FUTURE PROOF NEIGHBORHOOD SHOPPING CENTRES IN AN AGING POPULATION

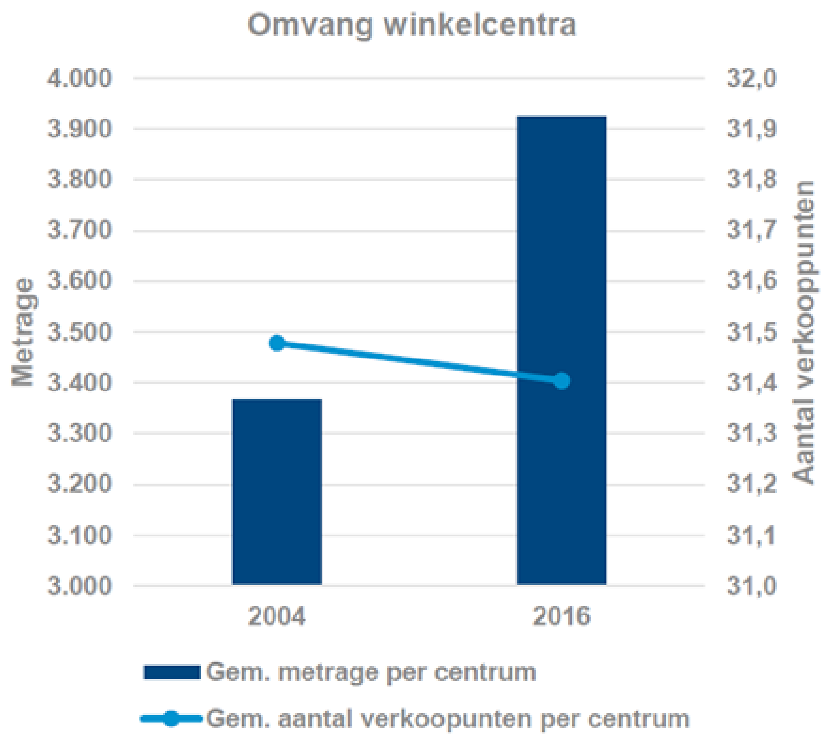
A QUANTITATIVE CASE STUDY RESEARCH ON SHOPPING PREFERENCES OF ELDERLY PEOPLE IN A DUTCH AGING NEIGHBORHOOD.

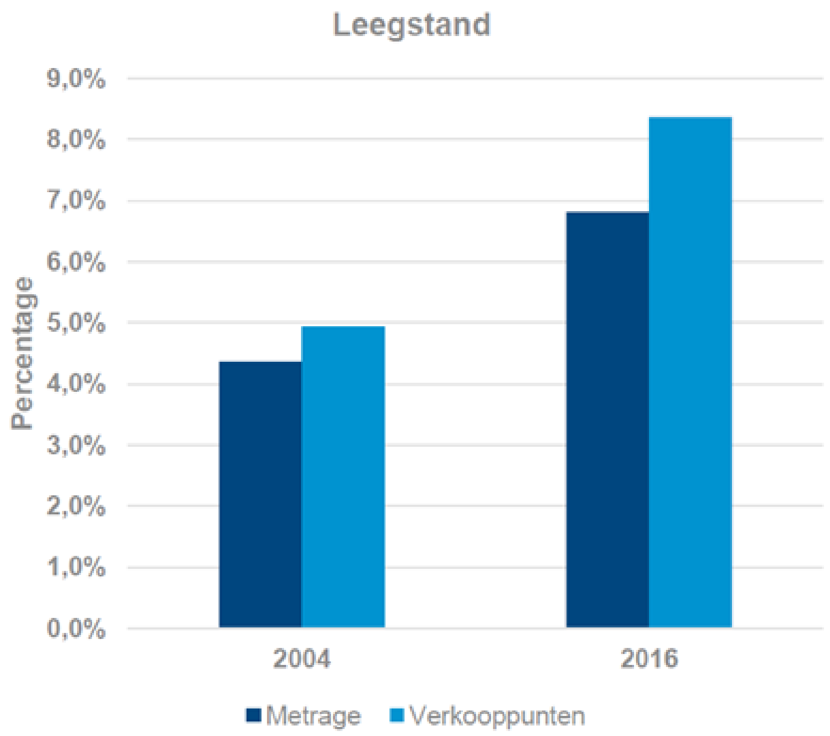
Contents

2. Background -Trends in Dutch neighborhood shopping centres

Shopping centre Kerkelanden (DELA Vastgoed, 2018)

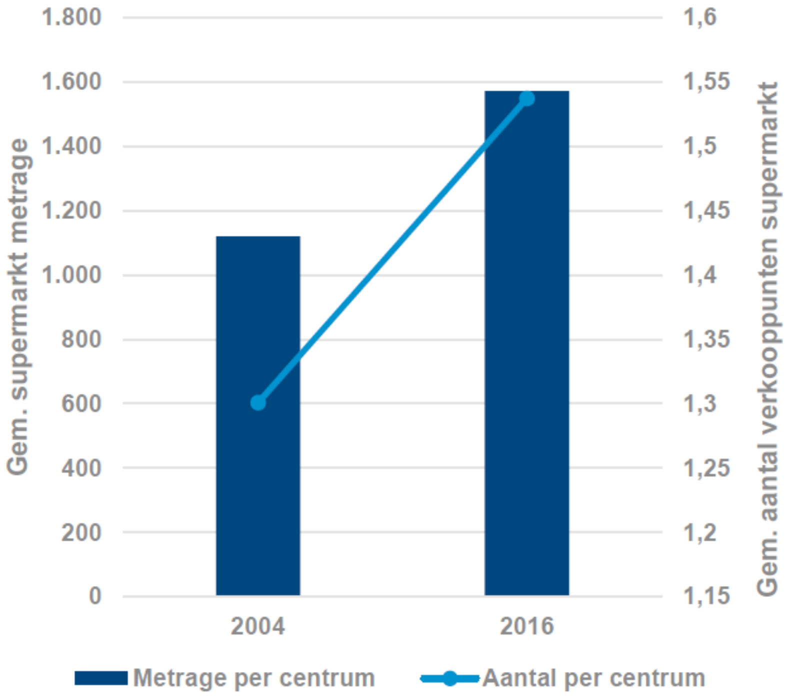
2.1. Background:
Trends in Dutch neighborhood shopping centres

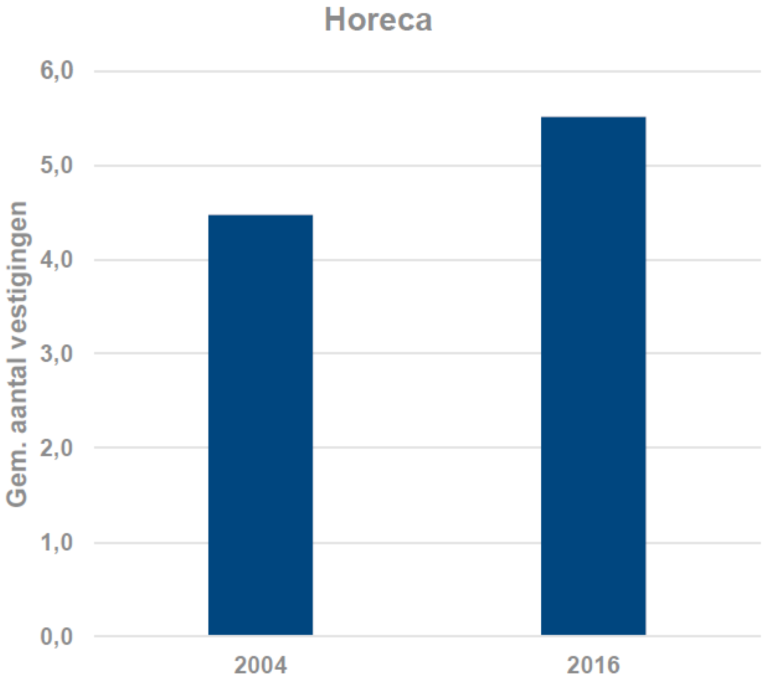




Left graph: average size in m^2 of neighbourhood shopping centres in the period 2004 versus 2016. Right graph: vacancy in neighbourhood shopping centres specified by meter and point of sales. (Stek, 2016).

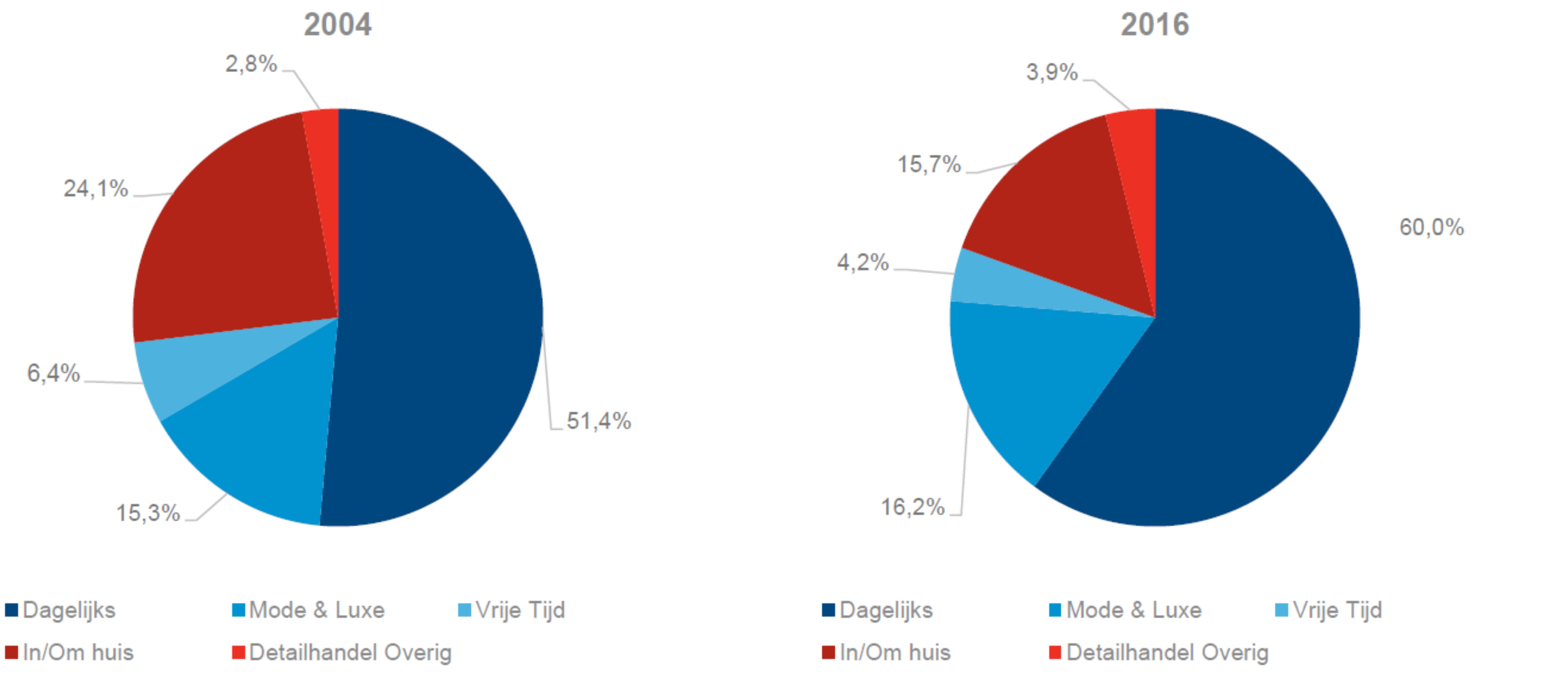
2.1. Background:
Trends in Dutch neighborhood shopping centres





Average size of the function 'supermarket' and average number of supermarkets per neighborhood shopping centres in the years 2004 and 2016 (Stek, 2016).

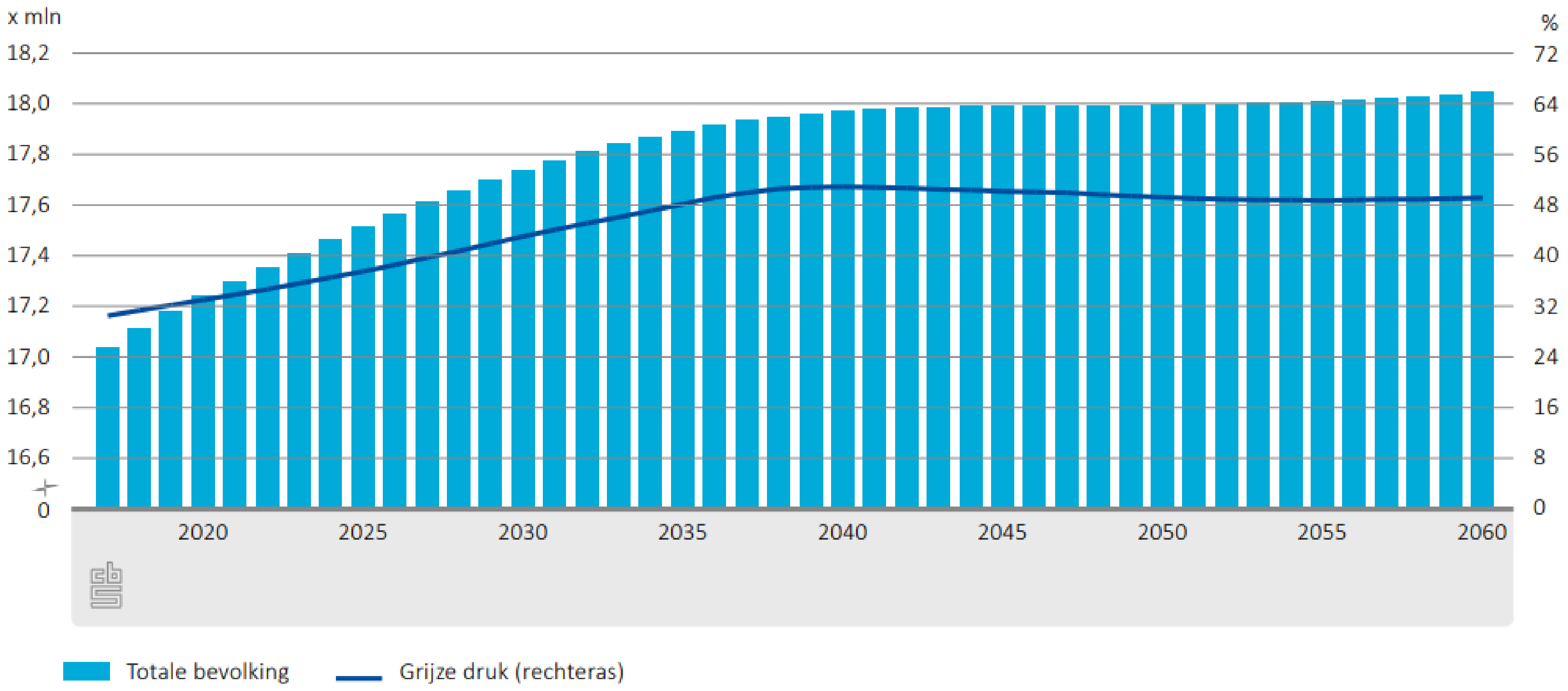
2.1. Background:
Trends in Dutch neighborhood shopping centres



Tenant mix (branching) of neighbourhood shopping centres in the Netherlands in 2004 and 2016. (Stek, 2016).

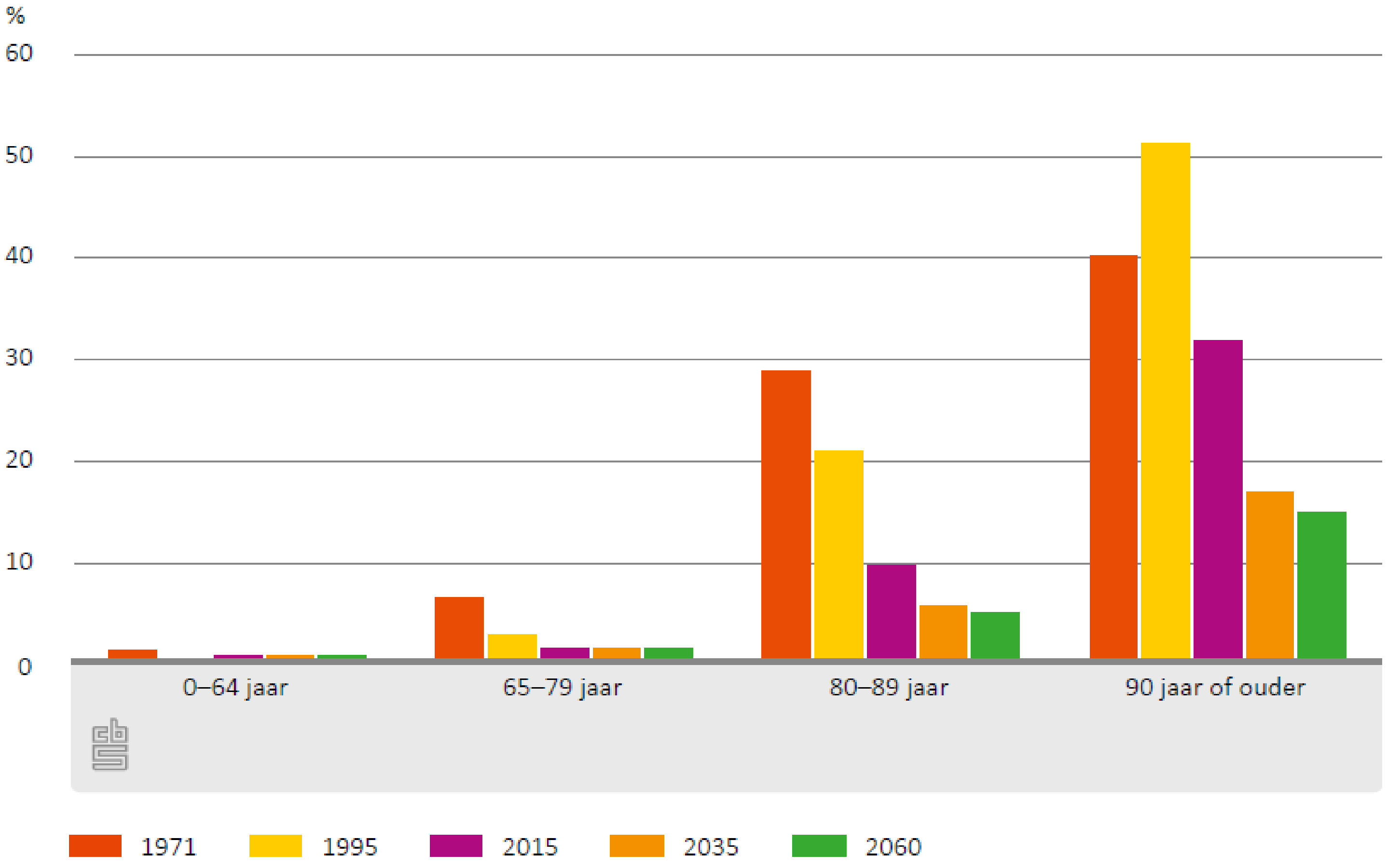
2. Background. Trends concerning the aging population

2.2. Background:
Trends concerning elderly people – gray print



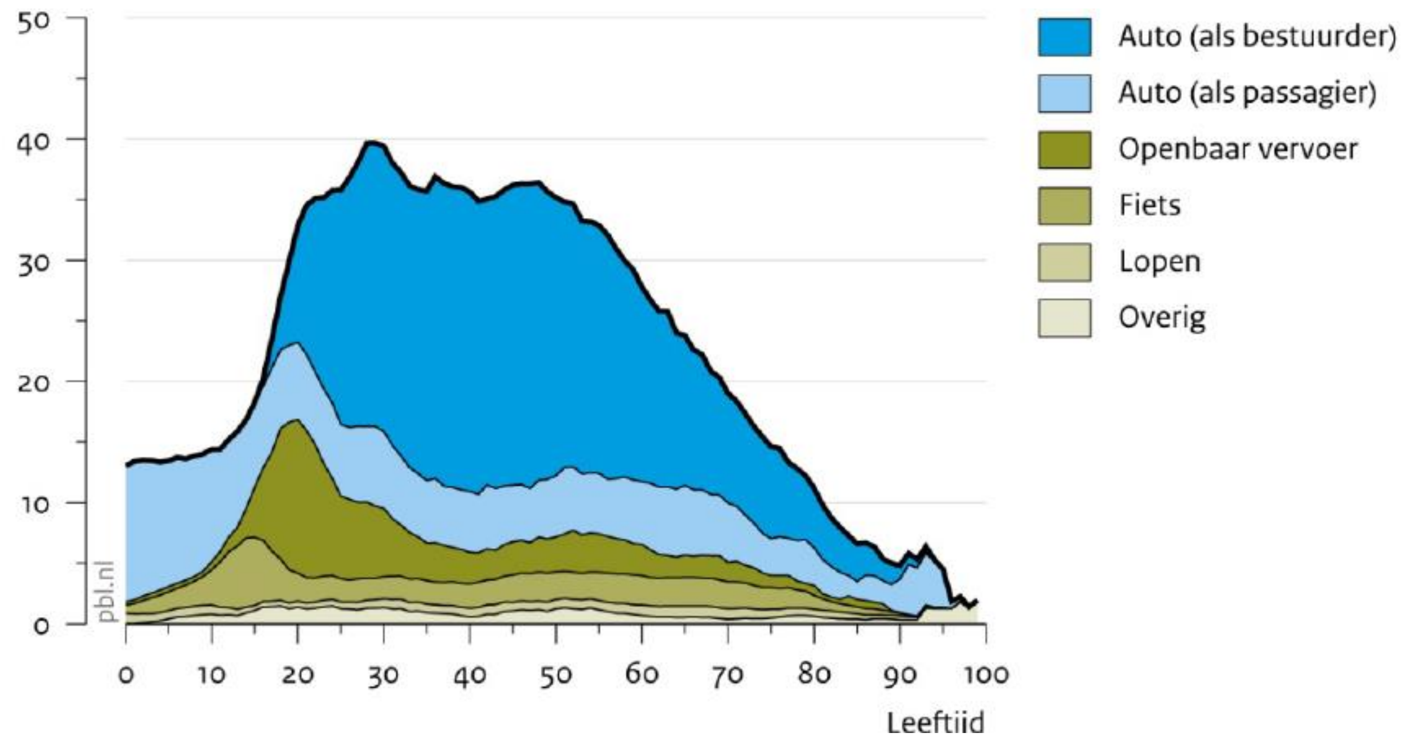
Overview of the expected growth of the Dutch population. The blue line indicates the 'gray print' (grijze druk). Kruijf & Langenberg, 2017)

2.2. Background:
Trends concerning elderly people – share of people living in institution/nursing homes



Share of people living in institutions/nursing homes by age.(Duin et al., 2016, p. 26)

2.2. Background:
Trends concerning elderly people – Mobility by age



Transport modality by age expressed in number of kilometres per day, period 2010- 2011 (Dam & Hilders, 2013, p. 5).

2.3 Background. Online shopping

“Store-based retailing continues to be the dominant sales channel, accounting for 91 percent of total retail sales in Europe in 2018, with online sales at 9 percent of total retail sales,”

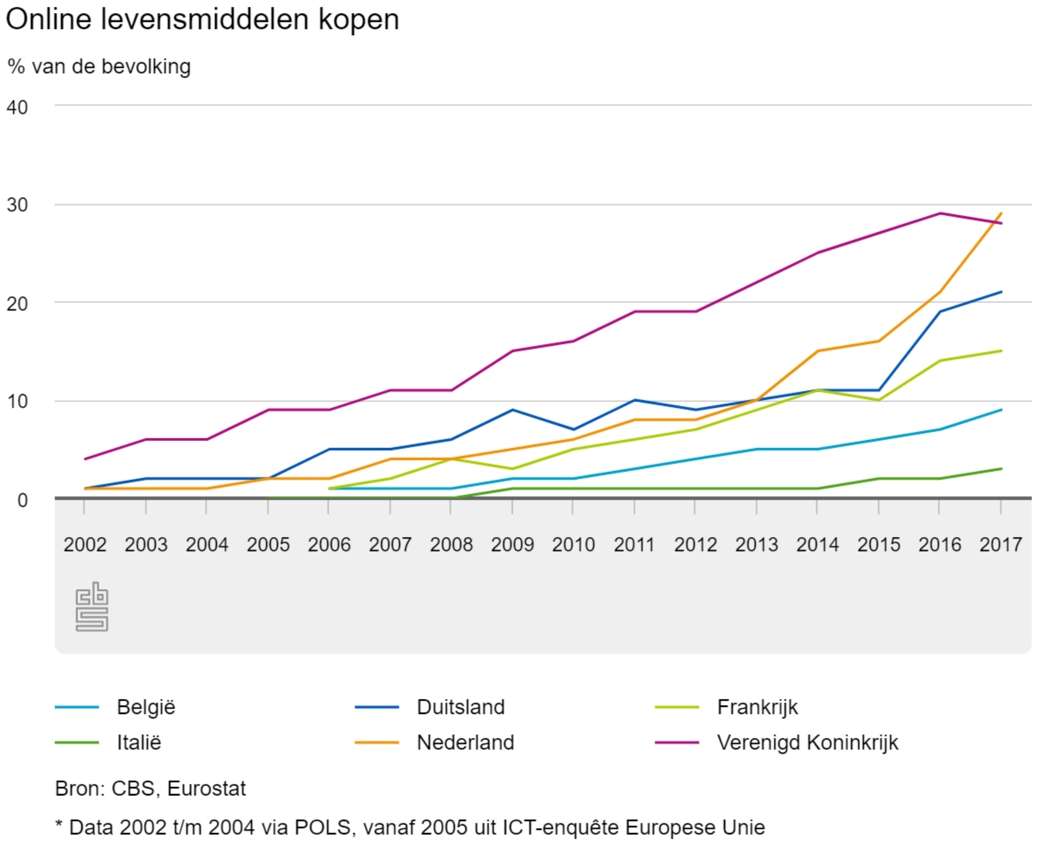
Source ICSC (2019).

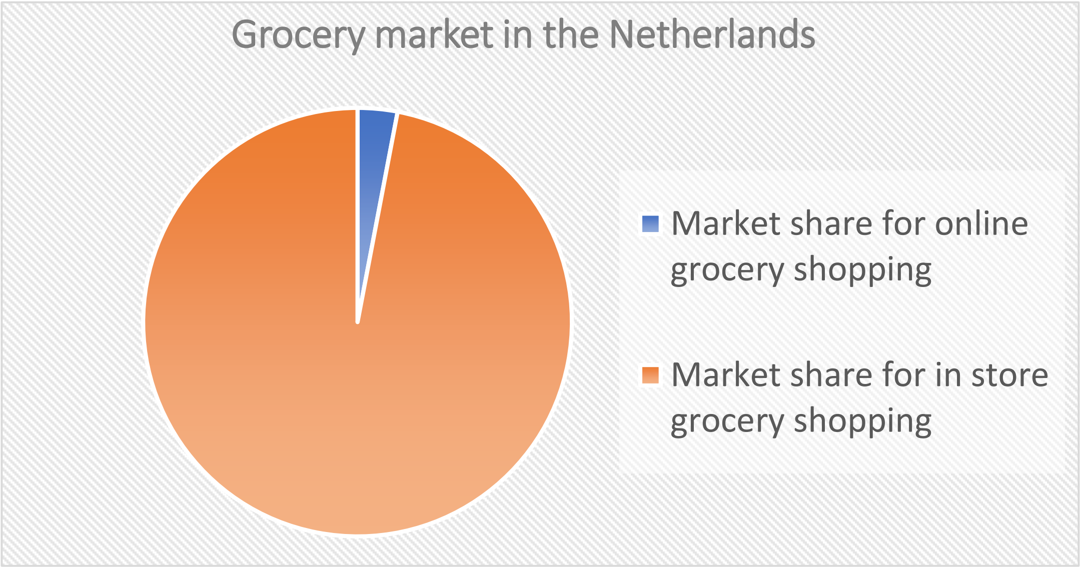
2.1. Background:
Trends concerning– Online shopping–
goods and services vulnerable for online shopping

Very limited vulnerable	**Partly vulnerable**	**Vulnerable**
Foods	Home	Sport and game
Personal Care	Shoes and leather goods	Hobby
Jeweller and Optics	Plant and Animal	Media
Antique and Art	Do It Yourself	Brown & White goods
	Clothing and fashion	Car & Bike
	Retail trade ‘other’	Department store
	Household and Luxury	

Table, Different goods and services and their vulnerability for online shopping (Ouwehand & Haringsma, 2017).

2.2. Background:
Trends concerning– Online shopping





2.4 Background. Trends: elderly people and (online) shopping

2.2. Background:
Trends concerning elderly people – Online shopping by age

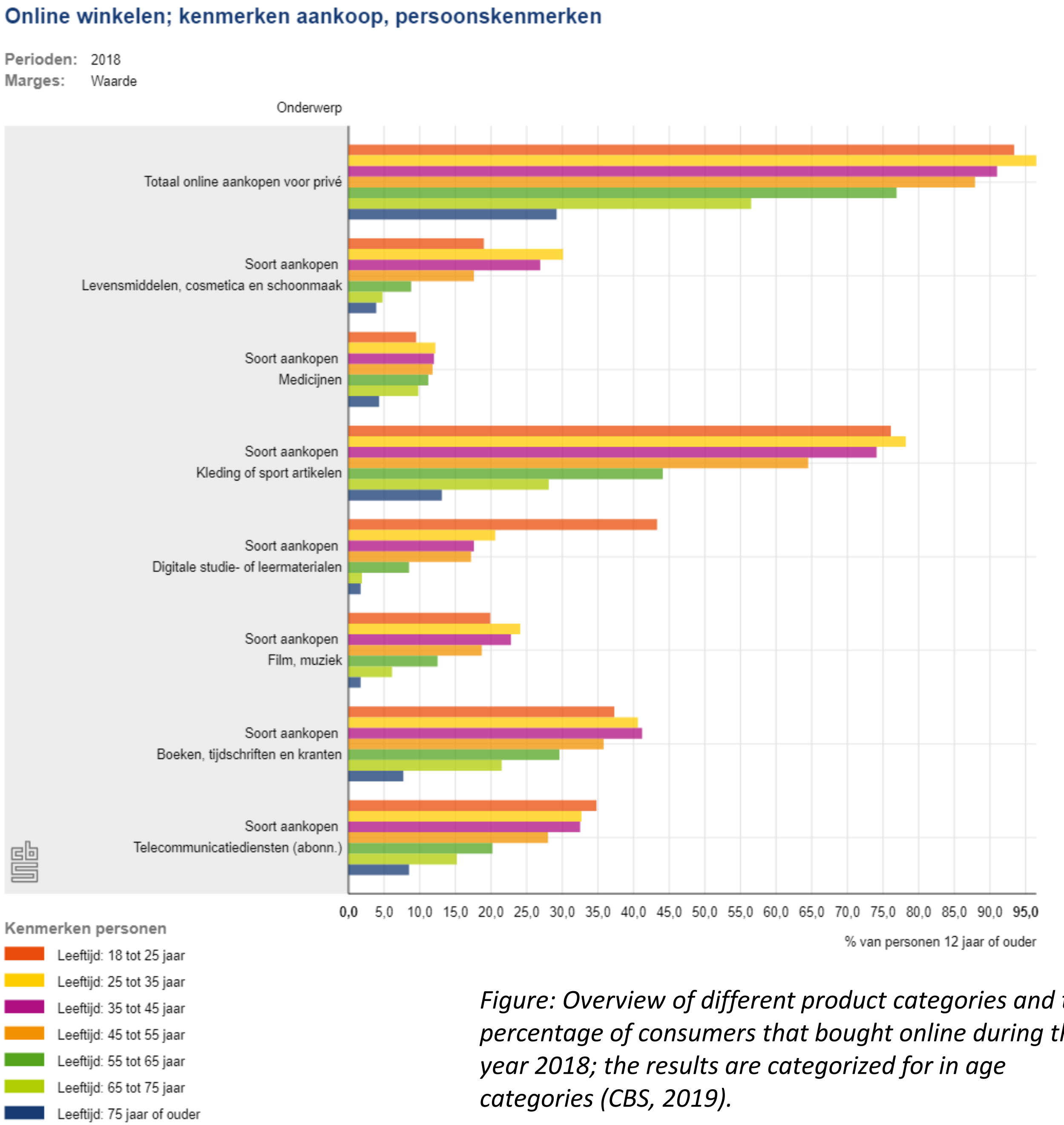


Figure: Overview of different product categories and the percentage of consumers that bought online during the year 2018; the results are categorized for in age categories (CBS, 2019).

2.2. Background: Shopping centres are among the favourite places of encounter for the elderly

	Daily Use	Once or Multiple Times per Week	Once or Multiple Times per Month	Less	Never	Never Heard of Service
Leeuwarden: elderly services organized from local nursing and care home						
Activities organized to facilitate encounters between older people	0.7	4.0	4.0	14.8	75.8	0.7
Other activities	0	7.4	2.0	16.8	73.2	0.7
Meal supply	0	0.7	1.3	2.7	94.6	0.7
Leeuwarden: wider neighborhood services						
Shopping center	13.4	77.2	2.7	4.7	2.0	0
Library	1.3	4.7	10.7	14.1	69.1	0
Neighborhood center	0	8.7	8.7	18.8	63.8	0.7
Church	0	15.4	3.4	4.7	75.8	0.7
Services offered by the Salvation Army	0	1.3	0.7	8.7	89.3	0
Meeting space located in apartment building	1.3	7.4	5.4	5.4	75.8	4.7
Breda: elderly services organized from local nursing and care home						
Restaurant	n.a.	2.7	2.0	2.7	90.0	2.7
Daytime activities	0	4.0	0.7	0	92	3.3
Meeting point	0	0.7	0	0.7	93.3	5.3
Breda: wider neighborhood services						
Shopping center	30.0	57.3	4.0	3.3	5.3	0
Weekly market	n.a.	34.7	12.0	19.3	34.0	0

Frequency of use of social and commercial functions with a meeting space by people in the age of 70+ in two aging neighbourhoods in the Netherlands (De Kam et al. 2012), mentioned by (van Melik & Pijpers, 2017).

Background analysis

Demand:
- Elderly people like shopping centres as places to meet other people
- Target group of people in the age 65+ increases
- Online shopping is less adapted by the elderly => higher need for offline shopping

Supply:
- Percentage of non- food is shrinking
- Vacancy rates are increasing

3. Problem analysis

'If our neighborhood shopping centres are not tailored towards the wishes of the elderly consumer it can have social and financial impact':

Social impact:
Elderly consumers

Financial impact:
Retailers & Investors

4. Objective

Provide policy makers , shopping centre owners and tenant associations with insights in shopping preferences of elderly people.

Theme	Policy makers, municipality	Owners, investors	Tenant association
Facilities and atmosphere	Ability to invest in facilities in the surrounding area	• Shopping centre interior (street furniture etc.) • Decoration • Facilities such as toilets	• Shopping centre interior • Decoration
Physical quality and mobility	Investments in accessibility, pedestrians zones, lighting etc.	• Measures in the shopping centre to improve mobility and accessibility	Advisory role
Retail program	Zoning plan	Leasing: (tenant mix) Activities and events	Activities and events

Aim: Gain insight into solutions / measures that make existing neighbourhood shopping centres future proof in aging societies such as the Netherlands

Shopping centre Kerkelanden (DELA Vastgoed, 2018)

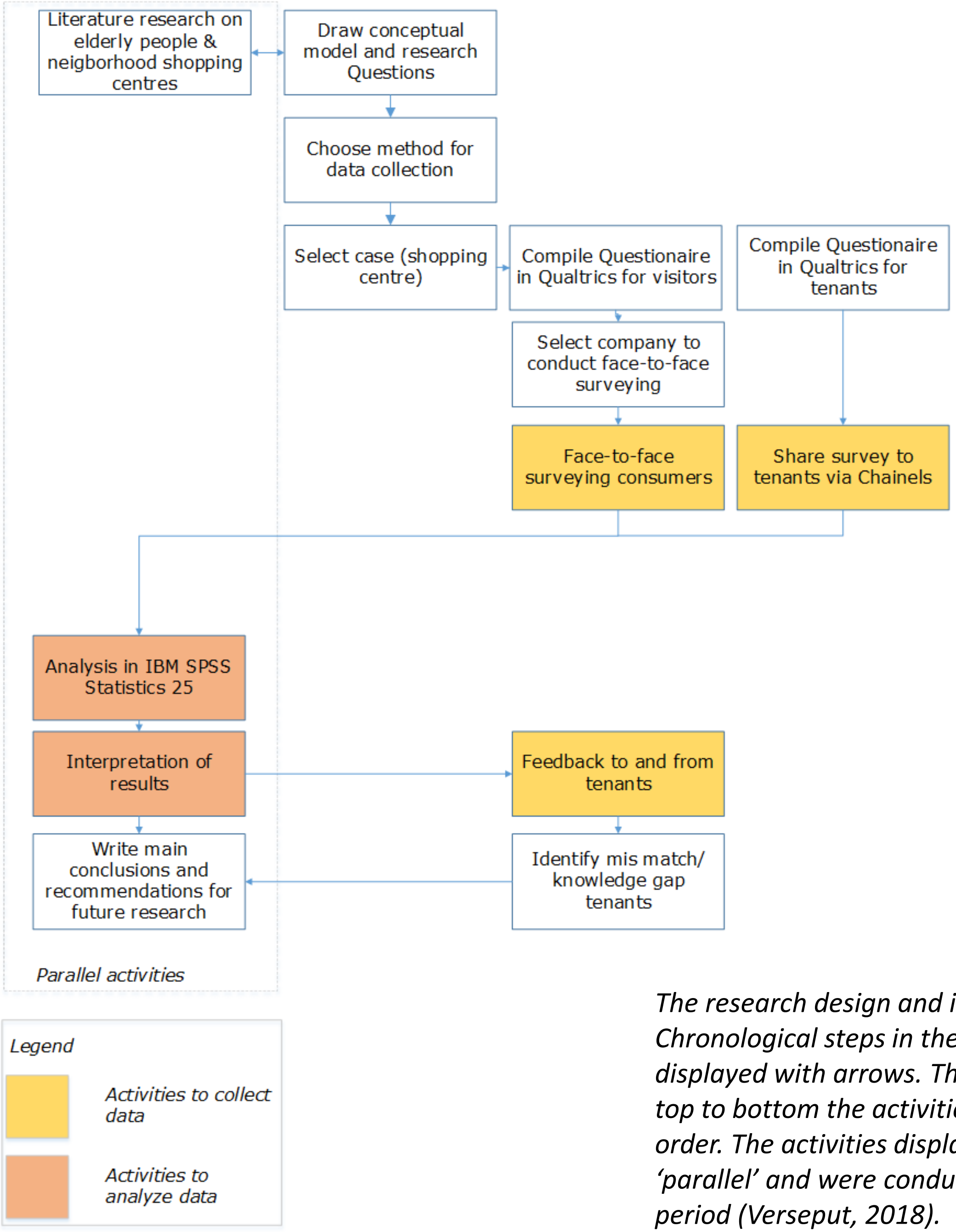
Facilities & Atmosphere

Retail program

Physical quality & mobility

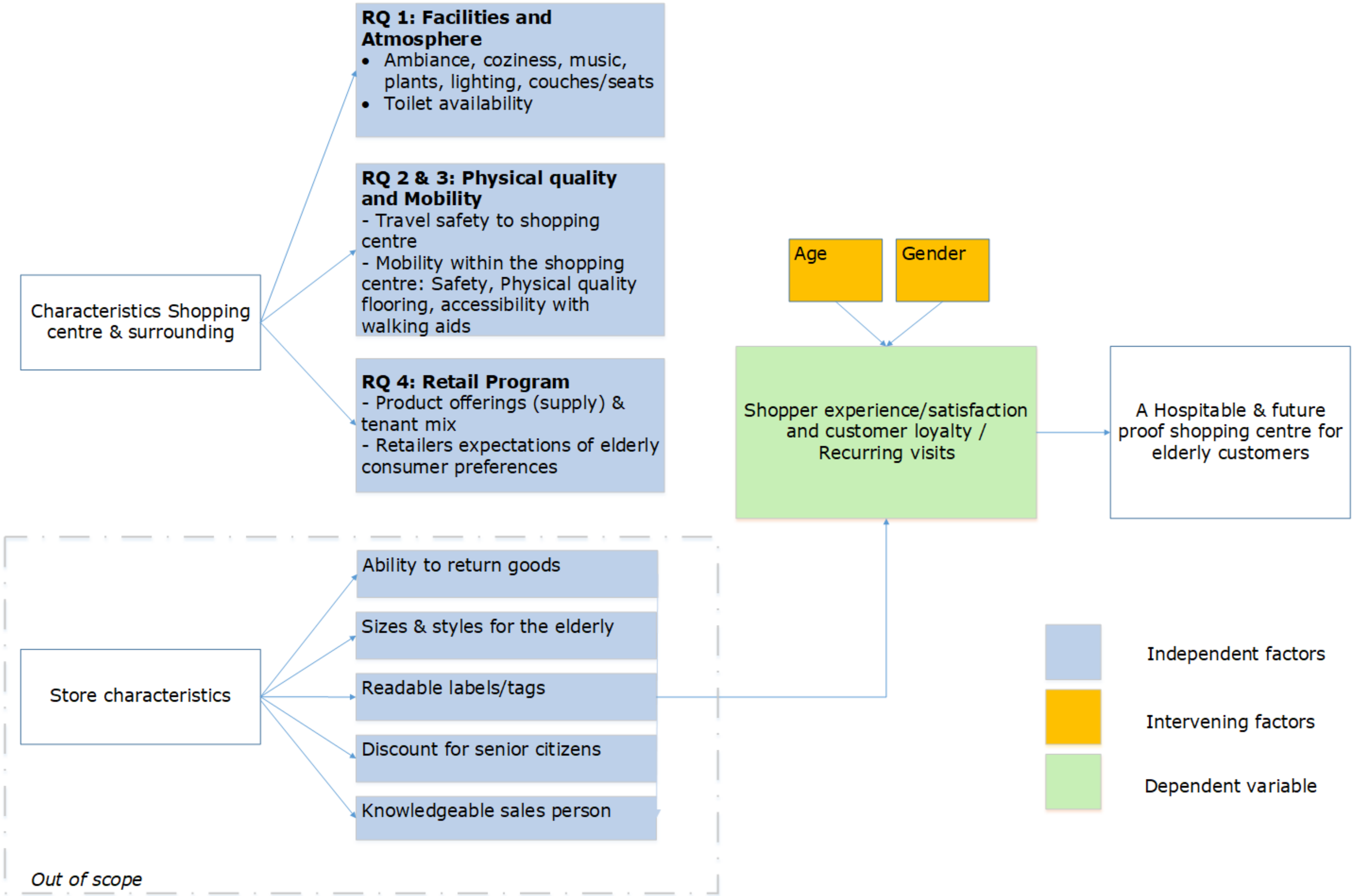
Retailers’ expectations & financial vulnerability

6. Research design & methods



The research design and its different phases. Chronological steps in the research project are displayed with arrows. The graph shows from top to bottom the activities in a sequential order. The activities displayed horizontally are 'parallel' and were conducted in the same period (Verseput, 2018).

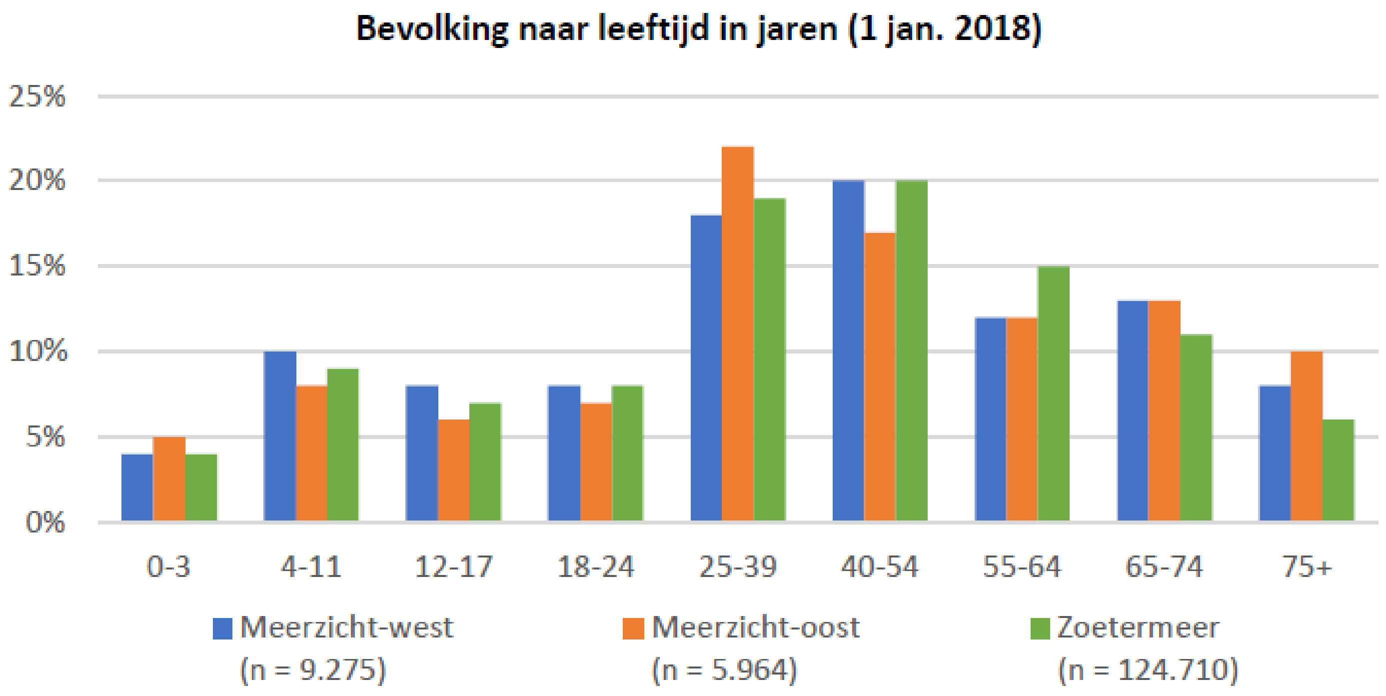
6. Research design & methods- Conceptual model



Conceptual model (Verseput, 2019)

6.1 Selecting a case

6.1. Selecting a Case: neighborhood Meerzicht



Inhabitants of Neighbourhood Meerzicht mapped in different age categories (Wijkprofiel Meerzicht 2018, 2018)

6.1. Selecting a case: About the study object: Shopping Centre Meerzicht

Tenants : 32

LFA : 7.138 m^2

Built: Early 1970 's

Key tenants: Albert Heijn, Jumbo, Gall&Gall, Kruidvat

Owner: Portico Investments

Property Manager: Breevast

Valuation: 21.347.000 euros

(Portico investments, 2018)

(Portico investments, 2018)

(Portico investments, 2018)

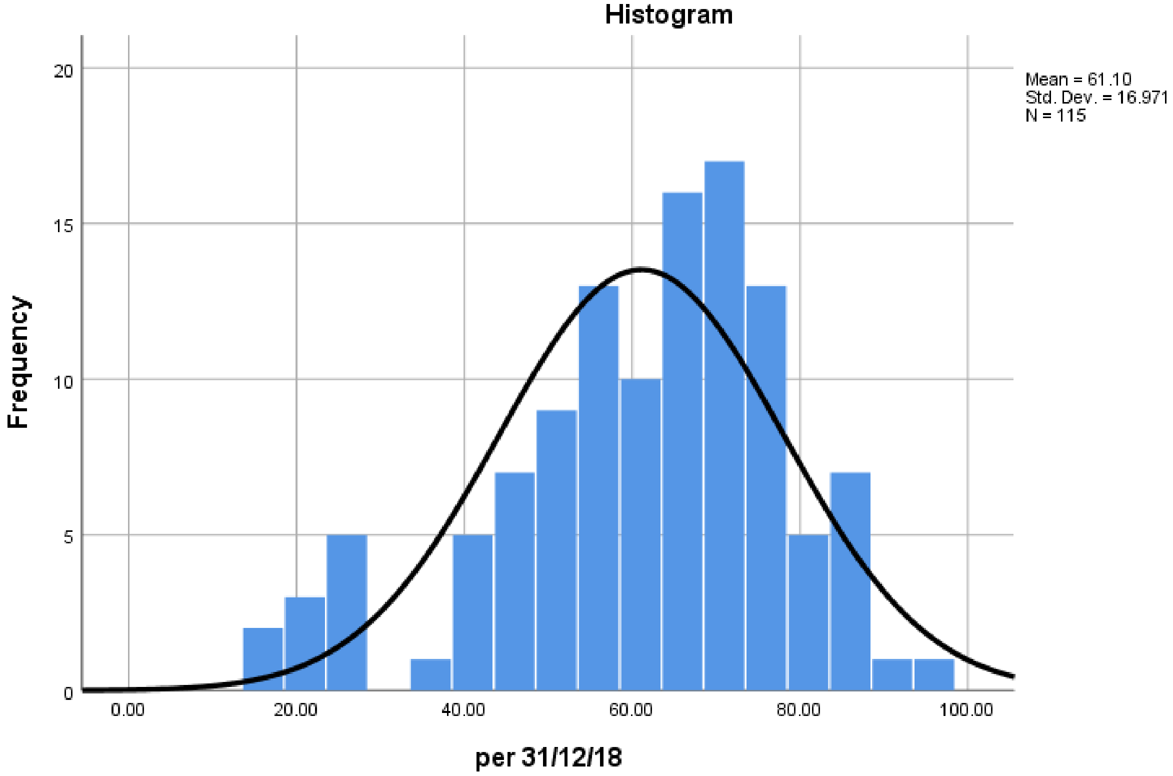
6.2 Details of the Sample – Survey for visitors:

- ✓ 3 day-parts face-to-face surveying in October 2018
- ✓ 6 hours during ‘Leisure time’ and 6 hours during ‘Working time’

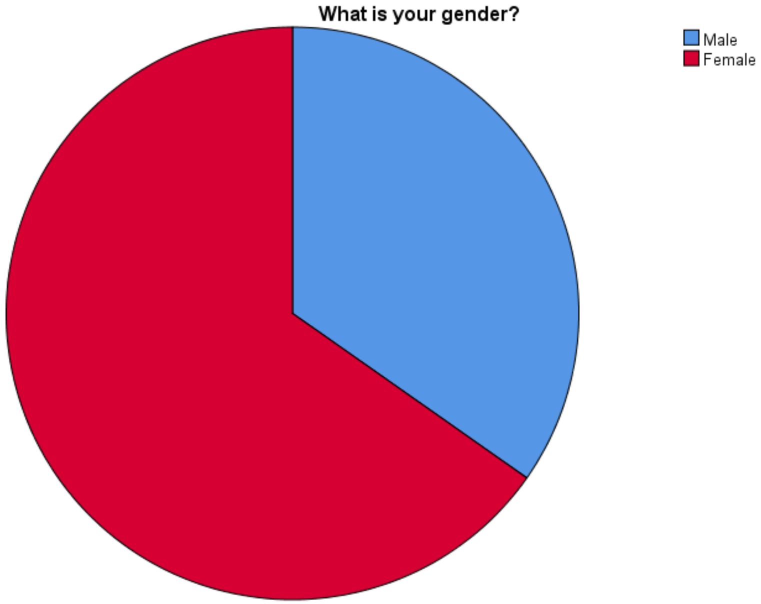
Sample size N= 115

Two professionals from the company Markteffect in Meerzicht branding, ready to conduct the face to face surveying in shopping centre Meerzicht Zoetermeer on the 3rd of October 2018.

Demographics and visitor profile



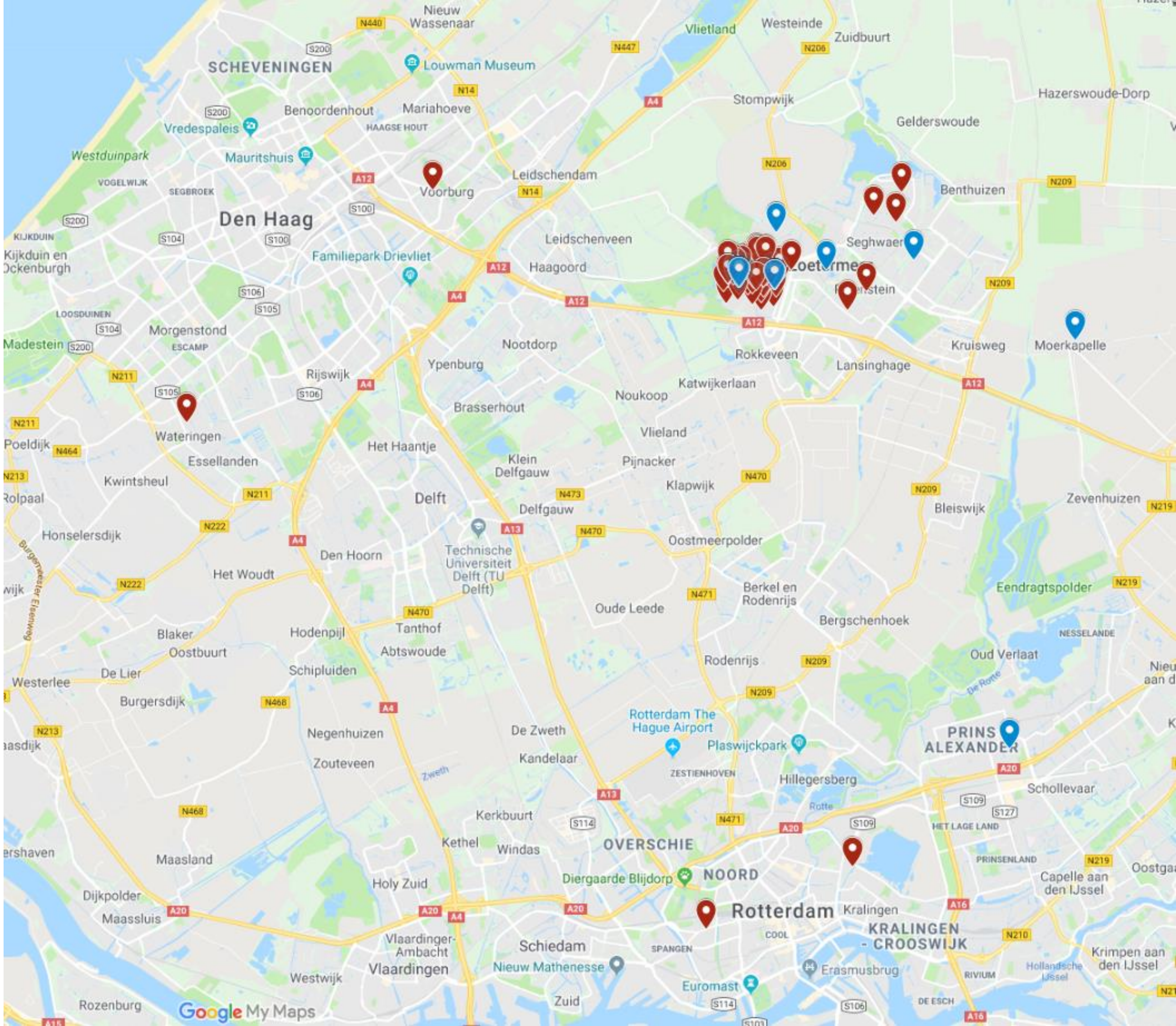
Histogram showing the age of the respondents (N=115). Retrieved from IBM SPSS 25.



Male = 34.7%
Female = 65.3%

Insights in the Catchment area of the Shopping Centre

A plot of the respondents on the map



Figure, The respondents plotted on the map, it gives insight in the catchment area (the area where the visitors come from).

Insights in the Catchment area of the Shopping Centre

A plot of the respondents on the map-

Primary catchment area

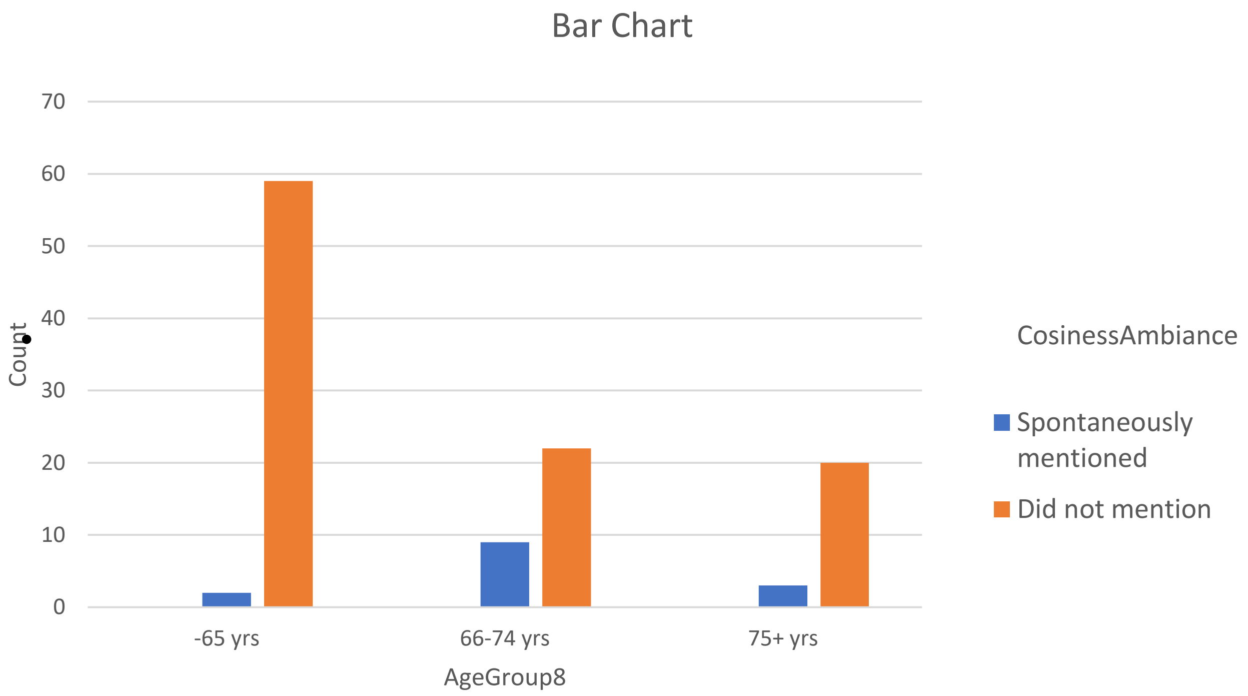
Figure: The catchments area, zoomed in at the city Zoetermeer. The main catchment area is the neighbourhood Zoetermeer. The roads 'Afrikaweg' and 'Amerikaweg' are strict 'borders'.

Findings

Facilities & Atmosphere

1). Which facilities and atmosphere in the shopping centre contribute to a pleasant stay for elderly people?

What is your golden tip for the shopping centre?



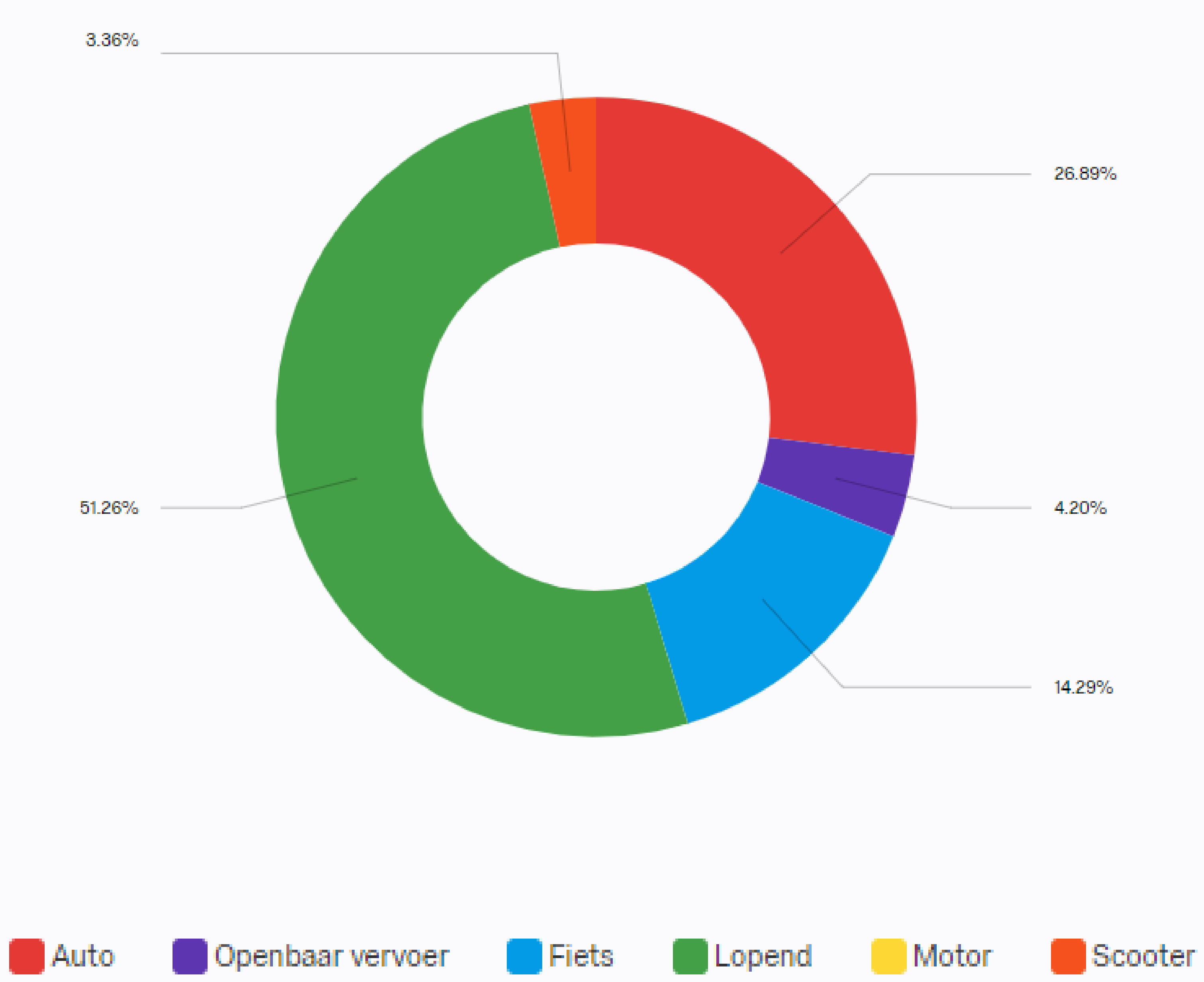
Bar chart that shows the frequency of people who spontaneously indicated that the shopping centre should be cosier or that the ambiance can be improved. (Retrieved from SPSS)

Suggestions to improve the shopping centre

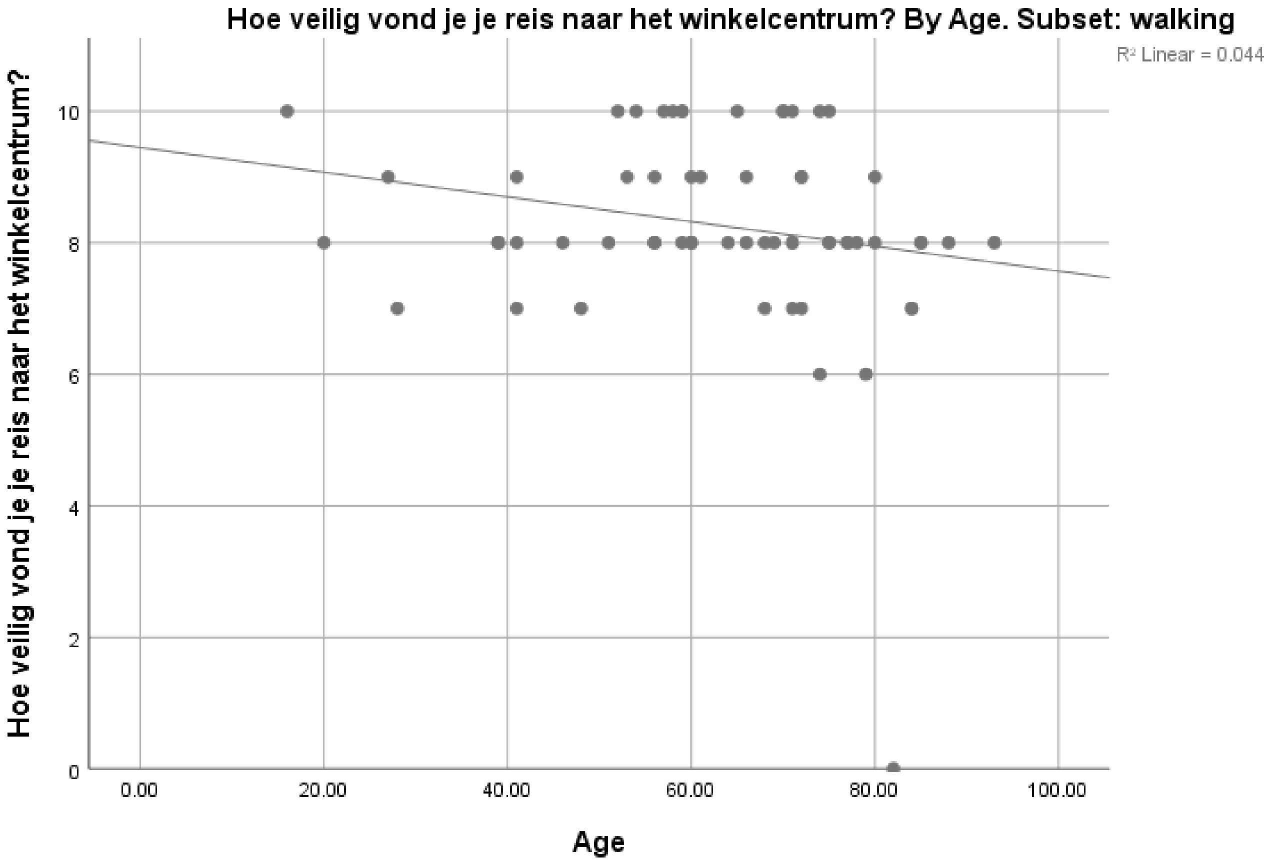
- ✓ Add Couches/benches,
- ✓ Add plants
- ✓ Background music
- ✓ Improve the overall ambiance


Physical quality & mobility

Way of travelling to the shopping Centre

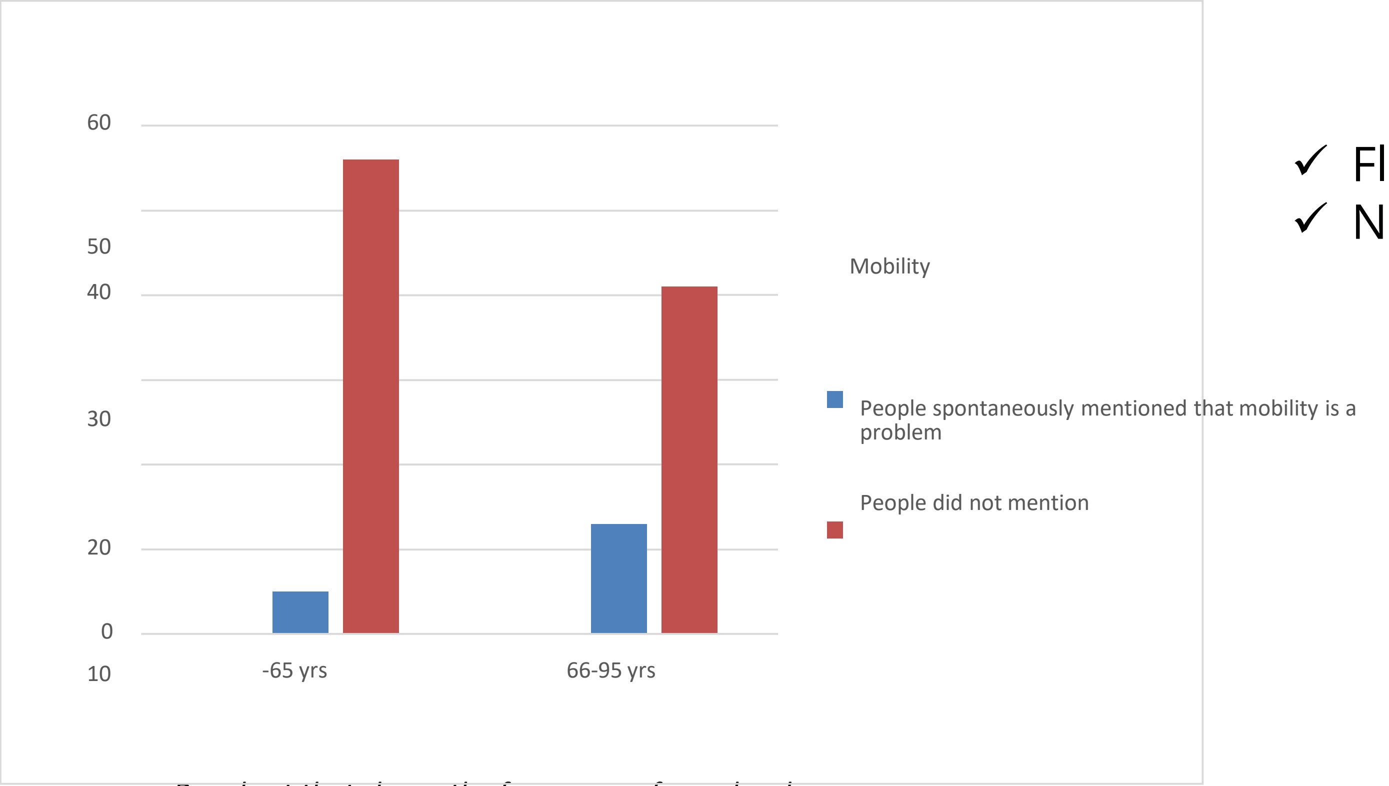


Is there a correlation between **age** and **satisfaction 'safety'** about the trip to the shopping centre?
Sample: all the people that **walked** to the shopping centre.



Correlation analysis. Showing the perceived safety of the respondents by age (Retrieved from SPSS, 2019)

RQ 3 - How do elderly people perceive their mobility inside the shopping centre?



Bar chart that shows the frequency of people who spontaneously indicated that mobility in the shopping centre is a problem for them. (Retrieved from SPSS)

- ✓ Floor is not safe: loose tiles
- ✓ Not easily accessible with walking aid

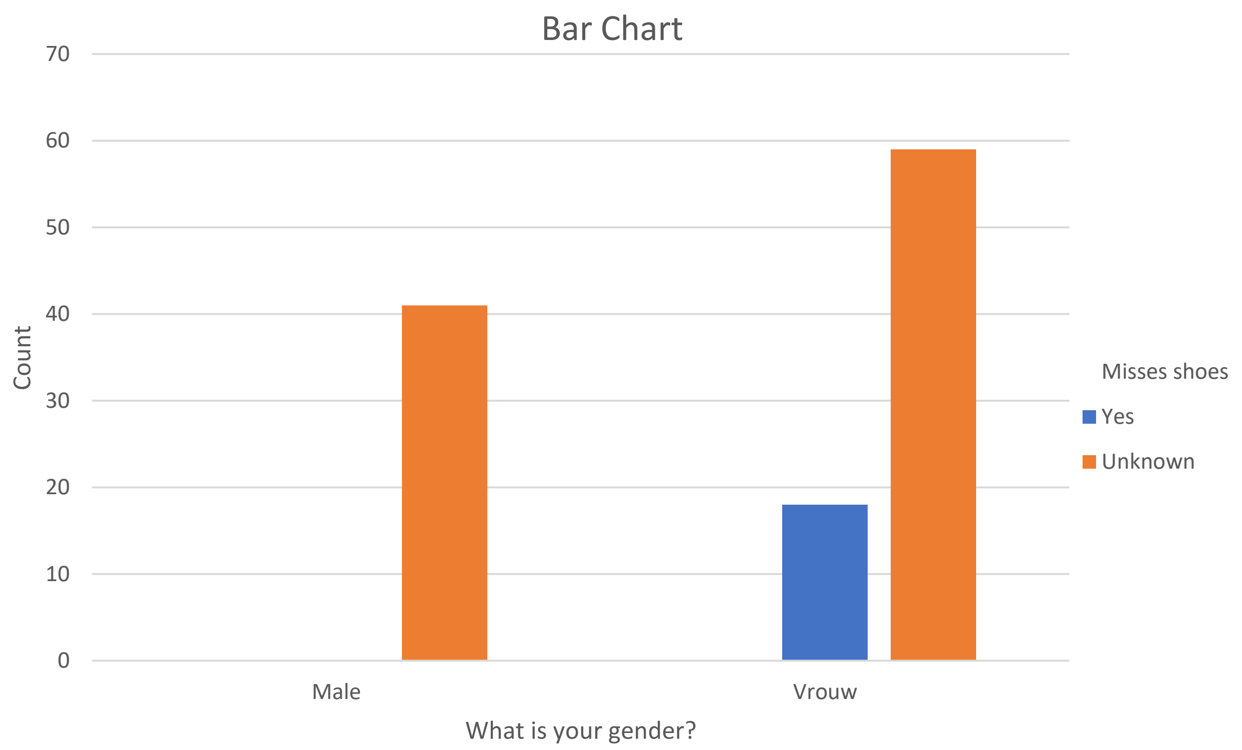
6.2 *RQ 3 - How do elderly people perceive their mobility inside the shopping centre?*

✓ Loose stones in shopping centre Meerzicht because of bad maintentance.

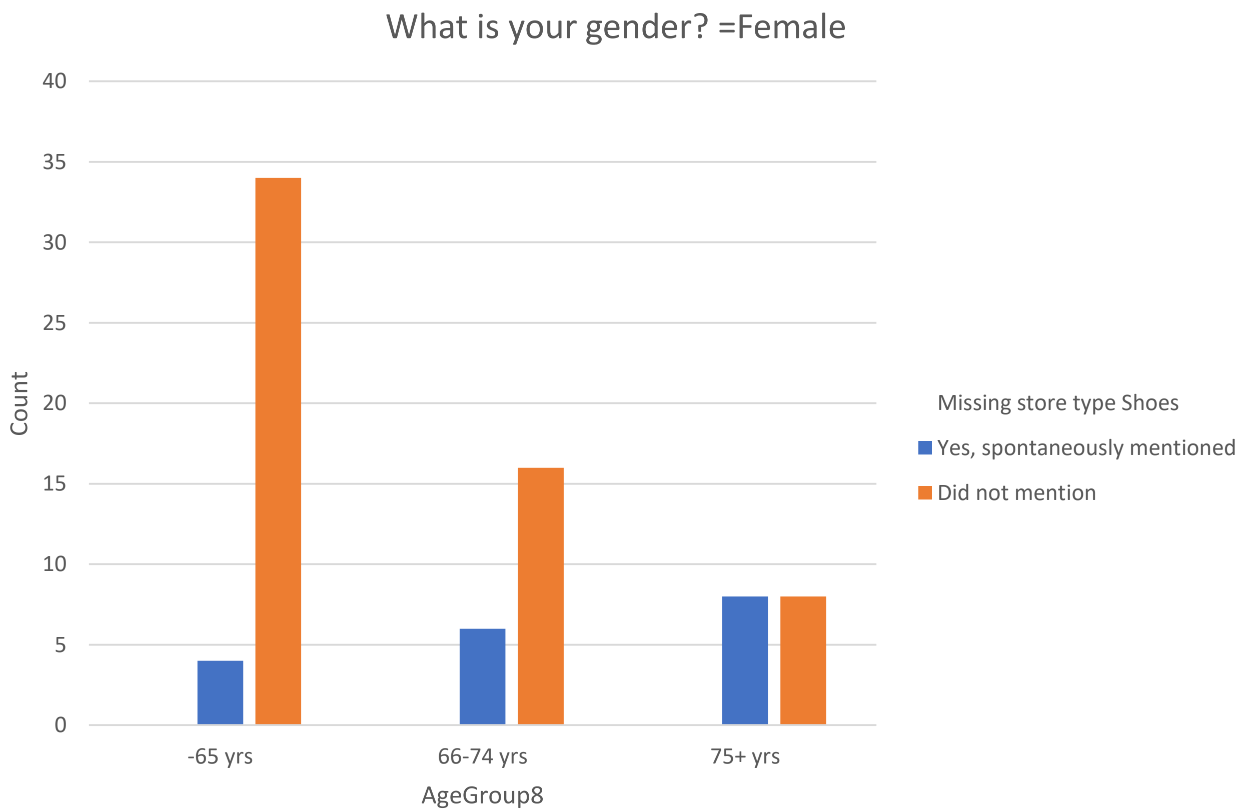
Retail program

Supply: shoes

5.4 *4).* Is there a relation between **gender and/or age** and the **Missing store types or missing retail brands**?
- Shoes



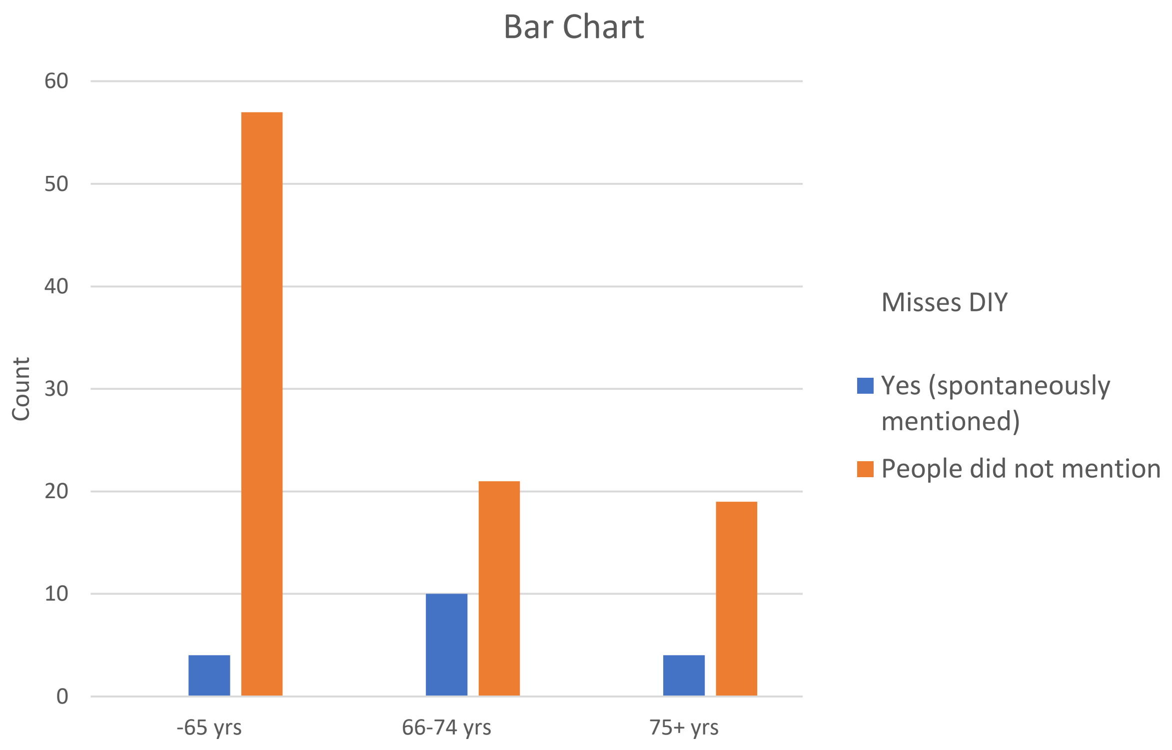
5.4 Is there a relation between **gender and/or age** and the **Missing store types or missing retail brands**?
Missing store Type: Shoes



Bar chart that shows the frequency of women who indicated that they miss the store type shoes in the shopping centre (Retrieved from SPSS, 2019)

Product supply: Do it yourself

5.4 Is there a relation between **age** and the **Missing store types or missing formulas**? Missing store Type: Do it yourself shop (DIY)



Bar chart that shows the frequency of people who indicated that they miss the store type do it yourself in the shopping centre (Retrieved from SPSS, 2019)

Tenant research
N= 25
Response rate: 78%

*5).H*ow can owners/investors of shopping centres check whether tenants are vulnerable for bankruptcy?

Hoe beoordeelt u in het algemeen de winstgevendheid van uw winkel in winkelcentrum Meerzicht?

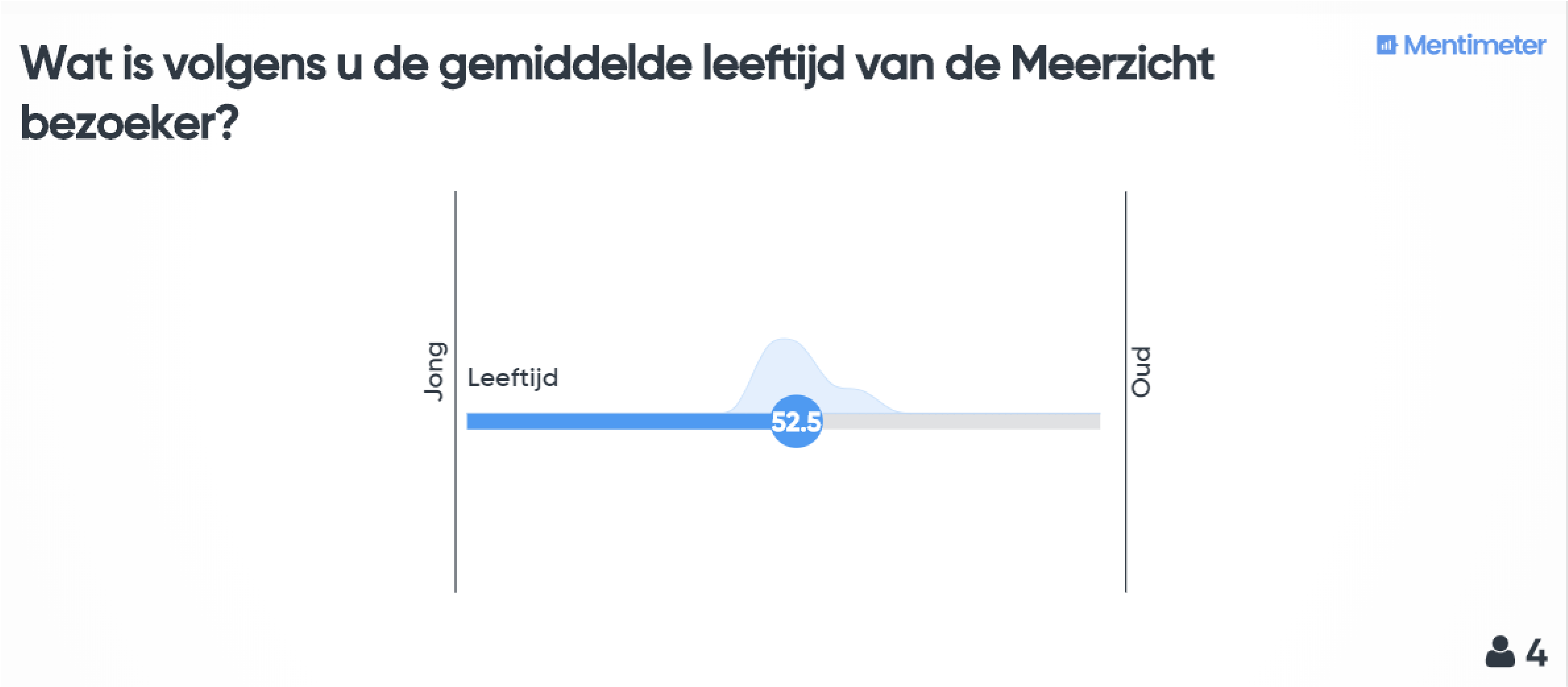
Geef op een schaal van 0 tot 10 aan hoe u de winstgevendheid van uw winkel in Meerzicht beoordeelt. U selecteert een getal van 0 tot 4 indien uw winkel verliesgevend is. U selecteert 5 als u ongeveer break even draait en u selecteert een score van 6 tot 10 als uw winkel winstgevend is.

Verlieslijdend					Break even					Winst
0	1	2	3	4	5	6	7	8	9	10
○	○	○	○	○	○	○	○	○	○	○

Vulnerable functions in shopping Centre Meerzicht

Vulnerable functions (break even or lower)	**Partly vulnerable (6)**	**Not vulnerable (7 or higher)**
Greengrocer	Butcher	Supermarket
Candyshop	Health and beauty shop	**Lunch and coffee place**
Fish shop	Optician	**Chinese restaurant**
Take away restaurant	Low segment clothing, clothing for children, hobby, health care.	**Hairdresser/barbershop**
Bookstore	Bakery 1	**Hearing care professional**
	Flower shop	Bakery 2
	Pet shop	

6). How aware are tenants of the demographics and needs of the visitors of shopping centre Meerzicht?



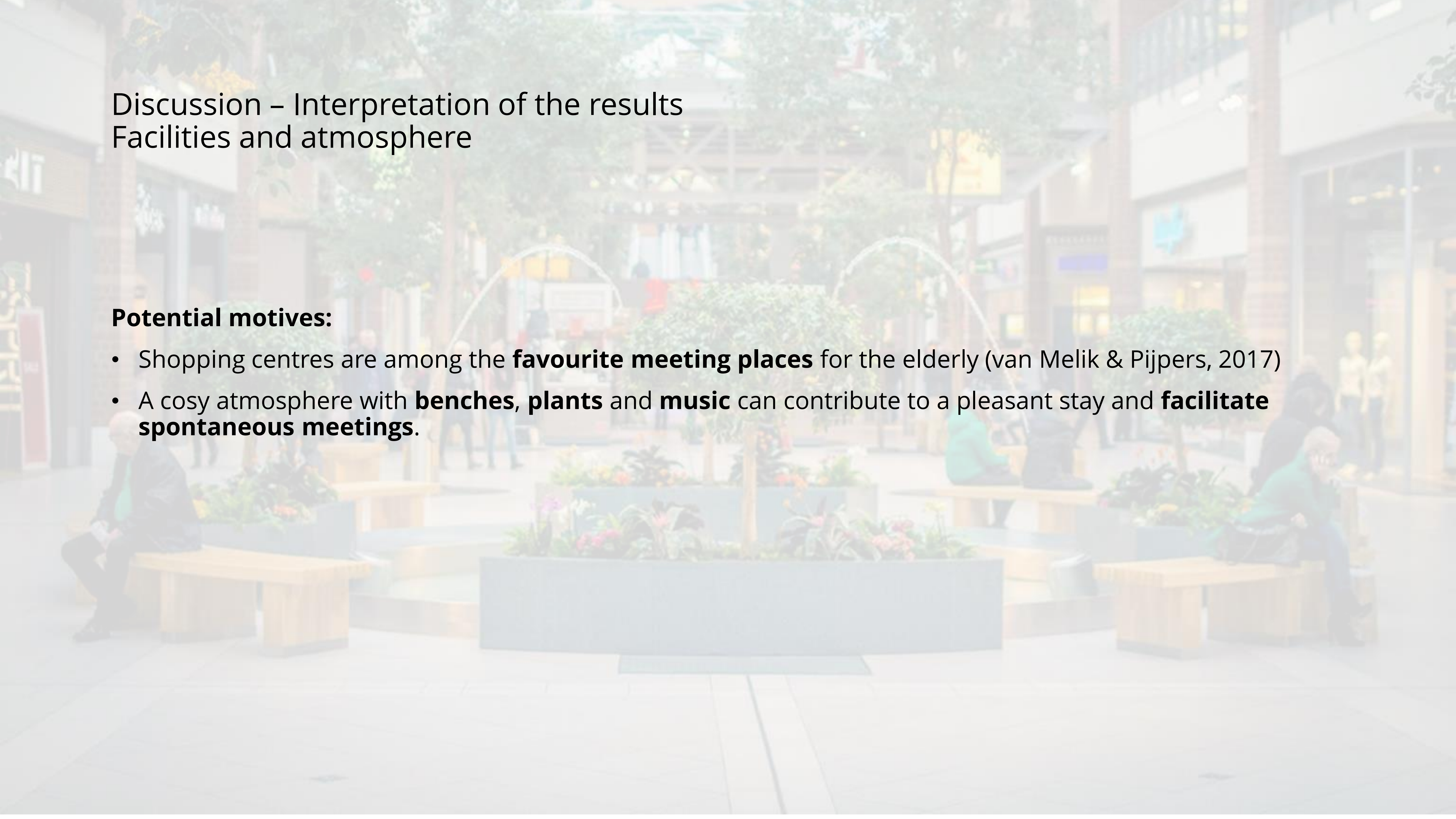
6). How aware are tenants of the demographics and needs of the visitors of shopping centre Meerzicht?

	Average age visitors	**% of monthly recurring visitors**	**% of visitors from neighbourhood Meerzicht**	**Age category in which there are relatively the most people who would like a DIY shop**	**Age category in which the most women indicate that they miss the store type shoes**
Chairman of the tenant association	59 YR	56%	83%	41- 65 YR	41- 65 YR
Retailer 1	47 YR	76%	74%	-40 YR	41- 65 YR
Retailer 2	49 YR	58%	68%	41- 65 YR	41- 65 YR
Retailer 3	55 YR	64%	70%	-40 YR	66-74 YR
Mean	52.5 YR	63.5%	73,8%	N.A.	N.A.
Input from visitor research	61.1 YR	93.2%	82,6%	66-74 YR	75+ YR

Conclusions

Conclusion – Main findings

- There is a significant association between the **age** of shopping centre visitors and specific needs in the **retail program**.
- There is a significant association between **age** of shopping centre visitors and desire for certain **facilities and atmosphere** of the shopping centre.
- There is a potential mismatch between the knowledge of retailers about demographics and certain needs of the visitors.



Discussion – Interpretation of the results
Facilities and atmosphere

Potential motives:

- Shopping centres are among the **favourite meeting places** for the elderly (van Melik & Pijpers, 2017)
- A cosy atmosphere with **benches**, **plants** and **music** can contribute to a pleasant stay and **facilitate spontaneous meetings**.

Discussion – Interpretation of the results:
Retail program- DIY

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- Elderly people strive for **autonomy and independence** (van Melik & Pijpers, 2017)
- Once people get older their **mobility is decreasing** (Dam & Hilders, 2013).
- The closest do it yourself store is **6 km** travelling from Meerzicht (Google maps, 2019)

Discussion – Interpretation of the results

- Only 13.1% of the over-75s have bought online clothing or sports equipment in the year 2018. (By comparison. 76.2% in the age category 24 – 45) (CBS, 2019)

- Are shoes the type of supply which elderly people buy online?
  - Elderly people are more often in need of orthopaedic shoes than younger people. Foot health is a common problem in later life (Burns et al., 2002).

Retail program

Physiotherapy

Coffee room

Retail program

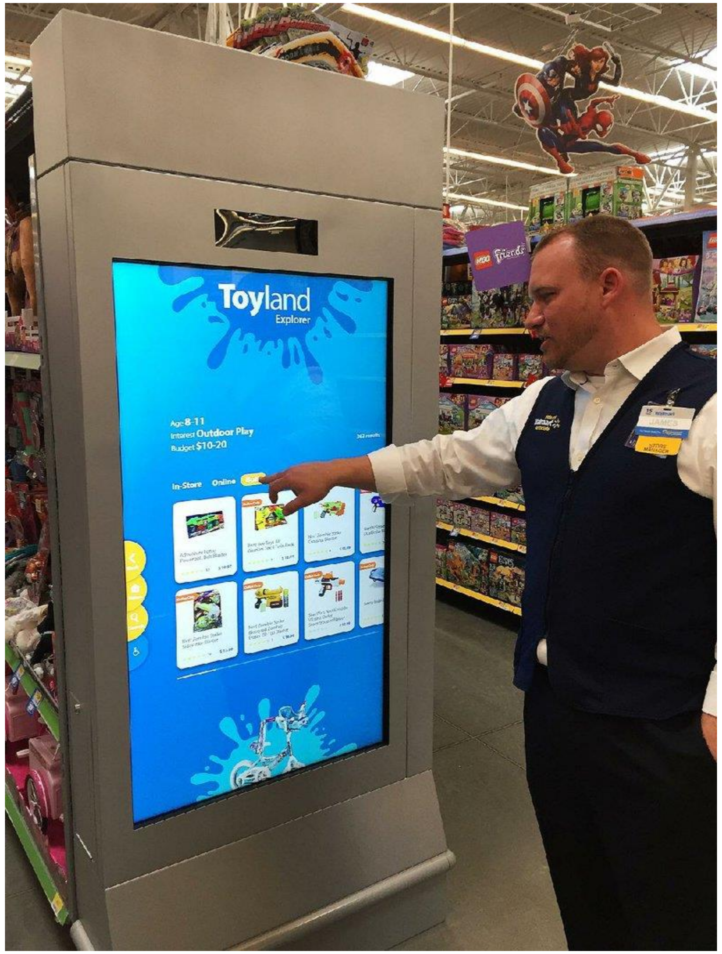
Hearing care professional

Optician

Food

Voor veel mensen is een bezoek aan de supermarkt een uitje. Persoonlijk contact is belangrijk

Omnichannel strategy – multiple touchpoints in the customer journey



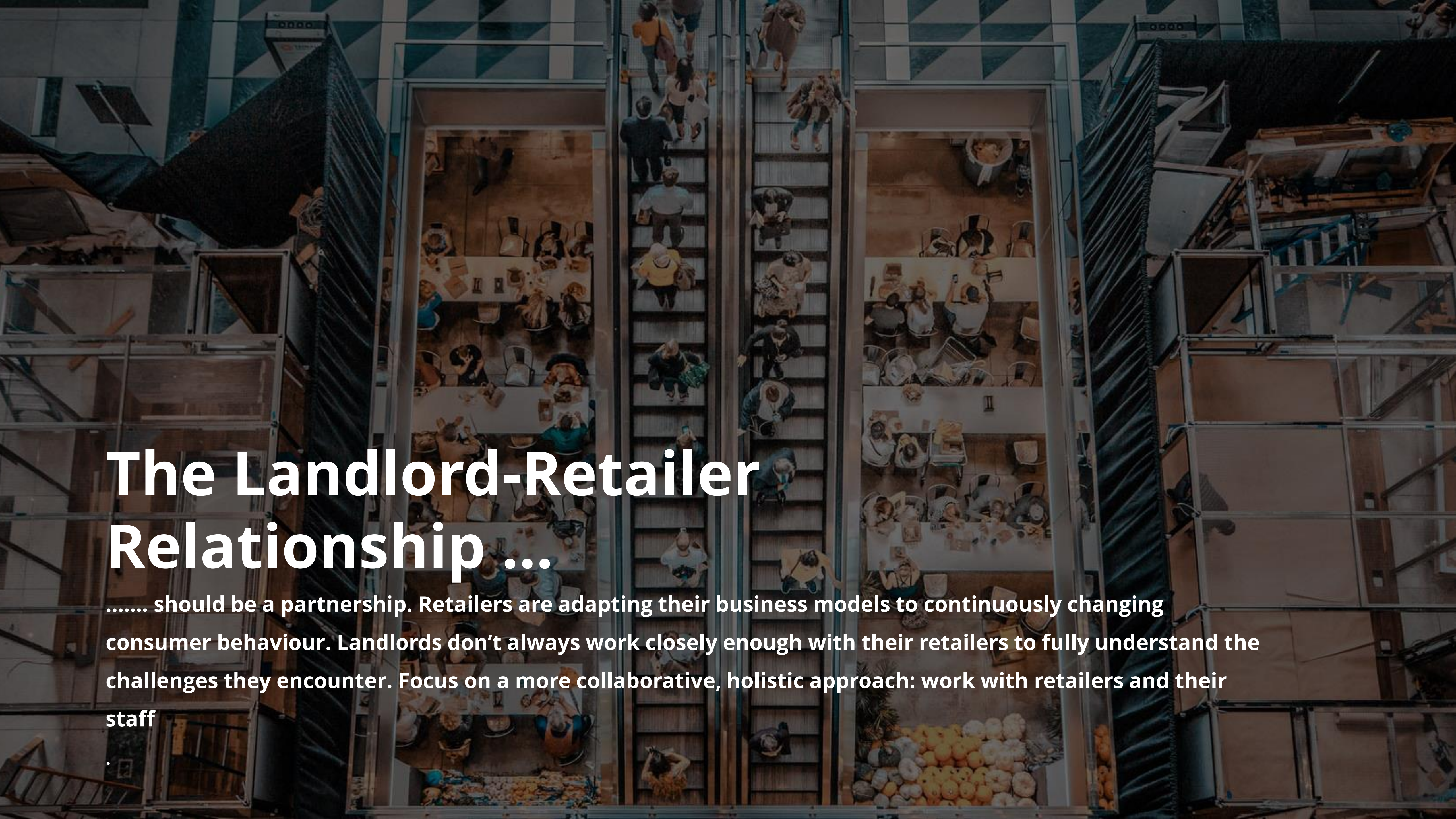
As Europe's population ages, an affluent, time-rich consumer is emerging with a strong focus on health and well-being.

Mixed- use Retail destinations & experience

ICSC: ‘Leisure and entertainment occupiers are becoming the new anchor tenants’

Mismatch knowledge landlord - retailer

- Data insights about the visitors are often collected on behalf of the real estate investor.
- Retail chains often have detailed reports, however local companies don’t.
- The investor is sometimes selective in sharing certain data such as footfall counts with tenants



The Landlord-Retailer Relationship …

……. should be a partnership. Retailers are adapting their business models to continuously changing consumer behaviour. Landlords don’t always work closely enough with their retailers to fully understand the challenges they encounter. Focus on a more collaborative, holistic approach: work with retailers and their staff

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What’s next?
Recommendations for future research.