

Institution: Loughborough University
Unit of Assessment: C19 Business and Management Studies
Title of case study: Shaping Town-Centre Policy and Strategy through Consumer-Based Research
<p>1. Summary of the impact</p> <p>Loughborough University research into town centre consumer perceptions and behaviour has changed the awareness, attitudes and approaches of industry bodies, policymakers and retailers with regard to driving evidence-based strategies for town centre recovery. Nationally, it has informed industry bodies such as the British Retail Consortium and the Association of Town and City Management of the value of consumer perceptions for developing and evaluating town centre strategy. Locally, it formed a key component of the evidence-based advice that helped Loughborough Town Centre win a place in the government-commissioned Portas Pilot project to rejuvenate Britain's High Streets. High Street giants such as Boots have also acknowledged its importance.</p> <p>2. Underpinning research</p> <p>Understanding what motivates people to shop at particular destinations is critical for retailers and town centres. Town centres perform a vital social and economic role in local communities, yet increasing competition, including online sales, has driven shop vacancies to an all-time high of 14.5%. While much research concentrates on shoppers' responses at the individual store or shopping mall, studies conducted by Cathy Hart (Lecturer and Senior Lecturer at Loughborough since 1993) and Grazyna Stachow (Research Associate at Loughborough since 2004) have addressed the neglected area of consumers' image of a town centre <i>as a whole</i>.</p> <p>The principal objective of this work is to understand customer perceptions of the High Street and so enable planners, managers and strategists to grasp what makes town centres attractive consumer destinations. This can then translate into practitioner strategies aimed at arresting town centre decline. Funded by Skillsmart, the Retail Sector Skills Council and the Learning and Skills Council, Hart and Stachow employed rigorous qualitative and quantitative analysis in a two-part study conducted in 2004 and 2005 [3.1, G3.1].</p> <p>The first part of the study took the form of a qualitative survey of 52 retail employers across the East Midlands. This identified retail skills gaps and barriers to retail development that could impede attempts to rejuvenate UK High Streets if unaddressed [3.2].</p> <p>The second part of the study involved a consumer survey of 550 respondents from 17 towns and cities to identify key influences of consumer perceptions of East Midlands shopping destinations. The first element of this survey assessed existing variables identified from shopping mall image literature. The findings showed that consumers were influenced by variables additional to widely accepted physical properties such as retail stores and accessibility. Notably, sensory and experiential variables such as atmosphere, personnel and consumers' enjoyment of shopping were found to influence re-patronage of a town centre [3.3].</p> <p>A second element elicited consumers' unprompted impressions of five town centres in the region. This question generated over 2,000 items that were content-analysed and tested for inter-rater reliability. These findings enabled Hart and Stachow to identify a novel set of dimensions and measures that reflected consumers' perceived image of town centres [3.4].</p> <p>Taken together, the findings delivered new insights into consumer decision-making, demonstrating how qualitative judgements may distinguish between town centres. The results showed that consumers perceive town centres on a wider set of values than previously used by researchers and practitioners. For example, the character and tradition of a town were found to contribute to a unique sense of location. Furthermore, while consumers' affective or emotional responses to their shopping environment were revealed as critical to understanding how town centres are perceived, managers and planners currently have no consistent frameworks to respond to these drivers.</p> <p>The overall importance of the work is that it facilitates more accurate, consumer-led measurements</p>

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rather than the researcher-led measures that currently prevail. Recognising the research's relevance, the ESRC invited Hart to bid for funds through a co-investment pilot project (2012-2013) [G3.2]. The successful bid built on the above research by creating a new project, 'Investigating the customer experience of the town centre', which attracted project partners including the British Retail Consortium, Alliance Boots, Argos, Action for Market Towns and the Association of Convenience Stores. In February 2013 the ESRC awarded Hart a further £100,000 in follow-on funds to research 'The town centre consumer'. [G3.3].

3. References to the research

- 3.1. End of project report; Hart, C.A., Stachow, G.B., (2005) 'Buying into Retail Phase two: Research into the East Midlands retail industry: skills, training & business issues', Skillsmart Retail.
- 3.2. Hart, C.A., Stachow, G.B., Farrell, A.M., Reed, G.M., (2007) 'Employer perceptions of skills gaps in retail: Issues and implications for UK retailers', *International Journal of Retail and Distribution Management*, 35(4), 271-288, DOI:10.1108/09590550710736201.
- 3.3. Hart, C.A., Farrell, A.M., Stachow, G.B., Reed, G.M. and Cadogan, J.W. (2007), 'Enjoyment of the Shopping Experience: Impact on Customers' Re-patronage Intentions and Gender Influence', *Service Industries Journal*, 27(5), 583-604, DOI:10.1080/02642060701411757.
- 3.4. Hart, C.A., Stachow, G.B., and Cadogan, J.W. (2013), 'Conceptualising town centre image and the customer experience', *Journal of Marketing Management*. DOI:10.1080/0267257x.2013.800900

The above outputs report original empirical work produced by Hart and Stachow, and published in peer reviewed journals internationally recognised as good or excellent. Reference 3.3 has been cited 43 times (to date). These findings have not previously been researched or explored in the area of town centre image and therefore Hart and Stachow lead this area of research.

Grants: The award of three research grants demonstrates the importance of the Hart and Stachow research.

- G3.1. 2004-2005 'Buying into Retail: East Midlands Retail Research'. Grant awarded to Hart, C.A. (PI) by Skillsmart, the Retail Sector Skills Council and The Learning and Skills Council for £74,703.
- G3.2. 2012-2013 ESRC Co-Investment Pilot funding: 'Investigating the customer experience of the town centre'. Grant awarded to Hart, C.A. (PI), Laing, A. Rafiq, M. (Co-investigators) for £70,575, together with partner funding from Argos, Action for Market Towns (AMT), BRC, Boots, and Association of Convenience Stores (ACS). ESRC invited bid.
- G3.3. 2013-2014 ESRC follow on funding: 'The town centre consumer' awarded to Hart, C.A. (PI), Laing, A. Rafiq, M. (Co-investigators) for £100,000.

4. Details of the impact

Loughborough University's research into town centre consumer perceptions and behaviour has significantly informed evidence-based strategic decisions for revitalising UK town centres by changing the awareness, attitudes and approaches of industry bodies, local town centre partnerships and retailers.

The research formed a key component of the advice Hart gave to the British Retail Consortium (BRC), the lead trade organisation for UK retail, during the writing of the 2009 report "21st Century High Streets: A new vision for our town centres" [5.1]. This widely circulated report proposed a long-term strategy for policymakers, investors and the government to address the issues faced by UK High Streets and implement actions for rejuvenation. The report cited Hart et al (2007) as contributing evidence to 'A unique sense of place', the first of six key elements of a successful High Street. The research thus played an important role in influencing the ideas and policies in the report, confirming the notion that the character or unique image each town centre possesses "can strongly influence shoppers' decisions about when, why and how often they visit a High Street". The BRC's Director of Business and Regulation has remarked that Hart and Stachow's work "is helping retailers and other stakeholders make informed decisions based on empirical data",

adding: “The research has become even more relevant against the backdrop of the current challenges facing town centres and the government’s strategies to revitalise them.” [5.2]

The research was also cited in ‘Successful town centres – developing effective strategies’, a 2013 report commissioned by the Department for Business, Innovation and Skills to encourage “a re-think of the strategic positioning of town centres... as places that serve their communities, visitors, businesses and key stakeholders, with a quality of experience that encourages them to keep coming back and staying longer” [5.3]. The report, produced by the Association of Town and City Management (ACTM) and Gfirst, Gloucestershire’s Local Enterprise Partnership, described the work as “an innovative research study on how customers and visitors actually interact with their town centres”. Following advisory input to the report, Hart was invited to present a “thought piece” at the ACTM’s Summer School in July 2013, leading to a debate on the actions needed to address consumers’ changing needs. The debate involved town centre practitioners and stakeholders from an international audience of over 100 delegates from government departments, local authorities, Business Improvement Districts, retail property managers, retailing consultants, retail industry representative bodies and retailers. In July 2013 ACTM also invited Hart to join the Advisory Group of its Thought Leadership and Research Programme, which includes academics and key thinkers from a variety of disciplines, to inform the strategic direction of programmes and advise on specific town centre research proposals. The Chief Executive of ACTM has described Hart and Stachow’s research as “of key interest to ACTM’s membership”, noting: “[It] has addressed a previously neglected area of town centre consumer behaviour from the customer’s own perspective, where knowledge and understanding are vital if town centre management is to be successful in revitalising town centres.” [5.4]

In March 2012 the Loughborough Town Centre BID Partnership asked Hart to advise on Loughborough’s application to become a Portas Pilot Town as part of the government initiative, led by retail guru Mary Portas, to revitalise the UK’s town centres. Hart and Stachow’s research was used to support the BID Partnership before, during and after its application, including designing research to inform the team in transforming local consumers’ perceptions. Confirming the success of the application in July 2012, Local Government Minister Grant Schapps noted the uniqueness of the Loughborough BID team’s collaboration with academia. The manager of Loughborough BID has remarked: “Working with Cathy Hart has given [us] direct access to innovative town centre research that we have been able to put into practice in a town centre environment.” [5.5]

Insights from the research were also used to design a student case project that investigated customer experience in a Boots store, as a result of which Boots implemented selected findings at its Loughborough branch. This led to an improved customer experience, as demonstrated by an Empathica survey that showed feedback increased positively by at least 5% following implementation. The collaborative project work with the local Boots store management team developed the relationship with Boots’ support centre in Nottingham, leading to its subsequent role as a project partner in the co-funded ESRC research [G3.2]. In March 2013 Hart was invited to present the town centre consumer research at a Boots Regional Community Event, where the findings were used to advise store managers on how to respond to changing consumer behaviour at a local level. Boots’ Public Policy Manager has described Hart and Stachow’s work as having “benefited Boots both at an operational level and from a broader High Street perspective” [5.6].

5. Sources to corroborate the impact

The following sources of corroboration can be made available at request:

- 5.1. British Retail Consortium (BRC) (2009). *21st Century High Streets: A new vision for our town centres* (see page 10)
- 5.2. Director, Business and Regulation, British Retail Consortium (corroborates that our research changed policy and ideas at a national level).
- 5.3. Gfirst, Local Enterprise Partnership and the Association of Town and City Management (2013). *Successful Town Centres – developing effective strategies* (see page 34)
- 5.4. CEO, Association of Town and City Managers (corroborates that our research changed policy and thinking in the Association).

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- 5.5.** Business Improvement District Project Manager, Love Loughborough Partnership (Portas Pilot) (corroborates that our research contributed to the Portas Pilot award to Loughborough Town Centre).
- 5.6.** Public Policy Manager, Alliance Boots (corroborates that the application of our research improved the Boots' customer experience and changed the awareness and understanding of Boots regional managers).