CERIS : Civil Engineering Research and Innovation for Sustainability

Understanding retail location: a longitudinal analysis in the face of technological change

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Summary

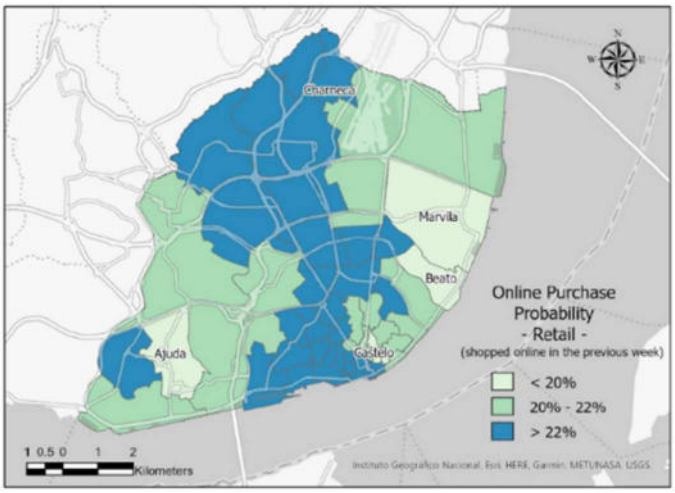
Being a private sector activity, street commerce is eventually given less attention than other areas in urban planning. However, local commerce pays service to the population, which was more evident than ever during the COVID19 pandemic. Whether as a provider of essential goods, a promoter of local employment or a supporter of social interaction, street commerce is an essential feature of cities. It creates lively streets and a sense of belonging while also promoting sustainable mobility. While the high street has been menaced since the 1960s (big-box, shopping malls, and other business models appearing increasingly faster), street commerce eventually resisted because of all these characteristics. Its most recent threat has looked as it could be is biggest: e-shopping has been said to have the potential of replacing retail altogether. Talks of a "retail apocalypse" have occurred within academia and in general debates. Nevertheless, street commerce has continued to resist, if only as a showroom and sensory experience in some cases, with digital-native brands now showing an increasing interest in opening physical stores. Location strategies, though, seem to be changing, with digital-native retailers showing more interest in opening physical stores in proximity to their younger, more educated, affluent consumers. This may pose a problem since digital exclusion may leave citizens with access to fewer shopping opportunities in their area of residence with even fewer opportunities to shop. Hence, the thesis presents a longitudinal analysis of retail location since 1995: where did retail persistently locate, while trying to understand why.

A commercial structure of the city was first devised to give a general overview that could frame subsequent analysis. A panel model explains the location of retail (and restaurants and cafes) in the face of the characteristics that have contributed to its continued existence: good urban design, transportation planning and regulation of the economic activity. The impact of e-shopping in recent years is also considered in the analysis (in a before and after COVID19 scenario). Since the location of shops and some residents may become dissonant, it will be essential to understand how access to a diverse array of goods can be assured to everyone. The geography of e-shopping ultimately links retail location with online purchases.

The final goal will be understanding retail location, past and present, and what can be done to help keep (at least some) retail on the streets while ensuring that the relationship with e-shopping is of complementarity and not substitution. The results can help policymakers adopt new commercial planning strategies while involving urban planning, transportation planning, and ultimately, the goal of creating smart, sustainable cities.

Keywords

Retail location, longitudinal analysis, firm location models, e-shopping, urban planning and policymaking.



Online Purchase Probability – Retail – Lisbon (2020).