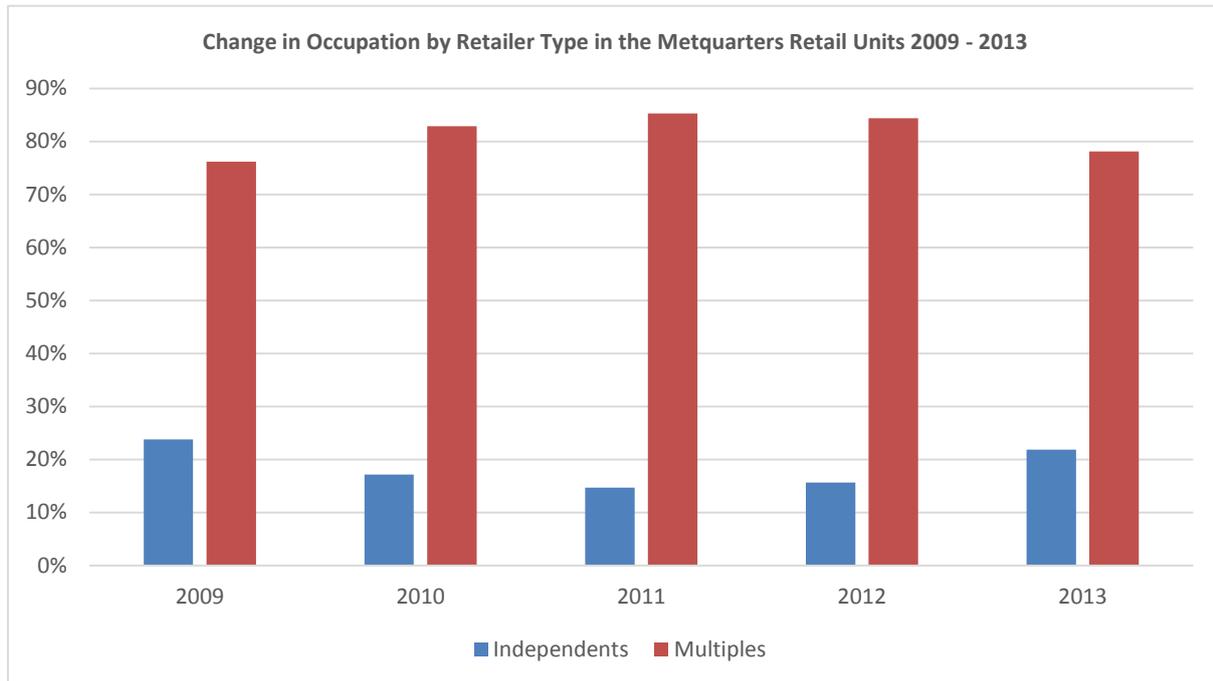


Figure 31: Change in Occupation by Retailer Type in the Metquarter's Retail Units

Figure 31 shows the proportion occupied by retailer types for 2009 to 2013 in the Metquarter. The centre's retail offering is one of high end fashion and luxury goods which is mirrored by its primary occupants being comparison retailers. This is also reflected with the majority of its units being predominantly populated by multiple retailers. In the year following the opening of Liverpool One the percentage occupation between independents and multiples was approximately 25% independent and 75% multiple. Between 2009 and 2011 the proportion of multiple retailers increased from 76.2% to 85.3% then gradually fell to 78.1% in 2013. Independent retailers on the other hand experience a decrease in their share from 23.8% in 2009 to 14.7% in 2011 before steadily increasing once more to 21.9% in 2013. The figures when compared to the decline in occupation of comparison retailers therefore suggest that the comparison retailers who were independent traders experienced the largest decline in occupation in the Metquarter over the period examined. Given that the Metquarter offers a similar retail choice as Clayton Square through high end retail, both centres experienced very different changes to their retail type over the period examined. When independents began to increase in Clayton Square due to its comparison retail population declining, the Metquarter experienced a decline, although their proportion did begin to recover towards the end of the period examined.

### 7.3.3.7 Change in Occupation by Business Type: Cavern Walks

Figure 32 shows the proportion occupied by various business types for 2009 to 2013 in Cavern Walks, the smallest of the shopping centres examined. As can be seen from Figure 32, as with Clayton Square and the Metquarter, the shopping centre is primarily occupied by comparison retailers. Over the period examined there were no convenience retailers or financial and business service retailers residing in the centre. Leisure service retailers made up the second largest proportion of retailers at just under 20% followed by retail service retailers at 10%. Examining changes in the centre highlights that unlike in the previous shopping centres and streets where the proportion of comparison retailers reduced in the second year following the opening of Liverpool One, Cavern Walks experienced an increase.

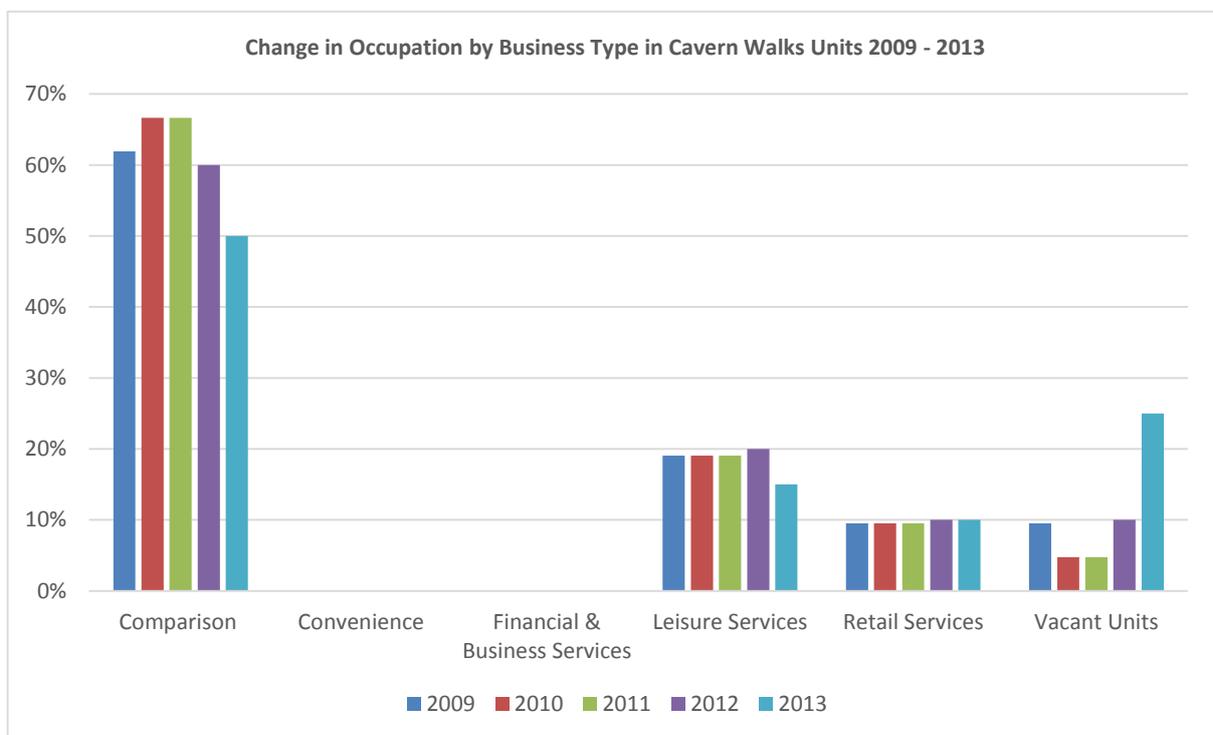


Figure 32: Change in Occupation by Business Type in Cavern Walks Units 2009-2013

Between 2009 and 2010 the percentage of comparison retailers increased by just under 5% from 61.9% to 66.7%. This rise was also maintained in 2011 but the following year there was a reduction by just under 7% which continued into 2013 with a further fall of 10% to 50.0%. Therefore, between 2009 and 2013, although there was a rise in comparison retailers in the second year of the period examined, the overall proportion of comparison retailers reduced by just under 12%.

The rise in the proportion of comparison retailers in 2010 and 2011 also had a direct impact on the vacancy levels in Cavern Walks. Although relatively low at the beginning of the period examined at just under 10%, the rate fell to below 5% in both 2010 and 2011. This did however increase again in 2012 before rising by another 15% in 2013, taking the vacancy rate to 25% and meaning that a quarter of the units were vacant in the centre. This substantial rise is again linked with a fall in comparison retailers in the same year and demonstrates the centre's dependency on comparison retailing to maintain its occupancy levels. Leisure service retailers remained fairly stable throughout the period examined although there was a slight increase to their percentage occupation in 2012 which then fell by 5% in 2013. Retail service retailers remained unchanged throughout the period examined.

### **7.3.3.8 Change in Occupation by Retailer Type: Cavern Walks**

Figure 33, p.225, shows the proportion occupied by retailer types for 2009 to 2013 in Cavern Walks. Although the centre is primarily made up of comparison retailers, unlike in Clayton Square and the Metquarter where the majority of comparison retailers are multiple retailers, in the case of Cavern Walks, the comparison retailers are predominantly independent. In the first two years following the opening of Liverpool One in 2008 the percentage occupation between independents and multiples was 90% independent and 10% multiple. The following year there was a decrease in the proportion of independent retailers by 10% which continued marginally into 2012 and finally decreased to 73.3% in 2013. On the other hand multiple retailers like independents stay unchanged in the first two years following the opening of Liverpool One before gradually increasing their proportion from 20.0% in 2011 to 26.7% in 2013. Although there is a clear increase in multiple retailers and a decrease in independent retailers over the period examined, when the actual numbers are taken into consideration, the decline in independents is far more significant. In 2009 there were 17

independent retailers which reduced to 11 in 2013 while on the other hand there were two multiple retailers in 2009 which doubled to four multiple retailers in 2013.

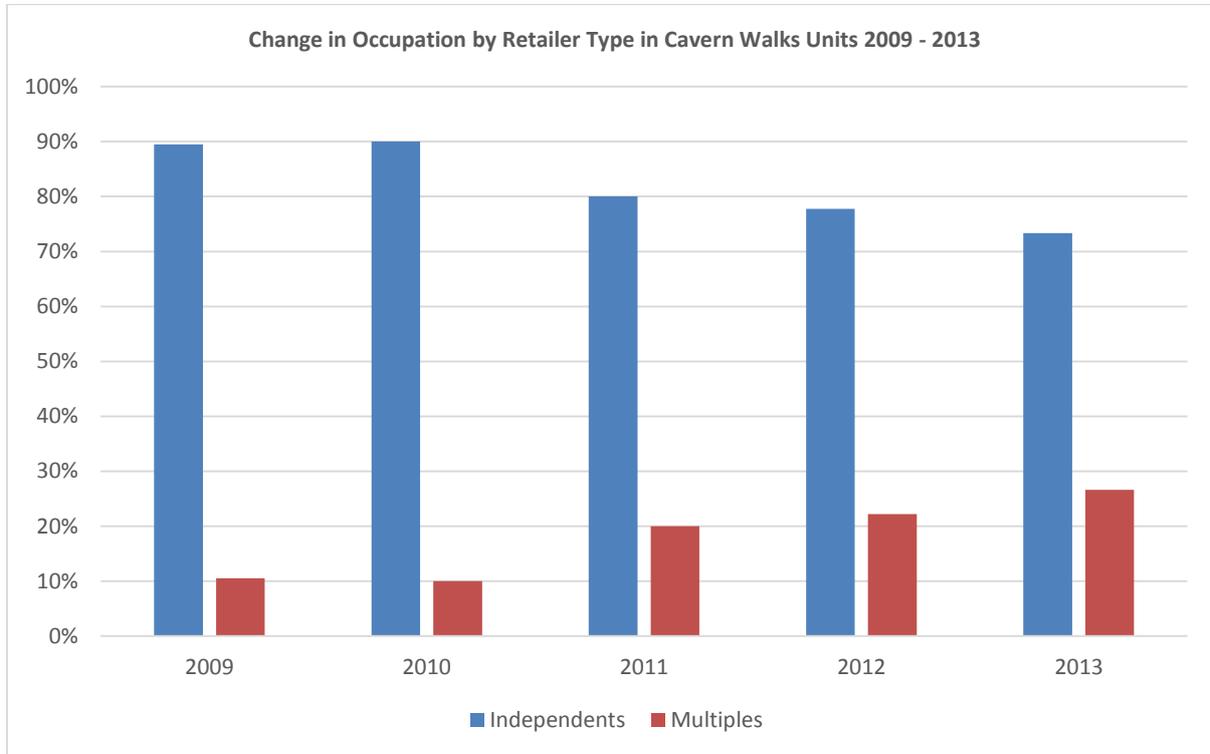


Figure 33: Change in Occupation by Retailer Type in Cavern Walks Units 2009-2013

### 7.3.3.9 Change in Occupation by Business Type: St. Johns

Figure 34 shows the proportion occupied by various business types for 2009 to 2013 in St. Johns. As can be seen from Figure 34, as with the previous shopping centres and streets, the shopping centre is primarily occupied by comparison retailers with the remaining retailer types each making up approximately either 10% or below of the population respectively. Examining changes in the centre highlights that the proportion of comparison retailers increases annually from 60.4% in 2009 and 2010 respectively to 62.7% in 2011 and 68.3% in 2012, an increase of 7.9%, although there is a reduction to the proportion of comparison retailers in 2013 to 65.0%. The remaining retailers in St. Johns remain relatively stable throughout the period examined with only very slight changes to the proportion of leisure service retailers which saw minor increases and decreases in 2012 and 2013 respectively. Retail services also experienced some minor reductions to their proportion in the centre but these were minimal.

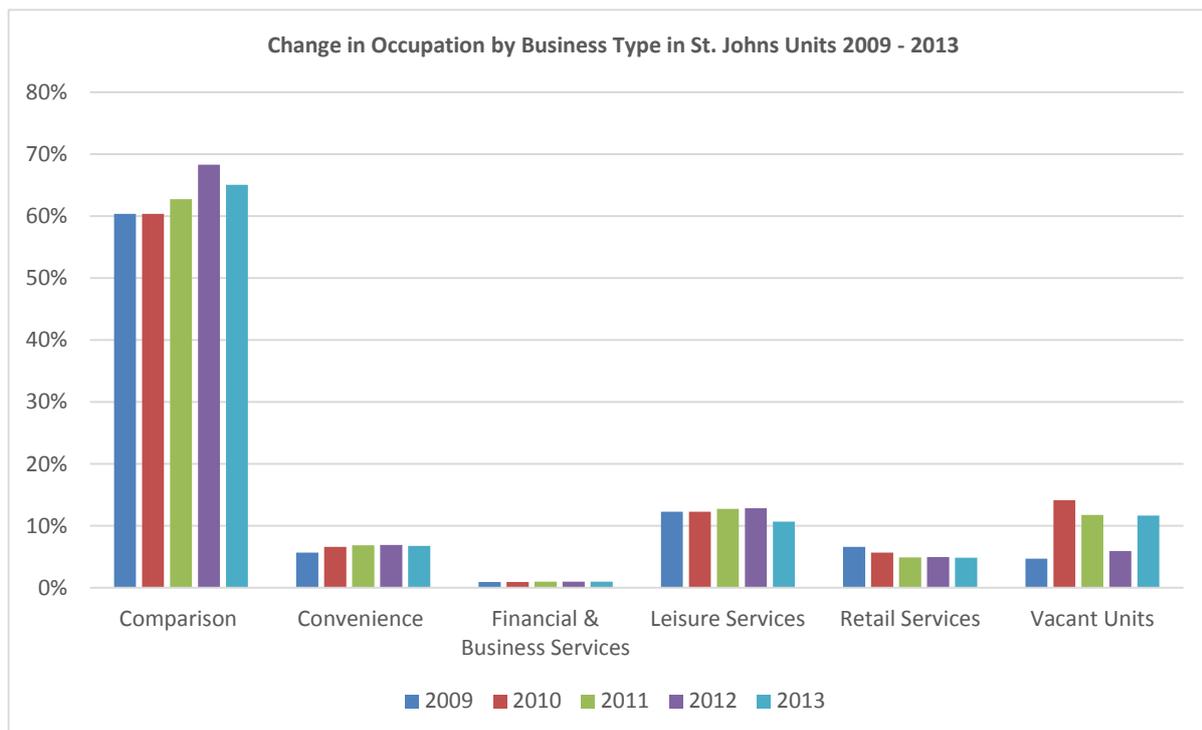


Figure 34: Change in Occupation by Business Type in St. John's Units 2009-2013

In terms of the proportion of vacant units over the period examined the vacancy rate was relatively low, especially for the size of the shopping centre, which had the most units of all the shopping centres totalling 103. Vacancy rates for the centre reached a peak in 2010 at 14.2% however dropped to 11.2% in 2011 with a further fall in 2012 to 5.9%. It did increase

once more by 5.8% in 2013 to 11.7%. The largest increase to the vacancy rate came in the second year following the opening of Liverpool One where it increased from 4.7% in 2009 to 14.2% in 2010, an increase of 9.5%.

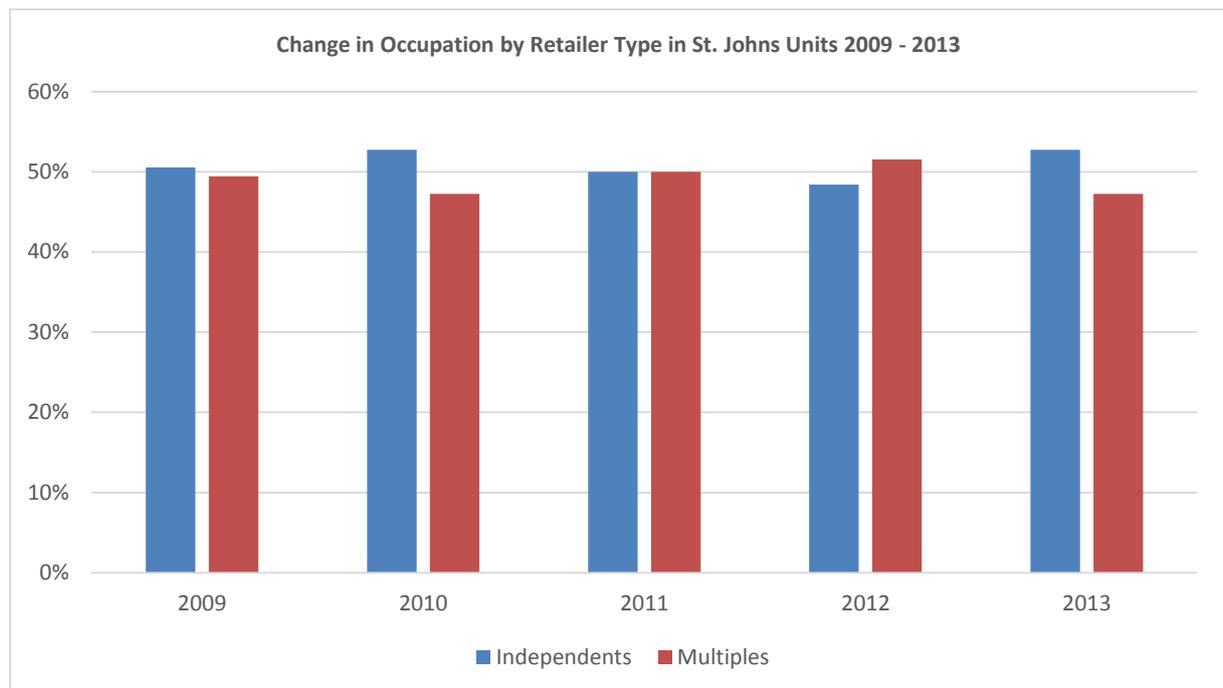


Figure 35: Change in Occupation by Retailer Type in St. John's Units 2009-2013

### 7.3.3.10 Change in Occupation by Retailer Type: St. Johns

Figure 35 shows the proportion occupied by retailer types for 2009 to 2013 in St. Johns. Although similar to the previous shopping centres in terms of comparison retailers being the principal occupant in the centre, the percentage occupation by type of retailer is very different, with the share being approximately 50% independent and 50% multiple. This distribution is particularly unusual as the majority of shopping centres are predominantly occupied by either one type of retailer or the other. Although the proportions do change throughout the period examined the changes are minimal. For example in 2010 the occupancy share of independent retailers increased marginally whilst multiple retailers decreased but the share for both types was exactly 50% in 2011. Therefore between 2009 and 2013 the proportion occupied by either type of retailer remained fairly constant although in the final year of the period examined the distribution was 52.7% independent and 47.3% multiple.

### 7.3.3.11 Change in Occupation by Business Type: Church Street and Lord Street

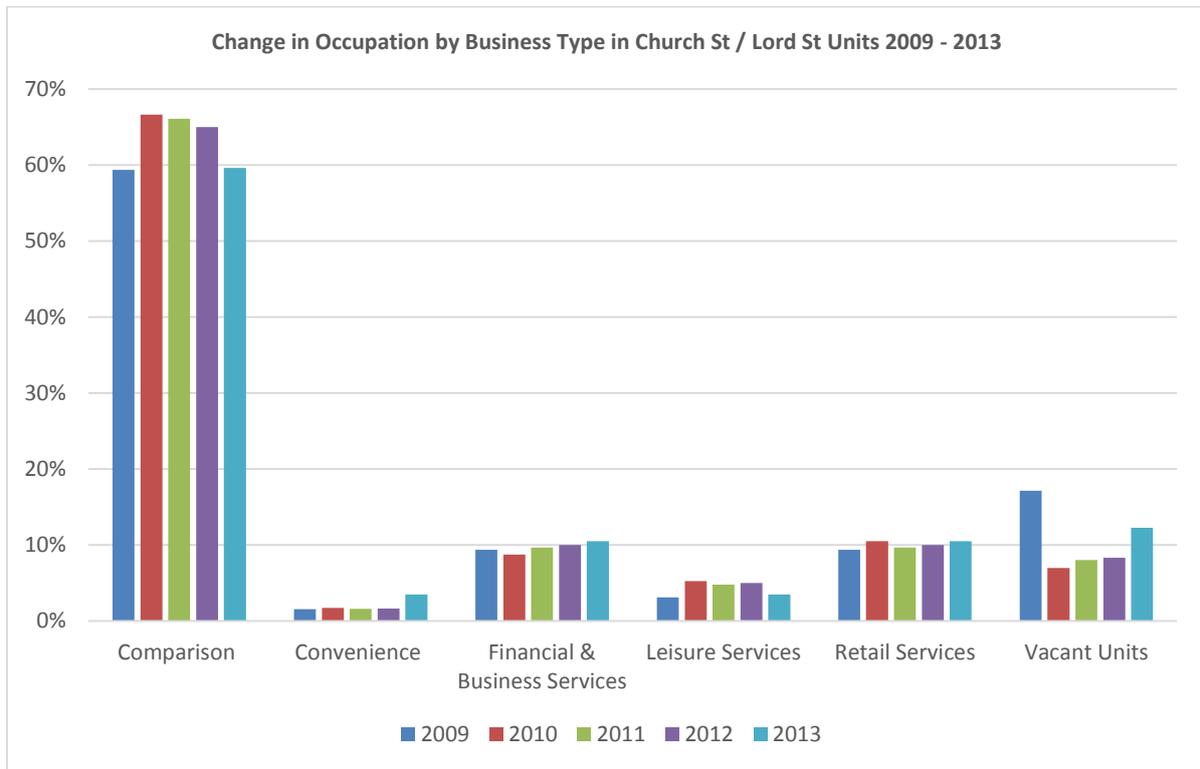


Figure 36: Change in Occupation by Business Type in Church St / Lord St Units 2009-2013

Figure 36 shows the proportion occupied by various business types for 2009 to 2013 in Church Street and Lord Street. These two streets have historically been the ‘main’ shopping streets in Liverpool Centre and are regarded as Liverpool’s ‘high streets’. Their status as the ‘main’ shopping streets is reflected in the low number of convenience and leisure service retailers and the high proportion of comparison and financial and business service retailers on the two streets.

Between 2009 and 2010 the percentage of comparison retailers on Church Street and Lord Street increased by 7.3% from 59.4% to 66.7%. There was then a minor reduction in the number of comparison retailers in 2011 with this decline continuing up until the final year of the period examined where occupancy stood at 59.6% and therefore the same as the 2009 percentage occupation. The remaining retailers’ types each making up approximately either 10% or below of the population respectively on both streets remained relatively unchanged during the period examined. Leisure service retailers did experience an increase in the

second year following the opening of Liverpool One and then a slight reduction, however the numbers were minimal.

In regard to vacancy levels on Church Street and Lord Street, the vacancy rate was at its highest in 2009 the year following the opening of Liverpool One. It then reduced significantly from 17.2% in 2009 to 7.0% in 2010, a reduction of just over 10%. The vacancy rate did however begin to increase steadily over the remaining period examined reaching 12.3% in 2013. It can also be noted that the significant decrease in the vacancy rate in 2010 can be attributed to not only an increase in comparison retailers but also convenience, leisure service and retails service retailers, who all experienced a slight increase in their share in that year.

### 7.3.3.12 Change in Occupation by Retailer Type: Church Street and Lord Street

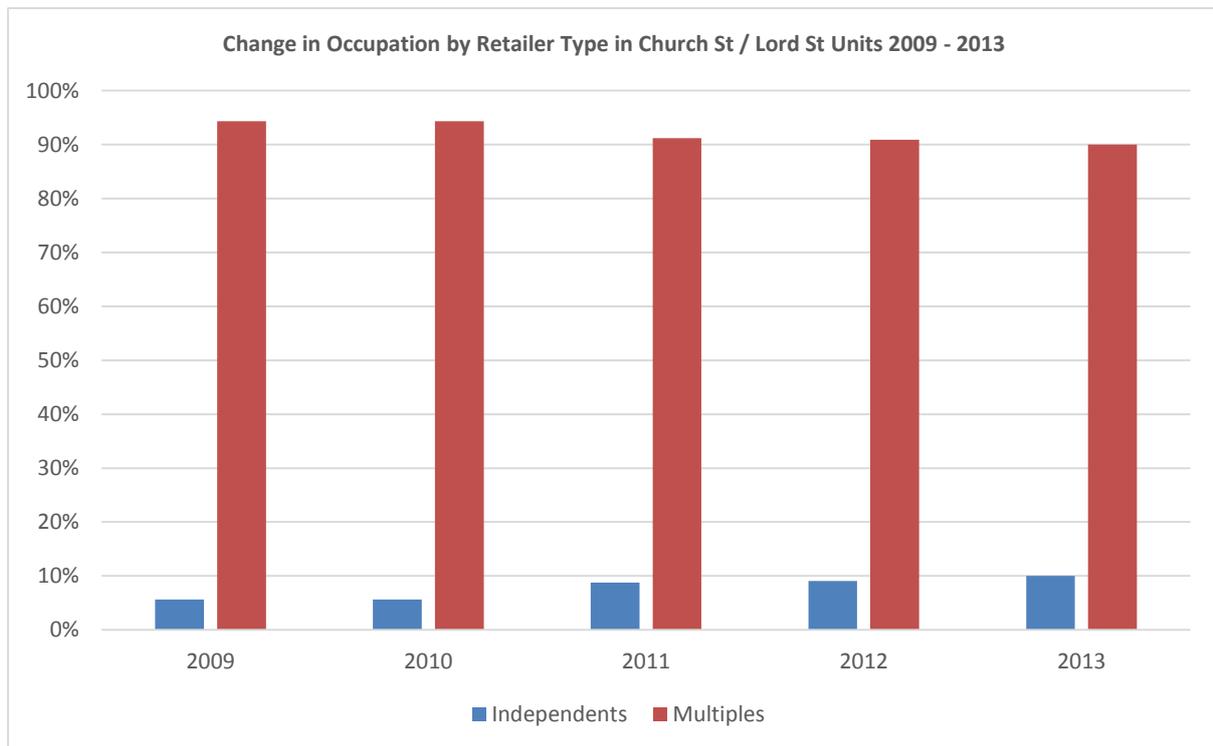


Figure 37: Change in Occupation by Retailer Type in Church St / Lord St Units in 2009-2013

Figure 37, p.229, shows the proportion occupied by retailer types for 2009 to 2013 in Church Street and Lord Street. Given that the two streets have historically been the 'main' shopping streets in Liverpool Centre and therefore a prime retail pitch, it is of no surprise that the percentage occupation is predominantly made up of multiple retailers. Over the period examined it can be noted that the percentage of multiple retailers steadily declines by 4.3% along with an increase in independent retailers by the same amount, however, when the actual figures are reported it means an overall increase of two independent retailers and a loss of five multiple retailers, making the changes fairly insignificant.

### 7.3.3.13 Change in Occupation by Business Type: 'Other' Retail Areas

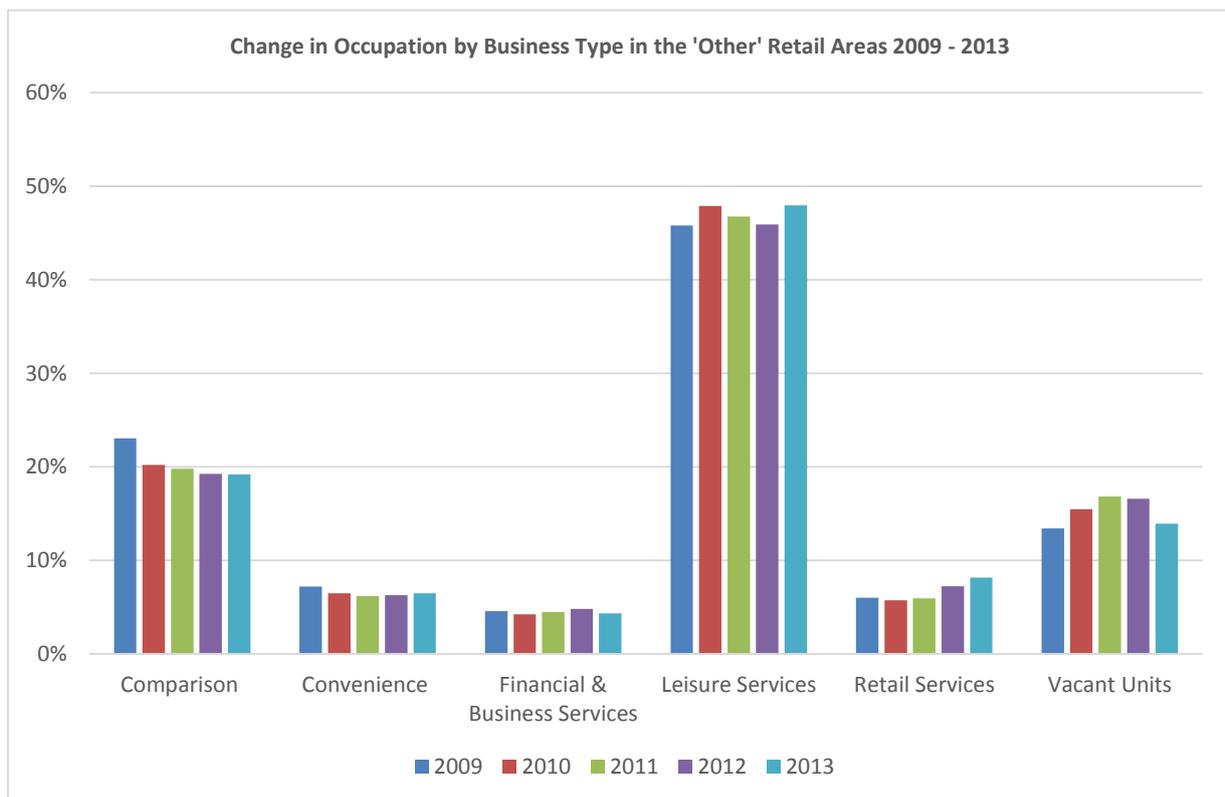


Figure 38: Change in Occupation by Business Type in the 'Other' Retail Areas 2009-2013

Figure 38, p.230, shows the proportion occupied by various business types for 2009 to 2013 in the 'other' retail areas. The 'other' areas accounted for the largest proportion of units which were examined in the city centre and included both streets in and around the existing shopping centres as well as connecting streets between the shopping centres and Church Street and Lord Street. As can be seen from Figure 38, p.230, the 'other' retail areas are primarily occupied by leisure service retailers with comparison retailers occupying the second largest number of units. The remaining retailer types each make up below 10% of the population respectively.

Over the period examined the proportion of units that were occupied by leisure service retailers remained relatively stable with only slight increases and decreases to their percentage occupation. Between 2009 and 2013 the proportion of leisure service retailers increased by 2.2% and when the actual figures are taken into consideration, it accounted for only a moderate increase by nine units. Comparison retailers also remained relatively unchanged although they did experience a 3% decrease between 2009 and 2010, which then remained the same for the period examined. The same can also be said in regard to the remaining retailer types whose occupation also remained constant, although retail services retailers did experience a small rise over the five year period. In terms of the vacancy levels in the 'other' retail areas, Figure 38, p.230 shows a steady increase in the number of vacant units over the period examined although it is worth noting that the rate decreases back to its 2009 level in the final year of the period examined.

#### **7.3.3.14 Change in Occupation by Retailer Type: 'Other' Retail Areas**

Figure 39, p.232, shows the proportion occupied by retailer types for 2009 to 2013 in the 'other' retail areas. Unlike in many of the previous shopping centres and areas which have a predominant type of retailer, the occupancy rate between independent and multiple retailers is around 55% independent and 45% multiple. For the first two years following the opening of Liverpool One in 2008 the proportions remained stable with only a slight increase in the number of independent retailers and a small decrease in the number of multiple retailers. The following year saw the occupation by independent retailers increase from 56.3% in 2010 to 61.6% in 2011 and multiple retailers decrease from 43.7% in 2010 to 38.4% in 2011. This decline did however stabilise in the final two years of the period examined with only moderate increases and decreases to the two types of retailer respectively.

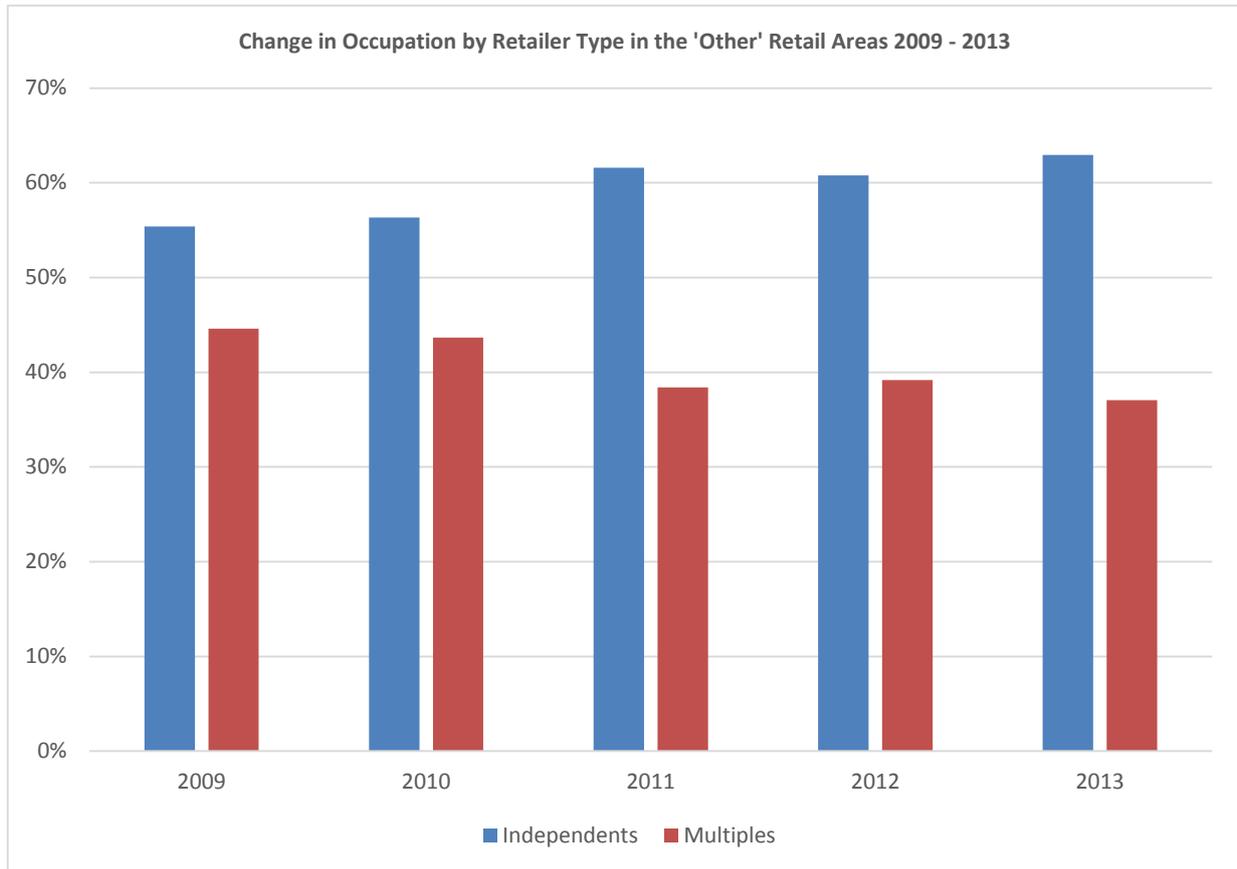


Figure 39: Change in Occupation by Retailer Type in the 'Other' Retail Areas 2009-2013

## 7.4 Summary

From the Goad Map analysis of the existing city centre units each of the locations experienced different levels of change between 2009 and 2013. In terms of turnover of tenants, Cavern Walks and Bold Street had the highest number of occupancy changes although Bold Street had far more units change occupancy twice. Units in Church Street and Lord Street had the lowest number of occupational changes. In terms of business type, there was an overall reduction in comparison retailers over the five year period but leisure service retailers experienced a minimal increase. The number of vacant units also rose over the five year period although this was only minimal. In terms of retailer type the number of units occupied by independent retailers increased over the period examined whilst the number of units occupied by multiple retailers decreased. Each of the existing city centre locations experienced different levels of change between 2009 and 2013 although those of Clayton Square and the Metquarter were particularly significant both in terms of their vacancy levels increasing and loss of comparison retailers, many of which relocated to Liverpool One.

## **Chapter 8: Qualitative Data Results and Analysis**

One of the four research objectives which was set out in Chapter One was to explore the management strategies adopted by the existing inner city shopping centre managers in regard to coping with competition, retaining current business and attracting new business. This chapter presents findings on whether or not new retail developments such as Liverpool One have had an impact on the already well established shopping centres in Liverpool. All four inner city shopping centre managers were approached to take part in the study although the manager of Cavern Walks expressed that in the light of a take-over of the shopping centre he would be unavailable to participate in the study. To meet research objective four in regard to examining the management strategies adopted by existing centre managers to cope with competition, retain current business and attract new business, the results of the interviews were categorised into three main themes which were developed through a thematic analysis. The impacts of new shopping centres were explored through the following themes; Property Management Techniques, Vacancy Levels and Property Management Strategies. The themes were then analysed to identify similarities and differences within the results alongside discussion as to whether the results drew on any parallels within recent literature, the results of the retailer survey and Goad Map analysis. The themes were also evaluated so as to discuss any similarities or differences between the three shopping centres. This chapter has been arranged so as to provide a structured and thematic discussion based on the fourth research objective.

### **8.1 Property Management Techniques**

Data analysis began by assessing the comments of each of the centre managers so as to further establish the history and design of the centres (see Chapter 1, Section 1.3.2 for information regarding each of the centres), the original concepts behind the centres, as well as focusing on the types of retail so as to identify the customer base. This was undertaken so as to establish whether the centres offered any similarities or differences and therefore distinguishing their roles in the Liverpool retail industry.

#### **St Johns**

St Johns is the longest established of the three shopping centres and was originally built in the 1960's. The centre manager described it as a radical development as it took away a

long established market that had been there for over a hundred years. The centre manager explained that the centre was quite revolutionary as it was conceived at a time when the council were trying to separate people and cars so that it would be accessed through elevated walkways. It was also for the time technologically advanced through state of the art CCTV systems, fully air conditioned and each retail unit was individually heated through oil fired furnaces. As the centre manager commented, *an immensely complicated design*. It was also inward looking (meaning the exterior of the building was predominantly clad in polished concrete) and so walls were built so as to attract shoppers to come inside the centre. The centre was originally made up of large well known multiple retailers such as Habitat, Stead and Simpson and Dolcis (Stead and Simpson and Dolcis have now ceased trading). Presently the centre offers a mix of independent traders as well as some multiple budget retailers and offers a food hall tenanted by fast food restaurants.

### **Clayton Square**

Clayton Square was built during the 1980's and its design was particularly different to St Johns. The centre manager explained that it was very visual with a glass roof, open and wide malls and large walkways and that the developers were quite visionary in squeezing retail space and drove retail away from the traditional large unit based centres such as St Johns. The retail units were boutique style shops such as Wallis and Eton and its retail was aimed mostly at ladies' fashion. Presently the centre offers a mixture of retail outlets.

### **The Metquarter**

The Metquarter is the most modern of the shopping centres and was completed in 2006. The centre manager explained; *Its aim was to develop a sort of pavement culture in the style of Parisian streets*.

It originally had long tables in the middle and although it was enclosed, the aim was to give the centre a light and airy feel. The centre opened with the intention of bringing large designer brands to Liverpool and consists essentially of high end fashion retailers such as Hugo Boss, Armani Exchange, Diesel and Tommy Hilfiger.

## Liverpool One

The final shopping centre that was completed in 2008 was the Liverpool One development. Built by Grosvenor, it is by far the largest of the shopping centres and also the most modern. It is a mixed use development with a variety of well-known retailers, high end shops as well as restaurants and leisure facilities (see Chapter 1, Section 1.3.4) As Liverpool One was opened in 2008, this is the most recent shopping centre and will therefore be referred to as the 'new retail development' throughout the analysis and discussion.

Each centre is therefore individual in its own right, both through size and design and each centre was conceived with a certain type of retailer in mind, for example, St Johns had large multiple retailers, Clayton Square was predominantly ladies fashion and the Metquarter consisted mostly of high end designer labels. The first noticeable difference that the analysis highlighted is that the three shopping centres in Liverpool were a unique case, in the sense that the most recent literature on the subject concentrated on the impacts of new retail developments on retailers located in traditional high streets or primary and secondary retail locations, such as Lowe's (2005) study on the West Quay centre in Southampton and Oughton *et al.*'s, (2003) work on the Oracle centre in Reading. In the case of Liverpool, the city has three large shopping centres within the existing retail area, all within close proximity of each other and all competing for business yet with varying retail offers. The analysis also established that many of the original concepts behind these shopping centres had changed dramatically and in essence, changed the dynamics of the centres.

### 8.1.1 Concepts

Following these results, it was observed that Clayton Square had seen the biggest change from its original concepts to the retail strategies that it was now following. Clayton Square had lost many of its original ladies fashion stores and was now an amalgamation of different retail outlets. When asked what Clayton Square is now, the centre manager replied;

*That is a question we cannot answer, we simply don't know. The centre manager commented further; How we see it as a company is that it's hard to pigeon hole it. St Johns is value, Met Quarter is high end and what is Clayton Square, we don't know.*

Following the comments by Clayton Square's centre manager, it could be argued that the identity of Clayton Square seems to have therefore been lost, not only in terms of the original concept but through the lack of vision for the centre. It may be argued that this loss was down to many of Clayton Square's original ladies fashion stores moving to Liverpool One but this was not expressly highlighted by the manager when referring to the centre's concepts.

This trend was also visible through St Johns failing in its original concepts if the statement made by the centre manager of the centre being quite 'revolutionary' is to be put into context. St Johns' technically advanced centre has only been refurbished once since it was built in the 1960's and on reflection, is now quite outdated. The centre manager commented; *The original concept proved to be not as good as people thought it would be, St Johns lost tenants in the 1980's; there was a bad reputation about the place and it felt like we'd created a bit of a monster.*

The results therefore suggest, from the opinions of the centre managers that the original concepts behind the centres had now changed dramatically. It wasn't clear however whether these changes had come around due to the development of Liverpool One or simply changed with the times. On analysis, it may be argued that there are various reasons for this adjustment. Firstly, Clayton Square's admission of not knowing what the centre now offered was a clear indication that the management techniques through image, type of retail and having a clear path to follow had been ignored. Secondly, St Johns had relied on its original concept as being technically advanced and at the forefront of the modern shopping centre but not evolved this concept into the present day. However, it may also be argued that both Clayton Square and St Johns have been at the mercy of Regional Shopping Centres (RSCs) for the past thirty years as Williams' (1995, p.242) opinion on RSCs demonstrated, "They are parasitic activities which destroy city centres by diverting trade away from existing retail facilities". The analysis however highlighted that the St Johns centre manager offered a further argument for the loss of St John's original concept by arguing that shopping centres have lifecycles; *Every single product, whether it's the shopping centre or hula hoop has a life cycle with its peaks of growth and decline and St Johns is therefore in the decline phase.*

This was quite an interesting opinion as it suggested that shopping centres have lifespans and therefore regardless of competition or the market, at some point the centres will start to fail. This opinion was also quite controversial as it had not appeared in any literature and it suggested that a shopping centre's existence was effectively beyond its control regardless of property management techniques and the economic climate. This opinion may therefore suggest that St Johns is in its decline phase and therefore attributing no blame whatsoever to Liverpool One. However, it may also be argued that if this is the case then the government's 'town centre first' approach in the *National Planning Policy Framework* may go some way in extending this lifecycle. In regards to The Metquarter, the centre manager when asked about the original concept for the shopping centre commented; *The Metquarter's aim was to provide a high end and aspirational shopping centre that would bring in new brands to Liverpool*

On reflection, this is still the case for The Metquarter, but it may be argued that it is difficult to analyse whether or not the shopping centre has changed its original concept because of the relatively short time since its development.

### **8.1.2 Types of Retailer**

In exploring the strategic management techniques through the centres' original concepts, one aspect that the results highlighted was a clear trend that a change in the type of retailer had now been attracted to both Clayton Square and St Johns. The manager of Clayton Square remarked that; *Since I joined the centre in 2009, Mothercare, Clas Ohlson, Maplin, Discount UK and many charity shops have all moved into the centre.*

The centre manager, in regards to St Johns observed; *There's no other shopping centre in the UK that has as many independents that's in the city centre, certainly none that I know of any way.*

The results offered two perspectives to this change in retailer. Although Clayton Square has managed to attract new retailers, the type of retailer through their brand or product is seen as a negative. This was outlined by the centre manager of Clayton Square commenting;

*At the moment I've got a variety of charity shops and although I don't have a problem supporting charities, when you start getting charity shops in people start to think you are not in a good place. It gives the wrong impression to the public because people think you are going to be closing down if you have charity shops.*

St Johns on the other hand had embraced their change in concept, and unlike Clayton Square, has welcomed independents to the centre. St Johns looks favourably on the independents with their centre manager stating; *The independents and market traders all work hard, they trade well, have established a payment reputation with us so we have allowed them to expand.*

On reflection, it is clear that St Johns understood that their original concept was shifting and reflected this through their property management techniques of allowing independents to flourish in the centre. Clayton Square on the other hand, although allowing different types of retail to move into the centre, seem reluctant to change their techniques. Unless this mind set is altered, it may be argued that it will most definitely restrict the centre's ability to compete in the Liverpool retail market. It may also be argued that the retailers that have moved into Clayton Square are predominantly budget retailers and a new concept may be to target families. Government policy through the *National Planning Policy Framework* aims to regenerate areas through retail, which may also bring leisure and dining facilities to city centres, a trend that has been noted within the Goad Map analysis showing a small increase in leisure service retailers between 2009 and 2013 (see Figure 23, p.211). With this in mind, targeting a family audience may be a new concept that this shopping centre could explore.

The results underlined the fact that types of retailer, be it through brand or product, had also had an impact on the variety of customers that each of the centres now attract. The most common trend was between Clayton Square and St Johns who both acknowledged that the local economy most certainly played a role in the type of customer that was attracted to each of the centres. Both centre managers observed that although there are a lot of affluent people in the city, there is still a predominantly poor economy and a high unemployment rate. This most certainly must be taken into consideration when discussing the customer base and the centre manager, when asked regarding St Johns clientele commented;

*There are various social groups in Liverpool and so you will find that there is a lot of say 'financially challenged' that are a big part of our clientele and the young fashion conscious on a budget. I'd even go as far as calling St Johns a downmarket shopping centre however the centre has grown up perfectly to match the demand of its catchment population.*

It was clear from the results that the concept of allowing independents into St Johns had been a success based on the fact that half of the centre was now tenanted by independent retailers (see Figure 35, p.227). It was also clear that the centre knew and understood its identity. However, on further analysis, the centre manager outlined that in regard to turnover figures for the centre, 85% of the takings were by the multiple retailers and only 15% by the independents. If these figures are accurate, it brings into question whether the independents really are important to the centre. Analysis in terms of comparisons with other centres proved to be difficult because St Johns was unique in regard to its tenant mix.

The Metquarter however was the shopping centre that contradicted the claim that Liverpool has a poor economy, especially through their concept of bringing high end, designer brands to Liverpool. The centre manager noted;

*It was very much about introducing new brands, it was about trying to grasp new entrants to the market and the majority of the stores that we attracted were the first stores outside of London such as Armani Exchange, Hugo Boss and MAC.*

These results have established that on one hand, two out of the three shopping centres have a financially challenged clientele whilst the third shopping centre is aiming to attract more affluent shoppers. It may be argued that these results show a clear divide in client base. However it may also be argued that there is a connection and that high end retail is integral to the dynamics of the customers who choose to shop in Liverpool. Although the shoppers at St Johns and Clayton Square are predominantly 'financially challenged', people will usually aspire to do better so the term 'high end' may not be the correct phrase to associate with The Metquarter. The centre manager commented;

*The Metquarter is fashion driven however there's a quality element to it and people always want quality. We have a varied customer base and people may come in for something that they want to treat themselves too. You know, something that they wouldn't usually buy.*

On reflection, the term 'aspirational' may be a more realistic term outlining that the Metquarter is not completely outside of people's price ranges and therefore does have an integral part to play in the customer base. The results also highlight that although the shopping centres provide very different retail offers, all of the centres are in some way connected through their customer base, something which is unique to Liverpool. This is most certainly the case if compared to the West Quay shopping centre in Southampton where the Head of City Development cited in Lowe (2005, p.661) that "West Quay is a fortress with little connection with the outside world" therefore offering no links to other retail centres in the area.

## **8.2 Vacancy Levels**

To gain a further understanding of each centre's current situation in terms of vacancy rates at the time of the interviews, it was important to first establish each centre's position before the opening of Liverpool One in 2008. Analysis of the interviews established that the city centre managers expressed that each centre was in a relatively good financial position with the majority of their units let before the opening of Liverpool One in 2008. Clayton Square was still heavily fashion based with their anchor tenants including Karen Millen and Monsoon and St Johns was a still mixture of independent and multiple stores. When the Metquarter opened in 2006, they had eleven high end brands with many others in the pipeline and by the end of that year they were nearly full to capacity. Following the opening of Liverpool One in 2008, the analysis of the interviews found that the picture was varied for each of the centres.

Clayton Square had changed dramatically, especially in terms of its vacancy levels. The centre manager stated that pre-2008, the centre was almost fully let, but in August 2012, at the time of the interview, the centre manager commented that there were nine vacant units within Clayton Square, reporting a vacancy rate of 25%. Following the Goad map analysis for the same year (see Figure 28, p.218) the vacancy rate was 28% in 2012 (therefore

showing a slight increase on the centre manager's figures in August of the same year) and continued to rise to 35% in 2013, indicating a seven percent increase in vacancy levels, the highest rate over the period examined for the centre. The centre manager of St Johns expressed that he had seen little change to its vacancy levels since the opening of Liverpool One which is confirmed through the Goad map analysis to some extent (see Figure 34, p.226). Although vacancy rates stay relatively unchanged between 2010 and 2013, they did peak from 4.7% in 2009 to 14.2% in 2010, two years following the opening of Liverpool One. Nevertheless, when compared to Clayton Square, St. Johns had only had two vacant units at the time of the interview. The centre manager commented; *We have two small vacant units. That's it. There's a high demand for space and we have no problems letting space.*

The centre manager of the Metquarter also observed a high vacancy rate reporting that at the time of the interview, their vacancy levels stood at 18%. However, following the Goad Map analysis for the same year (see Figure 30, p.220) the vacancy rate was reported to be 28.9% in 2012, indicating an increase of nearly 11% between when the interview was conducted and the final year figures. The vacancy rate then remained at 28.9% in 2013.

On analysis, two out of the three centres had experienced dramatic changes to their vacancy levels and both centre managers for Clayton Square and the Metquarter respectively, attributed some association to the rise in vacancy levels with the opening of Liverpool One. This situation also enhanced the data reported by Lowe (2005) who acknowledged that following the opening of the West Quay development in 2001, the vacancy rates in Southampton had risen considerably since 2001 and in 2005 were standing at 10.9%. In comparison, both Clayton Square and the Metquarter had experienced nearly double the vacancy rates in the same amount of time.

Following this trend in vacancies, especially in regard to Clayton Square and the Metquarter, although the centre managers attributed some of the responsibility to the opening of Liverpool One, their responses were varied in regards to the level of impact associated with the new centre. Firstly, in regard to Clayton Square, the centre manager commented;

*Before 2008 we had about 95% fashion in this centre. So when something new and shiny is going to be built on your doorstep that's going to take trade*

*away and bear in mind that ladies fashion is a key driver on the high street and you just knew that your time was slightly numbered here.*

Clayton Square had clearly suffered a significant impact through loss of retailers due to Liverpool One's development. The analysis also outlined that they may have lost even more retailers to the new development if not for attractive incentives. The retailer 'Boots' had taken a 99 year lease at Clayton Square and because of their importance as an anchor tenant, they were given a substantial rent free period. Other tenants that were new to the centre such as Clas Ohlson and Mothercare had also been given various incentives to occupy units. However, the research also highlighted that the incentives offered by Clayton Square were on some occasions not enough to retain their retailers and also highlighted the strength of Liverpool One. The centre manager commented; *Even though some of our retailers had unexpired leases, Grosvenor paid them leases off. You might say that's underhand but it was knees to the knuckles and we could not compete with that.*

This statement by Claytons Square's manager clearly showed that they were in direct competition with Liverpool One and as a result, had felt the full impact of this new development. In contrast, the results from the Metquarter, although also showing a high percentage of vacancies, reported that the financial figures after the first year of Liverpool One opening were quite positive. The centre manager commented; *We were up during 2008 and the footfall and sales continued to grow. We only started to notice a drop in profits when the Royal Bank of Scotland were on the front pages of every national newspaper.*

This response from the Metquarter outlined some important comparisons with already established research. Firstly, the Metquarter, through positive profit levels, felt that Liverpool One's impact had been relatively small on the centre. This backs up Oughton *et al.*'s, (2003) research (see Chapter 3, Section 3.4) that 20% of retailers who participated in the Reading study also experienced sales increases which they had accredited to the Oracle Centre opening. Secondly, although the Metquarter had experienced a rise in vacancy levels, it was assumed that their profits had also suffered. Most importantly however, it emphasised whether the objective of linking vacancy levels to Liverpool One, especially in today's economic climate, can really be justified. Although Clayton Square in the opinion of the centre manager has experienced vacancies due to the opening of Liverpool One, the

research suggests that the poor economy may have had an even greater impact. This is emphasised by the Metquarter's centre manager commenting in regard to profits dropping once the credit crunch of 2007 started to hit and the Royal Bank of Scotland hitting the headlines. The economy can also be related to the research by Oughton *et al.*, (2003) through the fact that although some retailers experienced sales increases, this may have been down to strong spending and a vibrant economy at the time of the study (see Chapter 3, section 3.4).

### **8.2.1 Economy**

The research suggested a link between vacancy levels and the economy. Although Clayton Square had established a clear link between their vacancy rates and the opening of Liverpool One, when the centre manager was asked to confirm that the new development had been the most significant reason for the vacancy rates, he observed;

*It's hard to say because of the current economy. With the downturn it's very hard to say this is solely down to Liverpool One. Don't get me wrong, as a percentage I'd say Liverpool One was the main reason, however it's difficult.*

The Metquarter's centre manager also related some aspects of their vacancy rates to competition but in her view, the economy had been the main issue elaborating that the financial downturn had impacted on the way that brands are set up financially and also how they trade. This had been a major problem for the Metquarter as a selection of the high end brands that had been key tenants had decided to change their wholesale models and close their high street retail outlets. The centre manager summarised the Metquarter's position by stating; *Yes we do have vacancy rates however the majority of retailers have gone through administration.*

The results from the research have therefore established that in the opinions of the centre managers, Clayton Square had lost tenants through both the impact of Liverpool One and the economy, whilst the Metquarter attributed their high vacancy levels primarily to the economy. It is therefore difficult to attribute the blame entirely to Liverpool One. St Johns however, in relation to vacancy levels, has felt very little impact from either Liverpool One or the financial downturn. This anomaly once again emphasised the uniqueness of Liverpool's shopping centres but it also showed a clear link between St Johns' 'financially challenged'

customer base, the type of retailers it has and also the economy. With St Johns having a mixture of both independent and multiple retailers, the centre has not been affected by the larger multiple stores, as in the Metquarter, going into administration. The independents, as well as the budget retailers, are also targeting a lower end customer base. In this regard and alongside the 2007 current financial crisis, it may be argued that they have a larger target audience therefore benefiting St Johns.

Although the results have found that Liverpool One has had varying degrees of influence in regard to the vacancy levels, the research also aimed to discover what other possible impacts this new retail development may have had on the three shopping centres. The response from all of the centre managers was that Liverpool One had without a doubt had an impact on Liverpool as a shopping destination and therefore benefiting each centre in terms of visibility on the retail map. It was evident that each centre manager could not fault this new development in terms of its design, especially in terms of linking Liverpool's shopping district to Albert Dock and its role in regenerating the city centre. It was also viewed as a great success in terms of establishing Liverpool in the rankings as a shopping destination as well as being a genuine rival to other well established shopping areas, in particular the Trafford Centre in Manchester. These points were of particular importance as not only did it highlight the possible achievements that government policy could have through using retail as a regeneration tool, it was also rivalling the Trafford Centre and therefore competing with a Regional Shopping Centre. The centre manager of the Metquarter commented:

*Oh yes, absolutely a positive, definitely a positive. Lots of improvements came along in terms of visibility and customer experience and more people have come into Liverpool. Liverpool One has also made cultural attractions more accessible and they've improved retail in general.*

This positive opinion was reflected through the centre manager outlining that the Metquarter was working alongside Liverpool One through joint retail campaigns as well as offering seasonal promotions at Easter and Christmas at both of their centres respectively. It was perceived that because both centres were located within close proximity of each other, the incentive of working together would attract shoppers to both centres.

### 8.2.2 Footfall

Although all three centres were of the opinion that Liverpool One had benefited the city, the results of the research also established that each centre had been affected by the new development very differently. The most common theme that the analysis highlighted was the issue of footfall. Clayton Squares centre manager put the situation into context remarking;

*There were people in the company saying this is a good thing because it's going to bring more people back to Liverpool and we will get a share of that. Not thinking that actually our retailers are all going to go and we're not going to get them back and the footfall is going to change.*

Liverpool One had been built on the opposite side of the city to where Clayton Square was located and in essence, moved the centre of Liverpool's traditional shopping district entirely. To put the impact into context, Clayton Square's centre manager described the annual footfall in and around the centre. Before Liverpool One was built, footfall was estimated at twelve to thirteen million people a year but in 2012, it had reduced to eight million. In contrast, the centre manager of the Metquarter highlighted that they had little or no reduction in their footfall, although she couldn't quote exact figures so this is speculative. The centre manager of St Johns on the other hand commented that the centre did experience a slight loss in footfall when Liverpool One opened however it was minimal. He also commented that this was observed by himself rather than measured.

On analysis, it is understandable why the results found that footfall was such a common theme and this was also demonstrated through participants in the retailer survey indicating that it was the third most selected reason for decreases in annual sales and many associated changes in footfall with the opening of Liverpool One (see Figure 16, p.185). Footfall can make or break a shopping centre as without having people to walk through the centre, not only does it affect retailers' profits, it also loses its appeal for prospective retailers. Clayton Square has undoubtedly felt the biggest impact but it may also be argued that Liverpool One was not solely to blame. On examination, Clayton Square was also within close proximity to two of Liverpool's longest established retailers, Lewis's Department Store that closed down in 2010 and Rapid Hardware that moved to be closer to the city centre. It would therefore be unjust to solely blame Liverpool One. The closure for refurbishment of Liverpool Central train station in April 2012 may also have played a role in the drop in footfall, especially due to its close proximity to Clayton Square and therefore lack of people travelling

to and from the station. In contrast, according to the centre managers, the Metquarter and St Johns suffered very little decline in footfall. This may be explained by the Metquarter's close proximity to Liverpool One and therefore naturally attracting a fairly steady footfall. St Johns slight drop may have been related to their usual shoppers simply being inquisitive. As the centre manager remarked; *Our customers thought they might try Liverpool One and walk around it but they couldn't afford it so came back here.*

### **8.2.3 Neglected Areas**

Another theme that the results established were remarks by all three shopping centre managers about their concern for the areas of the city centre that had now become neglected due to the opening of Liverpool One. Although this had not impacted on their centres directly, the fact that each centre manager had associated the opening of Liverpool One with the loss of retailers on Bold Street, highlighted that vacancy levels in that part of the city centre had not gone unnoticed. However, these remarks may not have been entirely justified as according to the Goad map analysis, the vacancy rate remained relatively stable between 2009 and 2013 and at 10%, was still significantly lower than both Clayton Squares and the Metquarters figures. Nevertheless, the centre managers were associating their remarks to losses in comparison and convenience retailers which as Figure 26, p.215 suggests, did occur. The relatively low vacancy levels when compared to those of Clayton Square and the Metquarter may also be associated with leisure service retailers taking up these vacant retail units which is also visible in Figure 26, p.215.

When relating to the new inner-city retail development, the centre managers argued that Liverpool One had not only had an impact on their shopping centres but also other existing retail areas, a view mirrored by participants of the retailer survey in Chapter 6 . Their views may also go some way in contradicting the claims made by Dixon (2004, p.169), "that retail led urban regeneration has the potential to act as a catalyst for wider regeneration" one of the main components of the retail-led regeneration model (see Chapter 4). Clayton Square's centre manager drew attention to this theme the most, remarking that Liverpool One had created the problem of 'dead areas'. This may however been linked to Clayton Square's proximity to Bold Street highlighting the centre manager's concerns for a possible further lack in footfall for the centre.

### 8.3 Management Strategies

Management strategies play a vital role in the running of shopping centres, not only do they give retail managers plans of action, they also focus on the philosophies and values that the centres aim to implement. Like any business, shopping centres are there to make profit and so focused and realistic strategies of how to retain and attract new business are imperative. This becomes even more important in a poor economic climate, as observed when the interviews were carried out. In aiming to meet the fourth objective which was to explore management strategies in regard to coping with competition, retaining current business and attracting new business, the research focused on how each of the shopping centre managers approached these strategies. The results were varied and although there were some similarities, it became clear that each manager's approach was dependent on the concepts that the centres had adopted as well as their customer base.

The analysis found that in terms of attracting new business, the results established similar viewpoints. Each manager understood that the type of retailer they were trying to attract had to be suitable for their individual shopping centre. For example, it would be unlikely that Clayton Square or St Johns would be able to compete in trying to attract high end retailers whilst in the same breath, the Metquarter would not appeal to budget retailers. The most surprising results however were through the implementation of these strategies. Clayton Square's centre manager commented; *I'll be really truthful, there isn't really a proper retail strategy because at the present moment in time it's the retailers that have the power and not the landlord.*

In contrast, the Metquarter has established that strategies were vital to competing in the current market and had even set up a strategic retail group that sits every quarter to discuss with their retailers plans of action of how to attract new business and how to make the centre better for their already established shops. In terms of attracting new business, it became clear that although new retailers would mean competition for the established shops, it was hoped that the extra footfall generated would have positive effects for the retailers that been in the centre for some time. St Johns strategy was even greater and the results found that the centre understood that it now looked quite dated and there were plans to refurbish both the upper and lower malls. St Johns centre manager also noted that this proposed strategy had been assisted through the centre recently acquiring investment following its sale to a London-based property funds company called Infra-Red Capital Partners. It became clear

from speaking to the centre manager that because of the centre's low vacancy rates, its popularity in terms of budget retailers and independent stores as well as its apparent effortless ability to attract new retailers, this was the only strategy that the new owners felt would benefit the centre.

On analysis, it was clear that both the Metquarter and St Johns had clear strategies in place as a way of moving the centres forward. Although very different in terms of the approach and scale, these strategies had been deliberately planned so as to benefit the centres in the future. Clayton Square on the other hand had a very defeatist approach and rather than trying to implement plans to go forward, it became apparent that they felt there was nothing they could do because of the strength that potential retailers had over them. Although Clayton Square had arguably been hit the hardest by the impacts of Liverpool One, it was difficult to understand why there had been no strategies put in place to compete with this new shopping centre. This may be because the owners of the centre had neglected Clayton Square or it may have been because the centre could simply not compete in attracting new retailers. There was however no clear answer to this question and without speaking to the owners of the centre, it would be difficult to clarify. Nevertheless, Clayton Square was also recently purchased by Infra-Red Capital Partners in 2014 so it remains to be seen if new strategies are put into action

### **8.3.1 Customer Service**

A particular theme that became apparent from the results was the importance of customer service as a management strategy. This was particularly the case through the views of both centre managers at the Metquarter and St Johns. Metquarter's centre manager commented;

*We have to acknowledge that the customer experience has to be excellent to get customers into the city because you have to pay for parking and other associated costs. So yes, customer service and customer experience is vital.*

This viewpoint was shared by St Johns centre manager who referred to keeping high standards, offering a better customer service than your rivals, keeping the centre clean and tidy, making sure that everything is in working order and always striving to achieve better standards. When asked if St Johns had any particular services that rivalled the other centres, the centre manager remarked:

*Well we still man our car parks and keep our tariffs lower than that of Liverpool One. If they cut their tariff then I'll cut mine. If your car breaks down in our car park the centre will provide a recovery service. I am also empowered by Trading Standards to settle any disputes that shoppers may have with our retailers and every one of our staff is highly trained in customer service.*

On analysis, it was apparent that both the Metquarter and St Johns understood that customer care and customer satisfaction was of utmost importance and used it as one of their main strategies to not only attract both shoppers and retailers but also to compete with Liverpool One. Clayton Square on the other hand made little mention of customer care as a strategy. Although it is without a doubt that Clayton Square strives to uphold high levels of customer care, it was unclear whether this was used as a strategy or whether it was a policy that is continually practised regardless of management techniques.

The results also highlighted the importance of 'fighting on the margins' and this was particularly clear with the Metquarter and St Johns. Although all the centres are different in their own rights, they each have a common goal of attracting both shoppers and retailers and so to make their centre more appealing, they also have to make themselves distinguishable from the rest. This is highlighted through both St Johns and Liverpool One having car parks. They therefore offer the same service and thus 'fighting on the margins' but to distinguish themselves, St Johns for example offers a staffed car park, with a free breakdown service and most importantly, will strive to always be more affordable regardless of the price their competitors offer. Although the Metquarter does not have a car park, it may be argued that they also 'fight on the margins' such as developing a relationship with their nearest competitor and running seasonal retail campaigns together.

### **8.3.2 Future New Developments**

The final part of the data analysis was to examine the opinions of all three centre managers in regard to the development of another new retail development, the Central Village complex, which was due to open in 2014. This was seen as an important part of the research as it was hoped that it would encourage the participants to give an insight into the management strategies that would be implemented to combat the threat of a further new inner-city retail development.

Located in the old Lewis's building as well as incorporating Liverpool Central train station, the development will comprise of mixed retail and leisure facilities. The results were very positive with the most common trend being that all three centre managers believed it would be good for the city as well as being good for that specific area of the city centre. In the light of the impacts of Liverpool One, especially in regards to its effects on Clayton Square, this was an unanticipated finding. The centre manager of Clayton Square observed that because of Central Village's close proximity to the centre, it was hoped that this would encourage footfall and act as a catalyst in terms of reinvigorating that area of the city centre. Central Village could therefore be described as a possible result of the retail-led regeneration model which is also linked to the 'historical accident factor' (see Chapter 4, Section 4.2). The Metquarter also viewed the new development in a positive light despite its location being at the opposite end of the city centre. St Johns also felt no real threat from this new shopping centre but did mention that the leisure facilities, such as the restaurants, had alerted St Johns, especially in regard to their own food hall. The centre manager on evaluating Central Village commented:

*Well we have been watching it however there are no signs of them competing with our food court. We have the busiest McDonalds you are ever likely to find and we sell more children's meals than any other McDonalds in the UK. Central Village's food selection will not be fast food.*

On analysis, the lack of any strategic response to this new development may have been because of the nature of the development. Rather than solely having retail, Central Village would be of mixed use and therefore the threat may have been seen as minimal. It would also act as a tool for regeneration and therefore attract more people to the city centre. As mentioned previously, with Clayton Square finding it difficult to compete with Liverpool One, it may also give them the option to 'fight on the margins' and work alongside Central Village. With this in mind, it may also back up Lowe's (2005) opinion that new retail developments improve the perceptions of cities. This is particularly important because as mentioned previously, Clayton Square's current condition through high vacancy rates and a low footfall may have the capacity to tarnish Liverpool's reputation as a retail destination.

### **8.3.3 Similarities and Differences**

Following the results of the research, the centres were in agreement that their original concepts had changed since the development of Liverpool One. Clayton Square's assertion

that it no longer knew how to brand itself was a clear indication that it was no longer a fashion based shopping centre. This is also represented in the Goad Map analysis in Figure 28, p.218, demonstrating the decline in Clayton Square's comparison retailers from 53.7% in 2009 to 35.0% in 2013. St Johns had evolved from its once mainly multiple based retailer concept to accepting budget brands and independent traders. The Metquarter however was still aiming at the high end of the retail market although it understood that it now attracted some mid-range customers. It may however be argued that it is still too early to measure the centre against a change in its original concepts. The centres were also similar in the fact that through their change in concepts, their customer base had also been altered. This was also the case for the Metquarter as it acknowledged that it also now appealed to the mid-range customer when they want to 'treat themselves to something nice'. In terms of the impacts of Liverpool One, all three centres agreed that the new development had been a good thing for the city, especially in terms of making Liverpool a retail destination through regeneration. The centres were also of the same opinion that Liverpool One had significantly impacted on the mainly independent retail area of Bold Street and in essence created neglected areas. The new Central Village development was also regarded as being unthreatening to either of the centres and it was viewed as being a positive influence on the city centre retail market.

In contrast, the differences between the centres were clearly evident through vacancy levels. Each of the centres reported differing statistics with Clayton Square having the highest level and St Johns reporting a very low vacancy rate. The impact of Liverpool One in regard to vacant units was also mixed with Clayton Square acknowledging that although the economy could also been a contributing factor, the majority of their vacancies could be attributed to Liverpool One. The Metquarter on the other hand recognised the economy as the main reason for their vacancy levels whilst St Johns had felt very little impact from either of the two previous causes. The concept of footfall was also very different with Clayton Square experiencing a dramatic drop since the opening of Liverpool One whilst according to the centre managers of both the Metquarter and St Johns, they experienced very little change. Differences were also found within the management strategies of the three centres with the Metquarter and St Johns emphasizing that customer service and standards were their most important policies whilst Clayton Square had no clear strategy.

#### **8.4 Summary**

In evaluating this chapter, the objectives in regard to examining the management strategies adopted by existing centre managers in regard to coping with competition, retaining current business and attracting new business have been met. It is clear that the three shopping centres have both similarities and differences in regard to management techniques, vacancy levels and management strategies and the results have made it apparent that Liverpool One has had varying degrees of impact on each centre. Clayton Square may be regarded as the centre which has felt the greatest impact of this new retail development whilst the Metquarter and St Johns have shown varying results in regard to Liverpool One's influence. The results have also established that the three shopping centres are unique, especially in terms of both their roles and status in Liverpool's retail industry.

## **Chapter 9: Recommendations**

This chapter presents and discusses a series of recommendations that have been developed by the researcher based on the survey findings and interviews with existing shopping centre managers as a possible industry tool for incorporating new regional inner-city retail developments into town and city centres. The chapter will begin by outlining why a set of recommendations have been proposed followed by a presentation of the individual recommendations, with comments and discussion for each. Results from the validation of the survey findings and recommendations will then be outlined and finally the model which has been developed as part of the recommendations will then be presented and discussed. The chapter will then be summarised.

### **9.1 Background**

Given the lack of detailed research into the impacts of new inner-city regional shopping centres on existing retailers and following the analysis and discussion of the questionnaire survey results, land use survey findings and interviews with the centre managers, the findings suggested that it would be beneficial to propose a set of recommendations that could be used as an industry tool in the proposal, development and post development phases of a new regional inner-city shopping centre. Government guidelines over the past fifteen years have continually supported the 'town-centre first' approach in regard to new retail development and this looks set to continue with the 'sequential approach' strategy reinforcing an even stronger presumption against out-of-centre developments. Furthermore, given the government's requisite of encouraging sustainable retail development in town centres and that planning authorities should recognise town centres as the heart of their communities, the development of a set of recommendations will go some way in enabling developers and town planners to achieve these goals.

Additionally, at the heart of government policy is to promote city centres' vitality and viability by planning for their growth and development as well as promoting and enhancing existing centres (Office of the Deputy Prime Minister, 2005). Objectives stemming from these key strategies were to enhance consumer choice through shopping, leisure and local services, with the aim of providing a genuine opportunity to meet the needs of local communities (Office of the Deputy Prime Minister, 2005). Further objectives to support these strategies

are through making city centres efficient, competitive and innovative, whilst also improving city centre productivity (Office of the Deputy Prime Minister, 2005). The following recommendations therefore aim to promote the vitality and viability of town and city centres when incorporating a new regional inner-city shopping centre and in doing so go some way to minimising the effects of a new shopping centre on the existing retailers.

The following section will outline each of the recommendations, explain how and why each recommendation is appropriate and discuss its relevance in line with government policy, the review of literature and the questionnaire survey results, land use survey findings and interviews with the existing shopping centre managers.

## **9.2 Recommendations**

***In order to promote and enhance existing centres, retail-led regeneration strategies should be integrated and placed within whole town centre retail strategies for the benefit of all retailers and not just in and around the intended development site.***

A key strategy outlined in government policy was to promote city centres' vitality and viability through promoting and enhancing existing centres. A key finding from the Eldon Square study in Newcastle suggested that following its development, those retailers who were based in close proximity to the scheme showed signs of growth whilst a steady decline was observed by retailers who were located further away from the new centre. In regard to this study, results from the retailer survey and comments from participants also showed similar trends. A number of retailers who were located within close proximity to Liverpool One suggested that they were benefiting from the spill over of 'high end' shoppers attracted to the new centre. Although the least represented in the survey, retailers located in Cavern Walks noted a year on year increase in sales and retailers in Church Street and Lord Street also predominantly noted increases to their sales. On the other hand, retailers in Clayton Square and Bold Street had felt the largest decreases to their sales of over 10% and these locations, apart from St. Johns, are the furthest distance away from Liverpool One.

Further comments from the retailer survey, in particular from both small and independent retailers, suggested that Liverpool One had moved the primary retail location and they felt

that the retail strategy in the town centre was now centred in and around the proximity of the new centre. Additionally, comments from existing retailers in regard to public transport, parking, events and occasions and relocation of retailers were all predominantly of the opinion that the town centre strategy was now focused in and around the proximity of Liverpool One and that the only beneficiaries were either the new centre or surrounding retailers. It is therefore imperative that planners and local councils place new retail developments within whole town centre retail strategies for the benefit of all retailers, that these strategies are clearly defined for all areas and therefore not allow the new development to dictate the focus of the town centre retail strategy.

***Town centres are at the heart of their communities. The individuality and uniqueness of a town centre should be recognised and taken into consideration and retail-led regeneration initiatives should reflect this.***

In ensuring the vitality and viability of town centres, the NPPF outlines that town centres should be recognised as the heart of their communities. This is a particularly interesting point, not only because recent government policy has been structured with an emphasis on community and sustainability but also because comments made, particularly by small and independent existing retailers both in the retailer survey and through consultation with participants, in regard to the impacts of a new retail development, have outlined their significance in terms of the effects on their sales, livelihood, well-being, quality of their environment both structurally and socially, ability to trade and to compete and most importantly sustain themselves within the retail hierarchy, particularly when a new retail development has been built alongside them. Each town and city centre has a rich heritage, one that has been built and evolved over time, is individual and unique and retail-led regeneration initiatives should reflect this to both conserve and work alongside existing retailers.

***The impact of new retail developments on small, independent and secondary area retailers within city centres should not be overlooked. Small, independent and secondary area retailers should be integrated within the planning process so as to minimise the effects of a new shopping centre being built alongside them and it should be recognised that smaller retailers can significantly enhance and maintain the character and vibrancy of a centre.***

Previous studies in both Newcastle and Reading have shown that smaller and secondary area retailers have felt the largest impacts from a new regional inner-city shopping centre being built alongside them through loss of trade, shift in trading patterns and an overall decline in their areas. Results from the retailer survey in this study have also noted similar results with small and independent retailers predominantly reporting decreases in their sales following the opening of Liverpool One (see Figure 10, p.172). Integrating smaller retailers into the planning process for a new retail development through linking areas to the new centre could significantly reduce the impacts felt through changes in footfall patterns for example. Smaller and independent retailers are usually individual and unique and can add to the character and vibrancy of a town centre. The land use survey in regard to 'types of retailer' (see Figure 27, p.217) showed that Bold Street for example (a secondary retail area) experienced a continual annual growth in occupation by independent retailers. Written and verbal comments from the retailer survey also suggested that the increase in the high proportion of independents located in Bold Street was down to it offering a different shopping experience to that of Liverpool One.

The above suggests that by possibly integrating smaller and independent retailers through their different retail offering within the planning process for a new retail development, could maintain and even enhance the vitality and viability of the town centre therefore reducing the impacts on smaller retailers. Government policy also highlights the need to support a diverse range of retail, with a strong retail mix of both comparison and convenience retailers and integrating smaller retailers into the planning process could go some way to achieving that.

***Studies have shown that the impacts of a new retail development on existing retailers are at their most severe within the first three years of a new development opening. Local councils should recognise this and have policies in place so as to support existing retailers, for example business rate concessions and free parking initiatives.***

The study on Eldon Square in Newcastle by Bennison and Davies (1980) was concluded by the authors noting that the effects on established retailers' sales levels can be distinguished between a series of short term effects in the immediate years following the centres opening which then declined over the long term, in this instance three years. In the case of this study, a similar trend was observed (see Figure 9, p.167) with the survey participants' sales decreasing in the first three years following the opening of Liverpool One in 2008 and then the sales levels beginning to recover. Written and verbal comments from the retailer survey

also suggested that existing retailers felt that they were being neglected and given very little support by the local council with some retailers stating that business rates were too high and increasing annually, or the lack of free or affordable parking initiatives close to the existing retailers. If local councils recognised this trend then business rate cuts and free parking initiatives could go some way to alleviating the impacts felt by the existing retailers in the short term. Local Councils could inform existing retailers that previous studies have shown that the severity of the effects in the immediate years should decline and that local councils, through these initiatives, would be showing support for the existing retailers and it would go some way to maintaining the vitality and viability of the town centre.

***Whilst the physical development of a new shopping centre is an important part of the regeneration process, existing retail areas are also important and should not be ignored; preserving, enhancing and investing in established retail areas so as to maintain their vitality and viability is essential so that they can compete alongside new retailers.***

Chapter 4 highlighted that the retail-led regeneration model focuses on physical developments and is often justified in terms of acting as a stimulus for further investment in the retail sector and other areas such as commercial or residential investment. The physical development will then act as a catalyst for wider economic benefits such as retail spend, attracting new visitors, improving perceptions of place and investment in other areas. Comments from the retailer survey, interviews with centre managers and through consultations with store managers have suggested that this isn't always the case. In some of the secondary retail areas like Ranelagh Street and Renshaw Street, the relocation of retailers to Liverpool One has left the street with vacant property, boarded up shop fronts and an area which is in need of investment, investment which as of now has not been stimulated by the development of Liverpool One. Existing retailers also spoke about either the lack of or sub-standard maintenance of their areas, particularly by the local Council, with examples of block paved walkways being refurbished or replaced with concrete, road-works not being completed to schedule as well as litter and pest-control issues. Preserving, enhancing and investing in these areas, particularly when the stimulus from retail-led regeneration theory is not being felt is therefore imperative to both existing retailers and the vitality and viability of the town-centre.

***Every effort should be made to link new retail developments with existing retail areas so as to minimise changes in footfall patterns or transport routes.***

Previous studies have shown that when a new retail development is built, its impact in regard to pedestrian flow change, footfall, changes to public transport routes and walkways have all had a detrimental effect on existing retailers. Improving transport links so that both the new and existing areas can be genuinely accessed is also seen as an important goal in government policy for town centre development. Comments from the manager of Clayton Square highlighted that prior to the opening of Liverpool One, the new centre was perceived to be a good thing, as it would bring more people to the town centre, however, what it actually did, was change footfall patterns. Chapter 6, Section 6.6 showed that changes in pedestrian flow change and footfall were key issues expressed by participants in the retailer survey and after the opening of Liverpool One and the economy, footfall was selected as one of the main reasons for decreases in annual sales. Existing retailers also mentioned that certain public transport routes and bus stops at which people alight for the town centre were once key to their footfall and these had now also changed. All of the above highlight the need for developers and planners to make every effort to link new retail developments with existing retail areas so as to minimise changes in footfall patterns and transport routes.

***When planning retail regeneration developments, city councils should incorporate the thoughts, ideas, views and opinions of the existing retailers via consultation exercises to enable a clear vision and strategy for the whole of the town centre. These consultation exercises should continue following the development of a new shopping centre enabling existing retailers to have a line of communication between themselves and the local council.***

A recurring theme which became evident after speaking to the retailers who participated in the retailer survey was a lack of communication, particularly between small and independent retailers and the local council. Although this related predominantly to communication following the development of Liverpool One, existing retailers felt frustrated that there were no clear lines of communication between themselves and the local council. Reviewing both the planning and development literature in regards to Liverpool One, there was very little documented evidence to suggest that local retailers had participated in any consultation exercises prior to the centre's development. Goddard's (2013) suggestion that the rise of localism may enable councils to adopt widely different interpretations of policy based on their local circumstances means that consultation exercises would enable existing retailers to have their voices and opinions heard in regard to plans for any new retail developments.

Consultations would enable effective and coordinated delivery of plans relating to new retail developments, create partnerships between the council and existing retailers, allow both the public and private sector to share expertise and deliver retail-led regeneration benefits for the whole of the town centre.

***Events, celebrations and annual festive occasions supported by the local council should be spread across the whole of the town centre so as to include all retailers and not just the latest retail development.***

Following on from existing retailers feeling frustrated that there were no clear lines of communication between themselves and the local council, as well as the opinions expressed in regards to the town centre retail strategy being focused on Liverpool One, many retailers expressed both disappointment and frustration that many of the existing retail areas were neglected by the local council in terms of events, celebrations and annual festive occasions. Town Centre events can attract a wide range of people from local residents to tourists and festive occasions such as Christmas markets are particularly well attended. The revenue that is generated from these events is for the most part extremely advantageous for the town centre economy. According to an article on the BBC website (2007), the Birmingham Christmas markets are estimated to attract well over £200 million in spending in the city over the duration of the event. Including existing retail areas within the boundaries of events or festive occasions can help to generate much needed income for these areas.

***The health and vitality of all town centre areas should be monitored by the local council so as to strive for a strong, prosperous and sustainable retail offering and have strategies in place to make improvements where ever necessary. Shop rents, trade and turnover, proportion of vacant street level property, commercial yields, pedestrian flow and accessibility should all be routinely monitored.***

The review of literature emphasised that not only is there a lack of detailed research into the impacts of regional inner-city shopping centres but there is also a lack of reliable and essential data. Most of the research has relied on primary data through the use of surveys and gathering historic data has also proved difficult with it being either not available or not detailed enough. To be able to measure and evaluate the health of town centre retail requires it to be statistically monitored with routinely collected data on all of the above performance indicators. Although this will inevitably rely on investment and support to be put

in place, monitoring would enable Councils to distinguish which areas of town centres need support and it would be anticipated that this would lead to a sustainable and prosperous retail offering.

***It is imperative that recent retail-led regeneration schemes in other UK towns and cities are evaluated with detailed analysis of the impacts on existing retailers over a 10 year period so policy can be directed appropriately to proposed retail-led regeneration projects. Proposals for new retail-led regeneration schemes should be considered alongside independent predictive impact assessments so as to gauge the possible effects on established retailers in existing town centres.***

As mentioned previously, there is very little detailed research into the impacts of inner-city retail-led regeneration schemes and there seems to be a general acceptance and approval of the merits that these developments bring without any concrete evidence. Given the fact that over twenty five inner-city centres have opened their doors since 2000, there have been no recent studies to understand the nature of their impacts in UK towns and city centres. The opportunities are still available to evaluate their impacts longitudinally (10 years or more) with the opening of a number of recent inner-city shopping centres including St. Stephens shopping centre in Hull (2011), the Westfield Centre in Stratford (2011) and most recently the Trinity Centre in Leeds (2013). Evaluating the impacts of these centres would allow for policy to be directed appropriately to proposed retail-led regeneration projects. Furthermore, independent predictive impact assessments, on established retailers in towns and cities designated for future inner-city retail developments, would allow for proposals and initiatives to be put in place both prior, during and after the new developments have opened, with the intention of limiting the impacts on established retailers, particularly in the immediate years of a centre opening.

### **Validation of Survey Results and Recommendations**

The results of the survey and recommendations were validated with ten of the retailers who participated in the questionnaire survey through consultation exercises. As outlined in Section 5.8.4.1.3, p.135, although the individual shopping centre managers had also been invited to participate in these consultation exercises as part of the validation of the proposed recommendations, the managers of St. Johns and the Metquarter did not respond to the invitations and the manager of Clayton Square was unavailable. The method/process of

validation is discussed in Section 5.8.4 of the methods chapter. The following section describes the findings of the validation process in more detail.

As discussed in Section 5.8.4, before each of the retailers were consulted they were given a day to read and evaluate the executive summary relating to both the results of the survey and recommendations. Each consultation began by asking the retailer for their opinions in regard to the findings of the survey. All of the retailers overwhelmingly agreed with the results of the survey particularly in regard to decreases in sales and that the opening of Liverpool One the economy and changes in footfall patterns (attributed to the opening of the new centre) had been the most significant reasons for these decreases. There was also an overwhelming amount of support regarding the recommendations with participants noting both their significance and relevance in aiming to reduce the impacts on existing retailers when a new regional inner-city shopping centre is built alongside them.

Though the participants expressed their support for the recommendations, the consultations established that a number of the recommendations were particularly significant. The first of these was through having a visible connection linking new developments with existing retail areas so as to minimise changes in footfall patterns and transport routes. Seven of the retailers noted that the most severe impact attributed to the opening of Liverpool One were changes to pedestrian flow and therefore the levels of footfall outside their shops. Six of these retailers observed that their businesses depended on footfall and that the development of Liverpool One had drastically changed footfall patterns within the existing retail areas. The importance of linking a new retail development to existing retail areas was particularly welcomed and retailers noted that they were certain this would have maintained the levels of footfall in their areas therefore reducing the impacts of the new centre. One retailer noted that before Liverpool One's development it was marketed as benefiting the whole of the city centre retail offering however all it did was drastically change footfall patterns to the detriment of the existing retailers. A further retailer remarked that the local council promised a shuttle bus service between Liverpool One and their area therefore outlining that the council knew that footfall patterns would be severely affected as a consequence of the new centre opening. This shuttle bus service never materialised.

The proposal in regard to consultation exercises was also well received, in terms of pre and post development of a new regional inner-city shopping centre. Five of the participants noted that they were not included in any pre-development consultations with one existing retailer confirming the receipt of a letter from the local council simply outlining that the new development would be going ahead. A further retailer noted that the first time he found out about the development of Liverpool One was through an advertisement hoarding at London Euston train station when travelling back from London to Liverpool. A similar set of responses were observed in regard to post-development consultations with retailers highlighting a lack of communication from the council when a select few had tried to contact the local authority to discuss matters surrounding retailing in existing areas. One retailer noted that because of this lack of support and communication with the local council, shop owners on Bold Street had taken matters into their own hands and formed a group called the 'Bold Street Village Traders' in an attempt to come together to discuss strategies of how to improve retailing in their area of the city centre. All of the retailers welcomed the proposal of pre and post development consultation exercises, especially with small and independent shop owners and that better lines of communication, especially with the local council, would be well received.

Integrating small, independent and secondary area retailers within the planning process for new retail developments as well as placing retail-led regeneration strategies within whole town centre retail strategies so as to minimise the effects of a new shopping centre being built alongside existing retailers were also emphasised as key recommendations by participants. One retailer noted that she understood the need to develop a town-centre's retail offering to keep it current and attract people to the city, but that any plan should include the whole retail environment and not just the new section. Seven of the participants felt that the council were neglecting the existing areas, especially in regard to promoting and advertising town centre retail, with one retailer giving the example of the council's website only offering the Christmas opening times of both Liverpool One and Church Street/Lord Street retailers and neglecting the other areas. All of the retailers also agreed with the proposal that events, celebrations and annual festive occasions supported by the local council should be spread across the whole of the town centre with two remarking that a permanent market selling local goods would be a valued addition to the retail offering in the city centre. Participants felt that events such as the Christmas markets located next to Liverpool One were only for the benefit of the new centre and that smaller retailers in the existing areas didn't receive any advantages from them.

The existing retailers also overwhelmingly felt that Liverpool One was given priority towards retailing in the city centre and that everything was centred in or around the vicinity of Liverpool One, with the only beneficiaries being the new centre itself or the retailers located within close proximity of it. One retailer commented that some of the responsibility in regard to the integration of existing retailers within whole town centre strategies also lay with Liverpool One. The retailer in question works for a UK wide company offering shoe and key cutting services and mentioned that his company, on numerous occasions, tried to let a unit in Liverpool One but were denied because they were told by the management company that they weren't a significant enough sized retailer for the centre. The overwhelming opinion that Liverpool One was given priority within the whole town centre strategy was reflected throughout the consultations and integrating small, independent and secondary area retailers within the planning process for a new retail development was highlighted by the retailers as a key and significant strategy.

Five of the participants related to the results of the survey in regards to the impacts of Liverpool One being the most severe within the first three years of the new centre opening although only half of the retailers noted that their sales began to recover thereafter or at least had begun to level out. The other half commented that their sales had not improved and in some cases were getting worse. One of the retailers explained that they were closing down due to the impacts of Liverpool One, predominantly because of footfall levels reducing. Nevertheless, each of the participants noted in regard to the proposal that the local council should offer reduced business rates for existing retailers within the first three years of a new centre opening and that parking initiatives would have been well received.

Two recommendations that were also acknowledged to be important were that town centres are at the heart of their communities and that the individuality and uniqueness of a town centre through small and independent shops can enhance and maintain the character of a town centre and that the existing retail areas should be preserved, enhanced and invested in. One participant expressed an opinion that the guideline relating to the individuality and uniqueness that small and independent shops bring to town centres was often overlooked and that this was a particularly significant point. Their opinion was that they give the town centre character, unlike Liverpool One which is like any other shopping centre with well-known brands and retailers and that Bold Street had taken on this strategy by promoting itself as individual and unique to try and compete with Liverpool One. The participant remarked that the council, shoppers and tourists should appreciate the products that these

small retailers sell and that they should be wholeheartedly supported. A further participant also commented that councils and developers often forget that the people who run the smaller shops are the most vulnerable to the impacts that a new retail development can have and that it goes further than just a loss of trade but people's livelihoods, well-being and quality of their environment are also affected. The participant in question was particularly pleased that smaller retailers had been included within the recommendations and that the existing areas in which they are located should be preserved, enhanced and invested in. This opinion was mirrored through a further participant noting that areas of the town centre were dirty, desperately needed investment and that the recommendations highlighting the above were particularly relevant.

The validation of the recommendations enabled the researcher to conclude that each of the recommendations were relevant, that the existing retailers consulted both agreed and supported the strategies proposed and it gave the researcher confidence that the policies were both applicable and appropriate.

### **9.3 Recommendations Model for New Regional Inner-City Retail Developments**

Given that the recommendations are intended to be used as an industry tool, it was considered appropriate to develop a model for which planners, local councils and developers could refer to throughout the proposal, development and post-development phases of a new regional inner-city shopping centre. Before the model could be developed, the recommendations were individually analysed so as to evaluate their roles within the development process. Following this procedure meant that each of the recommendations could be suitably positioned within the model, therefore giving a methodological approach in regard to their implementation. The philosophy underpinning this set of recommendations is based on both the results of previous studies as well as this research and is essentially offering strategies towards minimising the effects of a new shopping centre on existing retailers. During the course of developing the model it became apparent that it would be useful to outline the significance of these strategies so as to highlight their roles within the proposal, development and post development phases of a new regional inner-city shopping centre. The recommendations within the model are therefore also linked to their roles as either proactive or reactive strategies.

The proactive strategies are highlighted within the proposal phase and include predictive impact assessments, consultation exercises and the integration of small, independent and secondary area established retailers within the development proposal. The reactive strategies are placed predominantly within the first post development phase and include evaluating the impacts of the new shopping centre, implementing policies so as to minimise these impacts, routine town centre health checks, preserving, enhancing and investing in the existing retail areas and the incorporation of existing retailers in regard to town-centre events, celebrations and annual festive occasions.

It was anticipated that developing a model based on the recommendations would make them clear and concise, easy to follow and relate to, make their implementation more efficient and sustainable and would allow for their application to be monitored. The model is outlined in Figure 40, p.266.

#### **9.4 Summary**

This chapter presented and discussed a series of recommendations that have been developed by the researcher as a possible industry tool for incorporating new regional inner-city retail developments into town and city centres. The chapter began by outlining why a set of recommendations had been proposed followed by a presentation of the individual recommendations, with comments and discussion for each. Results from the validation procedure were then outlined and finally the model which had been developed as part of the recommendations was presented and discussed.

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Incorporating New Regional Inner-City Retail Developments through Retail-Led Regeneration**

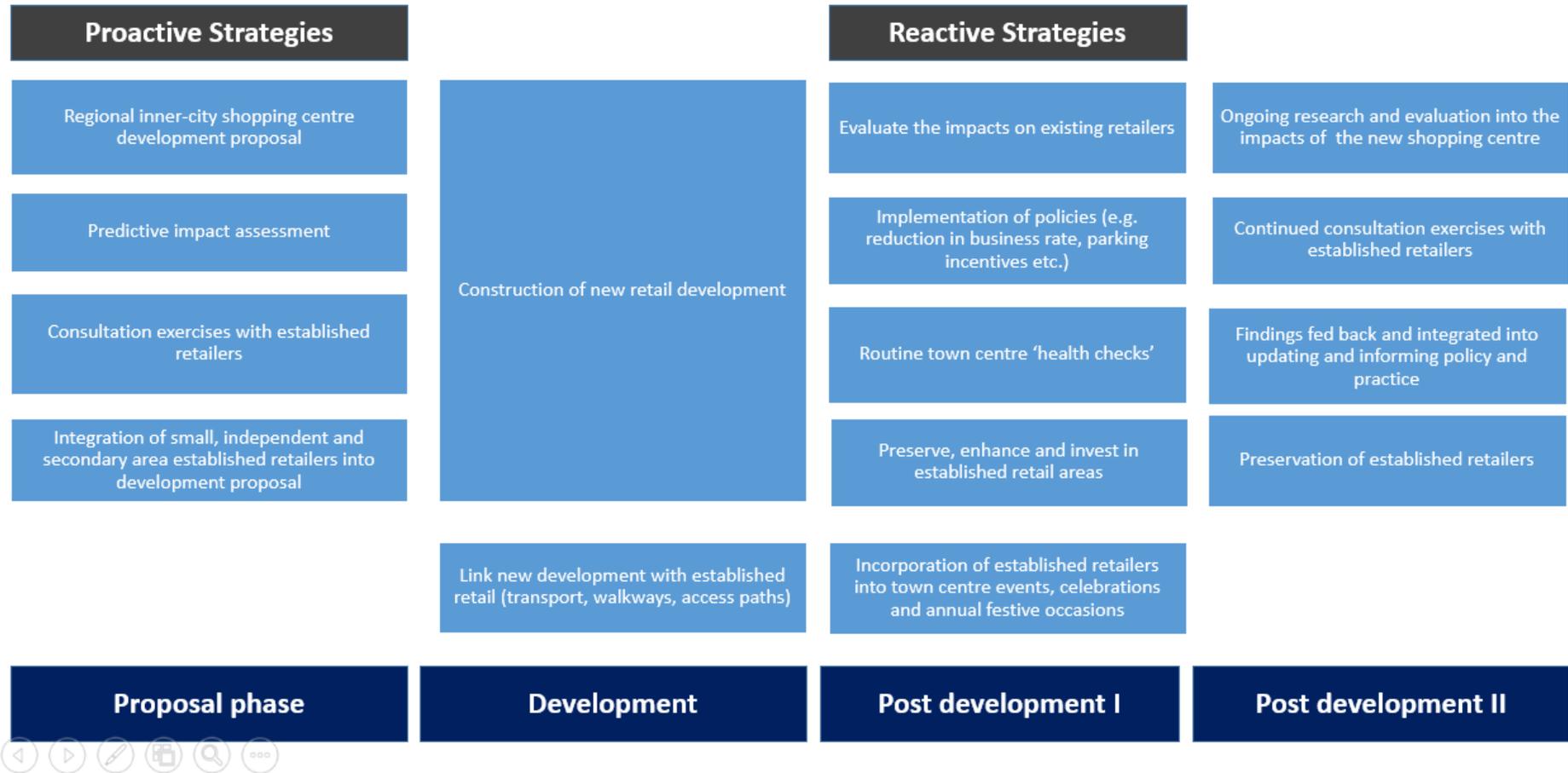


Figure 40: Recommendations Guideline Model

# **Chapter 10: Findings, Conclusions and Recommendations**

## **10.1 Summary of the Study**

The background for this study was clearly outlined in chapter one and laid the foundations for the research. The chapter then acknowledged the research problems that required investigation, defined the aim and objectives of the research and offered justifications for the significance of the study. The city of Liverpool and the Liverpool One development as a focal point for this study was then outlined and offered an overview of the existing shopping centres and retail areas within Liverpool city centre. Chapter two reviewed government policy for town and city centres in the UK, explained certain definitions associated with shopping centres, offered a historic overview of planned shopping centres in the UK as well as an outline of further proposed development activity. Chapter three reviewed and discussed the literature in regard to studies conducted into the impacts of regional out-of-town shopping developments which was followed by a review and discussion of the three studies that had been completed on regional inner-city shopping developments. Chapter four then outlined the theoretical framework that has been used for this study.

Chapter five reviewed research methodological issues and was followed by an outline of the research methodology used within this study. Chapters six, seven and eight then presented, analysed and discussed the results of the retailer survey, the land use survey and the interviews with the existing shopping centre managers respectively. An outline of the recommendations developed by the researcher in regard to incorporating new regional inner-city retail developments within existing town centres was then presented in chapter nine.

## **10.2 Findings and Conclusions**

This section outlines the main findings of the study using the research objectives as themes.

### **10.2.1 Findings: Sales Levels**

Although some retailers reported an increase in sales in the five years following the opening of Liverpool One, the majority experienced a decrease to some extent. Of these, the majority

noted a decrease in sales of more than 10%. When these changes in sales are compared with the Office for National Statistics retail sales index for 'predominantly non-food stores' sales index, the increases in the value of national retail sales was very different to the value of sales experienced by the majority of survey respondents (see Chapter 6, Section 6.3). It is therefore possible to suggest that the opening of Liverpool One did have an effect on the existing retailers' sales trends over the period examined. This conclusion is also supported by the reasons given by participants for their changes in sales.

The most commonly cited reasons for decreases in sales was Liverpool One and it was also the most frequently suggested reason when retailers were asked as to what they felt were the most significant reasons. Many retailers as well as the centre manager of Clayton Square also commented that pedestrian flow change was connected with the opening of Liverpool One. This is represented through footfall being the third most commonly cited reason for decreases in annual sales levels. Although it seems that retailers associated the opening of Liverpool One with changes in footfall, the economy was cited as the second most commonly suggested reason for decreases in sales. This means that it would be naïve to consider Liverpool One and footfall as the principal reasons for sales changes when the poor state of the economy at the time of the study is taken into consideration. Furthermore, for the retailers who experienced an increase in sales, the most commonly cited reasons were the same as above and therefore although the majority of reasons attributed decline in sales to the economy, Liverpool One and footfall, they were also viewed as having positive effects for some retailers.

In order to provide a more robust analysis to the trend in retailer sales, a Friedman test was undertaken to determine if there were any statistically significant differences in the level of retailer sales between 2009 and 2013. The output from the test showed that there were no significant differences in the level of retailer sales between 2009 and 2013 although the mean ranks per year suggested that retailer sales levels decreased in the first three years following the opening of Liverpool One in 2008 and then the sales levels began to recover. Drawing on previous literature, a similar trend in sales levels was reported in the study by Bennison and Davies (1980) who noted that the effects of Eldon Square on existing retailer's sales levels were the most severe in the first three years and then declined over the long term. Given the similarity in results between this study and Eldon Square, it is therefore possible to suggest that the impacts on sales levels are the most severe within the first three years of a new regional inner-city shopping centre opening but these effects then decline.

In regard to both the types of retailer and location, although some retailers reported an increase in sales in the five years following the opening of Liverpool One, the majority again experienced a decrease. However, the output from the Kruskal-Wallis tests showed that there were no statistically significant differences in the level of retailer sales for both types of store and location respectively and it can therefore be concluded that there was no significant relationship associated with retailer sales following the opening of Liverpool One in 2008.

### **10.2.2 Findings: Vacancy Rates and Changes in Occupation**

Between 2009 and 2013, the level of change within the existing retail areas varied considerably in regard to both vacancy rates and changes in occupation. There is strong evidence to suggest from both the occupier data, interviews with centre managers and comments from retailers that Liverpool One did have an impact on existing retailers although the size and scale of this impact varies between the individual areas and given the downturn in the economy at the time, this also has to be taken into consideration. Clayton Square and the Metquarter were perhaps the most affected by Liverpool One, reporting particularly high vacancy rates and both noted a significant reduction in comparison retailers. Both Clayton Square and the Metquarter are in direct competition with Liverpool One and many of their comparison retailers relocated to the new centre leaving a high proportion of vacant units and a significant decrease in the number of comparison retailers within each of the centres. Bold Street also lost some of its high end retailers to Liverpool One and subsequently reported a decrease in comparison retailers, although its vacancy levels remained relatively unchanged which is predominantly down to an increase in leisure service retailers. Similar trends were also associated within the Reading study with comparison retailers relocating from the existing prime location to the Oracle Centre, although they were replaced by less prestigious and well known retailers, whilst in the case of Clayton Square and the Metquarter, their units remained vacant. However it is also worth highlighting that Liverpool's traditional 'high street' and prime retail location, Church Street and Lord Street, also gained a number of comparison retailers although their numbers did reduce over the period examined.

### **10.2.3 Findings: Management Strategies**

It was established that each centre manager understood that the types of retailers they were trying to attract had to be suitable for their individual shopping centre however the strategies

that were implemented differed considerably. The Metquarter and St Johns had clear strategies in place, especially in regards to their approaches to customer service and the customer experience. Clayton Square however had a very defeatist approach and felt that there was very little they could do as in their opinion, the strength that potential retailers had over them was too great. In regard to the threat of the Central Village development, all of the centres were of the opinion that it would have little impact on them individually and this was associated with its role as a mixed use development.

The strategies used by both the Metquarter and St Johns were seen as being vital so as to compete with Liverpool One. This emphasised the fact that Liverpool One was undoubtedly seen as competition therefore clearly having an impact on the centres. It also highlighted the fact that 'fighting on the margins' is essential if the centres were to compete with new developments. Clayton Square's negative approach to management strategies seemed to outline that they were resigned to not being able to compete with Liverpool One. The downturn in the economy as well as Liverpool One being a preferred destination for prospective retailers had clearly affected their motivation to establish any strategies to compete with this new development.

#### **10.2.4 Additional Research Findings**

Firstly, the results from the land use survey and comments from existing retailers suggest that Liverpool One moved the prime retail pitch in the city centre. This not only led to the relocation of many high end retailers, but also had implications in regard to footfall and public transport routes and as a consequence, it could be argued, changed the structure of retailing around the existing shopping areas depending on the proximity to the new centre. If considering whether a new retail development does 'create successful places' (see Lowe (2005) Chapter 1, Section 1.2) and therefore enhance the entire city centre or whether its influence is confined locally to the location of where it has been built, it could be argued that the existing locations closest to the new centre are the ones who benefit the most from its development. This is supported by existing retailers located within close proximity of Liverpool One noting increases in sales (see Chapter 6, Section 6.2) as well as Church Street and Lord Street seeing increases in comparison retailers alongside their vacancy levels remaining relatively unchanged over the period examined.

Although some of the retailers located within the proximity of the new centre felt some effects, many maintained much of their strength and it is therefore the retailers that are located within the secondary and tertiary areas that were most adversely affected. This questions where Lowe's (2005) 'successful places' are located (see Chapter 1, Section 1.2) and to whose detriment these 'successful places' are associated and it could therefore be argued from the results of this study that they are located in and around the new centre and are associated with the detriment of the existing retailers situated in the secondary and tertiary areas. This finding is also similar to and discussed in Kreuziger's (2013) study and by Geyer (2011) (see Chapter 4, Section 4.2). Furthermore, this trend contradicts the retail-led regeneration theory in that the positioning of a shopping centre will spill into the agglomeration of other retailers, although to its defence, the theory does stipulate that this effect will be over time. Nevertheless, in the short term and particularly in regard to small and independent retailers, when this is associated with the effect on their sales, livelihoods, well-being, quality of their environment both structurally and socially, ability to trade and most importantly sustain themselves within the retail hierarchy, it threatens the vitality and viability of town centres which is the foundation stone for government policy in regards to planning for town centres.

Secondly, whilst conducting this study, conversations with small and independent retailers brought home both the severity and magnitude that the impacts of Liverpool One have had on their community as a whole. Given that recent government policy focuses on supporting strong, vibrant and healthy communities, the recommendations have a particular emphasis on supporting smaller and independent retailers. As Figure 6, p.158 in Chapter 6 shows, nearly half of the retailers who participated in the study had been trading for well over 16 years and it was inevitable that when a new regional inner-city shopping centre was built on their doorsteps it would have consequences. Many of the retailers understood that this would be inevitable although accepted that it was required so as to promote Liverpool as an attractive retail destination and to keep it competitive alongside other UK cities. When the conversations turned to government Policy regarding the 'town-centre first' approach, there was a unanimous response that this was the correct policy towards retail development. As highlighted in Chapter 3, Section 3.3, the impacts that regional out-of-town shopping centres had on traditional inner-city retail areas were profoundly negative and even now, given the state of our high streets, these negative effects were exacerbated even more by the recent economic downturn and in some cases, many of the smaller towns and city centres are still trying to recover. As one retailer remarked, "better that they put something in the town centre so that we have a chance to compete rather than on the outskirts where we ain't got a

fighting chance". Current government policy suggests that there is no sign of the 'town-centre first' approach for new retail developments being reconsidered and the concept of promoting, enhancing and maintaining the 'vitality and viability' of town centres with an emphasis on sustainable development and communities will remain a key strategy. Government policy however lacks guidance on how to adequately implement these policies in practice and the recommendations put forward in this thesis offer an opportunity to further develop and build upon the existing 'town-centre first' approach. The recommendations were therefore developed with a focus on the town-centre first approach and their aim is to promote a town centre's vitality and viability by minimising the impacts on existing retailers.

### **10.3 Recommendations: Policy and Industry**

Government policy looks set to remain unchanged in regard to the 'town-centre first approach' and this study has highlighted some of the impacts that a new regional inner-city shopping centre can have on existing town-centre retailers. The UK now seems to be recovering from the economic downturn and in light of this recovery, it is likely that there will be an increased availability of finance bringing with it investment, particularly from the private sector. The retail sector will inevitably try to meet with the demands of a recovering economy and given that many UK town and city centres still have areas in need of major regeneration, it is likely that similar retail developments like Liverpool One will be built. Implications for policy are therefore centred within the planning process and the recommendations are strongly linked with advice for town planners, local authorities and industry. One reference not mentioned in the recommendations and worth consideration is that developers inevitably embark on shopping centre developments with a view of profiting financially from the new development. The need to make profit can often lead to the wider picture being overlooked, in this case, the impact on small and independent retailers. An initiative that could be considered is that when planning a new inner-city retail development, developers should have a duty of care to small and independent businesses by putting aside a proportion of affordable units in the new centre to these types of retailers. This could go some way in linking the new development to existing areas as well as promoting cohesion with the existing retail community.

### **10.4 Recommendations: Further Research**

Given that there have only been three previous studies examining the impacts of new regional inner-city shopping centres on existing town centre retailers, the need for more

detailed research to understand what happens to existing town centres when a new centre is built alongside them is vital. It is also paramount that more longitudinal studies are undertaken so that the impacts of a new centre can be measured and observed over time. This would also allow for comparisons to be made with both the results of this study and previous research, to observe whether the trends and conclusions associated within these studies are similar to those within other UK town centres and offer further debate towards retail-led regeneration initiatives.

### **10.5 Contribution to Knowledge**

There is very little published work on the topic of new inner city retail developments. Although there has been research conducted, it could be argued that some of these studies are either now outdated or based on cities situated in the South of England (Southampton and Reading). This study contributes to the existing body of knowledge by offering a current and timely insight into the impacts of a new inner-city retail development.

The government's 'town centre first' approach is also not evidence based and there is no indication within government policy as to how it was developed. The findings of this study challenge the retail-led regeneration model, the theory underpinning the 'town centre first' approach, that new retail developments benefit the whole of the city centre; although some of the retailers located within the proximity of the new centre felt some effects, many maintained much of their strength and it is therefore the retailers that are located within the secondary and tertiary areas that were most adversely affected. In addition, the findings of this study contradict retail-led regeneration theory in that the positioning of a shopping centre will spill into the agglomeration of other retailers.

It is anticipated that the findings of this research will go some way in influencing future local and even national government policy in regard to planning for town centres. The results would be beneficial to town planners when considering the impacts of planning consent for new retail developments and the recommendations offer a framework which planners, local councils and developers can refer to throughout the proposal, development and post-development phases of a new regional inner-city shopping centre. New retail developments not only change the physical characteristics of a town centre but also influence local communities. The results of this research would therefore be of interest to people such as

independent retailers, shoppers and local residents. Property managers of existing inner-city shopping centres and shops may also find the outcomes of the research useful when taking into account the effects on their current interests and when planning business strategies for the future. Furthermore, academics may find the results of this research interesting as it offers a critical analysis on a current and under researched area and paves the way for further research into other UK cities. In sum, this research provides a valuable contribution to knowledge in an under researched area and it is hoped that it will go some way in helping to maximise the positive impacts and minimise the negative impacts on existing inner-city retailers when a new regional inner-city shopping centre is built alongside them.

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# Appendices

## **Appendix 1: Ethical Approval Letter**

**By email**

06 September 2013

Dear Antoni,

**Proportionate Review – Full Ethical Approval: Application for Ethical Approval No: 13/BUE/006**

**Title of Study: Impacts of new retail developments on existing inner city shopping centres and other city centre retail areas: A case study of Liverpool One.**

Dr Sue Spiers has considered the application on behalf of Liverpool John Moores University Research Ethics Committee (REC). I am pleased to inform you that ethical approval has been granted and the study can now commence.

Approval is given on the understanding that:

- any adverse reactions/events which take place during the course of the project are reported to the Committee immediately;
- any unforeseen ethical issues arising during the course of the project will be reported to the Committee immediately;
- the LJMU logo is used for all documentation relating to participant recruitment and participation eg poster, information sheets, consent forms, questionnaires. The LJMU logo can be accessed at <http://www.ljmu.ac.uk/corporatecommunications/60486.htm>

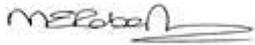
Where any substantive amendments are proposed to the protocol or study procedures further ethical approval must be sought.

Applicants should note that where relevant appropriate gatekeeper / management permission must be obtained prior to the study commencing at the study site concerned.

For details on how to report adverse events or request ethical approval of major amendments please refer to the information provided at [http://www.ljmu.ac.uk/RGSO/RGSO\\_Docs/EC8Adverse.pdf](http://www.ljmu.ac.uk/RGSO/RGSO_Docs/EC8Adverse.pdf)

Please note that ethical approval is given for a period of five years from the date granted and therefore the expiry date for this project will be September 2018. An application for extension of approval must be submitted if the project continues after this date.

Yours sincerely



PP

Dr Sue Spiers

Chair of the LJMU REC



**Maria Roberts**  
Research Support Officer, Research & Innovation Services,

4th Floor, Kingsway House Hatton Garden, Liverpool L3 2AJ  
t: 0151 904 6464 f: 0151 904 6462

mail to: [M.E.Roberts@ljmu.ac.uk](mailto:M.E.Roberts@ljmu.ac.uk)

Web: <http://ljmu.ac.uk/>

## **Appendix 2: Participant Information Sheet**



**Title of Project:** *Impacts of new retail developments on existing inner city shopping centres and other city centre retail areas: A case study of Liverpool One.*

**Name of Researcher and School/Faculty:**

*Antoni Dmochowski*

*School of the Built Environment / Faculty of Technology and Environment*

You are being invited to take part in a research study. Before you decide it is important that you understand why the research is being done and what it involves. Please take time to read the following information. If there is anything that is not clear or if you would like more information, then please ask. It is important that you take time to decide if you would like to participate or not.

## **1. What is the purpose of the study?**

I am a PhD student at Liverpool John Moores University and I am currently embarking on research which focuses on town centre planning and retail management, in particular, with a focus on shopping centres in Liverpool city centre. The purpose of the study is to examine the impact of new retail developments on established inner city shopping centres and other city centre retail areas. A particular emphasis of the study will be to look at the possible impacts of Liverpool One on retailers in the city centre.

## **2. Do I have to take part?**

Participation in this study is completely voluntary. It is up to you to decide whether or not to take part. If you do you will be given this information sheet. You are still free to withdraw at any time and without giving a reason. A decision to withdraw will not affect your rights/any future treatment/service you receive.

## **3. What will happen to me if I take part?**

My research will involve a questionnaire where I pose a series of questions in regard to the above study. The survey should take no longer than 10 minutes to complete.

## **4. Are there any risks / benefits involved?**

There have been no adverse effects, risks or hazards identified in regard to this study.

## **5. Will my taking part in the study be kept confidential?**

Any information that is recorded would be kept strictly confidential and will only be used for the purposes of the study. The information would then be kept on the LJMU secure University server until the end of the study. Parts of the results of the survey may be used in future publications or presentations however any comments will be anonymised.

## **6. Eligibility Criteria:**

The eligibility criteria for this study is any inner city shopping centre, individual retailer inside the shopping centre or shop that is currently trading on Church Street, Lord Street and Bold Street. It will also include anyone associated with working within the retail industry in Liverpool City Centre.

If participants fulfil the above aspects of the inclusion criteria then there will be no exclusion criteria for this study.

**Should you have any problems in regard to this study/research you can either contact myself or my Academic Supervisor below:**

### **Contact Details of Researcher:**

*Antoni Dmochowski PhD Student*

*Research Hub,  
Henry Cotton Building,  
15 – 21 Webster Street,  
Liverpool,  
L3 2ET*

A.Dmochowski@2010.ljmu.ac.uk

### **Contact Details of Academic Supervisor:**

*Dr Raymond Abdulai*

*Cherie Booth Building,  
Room 305,  
Byron Street,  
Liverpool,  
L3 3AF*

[R.Abdulai@ljmu.ac.uk](mailto:R.Abdulai@ljmu.ac.uk)

## **Appendix 3: Consent Form**



# LIVERPOOL JOHN MOORES UNIVERSITY

**Title of Project:** *Impacts of new retail developments on existing inner city shopping centres and other city centre retail areas: A case study of Liverpool One.*

**Name of Researcher and School/Faculty:**

*Antoni Dmochowski*

*School of the Built Environment / Faculty of Technology and Environment*

1. I confirm that I have read and understand the information provided for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and that this will not affect my legal rights.

3. I understand that any personal information collected during the study will be anonymised and remain confidential

4. I agree to take part in the above study examining the impacts of new retail developments on existing inner city shopping centres and other city centre retail areas: A case study of Liverpool One.

*For studies involving the use of audio / video recording of interviews, focus groups etc or where there is a possibility that verbatim quotes from participants may be used in future publications or presentations please include the following:*

5. I understand that the interview will be audio recorded and I am happy to proceed

6. I understand that parts of our conversation may be used verbatim in future publications or presentations but that such quotes will be anonymised.

Name of Participant

Date

Signature

Name of Researcher

Date

Signature

Name of Person taking consent  
*(if different from researcher)*

Date

Signature

*Note: When completed 1 copy for participant and 1 copy for researcher*

## **Appendix 4: Retailer Questionnaire**



**The impacts of new retail developments on existing inner city shopping centres and other city centre retail areas.**

**A case study of Liverpool One.**

The purpose of this survey is to examine the impacts that new retail developments may have had on established inner city shopping centres and other city centre retail areas. The emphasis of the survey is to look at the possible impacts that Liverpool One has had on retailers in the city centre since its opening in 2008 and in particular, whether Liverpool One has in any way affected the business performance of your store over the past 5 years. For the purpose of this study, all city centre shopping centres and individual retailers located in one of these shopping centres or on Church Street, Lord Street or Bold Street are being asked to participate in this study.

**The survey should take no longer than 10 minutes to complete. If you wish to make further and more detailed comments in regard to the effects of Liverpool One on your store or on retail in Liverpool, your thoughts and opinions would be much appreciated.**

**Completion of this survey is completely voluntary and your answers are completely confidential. By agreeing to take part in this survey, you agree with the following statement:**

**“I have read the participant information sheet provided and I am happy to participate. I understand that by completing and returning this questionnaire I am consenting to be part of this research study and for my data to be used as described in the information sheet provided”**

**Please return the completed survey by the 15th August 2014 via the post in the addressed envelope provided.**

Thank you for your help and participation.

**1. General Information**

Name of shop: .....

Address of shop: .....

Type of retail: .....

Your position in the store: .....

**2. Level of Sales**

(a) I am interested in the **CHANGE** in the level of sales from 2008 when Liverpool One opened.

On the next page, please tick whether the sales in your shop have decreased, increased or had no change between the subsequent years.

**2009**

Decreased			No Change	Increased		
Substantially	Moderately	Slightly		Substantially	Moderately	Slightly
More than 10%	5-10%	Less than 5%		More than 10%	5-10%	Less than 5%
<input type="checkbox"/>						

**2010**

Decreased			No Change	Increased		
Substantially	Moderately	Slightly		Substantially	Moderately	Slightly
More than 10%	5-10%	Less than 5%		More than 10%	5-10%	Less than 5%
<input type="checkbox"/>						

**2011**

Decreased			No Change	Increased		
Substantially	Moderately	Slightly		Substantially	Moderately	Slightly
More than 10%	5-10%	Less than 5%		More than 10%	5-10%	Less than 5%
<input type="checkbox"/>						

**2012**

Decreased			No Change	Increased		
Substantially	Moderately	Slightly		Substantially	Moderately	Slightly
More than 10%	5-10%	Less than 5%		More than 10%	5-10%	Less than 5%
<input type="checkbox"/>						

**2013**

Decreased			No Change	Increased		
Substantially	Moderately	Slightly		Substantially	Moderately	Slightly
More than 10%	5-10%	Less than 5%		More than 10%	5-10%	Less than 5%
<input type="checkbox"/>						

(b) What have been the main reasons (if any) for the changes in annual sales for your shop over the past 5 years?

	2009	2010	2011	2012	2013
<b>A</b> Effects of economy on spending	<input type="checkbox"/>				
<b>B</b> Opening of Liverpool One	<input type="checkbox"/>				
<b>C</b> Competition from new or existing retailers outside Liverpool One	<input type="checkbox"/>				
<b>D</b> Pedestrian flow change	<input type="checkbox"/>				
<b>E</b> Availability of Parking	<input type="checkbox"/>				
<b>F</b> Street works	<input type="checkbox"/>				
<b>G</b> New marketing strategies in the business	<input type="checkbox"/>				
<b>H</b> Changes in the amount of floor space	<input type="checkbox"/>				
<b>I</b> Changes in the layout of refurbishment of the store	<input type="checkbox"/>				
<b>J</b> Staff productivity	<input type="checkbox"/>				
<b>K</b> Changes within Management (personnel or strategies)	<input type="checkbox"/>				

Other reasons, please specify below

(c) From the reasons selected above, please **rank** the **three** most significant reasons for changes in annual sales for each of the years in the table below. An example can be seen in the first column.

	Example	2009	2010	2011	2012	2013
Most Significant	<b>B</b>					
2 <sup>nd</sup> Most Significant	<b>D</b>					
3 <sup>rd</sup> Most Significant	<b>A</b>					

### 3. Shop Information

(a) Is the shop:

A single independently owned shop  Part of a small chain (with less than 10 stores)

Part of a large chain (with more than 10 stores)

(b) How many years has the current shop been trading: .....

(c) How much SALES floor space is there in the shop in either feet or metres?: .....feet .....metres

If the exact floor space is unknown please estimate the dimensions:

.....feet by .....feet or .....metres by .....metres

(d) Has the amount of SALES floor space in the shop changed since the opening of Liverpool One in 2008?

Yes  Increase..... Decrease.....

No

(e) Has the shop been refurbished or the layout changed since the opening of Liverpool One in 2008?

Yes

No

If YES please provide details:

(f) Has the shop had any changes in manager since the opening of Liverpool One in 2008?

Yes

No

(g) Have there been any other changes which may have affected the level of sales for the shop? If so please provide details:

#### 4. General Opinions

Please add any other comments or opinions that you feel that Liverpool One has had on the performance of your store and the effect that Liverpool One has had on the retailing in Liverpool City Centre:

Thank you for participating in this survey. Please include a contact email address should you wish to receive a summary of the findings:

Email address: .....

Interviews are also being conducted with various store managers throughout the city centre. Please tick here if you would be willing to participate in a short interview and you will be contacted directly via the email address you provide above

If you have any other queries regarding this study, please send an email to [A.Dmochowski.2010@ljmu.co.uk](mailto:A.Dmochowski.2010@ljmu.co.uk)

## **Appendix 5: Interview Guide**

## **Semi-Structured Interview Guide**

- 1) Could you give me a brief history of the shopping centre, the original concepts behind the shopping centre and how it has developed over recent years?
- 2) How have new retail developments (for example Liverpool One) impacted on your shopping centre?
- 3) What management strategies have been adopted in response to new retail developments in terms of:
  - a) Competition
  - b) Attracting new business
  - c) Retaining current business
- 4) Are shopping centres consulted in light of proposed new developments?
- 5) What does the future hold for your shopping centre particularly in light of the new 'Central Village' development?

# **Appendix 6: Validation Executive Summary and Recommendations**



**The impacts of new retail developments on existing inner-city shopping centres and other city centre retail areas.**

**A case study of Liverpool One.**

The purpose of this exercise is twofold, firstly to validate the findings of the retailer survey that you participated in last year in regard to the impacts that new retail developments may have had on existing inner-city shopping centres and other city centre retail areas and secondly, to validate a set recommendations to be taken into consideration when planning towards the development of a new inner-city shopping centre.

The executive summary provides an overview of the results of the survey. This is followed by an outline of the suggested recommendations that have been developed by the researcher as a possible industry tool to be taken into consideration when planning the development of a new inner city shopping centre.

In order to gage your views on the results of the survey and recommendations, the following section asks for your opinions on the above.

**This exercise should be completed by the store owner/manager and should take no longer than 10 minutes to complete.**

**Completion of this validation exercise is completely voluntary and your answers are confidential.**

Your thoughts and opinions are important and are much appreciated.

Thank you for your help and participation.

**General Information**

Name of shop: .....

Address of shop: .....

Type of retail: .....

Your position in the store: .....

## **Executive Summary**

In the summer of 2014, 93 retailers in Liverpool city centre responded to a survey that sought to investigate the impact of the Liverpool One development on established inner city shopping centres and other city centre retail areas. The retailer survey provided an indication of the change in actual sales experienced by retailers located in the existing shopping centres and other retail areas from 2009 to 2013 following the opening of Liverpool One in 2008.

Of the 93 retailers who took part 44 were from independent stores, 41 were from large chain stores and 8 were from small chain stores.

Findings indicated that for each of the five years (2009-2013), although some respondents noted an increase in sales, the majority of retailers experienced a decrease, with the largest decreases of 10% being felt in the first two years following the opening of Liverpool One in 2008. Retailers reported that their annual sales decreased in the first three years following the opening of Liverpool One in 2008 but began to recover thereafter. Independent retailers predominantly noted a decrease in sales over the five year period with the highest decrease being felt in the first three years following the opening of Liverpool One in 2008. Large chain retailers also reported similar levels of decreases in sales, although they did begin to see some increases in sales (over 10%) in both 2012 and 2013 respectively. Small chain retailers predominantly reported decreases in sales in all years (2009-2013).

Bold Street, Clayton Square and Liverpool's 'other' retail areas reported the largest decreases to their sales.

Liverpool One, the economy and footfall were the most frequently cited reasons for decreases in sales between 2009 and 2013 with Liverpool One and the economy being the most commonly cited reasons between 2009 and 2011, the two years following the opening of Liverpool One. In terms of increases to sales, the same reasons were also given.

The same pattern was also observed when retailers were asked which reason was the 'most significant' for changes to their annual sales. Interestingly, Liverpool One and the economy were cited as the most common reason for both increases and decreases in sales. However, many more retailers reported that the Liverpool One development had negatively affected their sales than those who reported it having a positive impact.

## **Recommendations for New Regional Inner-City Retail Developments**

- 1) In order to promote and enhance existing centres retail-led regeneration strategies should be integrated and placed within whole town centre retail strategies for the benefit of all retailers and not just in and around the intended development site.
- 2) Town centres are at the heart of their communities. The individuality and uniqueness of a town centre should be recognised and taken into consideration and retail-led regeneration initiatives should reflect this.
- 3) The impact of new retail developments on small, independent and secondary area retailers within city centres should not be overlooked. Small, independent and secondary area retailers should be integrated within the planning process so as to minimise the effects of a new shopping centre being built alongside them and it should be recognised that smaller retailers can significantly enhance and maintain the character and vibrancy of a centre.
- 4) Studies have shown that the impacts of a new retail development on existing retailers are at their most severe within the first three years of a new development opening. Local councils should recognise this and have policies in place so as to support existing retailers, for example business rate concessions and free parking initiatives.
- 5) Whilst the physical development of a new shopping centre is an important part of the regeneration process, existing retail areas are also important and should not be ignored; preserving, enhancing and investing in established retail areas so as to maintain their vitality and viability is essential so that they can compete alongside new retailers.
- 6) Every effort should be made to link new retail developments with existing retail areas so as to minimise changes in footfall patterns or transport routes.
- 7) When planning retail regeneration developments, city councils should incorporate the thoughts, ideas, views and opinions of the existing retailers via consultation exercises to enable a clear vision and strategy for the whole of the town centre. These consultation exercises should continue following the development of a new shopping centre enabling existing retailers to have a line of communication between themselves and the local council.
- 8) Events, celebrations and annual festive occasions supported by the local council should be spread across the whole of the town centre so as to include all retailers and not just the latest retail development.
- 9) The health and vitality of all town centre areas should be monitored by local council so as to strive for a strong, prosperous and sustainable retail offering and have strategies in place to make improvements where ever necessary. Shop rents, trade and turnover, proportion of vacant street level property, commercial yields, pedestrian flow and accessibility should all be routinely monitored.
- 10) It is imperative that recent retail-led regeneration schemes in other UK towns and cities are evaluated with detailed analysis of the impacts to existing retailers over a 10 year

period so policy can be directed appropriately to proposed retail-led regeneration projects. Proposals for new retail-led regeneration schemes should be considered alongside independent predictive impact assessments so as to gauge the possible effects on established retailers in existing town centres.

**General Opinions**

Please add any comments, opinions or suggestions that you may have in regard to the results of the survey and the recommendations.

Thank you for participating in this survey. Please include a contact email address should you wish to receive a summary of the findings:

Email address: .....

If you have any other queries regarding this study, please send an email to [A.Dmochowski.2010@ljmu.co.uk](mailto:A.Dmochowski.2010@ljmu.co.uk)

## Appendix 7: Nvivo Screen Shots

Name	Sources	References	Created On	Created By	Modified On	Modified By
Management Strategies	3	48	18/09/2012 10:31	LD	18/09/2012 22:03	LD
Attracting New Business	3	14	18/09/2012 10:30	LD	18/09/2012 21:27	LD
Competition and Rival Shopping Centres	3	15	18/09/2012 17:29	LD	18/09/2012 21:29	LD
Customer Service	2	3	18/09/2012 17:29	LD	18/09/2012 21:29	LD
Dining	1	1	18/09/2012 17:29	LD	18/09/2012 21:29	LD
Future Aspirations	2	2	18/09/2012 17:29	LD	18/09/2012 21:30	LD
New Shopping Centres (Central Village)	3	6	18/09/2012 17:29	LD	18/09/2012 21:29	LD
Retaining Current Business	2	7	18/09/2012 17:28	LD	18/09/2012 21:27	LD
Property Management Techniques	3	93	18/09/2012 10:29	LD	18/09/2012 22:03	LD
Brands or Type of Retail	3	11	18/09/2012 17:22	LD	18/09/2012 21:28	LD
Customer Base	2	11	18/09/2012 17:21	LD	18/09/2012 21:28	LD
Cycles of Shopping Centres	1	1	18/09/2012 17:23	LD	18/09/2012 21:15	LD
Design of Shopping Centre	3	14	18/09/2012 17:22	LD	18/09/2012 21:13	LD
High End	0	0	18/09/2012 17:21	LD	18/09/2012 17:21	LD
Image	2	12	18/09/2012 17:22	LD	18/09/2012 21:17	LD
New Concepts	1	5	18/09/2012 17:21	LD	18/09/2012 20:94	LD
Original Concepts	3	23	18/09/2012 17:20	LD	18/09/2012 21:16	LD
Post-2008	2	5	18/09/2012 17:23	LD	18/09/2012 21:15	LD
Pre-2008	2	11	18/09/2012 17:23	LD	18/09/2012 21:17	LD
Price	0	0	18/09/2012 17:22	LD	18/09/2012 17:22	LD
Volume	0	0	18/09/2012 17:23	LD	18/09/2012 17:23	LD
Vacancy Patterns	3	62	18/09/2012 10:30	LD	18/09/2012 22:04	LD
Economy	2	11	18/09/2012 17:26	LD	18/09/2012 19:38	LD
Footfall	2	6	18/09/2012 17:26	LD	18/09/2012 21:02	LD
Leases	2	4	18/09/2012 17:26	LD	18/09/2012 19:47	LD
Negative Impacts of Liverpool One	3	17	18/09/2012 17:26	LD	18/09/2012 21:26	LD
Impacted Retail Lives	2	4	18/09/2012 17:26	LD	18/09/2012 20:56	LD
Original Figures	1	2	18/09/2012 17:38	LD	18/09/2012 17:56	LD
Positive Impacts of Liverpool One	3	9	18/09/2012 17:25	LD	18/09/2012 21:20	LD
Vacancy Pattern	3	9	18/09/2012 17:55	LD	18/09/2012 21:26	LD

Screen shot of codes

Clayton Square Interview (4)  
Metquarter Interview (5)  
St Johns Interview (4)

Ian: And that's primarily probably my true anchor... class union has also because of its different offer has and you'd say it's a male shop with its gadgets and if not gadgets then its tools however there's actually quite a lot of women who shop there because they like it its quite strange.

AD: Oh right.

Ian: So that has become like the second Anchor... Mothercare although it has quite large footprints within space it hasn't really dominated as I thought it would.

AD: How have you gone about attracting this new business then?

Ian: I'll be really truthful there isn't really a proper retail strategy because we have got because people because at the present moment in time and still has been for the last four years shall we say retailers definitely have the power not the Landlord.

AD: OK.

Example of coding

## **Appendix 8: Liverpool Retail Map**

Source: [www.visitliverpool.com](http://www.visitliverpool.com)

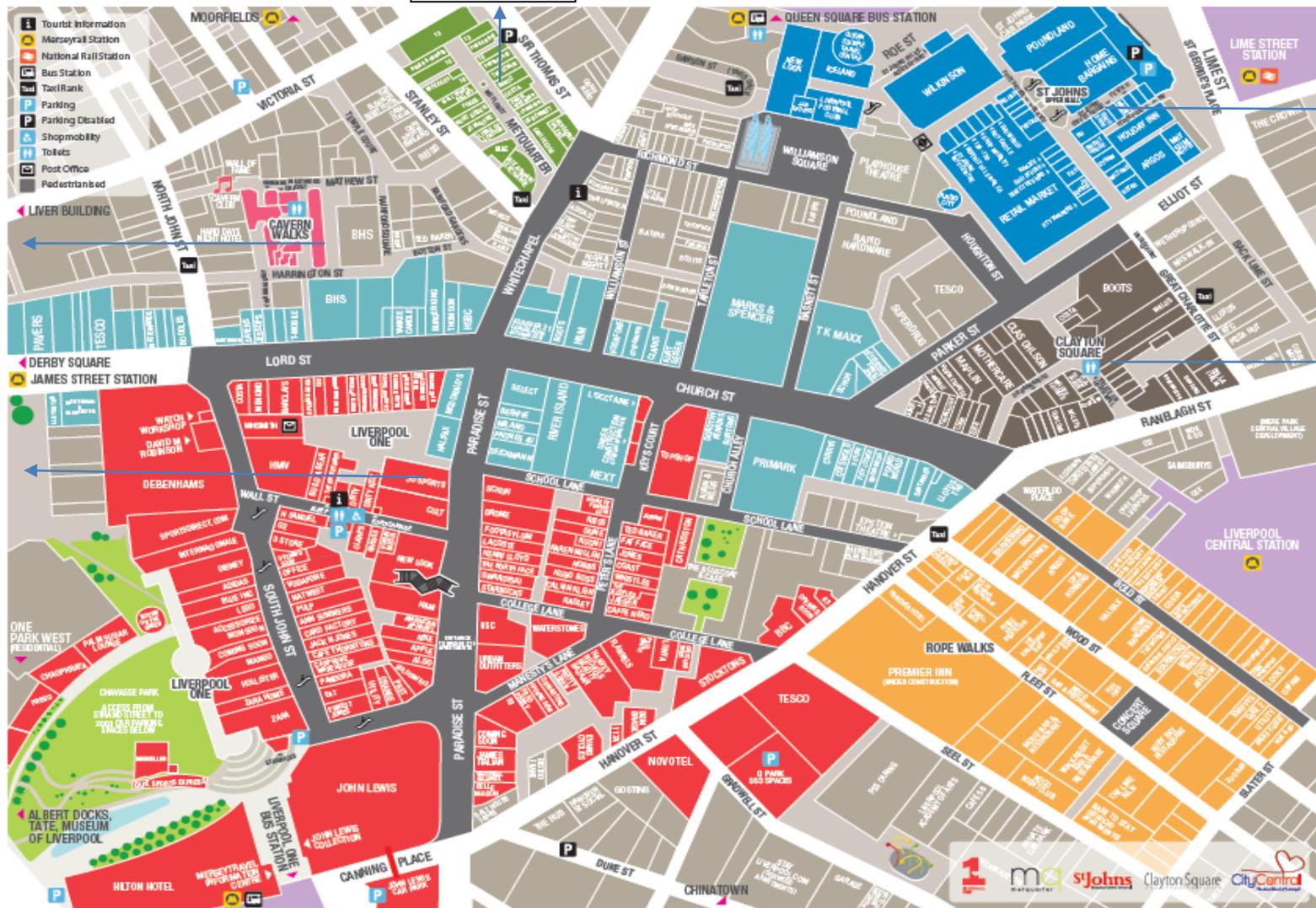
The Metquarter

St. Johns

Cavern Walks

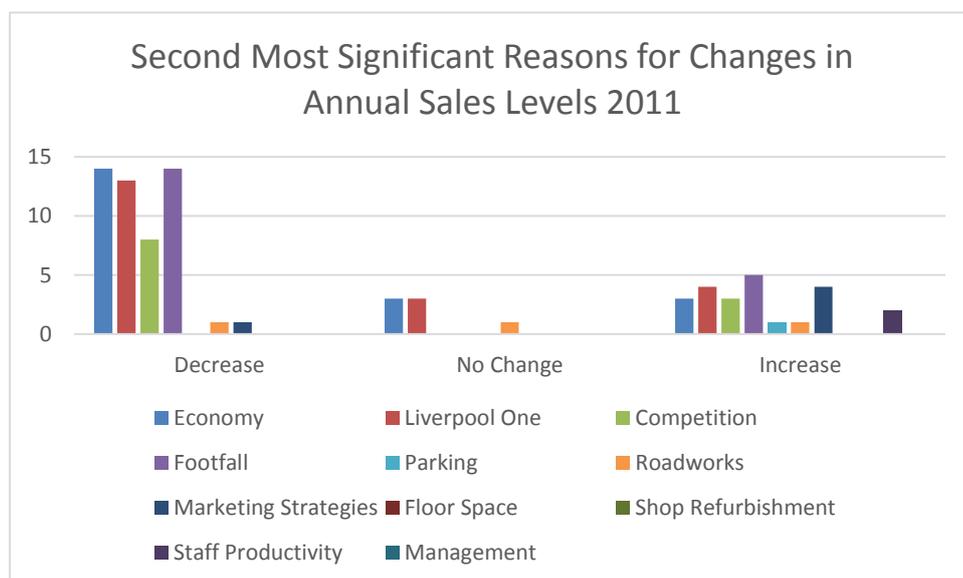
Clayton

Liverpool One



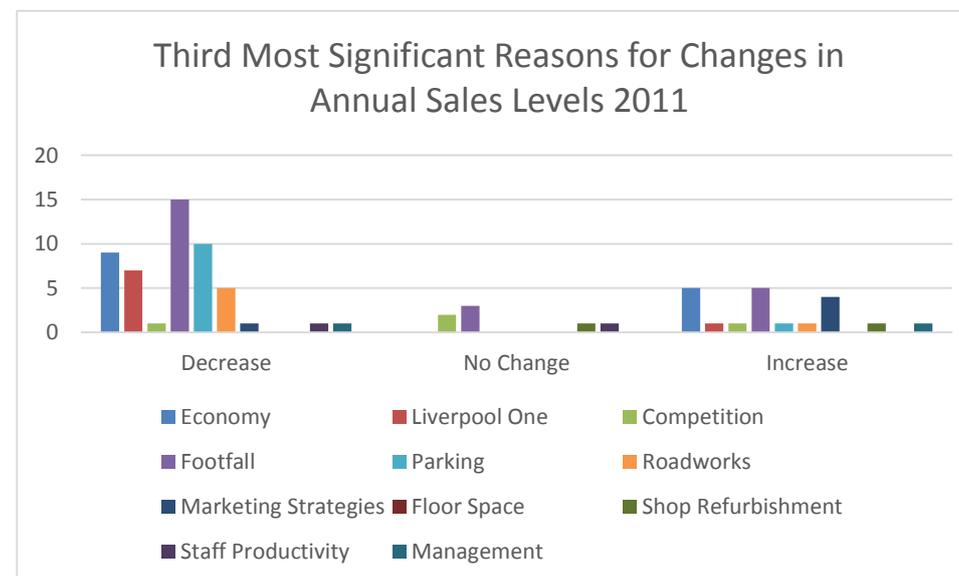
© 2014 VISIT LIVERPOOL. ALL RIGHTS RESERVED. THIS MAP IS A SERVICE OF VISIT LIVERPOOL. VISIT LIVERPOOL IS A TRADE MARK OF VISIT LIVERPOOL. VISIT LIVERPOOL IS A TRADE MARK OF VISIT LIVERPOOL. VISIT LIVERPOOL IS A TRADE MARK OF VISIT LIVERPOOL.

## **Appendix 9: Second Most Significant Reasons for Changes in Annual Sales Levels 2009-2013**





**Appendix 10: Third Most Significant Reasons for Changes  
in Annual Sales Levels 2009-2013**



Third Most Significant Reasons for Changes in Annual Sales Levels 2012

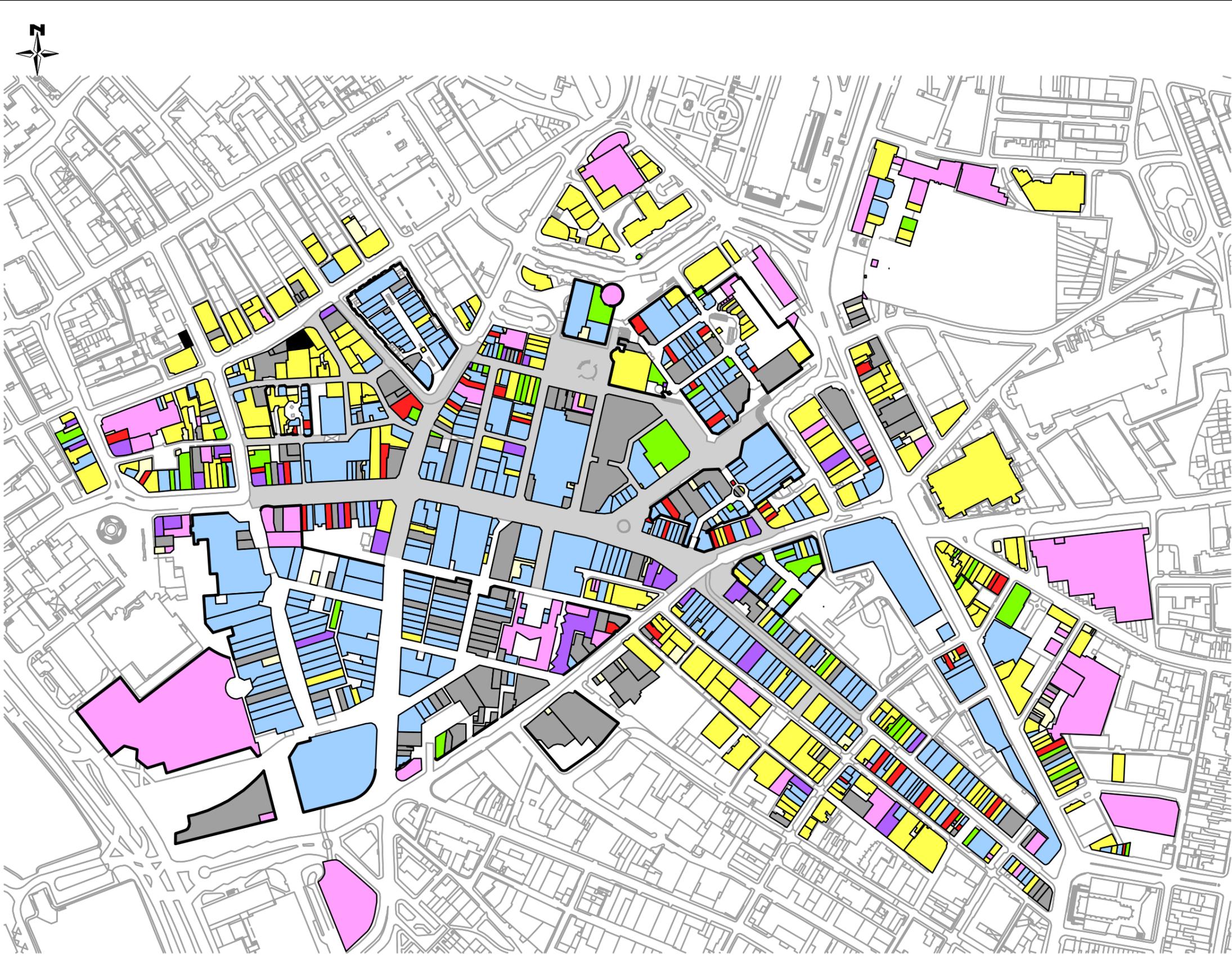


Third Most Significant Reasons for Changes in Annual Sales Levels 2013



**Appendix 11: Goad Maps – Retail Land Use 2009 – 2013**

# 2009 Liverpool Central Ground Floor

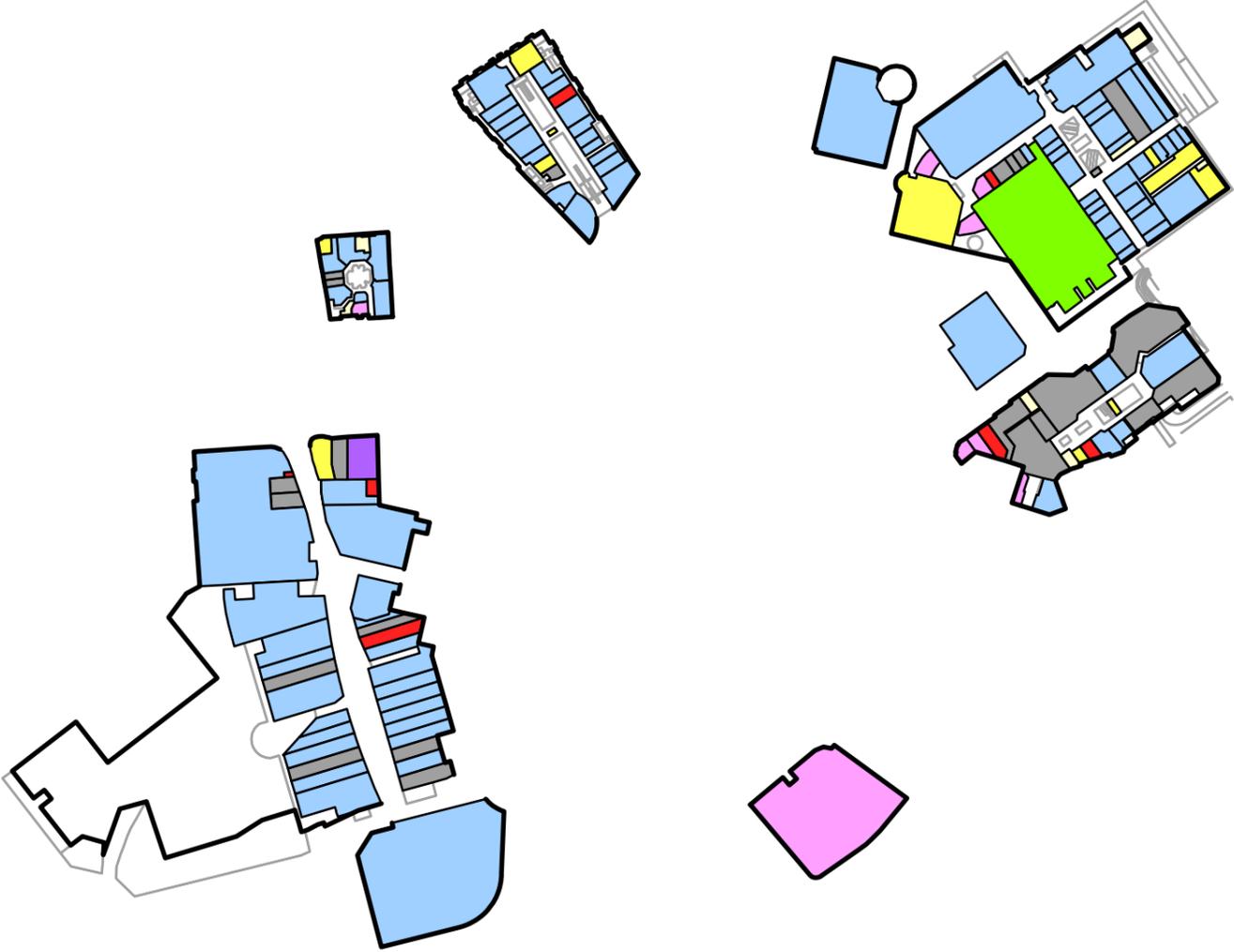


- Retail Land Use**
- Comparison
  - Convenience
  - Financial & Business Services
  - Leisure Services
  - Non-Retail Space
  - Other Retail
  - Retail Services
  - Vacant Non-Retail Buildings
  - Vacant Outlets



0 50 100 150 200 m

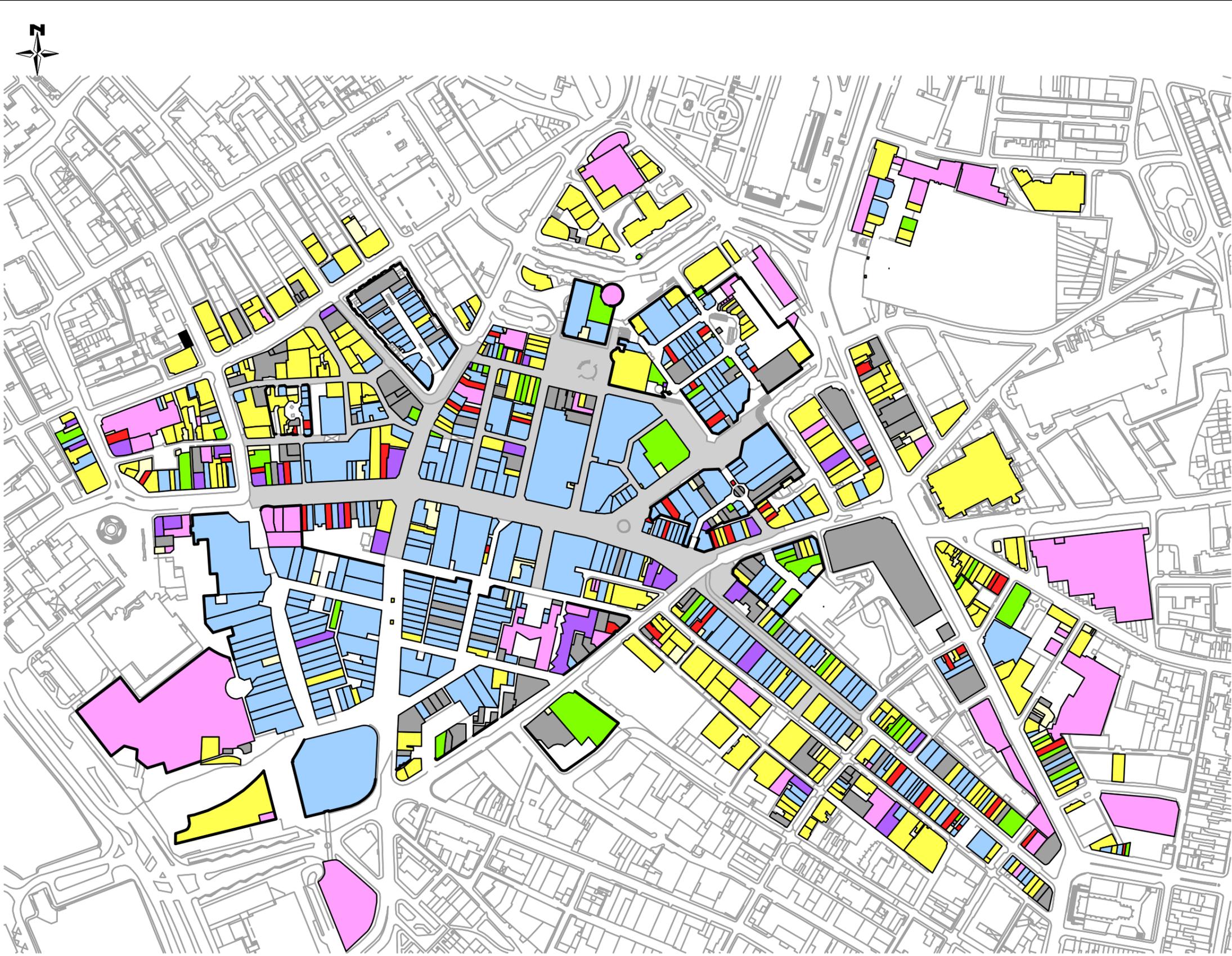
# 2009 Liverpool Central Floor 1



- Retail Land Use**
-  Comparison
  -  Convenience
  -  Financial & Business Services
  -  Leisure Services
  -  Non-Retail Space
  -  Other Retail
  -  Retail Services
  -  Vacant Non-Retail Buildings
  -  Vacant Outlets



# 2010 Liverpool Central Ground Floor



- Retail Land Use**
- Comparison
  - Convenience
  - Financial & Business Services
  - Leisure Services
  - Non-Retail Space
  - Other Retail
  - Retail Services
  - Vacant Non-Retail Buildings
  - Vacant Outlets



0 50 100 150 200 m

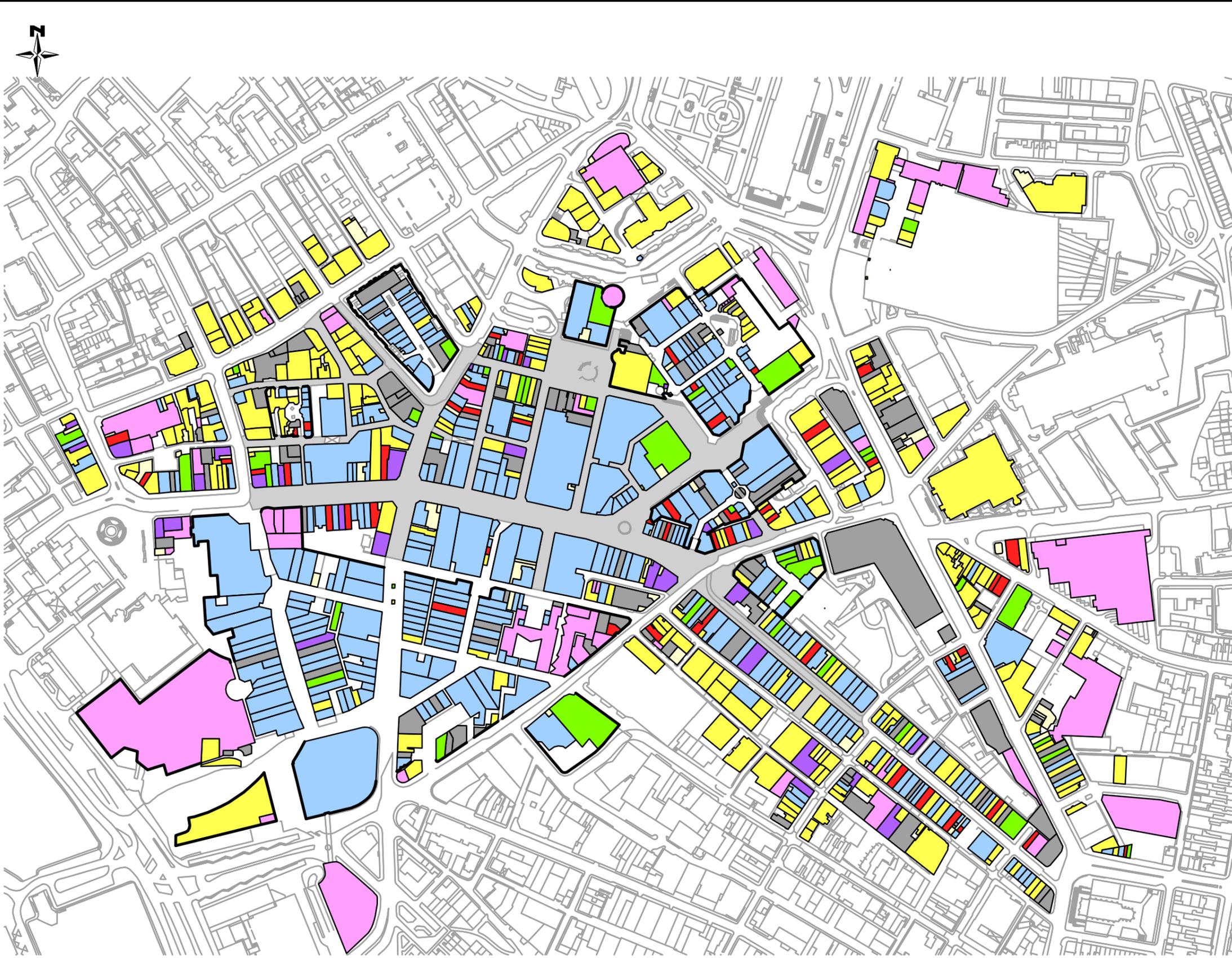
# 2010 Liverpool Central Floor 1



- Retail Land Use**
-  Comparison
  -  Convenience
  -  Financial & Business Services
  -  Leisure Services
  -  Non-Retail Space
  -  Other Retail
  -  Retail Services
  -  Vacant Non-Retail Buildings
  -  Vacant Outlets



# 2011 Liverpool Central Ground Floor



0 50 100 150 200 m

- Retail Land Use**
- Comparison
  - Convenience
  - Financial & Business Services
  - Leisure Services
  - Non-Retail Space
  - Other Retail
  - Retail Services
  - Vacant Non-Retail Buildings
  - Vacant Outlets



2011 Liverpool Central Floor 1



- Retail Land Use**
- Comparison
  - Convenience
  - Financial & Business Services
  - Leisure Services
  - Non-Retail Space
  - Other Retail
  - Retail Services
  - Vacant Non-Retail Buildings
  - Vacent Outlets



2012 Liverpool Central Ground Floor

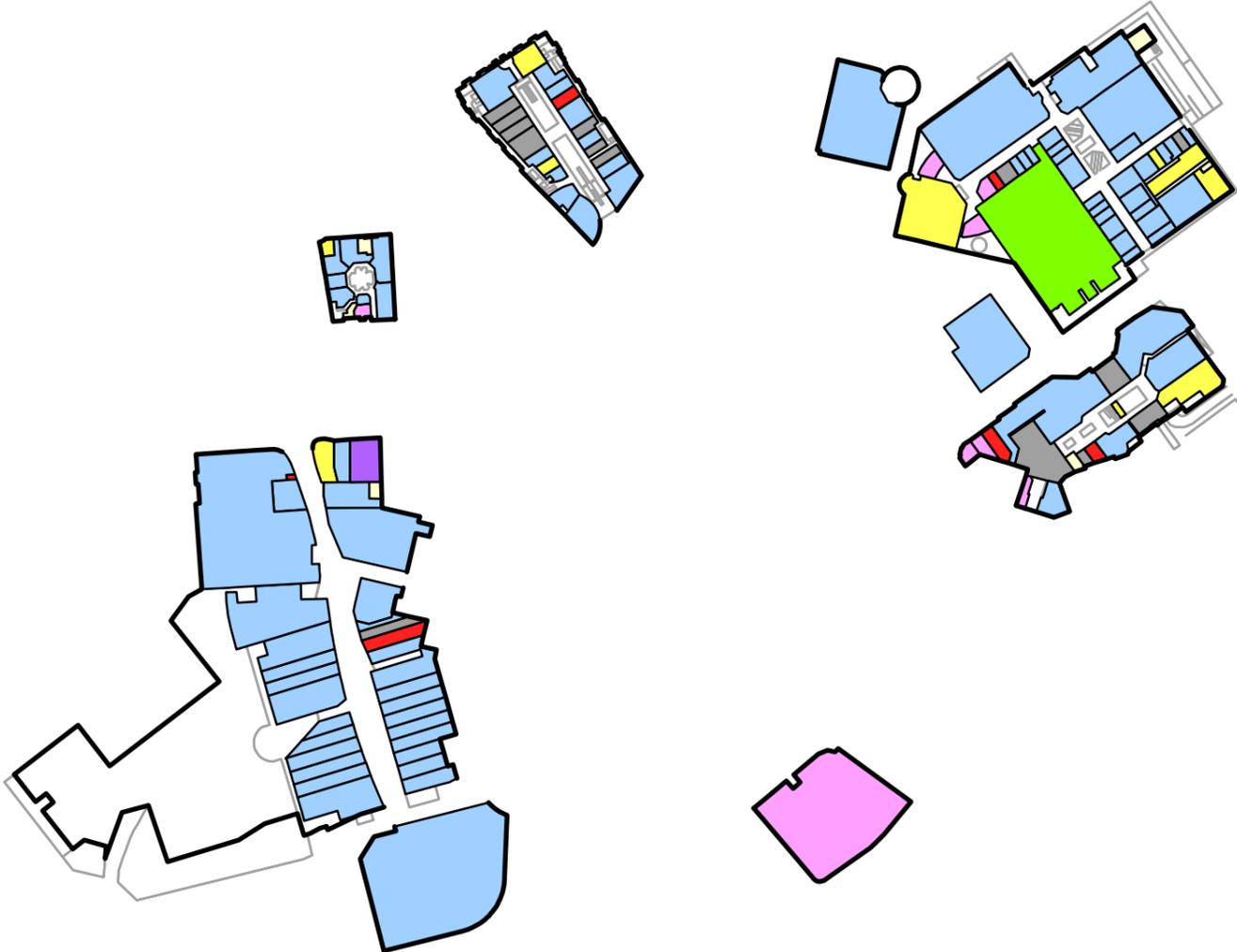


- Retail Land Use**
- Comparison
  - Convenience
  - Financial & Business Services
  - Leisure Services
  - Non-Retail Space
  - Other Retail
  - Retail Services
  - Vacant Non-Retail Buildings
  - Vacant Outlets

0 50 100 150 200 m



2012 Liverpool Central Floor 1



- Retail Land Use**
-  Comparison
  -  Convenience
  -  Financial & Business Services
  -  Leisure Services
  -  Non-Retail Space
  -  Other Retail
  -  Retail Services
  -  Vacant Non-Retail Buildings
  -  Vacant Outlets



# 2013 Liverpool Central Ground Floor



- Retail Land Use**
- Comparison
  - Convenience
  - Financial & Business Services
  - Leisure Services
  - Non-Retail Space
  - Other Retail
  - Retail Services
  - Vacant Non-Retail Buildings
  - Vacant Outlets

0 50 100 150 200 m



2013 Liverpool Central Floor 1

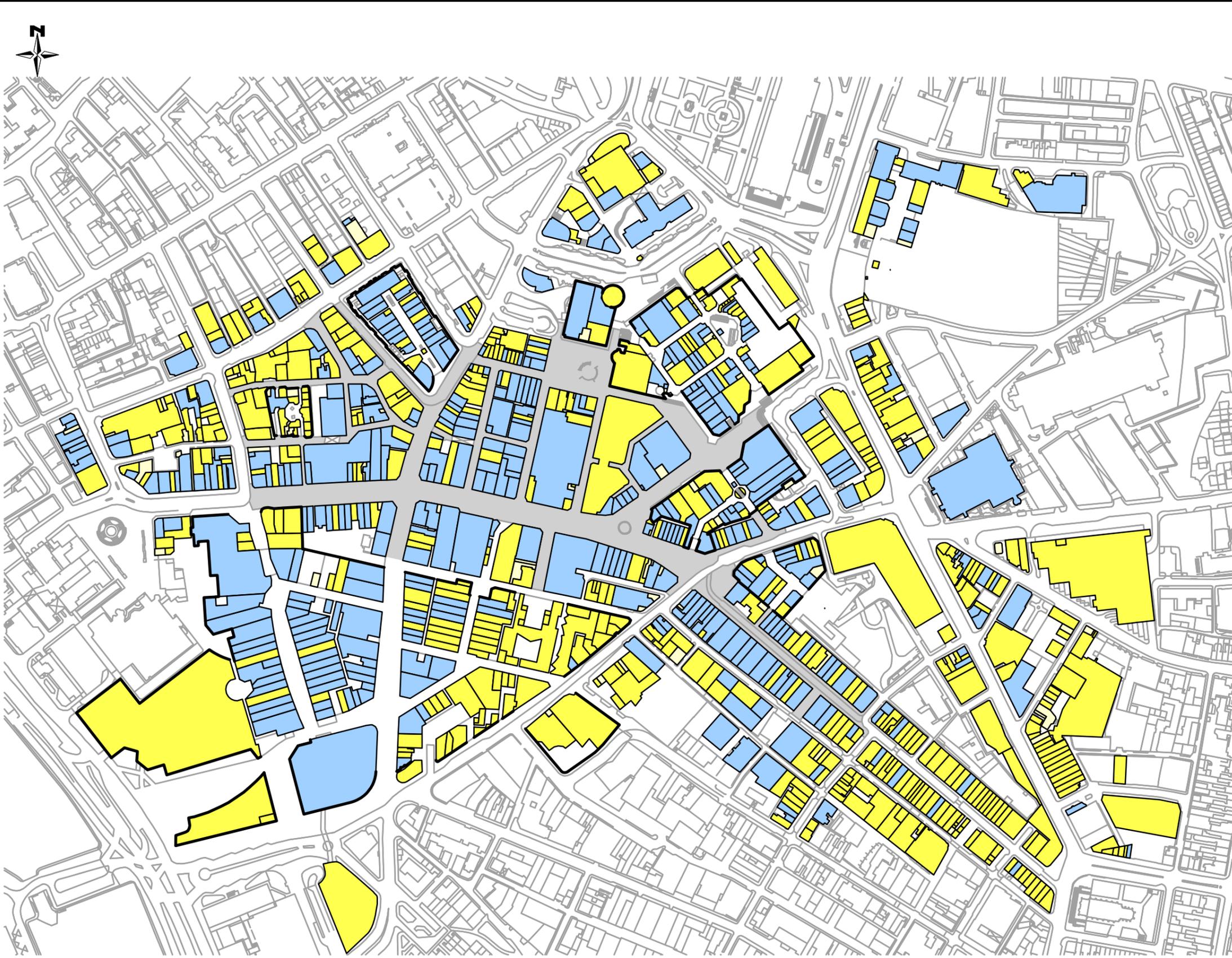


- Retail Land Use**
-  Comparison
  -  Convenience
  -  Financial & Business Services
  -  Leisure Services
  -  Non-Retail Space
  -  Other Retail
  -  Retail Services
  -  Vacant Non-Retail Buildings
  -  Vacant Outlets



## **Appendix 12: Goad Maps – Type of Retailer 2009 – 2013**

# 2009 Liverpool Central Ground Floor

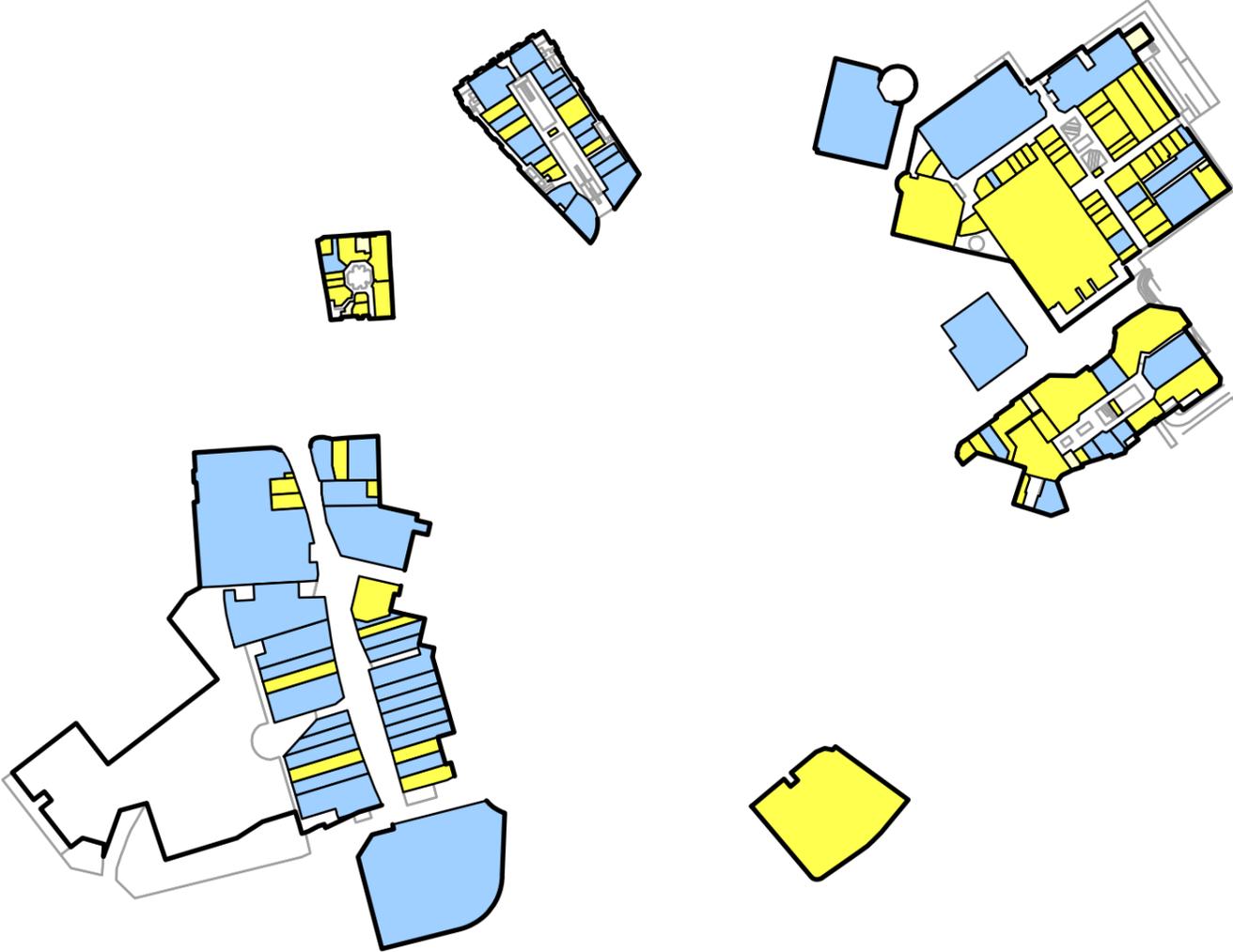


0 50 100 150 200 m

- Type of Retailer**
- Independents**  
4 or less stores nationwide
  - Multiples**  
5 or more stores nationwide



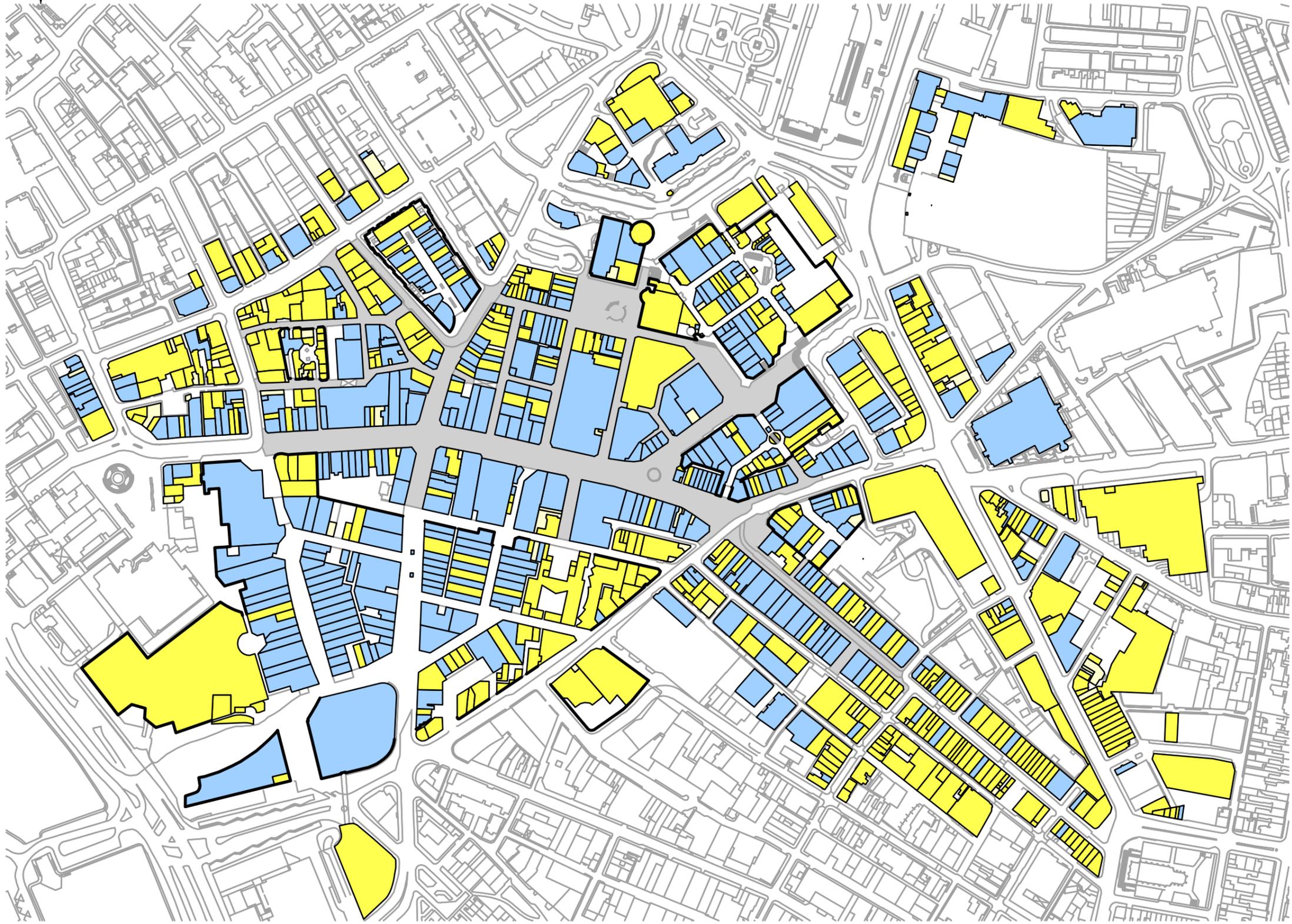
# 2009 Liverpool Central Floor 1



- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



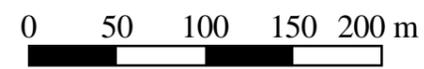
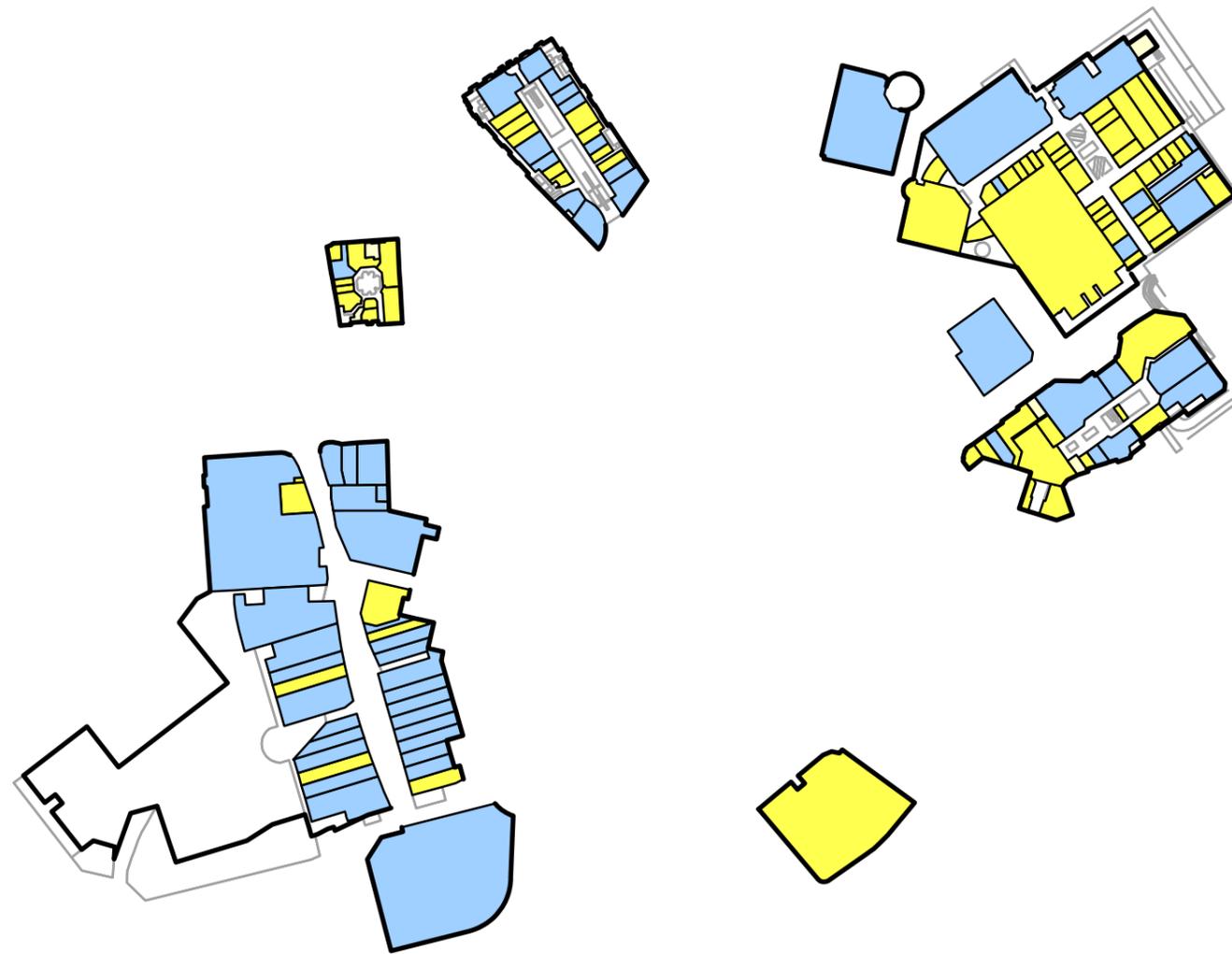
# 2010 Liverpool Central Ground Floor



- Type of Retailer**
- Independents**  
4 or less stores nationwide
  - Multiples**  
5 or more stores nationwide



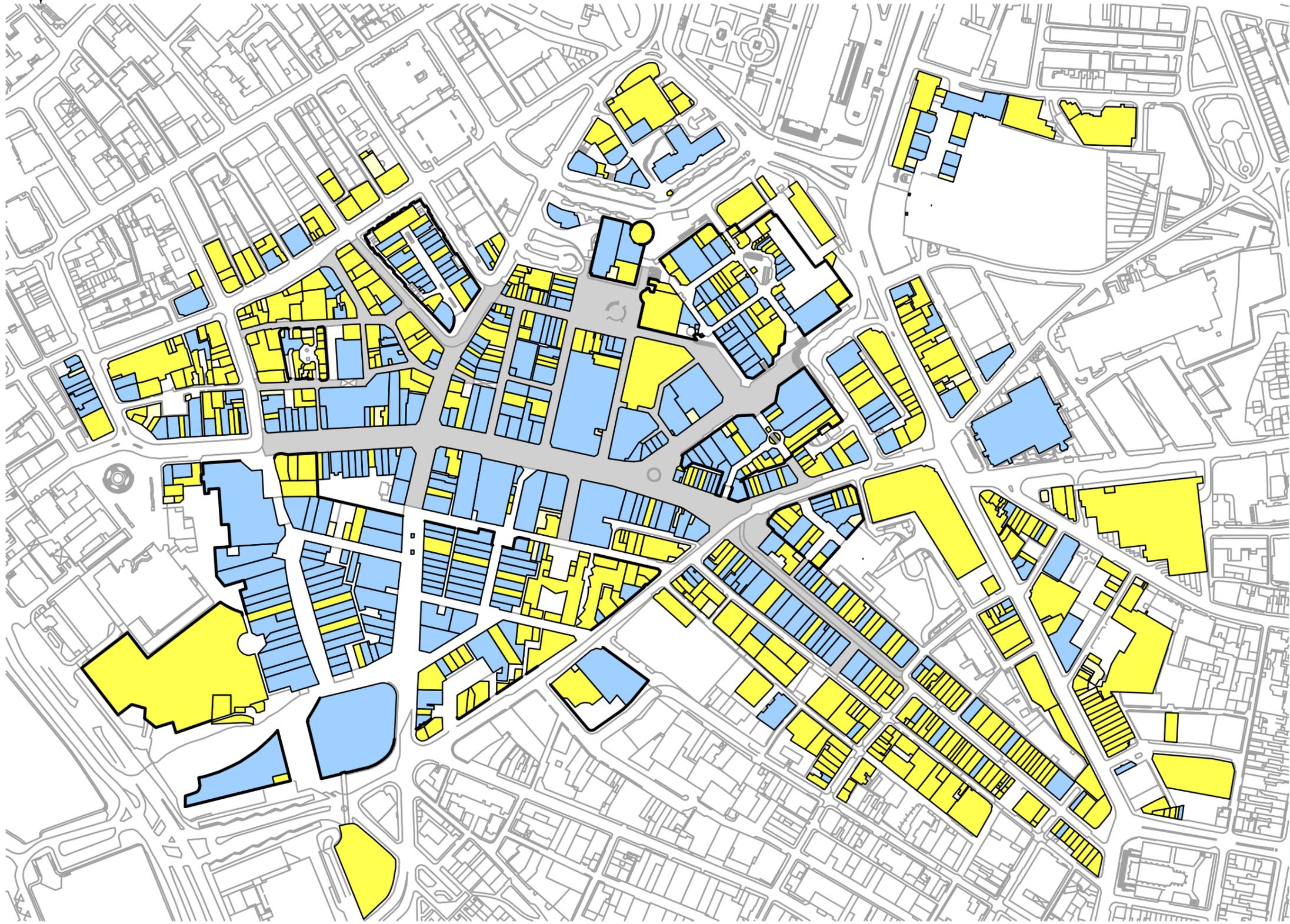
# 2010 Liverpool Central Floor 1



- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



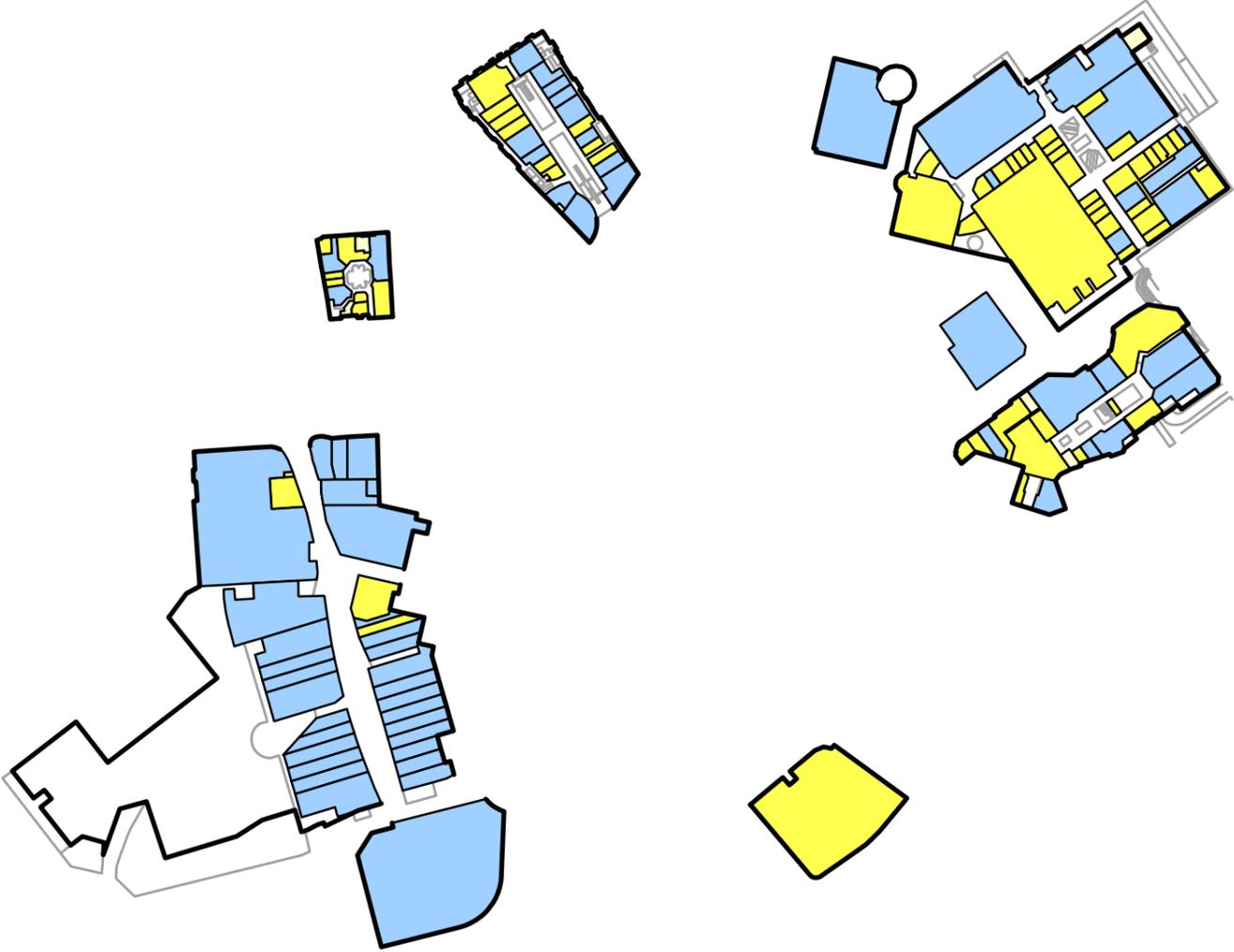
# 2011 Liverpool Central Ground Floor



- Type of Retailer**
- Independents**  
4 or less stores nationwide
  - Multiples**  
5 or more stores nationwide



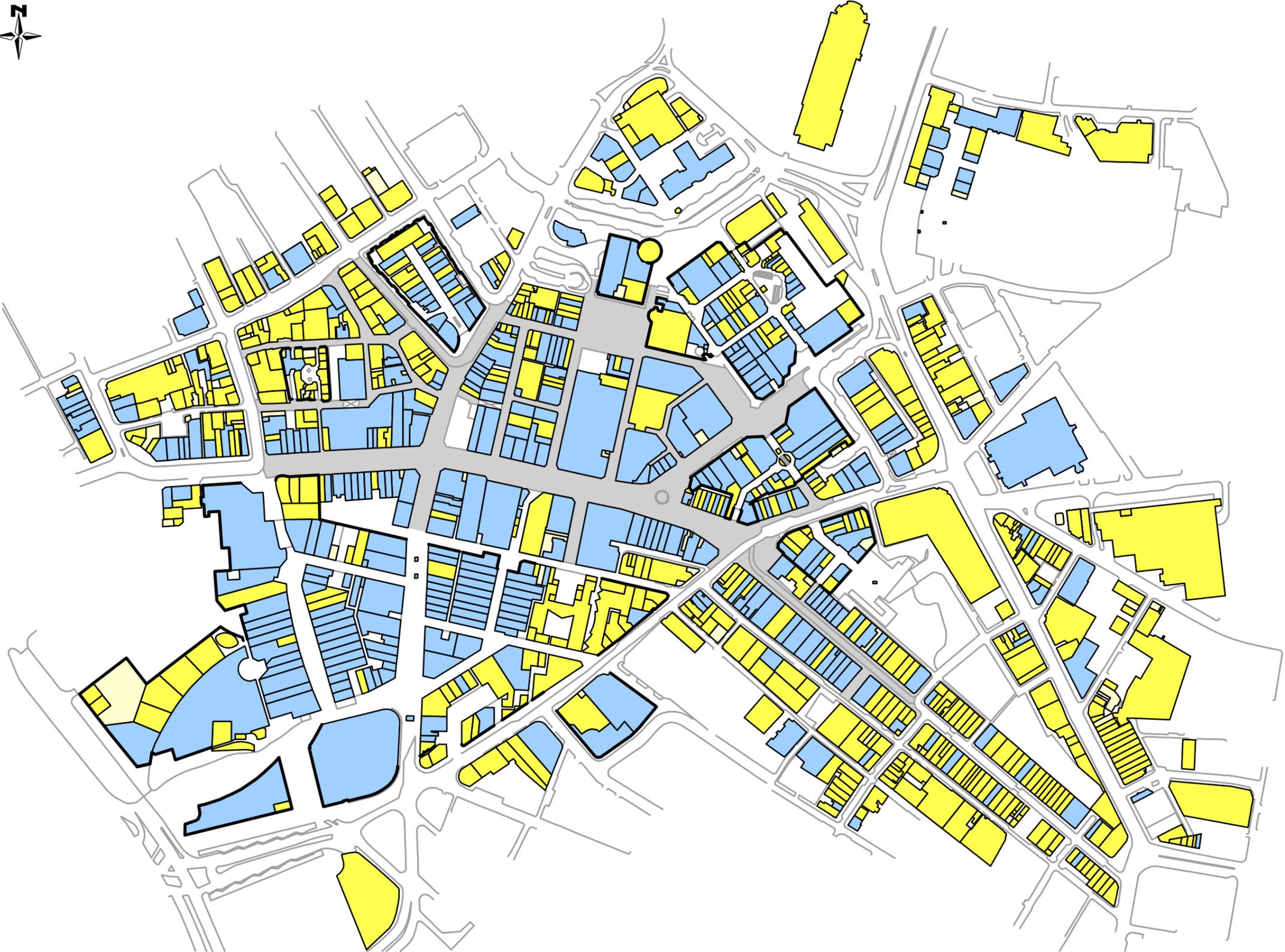
# 2011 Liverpool Central Floor 1



- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



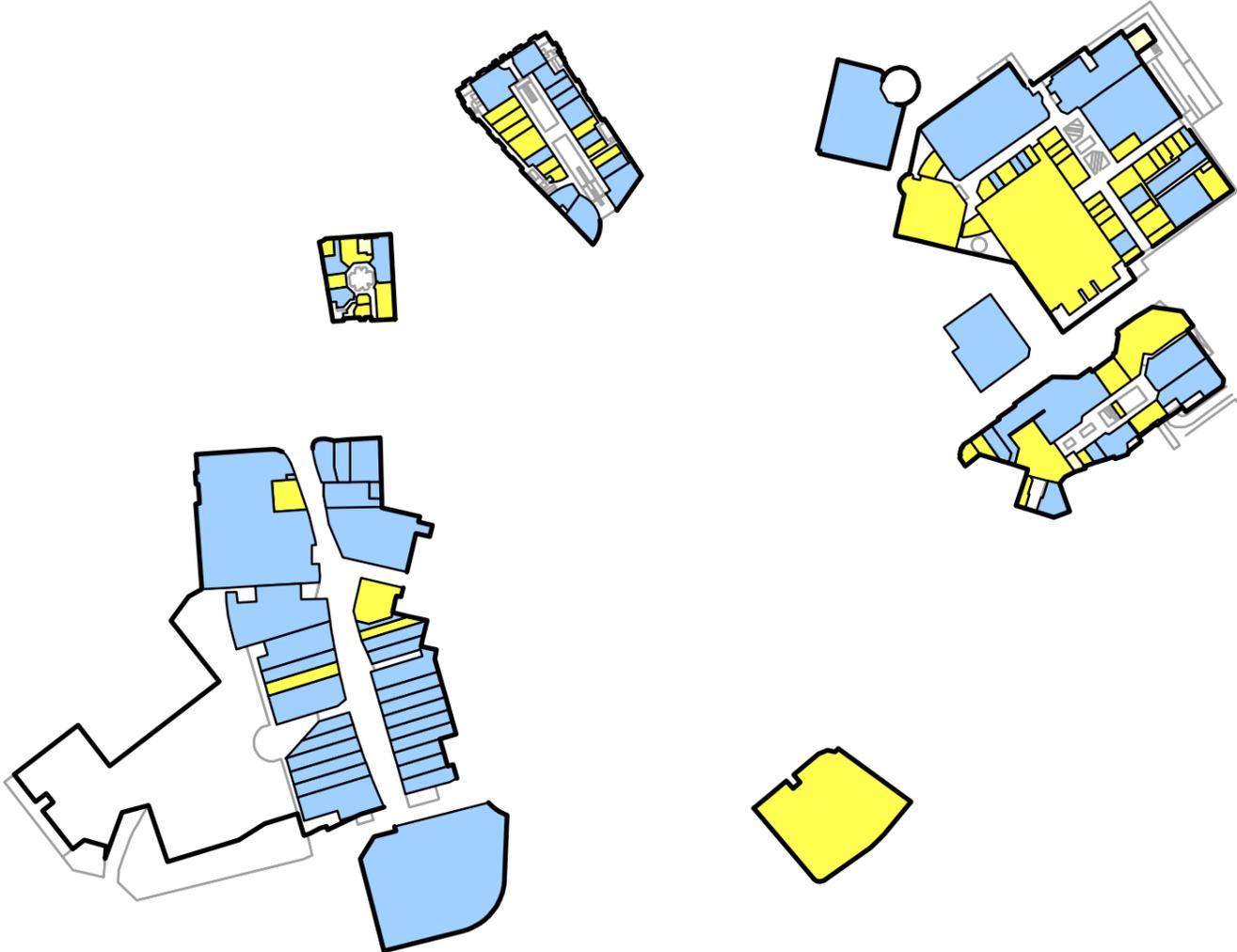
# 2012 Liverpool Central Ground Floor



- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



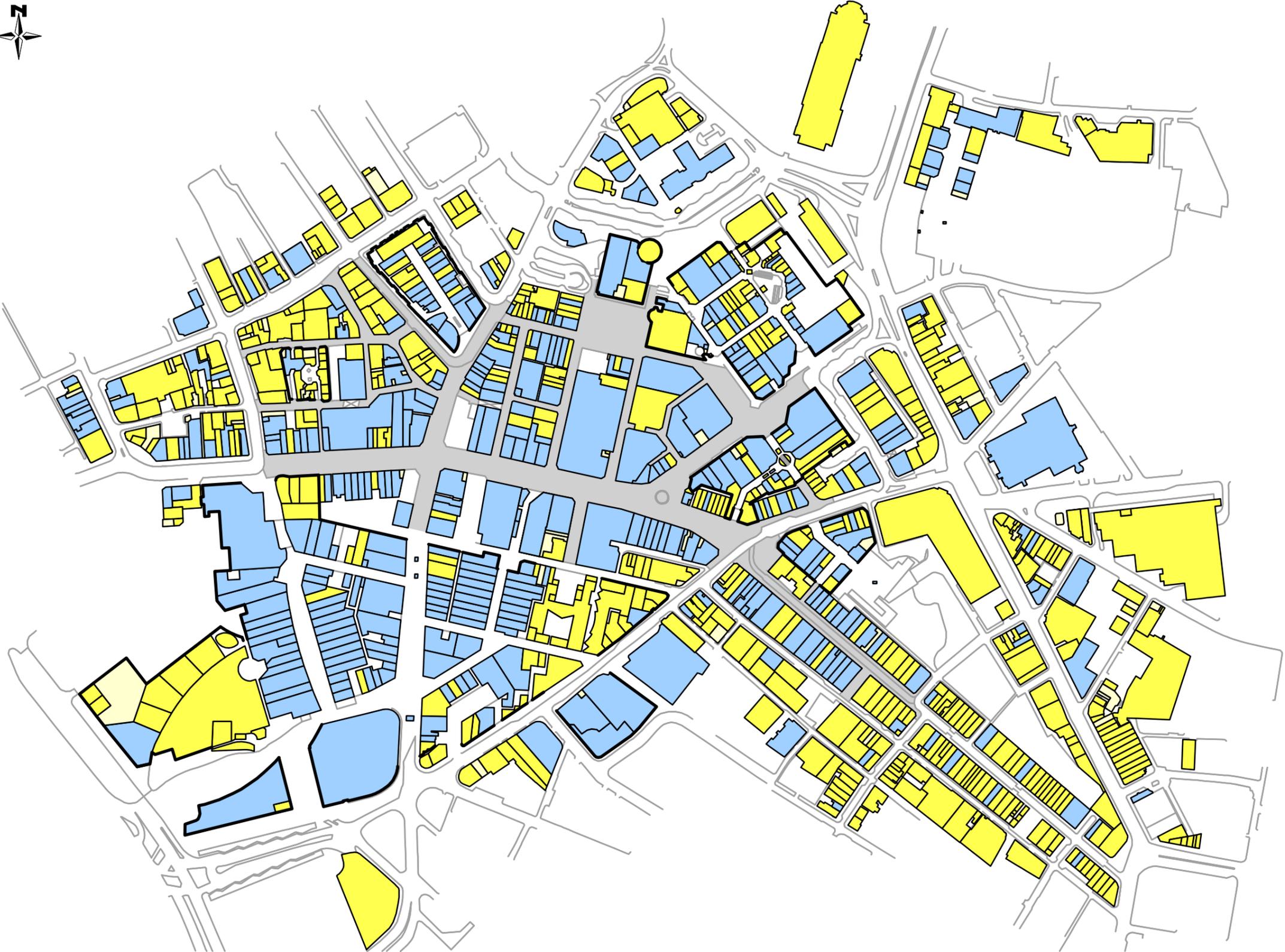
# 2012 Liverpool Central Floor 1



- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



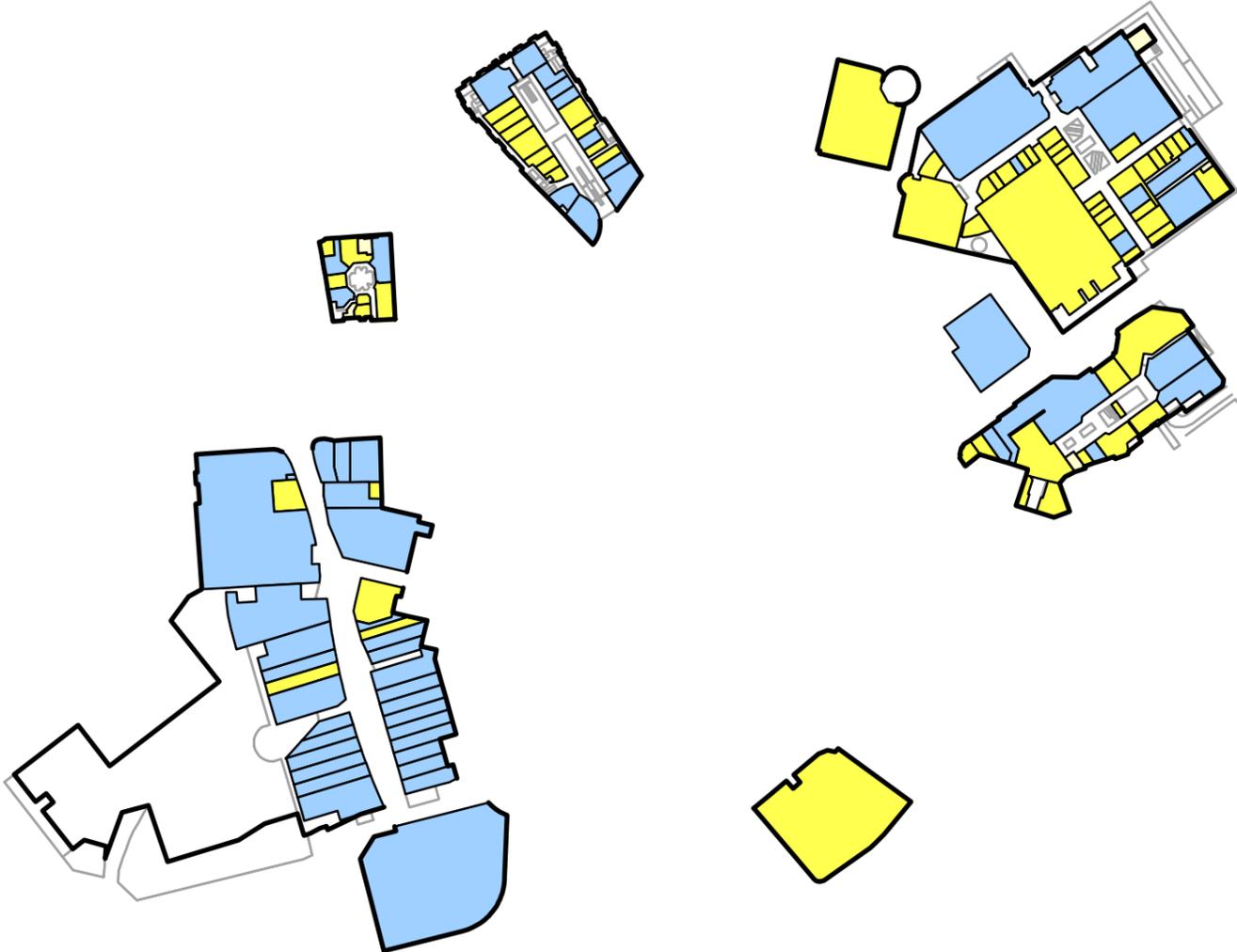
# 2013 Liverpool Central Ground Floor



- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



# 2013 Liverpool Central Floor 1



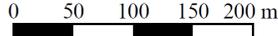
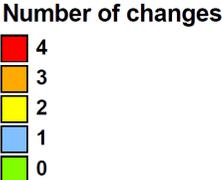
- Type of Retailer**
-  **Independents**  
4 or less stores nationwide
  -  **Multiples**  
5 or more stores nationwide



## **Appendix 13: Goad Maps – Occupier Changes 2009 - 2013**

# Liverpool Central Ground Floor

Number of Occupier Changes between 2009 and 2013



# Liverpool Central Floor 1



Number of Occupier Changes between 2009 and 2013

Number of changes



0 50 100 150 200 m

