A SIZE BIGGER: LOCATION PREFERENCES OF FASHION RETAILERS IN THE NETHERLANDS

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PREFACE

The study of Architecture has brought many disciplines to my attention; however, my interest has grown gradually towards the disciplines management and retail. The density of the Dutch built environment, which of course needs to be managed in a decent way, and the historic city centres where retail brings people together are two areas of interest that have given me great inspiration and motivation to conduct this study.

During a six month internship in 2013 at the shopping centre management division of CBRE, I have come to know the retail sector a lot better. Since then, I am considering a career in this dynamic sector. Therefore, I want to use my knowledge and skills – which I have developed since the start of my education at the Technical University of Delft – to better understand this market.

With regards to the current turmoil in the retail sector such as the rise of online shopping, growing vacancy rates, and bankruptcies, my attention has been directed to the locational decision problems that fashion retailers are faced with. In this research project, *"A size bigger: location preferences of fashion retailers in the Netherlands"*, I will reflect on store location selection criteria of fashion retailers in the Netherlands in the post-crisis era (2008-2014)

I would like to thank my supervisors Dion Kooijman and Monique Arkesteijn for their advices. I also need to thank Machiel Wolters and Ratih Bach, for their valuable time and advice during my internship at CBRE. Lastly, I want to thank all interviewees and Locatus for their support and information.

Fernando Peralta | 22th of January 2015, Delft

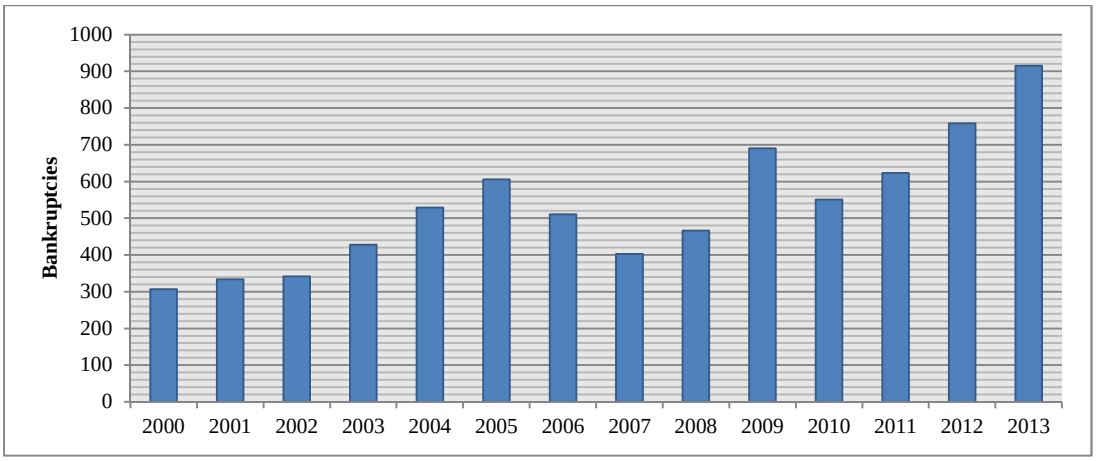
EXECUTIVE SUMMARY

In the past decade the retail sector has been confronted with on the one hand, the decreased purchasing power of consumers, an increasing number of bankruptcies, increasing vacancy rates, and on the other hand, exciting pop-up concepts and the rise online shopping. These developments have been a result of the sociocultural and economic trends our society has been faced with (changes in the economic climate, changes in the demography, technological innovations, etc.). Retailers in their turn are always re-thinking their strategy in order survive in a highly competitive environment, creating a tension between their demand and the current retail supply.

Since 1985, the Central Bureau of Statistics (CBS) in the Netherlands has monitored a gradual growth of the purchasing power of consumers (CBS, 2013). However, as a result of the financial crisis in 2008, a decrease in the purchasing power has been recorded from 2010 to 2014; respectively -0,5%, -1,0%,-2,5%, 1,25%,-0,5% (year-on-year) (CPB, 2013, p. 11). The Dutch Bureau for Economic Policy Analysis *(Het Centraal Planbureau, CPB)*, predicts that the Dutch economy will lack behind the European and Global economic recovery and that consumption will continue to decrease, however less than in recent years (CPB, 2013, pp. 8-10).

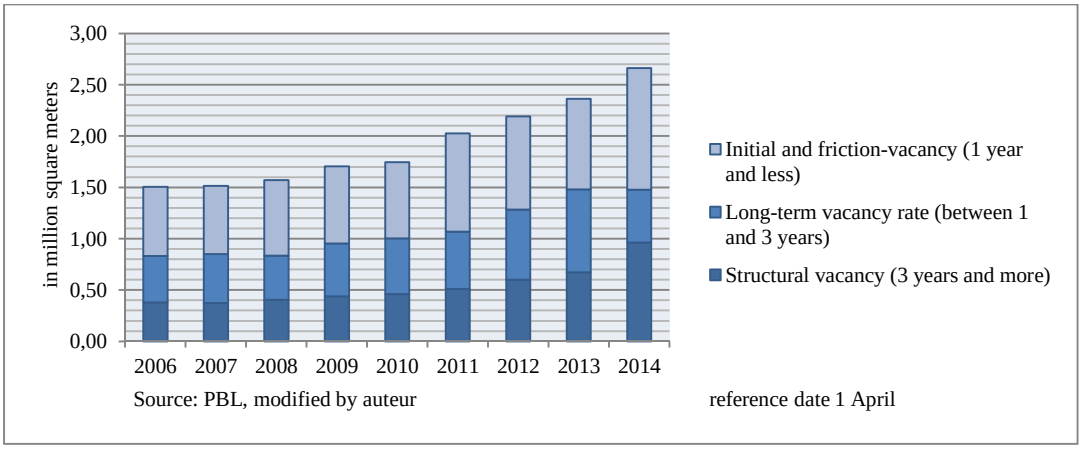
Bankruptcies and growing vacancy rates in the retail sector bear witness to economic hard times in the Netherlands. Retailers, particularly in the non-food sector, have been coping with decreasing sales numbers since 2008 (HBD, 2013a), which has led to an increased amount of bankruptcies in the past years (see figure A). Along with the bankruptcies, vacancy rates have also began to rise since 2008, and have grown to ca. 8,7% or ca. 2,66 million m^2 of the total retail supply(Compendium, 2014) (see figure B). However, there are large regional differences regarding vacancy. High vacancy rates are particularly found in “the edges” of the Netherlands, partially in areas that are anticipated to witness a population shrinkage such as South-Limburg and North-East of Groningen (CBS, 2008). Other shopping locations, where vacancy is above the national average are: the inner cities of small towns and villages, and in so-called secondary and tertiary shopping areas in inner cities of large cities. Gertjan Slob, research director of Locatus – a independent organization monitoring the retail market in the Netherlands – predicts that the vacancy rate will increase to 10% in the coming years (Platform31, 2014, p. 43).

Figure A. Bankruptcies retail sector (CBS, 2014, modified by author).



** A1-location: location in central retail areas with 75-100% of the maximum patronage capacity. (Bolt, 1995, pp. 289-292) (also see chapter 2.4.2)*

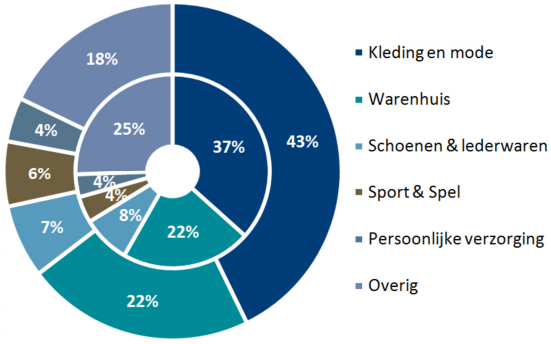
Figure B. Vacancy retail sector (PBL, 2014).



While certain locations are witnessing rising vacancy rates, other locations seem to be growing in popularity among retailers. In 2006 the Dutch shopping centre association NRW *(De Nederlandse Raad Winkelcentra)*, made predictions about transitions in the retail landscape. They predicted that in the Netherlands there would be a growing differentiation between historic and vital cities such as Amsterdam, Utrecht, The Hague and Rotterdam on the one hand, and on the other hand, more average cities (less historic, less innovative, no universities) that cannot compete well against the larger historic cities (NRW, 2006, p. 34). Other organizations have acknowledged this trend (ABN AMRO, Platform31). Furthermore, the research of Jacobs (2007, pp. 66-68) also exhibits that Dutch consumers are not only becoming more and more mobile, but that they are willing to travel longer distances to shop, visiting nearby shopping centres less frequently. The growing popularity of top retail locations, combined with the willingness of consumers to travel longer distances to shop, seems to have a strengthening effect on the growing differentiations between stronger and weaker shopping locations.

For retailers as well as investors, it is important to vigorously analyse which retail locations will perform well in the coming years and of course which retail locations will perform poorly. Comprehending these dynamics is necessary to assure the continuity of their business (source). As such, retailers are actively targeting scarce A1-locations* in prime cities, were passers-byer flows are the highest and were vacancy moves around 2% (ABN, p 22). Another interesting development is the change in retail branches in A1-locations. In the period of 2003-2012 the market-share of fashion retailers has increased strongly from 37% to 43% in A1-locations, compared to other branches (see figure C). Research by DTZ shows that the market share of fashion retailers in A1-locations has grown the strongest in Amsterdam, and behind it Maastricht, Rotterdam and Haarlem (DTZ, 2013, p. 3).

Figure C, Changing market share retail branches in A1-locations in the Netherlands 2003-2012 (DTZ, 2013, p. 3).



As a result of the financial crisis, the retail market is characterized by rising bankruptcy rates, an oversupply of retail space, and a growing differentiation between "winning" and "losing" retail locations (Platform31, 2014, pp. 41-42) (CBW-MITEX, 2010, pp. 18-20), which all have a direct and visible impact on the shopping streets in our cities. In this "demand-driven" market it is important to understand how retailers are reacting to these recent developments. It is worth noting that there is little found in the literature conceptually and empirically on how retailers or experts/consultants consider or choose between the different selections criteria when analysing store locations in different scales of analysis, and whether these selection criteria have changed in the course of time. Particularly research on specific location preferences of each retail branch (fashion, daily goods, in/around the house, and leisure) is lacking. There is also limited quantitative research available on how the retail supply if specific branches has changed in the post-crisis era (2008-2014). A detailed overview and quantification of the supply of retail branches can provide insights in (changing) location preferences of each branch. This study focusses on the location preferences of fashion retailers, for two reasons. First, because they represent about 40% of the retail supply in inner cities (Locatus, 2014a), were the impact of the financial crisis is directly visible by vacancy in the plinths. Second, because research on location preferences of fashion retailers is particularly scarce. The aim of this research project is to reveal the location preferences of fashion retailers and the implications for the built environment.

Problem statement

In a demand-driven post-crisis retail market which now faces rising vacancy rates, bankruptcies, and a growing differentiation between retail locations, it seems impossible for fashion retailers to apply the same store location selection criteria that have been used before the crisis. There is in fact, little research available on the location preferences of fashion retailers and the implications of changing locations preferences of fashion retailers for the built environment.

Main research question: "*What are the implications of changing store location selection criteria among fashion retailers in the post-crisis era for the current retail supply?"*

Research strategy: mixed methods research

The primary aim of this research project is to reveal fundamental changes in the location preferences of fashion retailers, and to understand what kind of implication this change has had on the built environment. In order to pursue a comprehensive understanding of the area of enquiry, a mixed methods research strategy is chosen, with the general aim of "completeness".

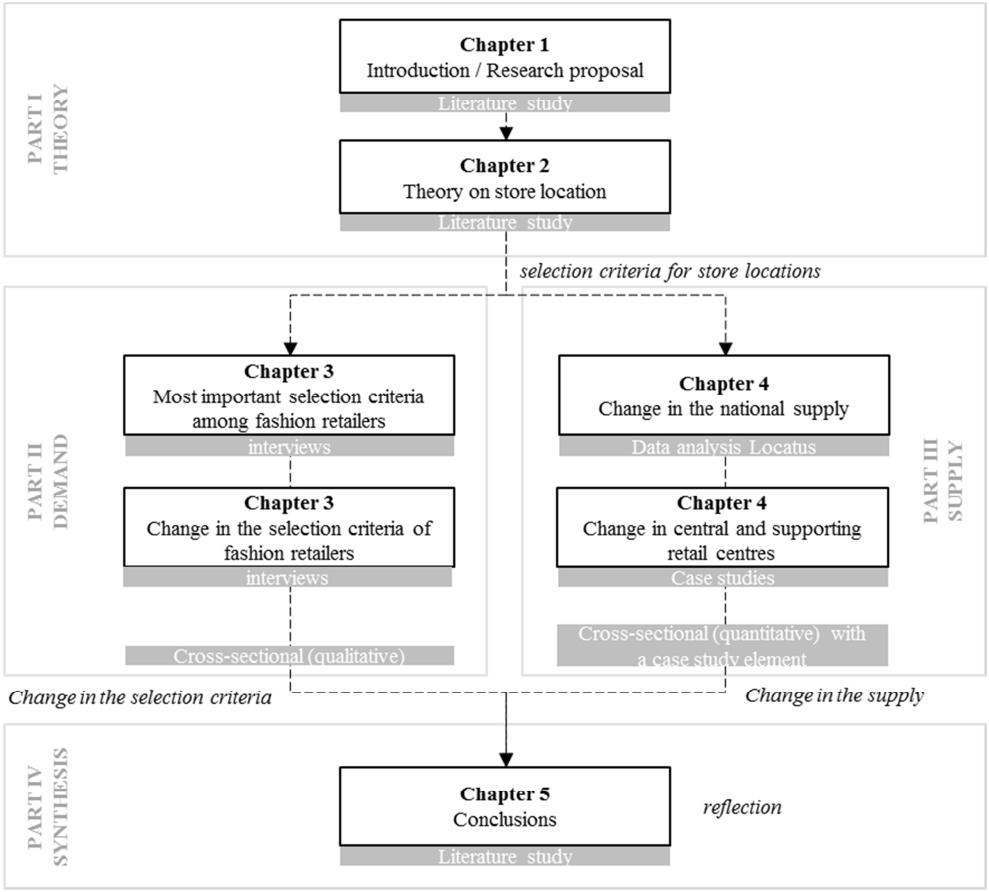
The first part of this study is qualitative of nature and focusses on the demand of fashion retailers. By conducting semi-structures interviews, with both expansion managers from retail organizations and (retail) real estate consultants, this study aims to reveal the current location preferences of fashion retailers, but also to reveal if their location preferences have changed in the past decade. The second part of this study is quantitative of nature and focusses on the current supply. By conducting a comprehensive analysis of the development of the fashion supply for 2006-2014, this study aims to reveal in which retail areas the fashion supply has grown or shrunk in terms of square meters and number of selling-points. Subsequently, six case studies are conducted to analyse the development of the fashion supply in three central retail areas and three supporting retail areas in more detail. By combining results from both the qualitative and the quantitative study, this study aims to provide a solid

foundation of knowledge in order reveal to what extent the location preferences of fashion retailers have changed, and to reveal what the implications are for the current retail supply.

Research design: cross-sectional design with a case study element

This study combines a cross-sectional design and a case study design. The research strategy is both qualitative and quantitative of nature. The research design can be found in figure D.

Figure D. Research design (ill. author).

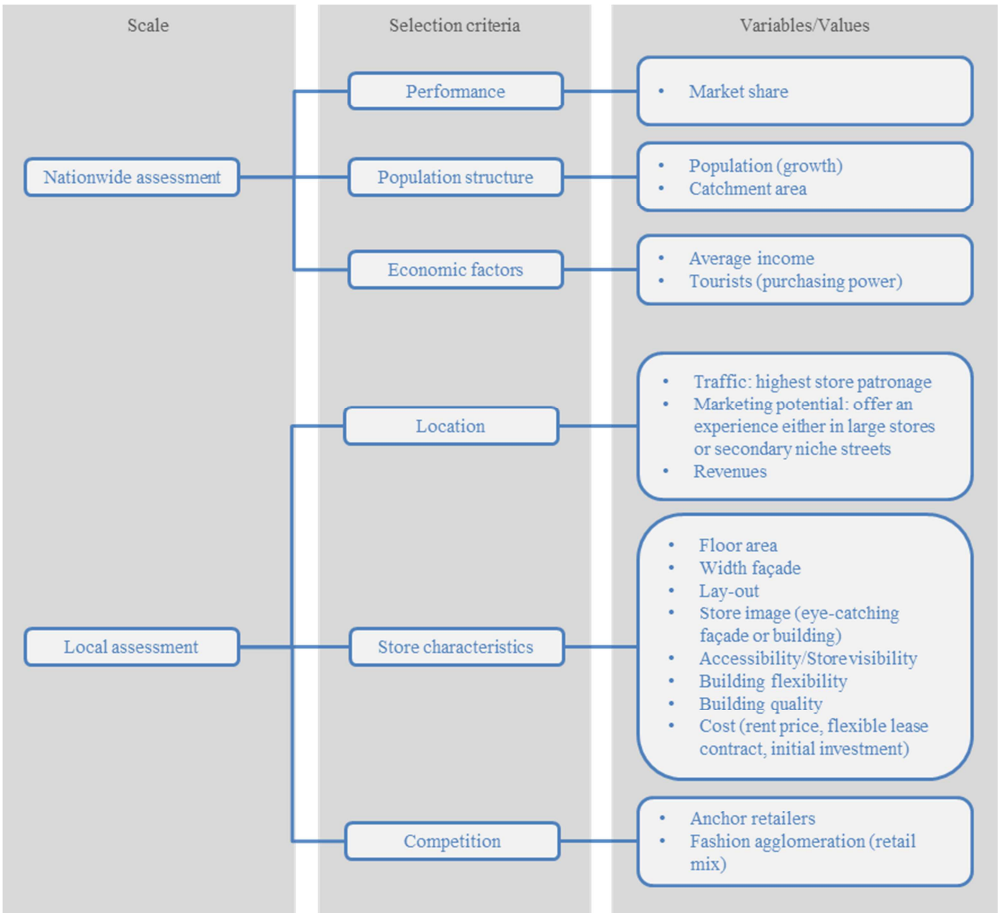


Selection criteria of fashion retailers

"What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers?"

Fashion retailers conduct both a nationwide assessment and a local assessment when considering new stores. First nationwide assessment is conducted, by assessing viable cities or regions for opening new stores. Secondly, a subsequent local assessment is conducted: fashion retailers asses which shopping streets and buildings are best suited for their new stores and concepts. In the nationwide assessment the most important criteria are: (1) performance, (2) population structure, and (3) economic factors. In the local assessment the most important criteria are: (1) location, (2) store characteristics, and (3) competition (see figure E).

Figure E1. Most important selection criteria for fashion retailers (author).



Change in demand and supply

- *"Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?"*
- *"How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply (period 2006-2014)?"*

Concentration trend towards prime cities and inner urban shopping streets

This study reveals that fashion retailers in the Netherlands have changed their preference from a nationwide expansion to a concentrated expansion. Retail locations where the fashion supply is still growing in the post-crisis era are the largest Dutch agglomerations, such as Amsterdam and Maastricht, and in inner urban shopping streets, particularly of Amsterdam, Rotterdam, and The Hague. Fashion retailers are also in the process of optimizing their current portfolios, in other words, assessing their market share potential comprehensively in cities in which they are established, renegotiating rental prices, and ultimate closing stores that are no longer viable.

The results show that in the period 2006-2014, there were many cities in which the fashion supply (in m^2) grew with more that 20%, e.g. Amsterdam, Maastricht, Rotterdam, and The Hague (see figure F). After 2012 however, the year in which the fashion supply started to shrink, many of the largest Dutch fashion agglomeration such as Den Bosch, Eindhoven, Breda have witnessed a decline of the total square meters of fashion (see figure G). City

centres where the supply has continued to increase after 2012 are Amsterdam, Maastricht, Nijmegen, The Hague and Haarlem. The concentration of fashion retailers in large cities such as Amsterdam, The Hague, and Rotterdam is also underpinned by the growth of the fashion supply in inner urban shopping streets. In fact, the supply in inner urban shopping streets is the second type of location in which the supply has been gradually growing, even after 2012. An increase of the supply is especially found in supporting inner urban shopping streets of: Amsterdam (PC Hoofdstraat +942 m^2, Bos en Lommerplein +1,063 m and Ferdinand Bolstraat +1,013 m^2), The Hague (Hobbemastraat +683 m^2 and Paul Krugerlaan +501 m^2), and Rotterdam (Oude Noorden +703 m^2).

Figure F. Change in m^2 fashion top-17 city centres, 2006-2014 (Source: Locatus).

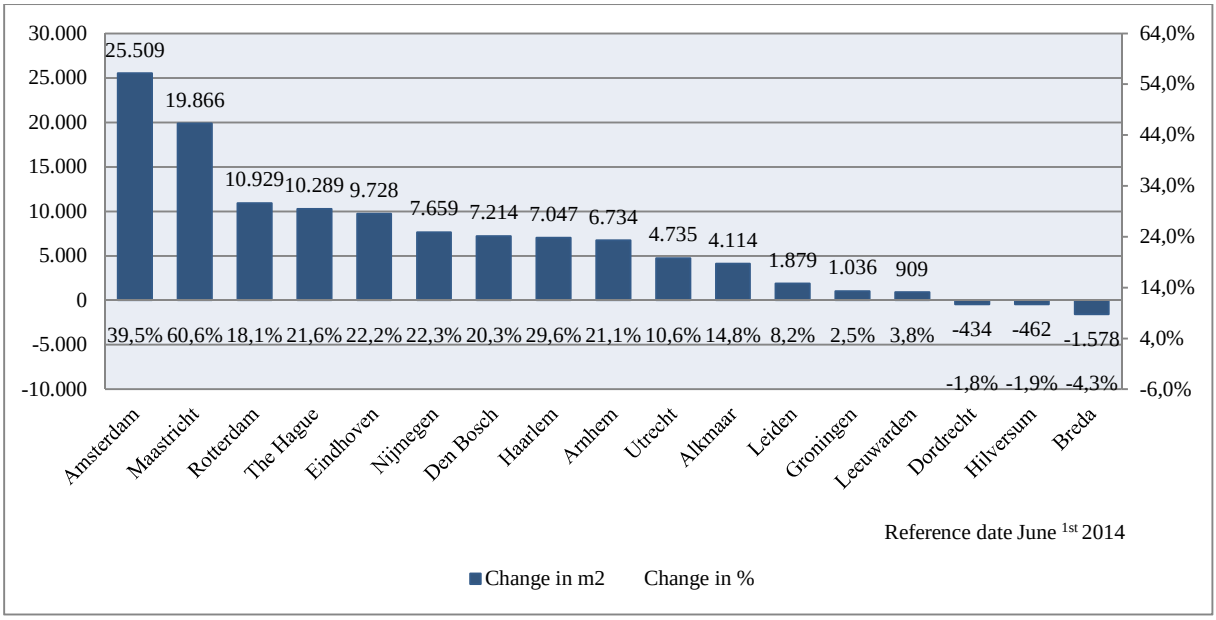
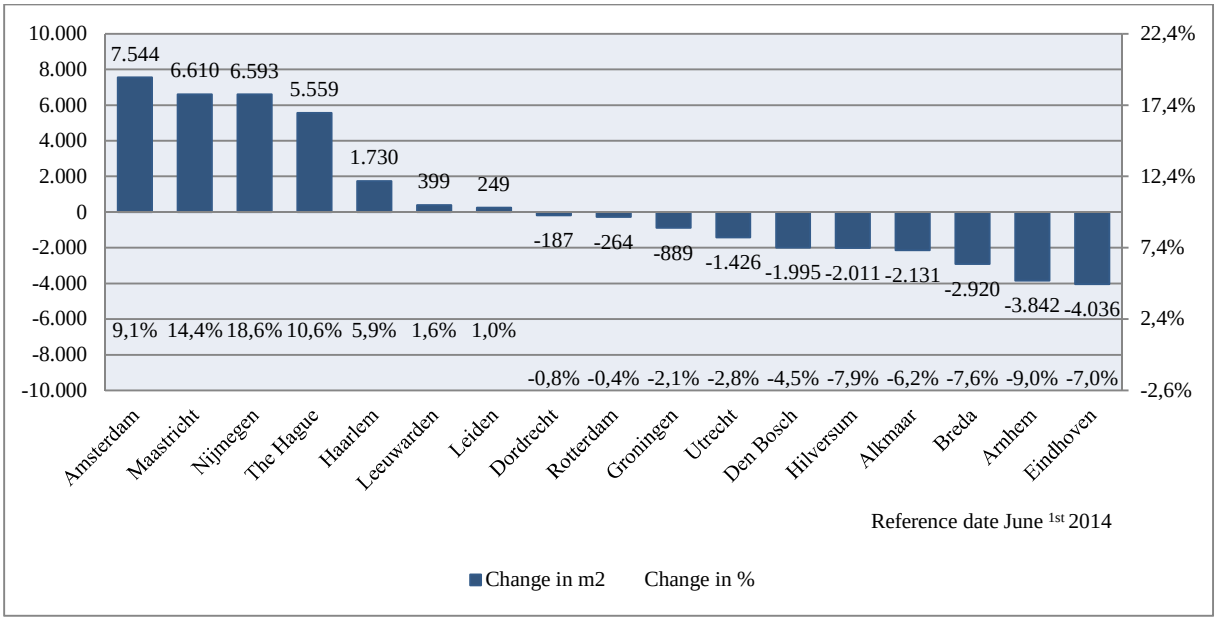


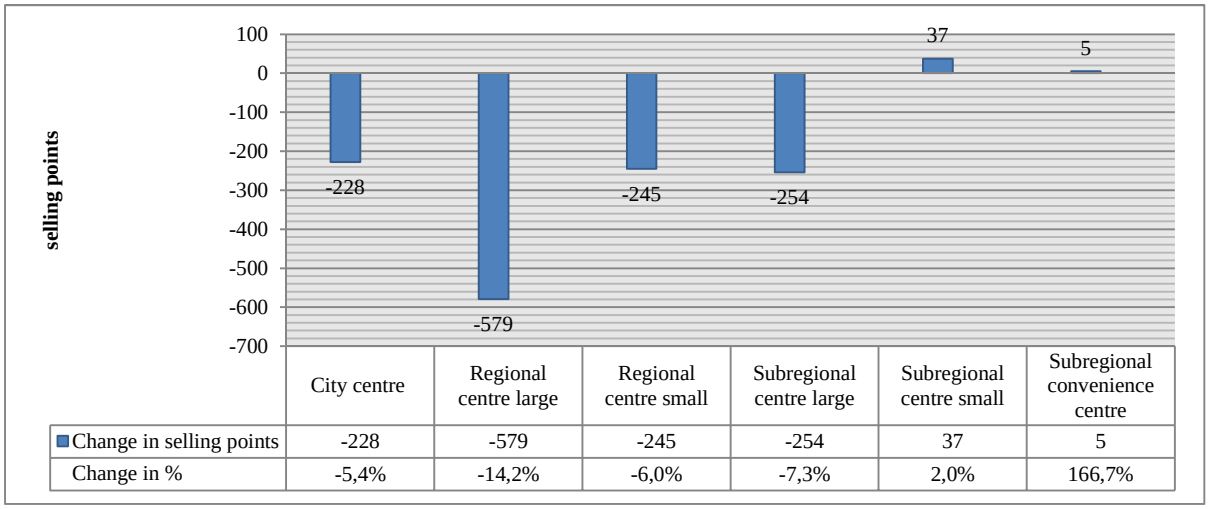
Figure G. Change in m^2 fashion top-17 city centres, 2012-2014 (Source: Locatus).



Challenging times for small and midsized cities

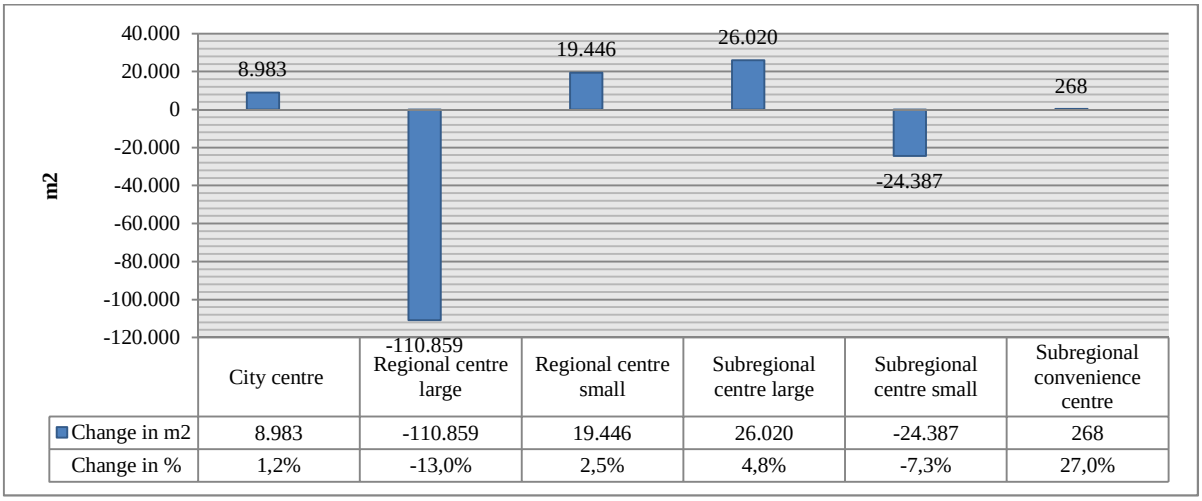
The analysis of the current fashion supply indicates that fashion retailers have closed their stores especially in small and midsized cities (regional centre small and large) of 100-400 stores. In fact, the supply has strongly declined both in selling-points and square meters in regional centres (see figure H and I). It is in these locations where fashion retailers are renegotiating their leases and also closing stores once they are not viable anymore. On the other hand, the fashion supply in subregional centres (towns with 5-100 stores) remained relatively balanced in the period 2006-2014 (see figure H and I). These results indicate a growing gap between the strongest performing cities with highly competitive markets and the small towns in which the supply remained relatively stable. Small and midsized cities seem to be the first locations in which fashion retailers are closing their stores.

Figure H. Change in selling-points fashion supply in central retail areas, 2010-2014 (Source: Locatus).



	City centre	Regional centre large	Regional centre small	Subregional centre large	Subregional centre small	Subregional convenience centre
Change in selling points	-228	-579	-245	-254	37	5
Change in %	-5,4%	-14,2%	-6,0%	-7,3%	2,0%	166,7%

Figure I. Change in m^2 fashion supply in central retail areas, 2012-2014 (Source: Locatus).



	City centre	Regional centre large	Regional centre small	Subregional centre large	Subregional centre small	Subregional convenience centre
Change in m2	8.983	-110.859	19.446	26.020	-24.387	268
Change in %	1,2%	-13,0%	2,5%	4,8%	-7,3%	27,0%

Strong agglomeration of fashion in A1-shopping streets

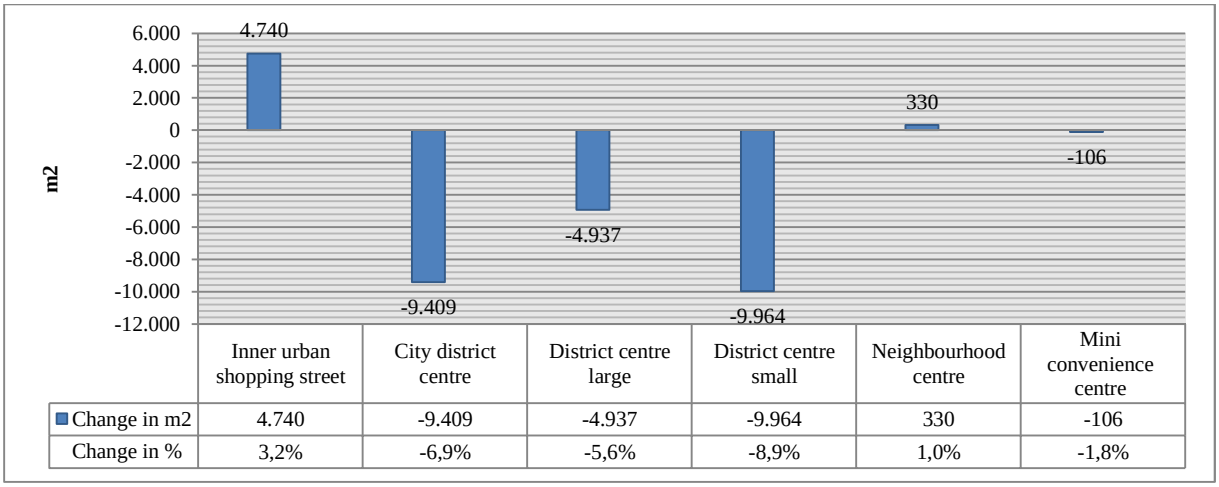
Fashion retailers with expansion ambitions are almost exclusively interested in A1-shopping streets. International fashion chains in particular are focused on prime cities and their A1-locations, where they are willing to pay high rents if their store is profitable. As a result of the strong competition, rent prices in A1-

locations have been gradually increasing and certain retail branches such as consumer electronics have been driven off.

Supporting shopping locations no longer fit for "fun" shopping

Since 2010 the fashion supply has declined strongly in supporting areas (with the exception of inner urban shopping streets), resulting in a decrease of 30,872 m^2 (-5.8%). As such, supporting locations have witnessed an earlier and a relatively stronger decrease of the fashion supply, compared to the decline of 80,529 m^2 (-2.5%) in central retail areas since 2012. This decrease in supporting areas is mostly found in city district centres and district centres (see figure J).

Figure J. Change m^2 fashion supply in supporting retail areas, 2013-2014 (Source: Locatus).



	Inner urban shopping street	City district centre	District centre large	District centre small	Neighbourhood centre	Mini convenience centre
Change in m2	4.740	-9.409	-4.937	-9.964	330	-106
Change in %	3,2%	-6,9%	-5,6%	-8,9%	1,0%	-1,8%

According to the interviewees, fashion retailers are no longer considering secondary shopping areas for expansion in the post-crisis era. This is mainly due to the fact that these centres cannot offer the same shopping experience and retail mix of (historic) city centres. In this regard, a cautious conclusion can be drawn. It seems that supporting city district and district centres are becoming less attractive for retailers that focus on recreational shopping. As such, supporting shopping areas may no longer be seen as a location where consumers shop for "fun", at least for fashion retailers who are looking for expansion in the post-crisis era.

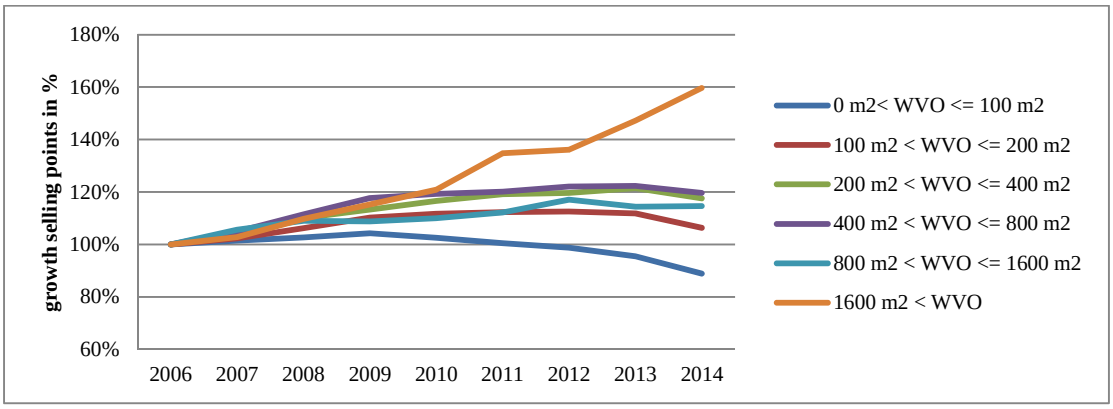
Fashion retailers strongly critical of store characteristics

Fashion retailers have become highly critical in the assessment of potential buildings for expansion in the past ten years. This concerns the assessment of qualitative, quantitative and financial building properties. Building characteristics that have become increasingly important are: a minimal floor area, wide facades, a fitting lay-out for the formula (height, width and depth), a striking façade, good store visibility and accessibility, modern buildings, and flexible lease contracts. More importantly, potential buildings need to meet all criteria before they are even considered for expansion.

An important observation is that fashion retailers are strongly focused on larger buildings. This is especially the case for international fashion chains. According to the interviewees, modern buildings lend themselves better for the criteria that fashion retailers have today. Because they are often larger in scale and often have square floor plans. By contrast, older and monumental buildings can have atypical floor plans and are sometimes difficult to adapt. Another important observation is that fashion retailers have more negotiation power with regard to rent prices in the post-crisis era, at least outside the A1-locations. In these locations, building owners are coping with growing vacancy rates. As such, fashion retailers are increasingly able to renegotiate their rents and also negotiate for flexible leasing contracts.

This study reveals two important developments. On the one hand, fashion retailers are occupying larger stores (800-1600 m^2) more frequently, while on the other hand, small scale stores (0-200m^2) are strongly declining in the post-crisis era. As such, the economic recession has had a larger impact on the viability of small scale fashion retailers, while fashion retailers with larger concepts seem to be the ones that are expanding in the current market (see figure K).

Figure K. Growth fashion selling-points per store-size-range* in %, 2006-2014 (Source: Locatus).



**Locatus categorization*

Marketing potential

As mentioned above, fashion retailers are increasingly interested in large stores. An important reason is the rise of the experience economy in the Netherlands. Today, stores have evolved from places where products are sold, into places where consumers can experience their favourite brands. Large and striking buildings are capable of providing this experience, as opposed to smaller and less attractive buildings. As such, the stores of fashion retailers play an important part in the marketing of their brand. For example, Zara's only marketing-tool is its physical store, with the exception of their online platform. Another benefit of using the physical store for marketing a brand is that once consumers become familiar with the brand, they can easily purchase products

online at their convenience. As such, international brands are highly interested in the 24-hour economy of Amsterdam. It seems that a 24-hour economy is only found in Amsterdam. Other prime cities such as Rotterdam are more interested in opening their stores seven days in the week, while losing interest in opening stores on Thursdays and Friday nights *(koopavond),* due to a declining number of consumer visits.

Niche shopping streets

According to the interviewees, the concentration of large fashion chains in A-locations along with the decline of rent prices in B-locations will create opportunities for independent entrepreneurs. While large fashion chains focus on the "mass market", creative entrepreneurs have the opportunity to focus on "niche markets". Lower rents in B-locations make it possible for independent fashion retailers to concentrate in these streets and create "niche shopping streets", with less familiar brands but a desired atmosphere for consumers. Successful examples where fashion retailers have strategically agglomerated in small scale buildings are the Negen Straatjes and Utrechtsestraat in Amsterdam.

Strength of anchor retailers

Fashion retailers are attracted to brands which are able to attract large groups of consumers, in other words anchor retailers. As such, the presence of anchor retailers has always played an important part in the selection of new stores among fashion retailers. While less familiar brands strongly desire to locate near anchor retailers, strong retailers such as Zara, H&M and Primark rely mostly on their own power to attract consumers and pay less attention to their competitors. The strength of anchor retailers to attract other fashion retailers towards them has consequences for the built environment. For instance, once anchor retailers change their building and location preferences and decide to move e.g. to a shopping street were buildings are newly built and large in scale, they have the strength to change passer-byer flows (*passanten stromen*) and to pull other fashion retailers with them. As such, anchor retailers play a leading role in the success of shopping streets and it is therefore important to monitor their store and location preferences closely.

Conclusion

Main research question: "What are the implications of changing store location selection criteria among fashion retailers in the post-crisis era for the current retail supply?"

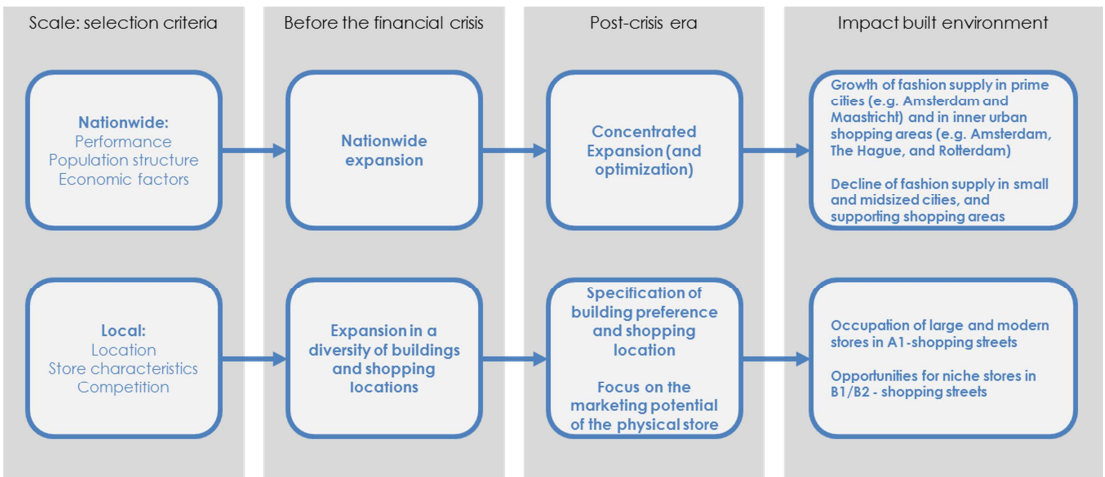
This study shows that there are two fundamental changes regarding the selection criteria of store locations for fashion retailers, in the period 2006-2014. Firstly, fashion retailers are pulling away from a nationwide expansion strategy and focussing on a concentrated expansion in the largest Dutch agglomerations in the post-crisis era. As a result, the expansion of the fashion supply after 2012 is mostly found in: (1) the largest Dutch agglomerations, such as Amsterdam, Maastricht, Nijmegen, The Hague, and Haarlem and (2) in inner urban shopping streets, particularly of Amsterdam, Rotterdam, and The Hague. This concentration trend is also fuelled by the interest of international fashion chains in opening new stores in tourist cities, such as Amsterdam, Maastricht, Rotterdam, The Hague and Haarlem. Furthermore, fashion retailers have also become strongly aware of less performing markets, i.e. cities in which their stores are less or insufficiently profitable. They are also strongly aware of the fact that online shopping will have its effect on the profitability of their physical stores. As such, fashion retailers are in the process of optimizing their current portfolios. As a result, the decline of the

fashion supply after 2012 is mostly found in: (1) city centres in small and midsized cities with ca. 100 to 400 stores, and (2) supporting retail areas, except for supporting inner urban shopping streets.

Secondly, this study concludes that fashion retailers have become highly demanding of potential locations and buildings for expansion in the post-crisis era. This has resulted in the further specification of their criteria for suitable shopping locations and suitable building. The selection criteria have not only become increasing comprehensive, but more importantly, potential buildings need to meet all criteria before they are even considered for expansion. Today fashion retailers are solely interested in A1 shopping streets, with the highest passer-byer flows. As a result, fashion retailers are strongly agglomerating in A1 shopping streets in prime cities (e.g. Amsterdam, The Hague, and Rotterdam), thereby driving off other retail branches in these streets. Whereas, secondary shopping streets and supporting shopping centres where fashion is not strongly represented are witnessing a decline in the fashion supply. Fashion retailers are also highly critical of qualitative, quantitative and financial building properties. Building characteristics that have become increasingly important are: a minimal floor area, wide facades, a fitting lay-out for the formula (height, width and depth), a striking façade, good store visibility/accessibility, modern buildings, and flexible lease contracts.

The main reason why fashion retailers seem to be assessing stores more comprehensively is because stores may have evolved from places where products are sold, into places where consumers can experience their favourite brands. According to the interviewees, anchor fashion retailers (e.g. Zara, H&M, The Sting, and Primark) are particularly focussed on the marketing potential of their stores. In other words: the possibility to provide their consumers with an experience, rather than offering them solely a product. As such, the stores of fashion retailers play an important part in the marketing of their brand. In order to provide this experience, fashion retailers strongly prefer large and striking buildings with preferably high ceilings, wide facades and square floor plans. As such, fashion retailers are strongly agglomerating in relatively large and often modern buildings in A1-locations. This trend is particularly noticed among international fashion chains. As a result, secondary shopping streets where rent prices are under pressure and renegotiable provide new opportunities for creative and independent fashion retailers. These “niche shopping streets” are not focused on the mass-market but on niche markets. These two fundamental changes in the selection criteria among fashion retailers are presented in a simplified conceptual model (see figure L, large version on page 94).

Figure L. Conceptual model fundamental change in the store selection criteria of fashion retailers (ill. author).



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READER'S GUIDE

This research proposal is divided into five chapters. The structure is based on the subsequent stages in the research process.

PART I – PROPOSAL AND LITERATURE STUDY

Chapter 1 –Research proposal and research methodology

- This chapter presents the background of the research, the problem statement, the objective and the main research question.
- This chapter presents the research methodology. The section will discuss the research design, the data collection and the research organization.

Chapter 2 – Literature study

- This chapter presents the theoretical framework. This section discusses classical location theories, the classification of retail locations, and finally discusses literature on store location selection criteria.

PART II – EMPIRICAL STUDY AND CONCLUSIONS

Chapters 3 – Selection criteria for new store locations among fashion retailers

- This section presents the most important selection criteria among fashion retailers in the current market.
- This section discusses the fundamental changes in the selection criteria for new store locations among fashion retailers

Chapters 4 – Change in the selection criteria and change in retail supply, for the period 2006-2014

- This chapter discusses how changed store location selection criteria are reflected in the current supply for the period 2006-2014. The development of the supply is analysed from a nationwide perspective and a local perspective.

Chapters 5 – Conclusion and recommendations

- This section presents the most important conclusions regarding selection criteria among fashion retailers and discusses the implications for the built environment
- This section presents recommendations for future research and reflects on the research process of this study.

PART I: THEORETICAL RESEARCH AND RESEARCH PROPOSAL

CHAPTER 1 BACKGROUND AND PROPOSAL

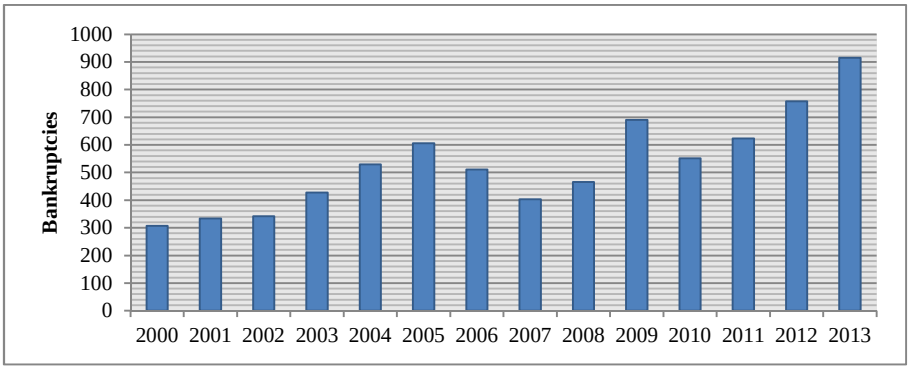
This section serves as an extended introduction of the current developments in the retail sector, as well as a discussion of relevant topics and theories that support and confine the research topic: store location selection criteria among fashion retailers.

1.1 INTRODUCTION

The Dutch retail sector has undergone an intense transformation during the past decades. A walk through the shopping streets of the Netherlands shows the diversification of retail characterized by diverse positioning profiles such as, department stores, convenience stores, specialty retailers, (international) chains and pop-up stores. The retail offer has been enriched by a variety of retail forms aimed at satisfying the needs of different types of consumers in various shopping locations (Evers et al,. 2011, pp. 29-57). However, in the past decade the retail sector has been confronted with on the one hand, the decreased purchasing power of consumers, an increasing number of bankruptcies, increasing vacancy rates, and on the other hand, exciting pop-up concepts and the rise online shopping. These developments have been a result of the sociocultural and economic trends our society has been faced with (changes in the economic climate, changes in the demography, technological innovations, etc.). Retailers in their turn are always re-thinking their strategy in order survive in a highly competitive environment, creating a tension between their demand and the current retail supply.

Since 1985, the Central Bureau of Statistics (CBS) in the Netherlands has monitored a gradual growth of the purchasing power of consumers (CBS, 2013). However, as a result of the financial crisis in 2008, a decrease in the purchasing power has been recorded from 2010 to 2014; respectively -0,5%, -1,0%,-2,5%, 1,25%,-0,5% (year-on-year) (CPB, 2013, p. 11). The Dutch Bureau for Economic Policy Analysis *(Het Centraal Planbureau, CPB),* predicts that the Dutch economy will lack behind the European and Global economic recovery and that consumption will continue to decrease, however less than in recent years (CPB, 2013, pp. 8-10). Meanwhile, changes in the demographics, namely the "greying" of the Dutch population, the expected shrinkage of the potential labour force, and a strong increase in one-person households, will also affect consumer expenditure in the coming years (Quix, 2013, p. 49).

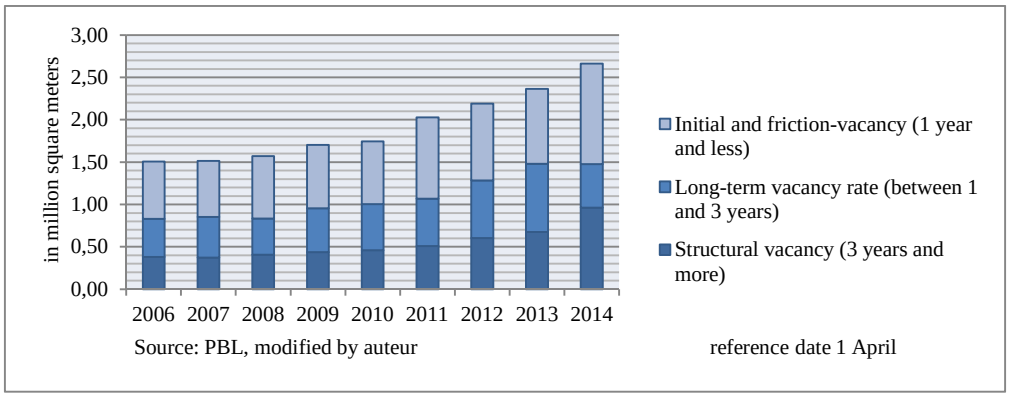
Figure 2. Bankruptcies retail sector (CBS, 2014, modified by author).



Bankruptcies and growing vacancy rates in the retail sector bear witness to economic hard times in the Netherlands. Retailers, particularly in the non-food sector, have been coping with decreasing sales numbers since 2008 (HBD, 2013a), which has led to an increased amount of bankruptcies in the past years (see figure 1). The yearly number of bankruptcies among retailers have increased from about 470 in 2008 to over 900 in 2013 (Platform31, 2014, p. 72). The research of Overbosch (2012, p. 55) exhibits that independent retailers are contributing most to the decline of store numbers: from ca. 1600 in 2005 to ca. 900 in 2012. According to Overbosch retailers who provide white goods, books, music, and electronics are having a hard time competing with other branches and are particularly disappearing from the main shopping streets. Since 2005, 502 electronic stores have disappeared from the Dutch inner centres (Overbosch, 2012, p. xi).

Along with the bankruptcies, vacancy rates have also began to rise since 2008, and have grown to ca. 8,7% or ca. 2,66 million m^2 of the total retail supply (Compendium, 2014). However, there are large regional differences regarding vacancy. High vacancy rates are particularly found in "the edges" of the Netherlands, partially in areas that are anticipated to witness a population shrinkage such as South-Limburg and North-East of Groningen (CBS, 2008). Other shopping locations, where vacancy is above the national average are: the inner cities of small towns and villages, and in so-called secondary and tertiary shopping areas in inner cities of large cities. Buitelaar et al. (2013, pp. 53-54) mention three reasons for this. First, these areas lend themselves less for recreational shopping (fun shopping). Second, the stores don't fit the size demand of retailers; they want larger stores. Finally, both municipalities and developers prefer to develop a new area rather than redeveloping an existing one. Furthermore, of the total vacancy, approximately one million square meters can be found on peripheral large scale retail concentration which have an average of 13% of vacancy (Kooijman, 2013, pp. 40-41). Gertjan Slob, research director of Locatus – a independent organization monitoring the retail market in the Netherlands – predicts that the vacancy rate will increase to 10% in the coming years (Platform31, 2014, p. 43).

Figure 3. Vacancy retail sector (PBL, 2014).

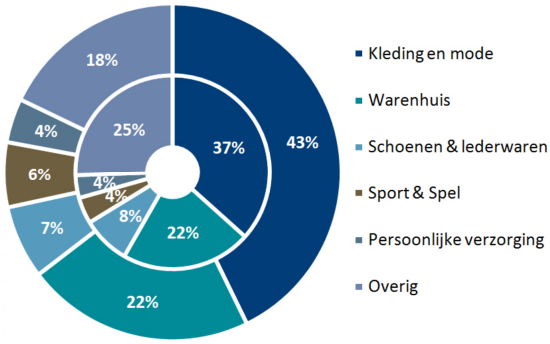


While certain locations are witnessing rising vacancy rates, other locations seem to be growing in popularity among retailers. In 2006 the Dutch shopping centre association NRW *(De Nederlandse Raad Winkelcentra)*, made predictions about transitions in the retail landscape. They predicted that in the Netherlands there would be a growing differentiation between historic and vital cities such as Amsterdam, Utrecht, The Hague and Rotterdam on the one hand, and on the other hand, more average cities (less historic, less innovative, no universities) that cannot compete well against the larger historic cities (NRW, 2006, p. 34). Other organizations have acknowledged this trend (ABN AMRO, Platform31). Furthermore, the research of Jacobs (2007, pp. 66-68)

also exhibits that Dutch consumers are not only becoming more and more mobile, but that they are willing to travel longer distances to shop, visiting nearby shopping centres less frequently. The growing popularity of top retail locations, combined with the willingness of consumers to travel longer distances to shop, seems to have a strengthening effect on the growing differentiations between stronger and weaker shopping locations.

For retailers as well as investors, it is important to vigorously analyse which retail locations will perform well in the coming years and of course which retail locations will perform poorly. Comprehending these dynamics is necessary to assure the continuity of their business (source). As such, retailers are actively targeting scarce A1-locations* in prime cities, were passers-byer flows are the highest and were vacancy moves around 2% (ABN, p 22). For example, department store De Bijenkorf will close 5 of their 12 stores (Arnhem, Enschede, Groningen, Breda and Den Bosch), because these locations do not comply with the requirements to reach "an international top level". Meanwhile they will focus on the following cities: Amsterdam, Rotterdam, The Hague, Utrecht, Maastricht, Eindhoven and Amstelveen (nu.nl, 2013). Another interesting development is the change in retail branches in A1-locations. In the period of 2003-2012 the market-share of fashion retailers has increased strongly from 37% to 43% in A1-locations, compared to other branches (see figure 3). Research by DTZ shows that the market share of fashion retailers in A1-locations has grown the strongest in Amsterdam, and behind it Maastricht, Rotterdam and Haarlem (DTZ, 2013, p. 3). DTZ states that A1-locations ask for corresponding business models with short lifecycles of products and continuously changing assortments (DTZ, 2013, p. 5). These types of business models are typical for retailers in the fashion industry.

Figure 4, Changing market share retail branches in A1-locations in the Netherlands 2003-2012 (DTZ, 2013, p. 3).



As a result of the financial crisis, the retail market is characterized by rising bankruptcy rates, an oversupply of retail space, and a growing differentiation between "winning" and "losing" retail locations (Platform31, 2014, pp. 41-42) (CBW-MITEX, 2010, pp. 18-20), which all have a direct and visible impact on the shopping streets in our cities. In this "demand-driven" market it is important to understand how retailers are reacting to these recent developments. It is worth noting that there is little found in the literature conceptually and empirically on how retailers or experts/consultants consider or choose between the different selections criteria when analysing store locations in different scales of analysis, and whether these selection criteria have changed in the course of time. Particularly research on specific location preferences of each retail branch (fashion, daily goods, in/around the house, and leisure) is lacking. There is also limited quantitative research available on how the retail supply if specific branches has changed in the post-crisis era (2008-2014). A detailed overview and quantification of the supply of retail branches can provide insights in (changing) location preferences of each branch. This study focusses on the location preferences of fashion retailers, for two reasons. First, because they represent about 40%

** A1-location: location in central retail areas with 75-100% of the maximum patronage capacity. (Bolt, 1995, pp. 289-292) (also see chapter 2.4.2)*

of the retail supply in inner cities (Locatus, 2014a), were the impact of the financial crisis is directly visible by vacancy in the plinths. Second, because research on location preferences of fashion retailers is particularly scarce. The aim of this research project is to reveal the location preferences of fashion retailers and the implications for the built environment.

1.2 RESEARCH PROBLEM AND RESEARCH QUESTIONS

1.2.1 Problem statement

For retailers, location is perhaps the most important variable determining long-term viability. Choosing new store locations, therefore asks for a comprehensive analysis. However, after a long period of economic prosperity and a heavy growth of the retail supply, retailers are faced with the effects of the economic recession in 2008. Since then the retail sector has been confronted with a decreased purchase power of consumers along with increasing vacancy rates and an increasing number of bankruptcies. Considering these developments, it is safe to say that the post-crisis retail market is a different market than 10 years ago, and it seems necessary for retailers to re-evaluate their store location decisions. In this regard, understanding the location preferences of retailers is crucial to reveal the implications for the built environment. Especially since there are indications of "winning" and "losing" retail locations. This assumption categorizes the problem statement of this research:

In a demand-driven post-crisis retail market which now faces rising vacancy rates, bankruptcies, and a growing differentiation between retail locations, it seems impossible for fashion retailers to apply the same store location selection criteria that have been used before the crisis. There is in fact, little research available on the location preferences of fashion retailers and the implications of changing locations preferences of fashion retailers for the built environment.

1.2.2 Research questions

Main research question:

What are the implications of changing store location selection criteria among fashion retailers in the post-crisis era for the current retail supply?

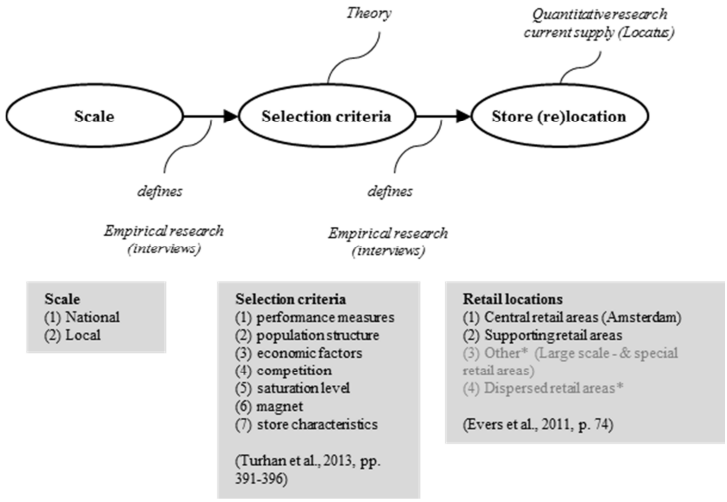
Sub research questions:

The following four sub research questions have been used to answer the main research question:

1. *What does historic research reveal about the selection criteria of store locations?*
2. *What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers?*
3. *Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?*
4. *How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply (period 2006-2014)?*

The research questions above can be summarized in the conceptual model of this research, which shows the variables of research. See figure 4.

Figure 5. Conceptual model (ill. by author).



** Focus of this study is on central and supporting retail areas.*

1.2.3 Research aim and intended end product

This study is explanatory in nature and its purpose is to contribute to the literature addressing locational selection methods of retail stores and to investigate store location selection criteria among fashion retailers in particular. Specifically, two objectives are pursued:

1) *To discover the most important selection criteria of fashion retailers in the post-crisis era.*
2) *To discover the extent to which the selection criteria for new store locations has changed in the past 10 years and the effect on the current fashion supply.*

The end product will be a list of the most important selection criteria for store locations among fashion retailers; a comprehensive explanation of fundamental changes in the selection criteria; and a description of the current fashion supply. The results will provide useful insights in the selection criteria for fashion retailers and help understand why retailers are where they are, but also where they might be in the future. In other words, this study will shed light on the changing demand of fashion retailers.

1.2.4 Target group

The practical usability of this research project is twofold. Firstly, by understanding how retailers choose their store locations this study provides direction for policy makers and municipal actors in a market faced with vacancy and bankruptcies. Understanding which selection criteria are considered important when choosing store locations might bring them a step closer to mitigating the effects of e.g. vacancy, by understanding where retailers want to be situated, and helps to predict which retail locations might cope with vacancy in the future. Secondly, this study provides direction for real estate managers by identifying if store location selection criteria have changed among fashion retailers, considering that the retail market is undergoing great changes.

1.2.5 Relevance

Academic relevance

Professional real estate management requires scientific knowledge about the best fit between organization structures on the one hand and solutions for accommodating people on the other hand. This implies locational decision problems. The Corporate Real Estate Management department (CREM) of the TU Delft mentions a key observation in this regard: "A complicating factor is the dynamics of society and organizations, whereas buildings are rather static. It often occurs that even before a building is finished the organization and processes that have to be accommodated have changed already drastically" (De Jonge, Arkesteijn, & Van der Voordt, 2013, p. 4). This key observation also applies to retail sector, where scientific knowledge and practice examples directed towards the (changing) demand or supply is deemed to be important.

Social relevance

Retail plays a very important part in our society and economy and some even believe it to be the most important function in an urban area (Evers, Kooijman, & Van der Krabben, 2011, p. 16). A crowded shopping street is a universal sign of a vital, successful and healthy city, while vacancy in the plinths of main shopping streets has a negative effect on how people perceive a city. Moreover, the retail industry is one of the few businesses that contributes to the liveability of the direct surroundings, creating many and relatively easy accessible jobs (Evers et al., 2011, p. 16). The importance of retail as a function of the city is also emphasized by the main goal of Dutch retail planning, which is to maintain and strengthen the economic functioning of the shopping centre hierarchy, including city centres (Spierings, 2006, p. 602). By studying how retailers choose their store locations, policy makers, municipal actors, and real estate managers can gain knowledge about how location strategies are changing; how the demand is changing; and what the impact could be on the build environment.

1.2.6 Graduation Company

This study has been conducted with the support of CBRE, who were kind to provide useful data and feedback on the results. Their expertise and in-house knowledge has been helpful in extracting useful data, conducting interviews, and validating findings. Their access to data from Locatus has been a crucial source of information to answer some of the research questions of this study. Feedback from colleagues and guidance from Machiel Wolters during the graduation internship has also helped to bring more depth into the research project.

1.3 RESEARCH METHODOLOGY: SETTING THE BASIS

This part of the study starts with a general discussion about the research methodology, providing background information on important methodological considerations and definitions of its main elements. Subsequently, this section presents the research design for this study and explains why a mixed-methods research strategy is appropriate.

1.3.1 General methodological considerations

Kumar (2011, pp. 10-15) identifies different research types seen from three perspectives: (1) application of the findings, (2) objectives of the study, and (3) the mode of enquiry. Within these three perspectives the following directions are chosen in this research project: (1) applied research, (2) descriptive/explanatory, and (3) mixed-methods research.

From the perspective of application there are two categories: pure research and applied research. Applied research is used to collect information about a certain problem or phenomenon so that the information gathered can be used in other ways, such as the enhancement of understanding a phenomenon. Pure research aims to add to the existing body of knowledge of research methods. This study can be typified as applied research.

From the perspective of the research endeavour, the research type can be classified as descriptive, correlational, explanatory or exploratory. This research project is mainly of a descriptive nature with the aim to describe the most important selection criteria among fashion retailers and to describe change in the current fashion supply. However, this study will also be partially explanatory in order to explain the change that is found in the selection criteria among fashion retailers.

Finally a distinction can be made between two approaches to enquiry: the structured approach and the unstructured approach. In the structured approach the research process is predetermined. The unstructured approach, by contrast, allows flexibility. The structured approach is more appropriate to determine the extent of a problem or phenomenon, whereas the unstructured approach is used to explore variation/diversity in a problem or phenomena (Kumar, 2011, p. 13). The structured approach is also classified as quantitative research and unstructured as qualitative research.

A quantitative approach primarily uses positivism perspectives for developing knowledge i.e., cause and effect thinking, reduction to specific variables and hypotheses and questions, use of measurement and observation, and the test of theories (Bryman, 2012, pp. 27-37). This approach is used when you want to quantify the variation in problem or phenomenon (Kumar, 2011, p. 13). A qualitative approach is primarily based on interpretivism perspectives i.e., explaining and understanding social actions, with the intent of the development of a theory (Bryman, 2012, pp. 27-37). Qualitative research is used if the purpose of the study is to describe a situation or phenomenon, and establishing the variation without quantifying it (Kumar, 2011, p. 13). In short, it is common to describe quantitative research as concerned with the testing of theories and qualitative research as concerned with the generation of theories. By contrasting these approaches it may seem that they are incompatible. However, (Bryman, 2012, pp. 37-38) shows that they can be successfully combined within a single study. This approach is called a mixed methods approach. The following paragraph explains why a mixed methods approach is appropriate for this study.

1.3.1 Background information on research design

Bryman (2012, pp. 50-77) identifies five different types of research designs: experimental, cross-sectional, longitudinal, case study, and comparative. From these five research designs, two are appropriate for this study: a cross-sectional design and a case study design.

> *"A cross-sectional design entails the collection of data on more than one case and at a single point in time in order to collect a body of data in connection with two or more variables, which are then examined to detect patterns of association" (Bryman, 2012, p. 58).*

Within a cross-sectional research design, the predominant research strategy can be either quantitative of qualitative. When the predominant strategy is quantitative then relation between theory and research is a

deductive one (testing of theories), and when the predominant strategy qualitative the approach tends to be inductive (generation of theories) (Bryman, 2012, p. 69).

All sub-questions of this research are of a cross-sectional nature, because their aim is to find out the prevalence of a phenomenon or problem, in this case, the current retail supply and the selection criteria for store locations. We want to obtain the overall "picture" as it stands now, by taking a cross-section, in this case, data collection from Locatus and interviewing retail experts, at this moment of time. In this regard our cross-sectional research design only differs in approach i.e. a quantitative or a qualitative approach.

The fourth sub-question of this study zooms in on six cases in particular. Three central (Amsterdam, Haarlem and Amstelveen) and three supporting shopping centres (Boven 't Y, Ossdorpplein, and Amsterdamse Poort) will be examined, to get a better understanding of the actual change of the shopping areas in the course of time (2006-2014). In this regard, this part of the study can be typified as a case study design:

> *"A case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 2003, p. 13).*

1.3.2 Background information on case study research

An important part of this research project regards the use of case studies. This section provides background information about the use of case studies.

Case study methodology is mainly used to collect, analyse, compare and draw lessons from research data and is a form of qualitative research. Flyvbjerg (2006) describes important misunderstandings using case study methods, concerning bias towards verification and validity. According to critics, case studies contain a bias towards verification i.e. a tendency to confirm the researcher's preconceived notions. However, Flyvbjerg (2006, pp. 235-237) argues that experience indicates that the case study method contains a greater bias towards falsification of preconceived notions than towards verification, because the researcher is able to adjust his hypotheses and subjective preconceived notions by studying and reflecting on the empirical object of study.

Another important issue is that of validity of case studies. According to critics general, theoretical (context-independent) knowledge is more valuable than concrete, practical (context-dependent) knowledge (Flyvbjerg, 2006, p. 221). Critics of case study research state that the study of a small number of cases can offer no grounds for establishing reliability or generality of findings. Flyvbjerg (2006, p. 225) argues that this depends on the case and how it is selected. The case study is ideal for generalizing using the type of test called "falsification" (Flyvbjerg, 2006, p. 227). Flyvbjerg (2006, p. 224) mentions that the in-depth case study is well suited for identifying "black swans", which can result in interesting insights that could not be possibly found by researching quantitative data. This study benefits from a case study, because it seeks the underlying motivation and reasoning that are responsible for changes in the current fashion supply. It also allows the researcher to discover "unknown" selection criteria.

Triangulation of data is one of main aspects of case study research to deal with validity*: "Triangulation is the use of more than one method or source of data in the study of a social phenomenon so that findings may be*

cross-checked" (Bryman, 2012, p. 717). By applying triangulation through using different sources of data and research techniques the validity of research results increases. This research project combines three main techniques of data collection: document/literature reviews, interviews, and a quantitative analysis of market data. Heurkens (2012, p. 120) describes another important consideration when working with case studies. He states that, because case study research generates a large number of data from multiple sources, a systematic organization of this data is very important. It prevents the researcher from becoming overwhelmed by the amount of data and to prevent the researcher from losing sight of the original research purpose and questions. Therefore, it is important to make some methodological choices for the case study research: scope versus depth, comparative analysis, and lesson-drawing.

Scope versus depth

The first issue is to make a trade-off between scope versus depth when selecting cases for comparison. The chosen dimension should support your research purpose. By choosing a broad scope one is able to draw more valid conclusions for a broader population, as one does not focus on isolated. The purpose of the research, in that case, is to draw general conclusions on a variety of cases through variable-orientated quantitative research. However, the purpose of this research is not to draw general conclusions, but to gain a deeper understanding of which criteria are important for retailers in a changing market, and gain insights if this new market implies a different approach or even new selection criteria. For this purpose an in-depth case study is used to answer the research question. Thus, depth is chosen over scope.

Comparative analysis

A second issue in case study selection is the issue concerning comparative analysis. A characteristic of case study research is that the focus is on a contemporary phenomenon within its real life context. Therefore, issues arrive concerning conceptual equivalence and context- and time-dependency. One could state that when comparing case study results the cases should be similar and thus comparable. Comparing different fashion retailers with different business and target groups, in this regard would not seem wise. However, comparative analysis does not require the things being compared to be identical, but they need to be commensurable. In other words they need to be conceptually equivalent, which means that one can study them with the same conceptual (theoretical) constructs or models (Heurkens, 2012, p. 121).

Lesson-drawing

Finally, this study discusses the issue of lesson-drawing with case study research. Like Heurkens (2012) this research will follow the three levels of lesson-drawing provided by (Janssen-Jansen, Spaans, & Van der Veen, 2008, p. 8):

- *Inspiration: collecting and valuating data and information on innovative experiences and practices;*
- *Learning implies adaptation of the information collected and evaluated in the inspiration phase, including retrieving underlying ideas, obstacles and changes;*
- *Transplantation: the knowledge transfer is complete and an innovative practice has been adopted by the 'learning' country, often adapted to local circumstances.*

This research will focus on the lesson-drawing levels of "learning", by focusing on the underlying reasoning and insights from fashion retailers and experts in the retail industry.

1.4 RESEARCH METHODOLOGY: CREATING THE RESEARCH DESIGN

1.4.1 Research strategy: a mixed methods research

The primary aim of this research project is to reveal fundamental changes in the location preferences of fashion retailers, and to understand what kind of implication this change has had on the built environment. In order to pursue a comprehensive understanding of the area of enquiry, a mixed methods research strategy is chosen, with the general aim of "completeness" of the area of enquiry.

The first part of this study is qualitative of nature and focusses on the demand of fashion retailers. By conducting semi-structures interviews, with both expansion managers from retail organizations and (retail) real estate consultants, this study aims to reveal the current location preferences of fashion retailers, but also to reveal if their location preferences have changed in the past decade. The second part of this study is quantitative of nature and focusses on the current supply. By conducting a comprehensive analysis of the development of the fashion supply for 2006-2014, this study aims to reveal in which retail areas the fashion supply has grown or shrunk in terms of square meters and number of selling-points. Subsequently, six case studies are conducted to analyse the development of the fashion supply in three central retail areas and three supporting retail areas in more detail. By combining results from both the qualitative and the quantitative study, this study aims to provide a solid foundation of knowledge in order reveal to what extent the location preferences of fashion retailers have changed, and to reveal what the implications are for the current retail supply.

14.2 Research design: cross-sectional with a case study element

This study combines a cross-sectional design and a case study design. To describe the research design for this study, the four research (sub)questions serve as the basis. Theory-oriented research is used to explore and set the basis of this research. Leading research will be reviewed to answer the first research sub-question: "What does historic research reveal about the selection criteria of store locations?"

By answering the second research question: "What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers?", a better understanding is sought about the demand of fashion retailers i.e., which criteria they find important when choosing store locations. Expert interviews will be the main technique to gather the information.

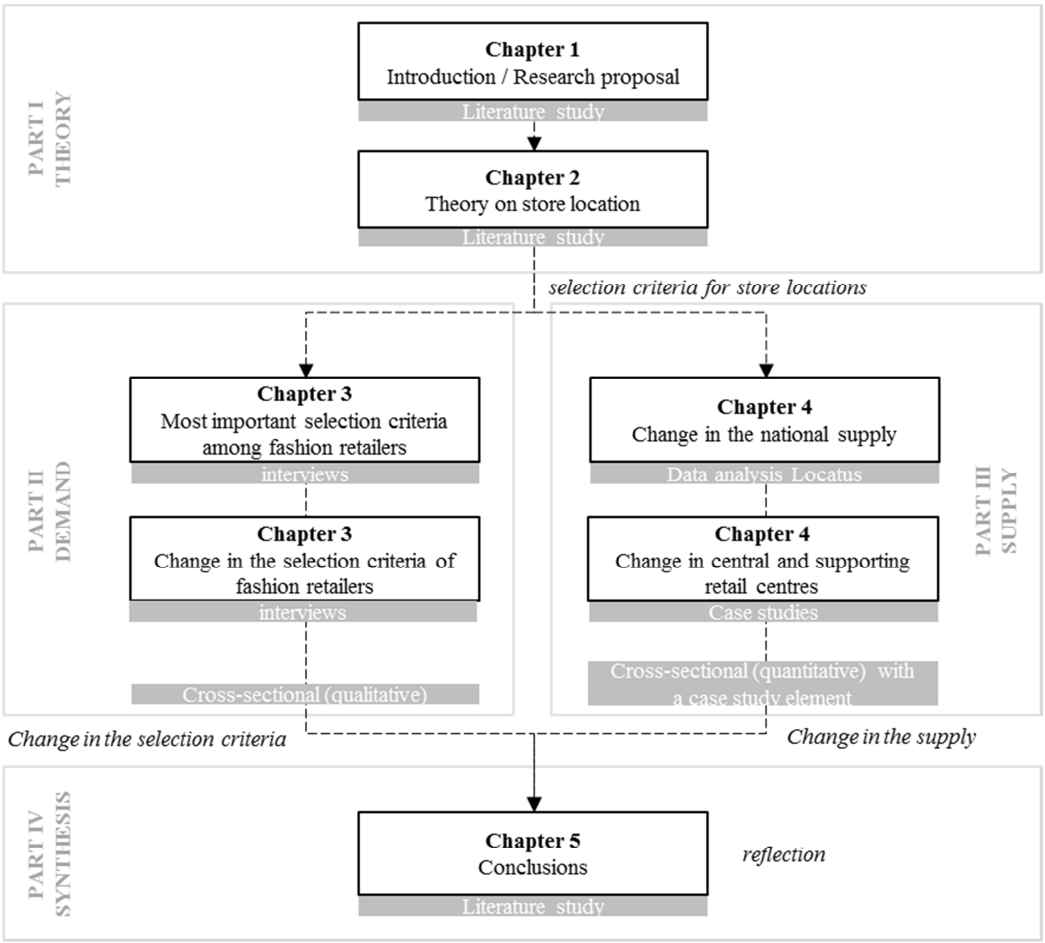
By answering the third research question: "Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?", this study aims to find out whether the selection criteria have changed in the course of time, and if possibly new selection criteria have arisen. Furthermore, an explanation is sought about the reasons why location preferences may have changed in the course of time. Expert interviews will be the main technique to gather the information.

By answering the fourth research question, "How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply" this study aims to get a better understanding about the current situation (current supply), by measuring in which retail locations fashion retailers are situated and

how the current supply has been developing in the past years. Which locations have become more (or less) wanted? A part of the fourth research question regards a comprehensive analysis of six case studies, three central retail areas and three supporting retail areas, in order to analyse how the retail supply has changes in terms of square meters and selling-points for 2006-2014. This is done by collecting and analysing data from Locatus to "measure" (changes in) the current supply of fashion retailers.

In conclusion, this study uses a cross-sectional study design with a case study element. The research strategy is both qualitative and quantitative of nature. The methodological considerations described above are summarized in the proposed research design for this study (see figure 5). These steps should not be seen as linear, because the research process follows an iterative process, by using the results to adapt the interviews or the focus of the quantitative analysis. The steps will be repeated to find the desired results and contemplate and adjust when more information is available. Each step has its own input, output and method. In other words: each step has its own objectives, results, research methods and research techniques. Each step will provide input for the succeeding step to build upon.

Figure 6. Research design (ill. author).



1.4.3 Semi-structured interview

In this study semi-structured interviews are chosen because its capacity to provide insights into how participants view (traditional) selection criteria in a changing market (post-crisis times). The semi-structured interview allows for flexibility in the conversation (Bryman, 2012, pp. 469-472) to comprehend why certain criteria are deemed more important than others and if this has changed or will change in the course of time. The flexibility of this approach also allows the researcher to discover "new" criteria that have not been considered or where less important in the past.

For the interviews two type of organizations have received a request to participate: (1) the retail department of consultancy firms in commercial real estate and brokerage and (2) the expansion or real estate department of retail organizations. Both groups are involved with the rental, letting, acquisition, sale, expansion and (re)development of retail real estate. A distinction is made between the interview guide for the consultants and for the retailers. The main different is that the answers from the consultants are based on their experience with their clients, while the answers from the retailers are based on their own preferences of store locations. The proposed interview guide can be found in appendix E.

Selection criteria consultant, retail organization

1. Participant needs to have at least 10 years of experience in the retail industry.
2. The fashion retailers should have a national coverage, and should also be active in Amsterdam.
3. The fashion retailer should be of a significant size and should manage its organization and stores on a strategic level: at least 20 stores in the Netherlands.
4. Retailer information should be possible to access. Therefore, the retailed organization should be an established firm in the Netherlands, with a relatively rich history in order to be able to analyse the history: at least 15 years active in the Netherlands.
5.

Table 1. Participants interview rounds (Cofra Holding, 2014; Inditex, 2014).

Firm	Active in NL	Store formulas	Stores and countries
1. Inditex	1999	Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe	+6,300 store in 89 counties
2. Cofra Group	1841	C&A	2,000 stores in 24 countries

Selection criteria consultant, real estate consultancy firm

1. Participant needs to have at least 10 years of experience in the retail industry.
2. Participant needs to be familiar with the retail market of Amsterdam.

Selected interview participants

Table 2. Interviewees: consultancy firms.

Real Estate	**CBRE**	**Cushman & Wakefield**	**LMBS Retail**
Name	Bjorn Brink	Pepijn van den Bosch	Maarten van Lit
Function	Director Retail department	Associate Retail Agency	Managing Director
Experience	14 years active in the retail real estate sector.	16 years active in the retail real estate sector.	17 years active in the retail real estate sector.
Date & location	26 September 2014, Amsterdam	3 October 2014, Amsterdam	10 October 2014, Utrecht

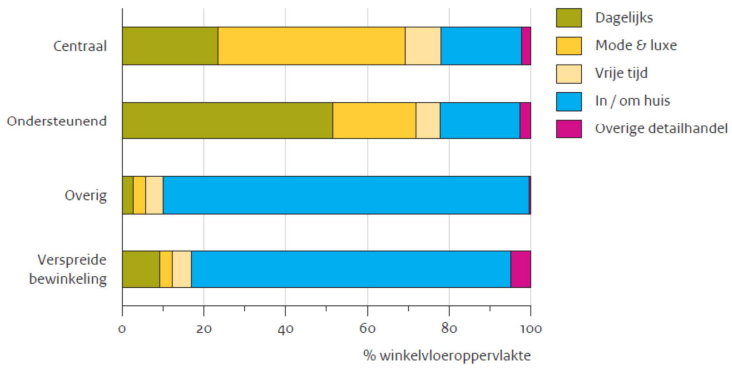
Table 3. Interviewees: retail organizations.

Retailer	**Cofra Group (C&A)**	**Inditex (Zara, Bershka, etc)**
Name	Rob Zeedijk	Roel Schulte
Function	Manager Building & Real Estate Benelux	Real Estate Manager Benelux at Inditex
Experience	19 years active in the retail sector	10 years active in the retail real estate sector.
Date & location	20 October 2014, Amsterdam	30 October 2014, Amsterdam

1.4.2 Selecting the case studies

The case studies that have been selected are located in Amsterdam and its direct surroundings. The reasons to select the case studies in this region are twofold. Firstly, the retail locations where fashion retailers predominantly situate are central retail areas (see figure 6). Of all central areas, Amsterdam is one of the cities where the increase in market share among fashion retailers has been the strongest. In the period of 2003-2012, the total market share of fashion has grown from 37% to 43% on A1-locations in the Netherlands of which the increase was the strongest in Amsterdam (DTZ, 2013, p. 3). Secondly, preliminary interviews (page 11) and recent reports (Platform31, 2014, pp. 54-56) reveal that fashion retailers are strongly concentrating in prime cities, thereby leaving secondary shopping locations behind. By choosing both central and supporting areas in the Amsterdam region, this study aims to reveal to what extent the fashion supply has grown or decreased in central and supporting areas in this region. See appendix C for a more detailed selection process of the case studies.

Figure 7. Distribution retail branches in main shopping locations (Evers, 2011, p. 15).



1.4.3 Data collection

This part of the study describes which information is required to answer the research questions and how the data is collected.

Question 2: "What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers?"

Objective	To get a better understanding about the demand of fashion retailers i.e., which criteria they find important when choosing store locations on a nationwide and local scale
Required data	The required data to answer the questions are 1) the selection criteria that are regarded on three scales of analysis: nationwide-, and local scale, 2) an explanation why these particular selection criteria are considered important
Methods	Semi-structured interviews with 5 retail experts (retailers and managers/brokers)
Instruments	Interview guide and ATLAS.ti
Concept	Selection criteria for store locations
Variables (also codes for the interviews)	(1) performance measures, (2) population structure, (3) economic factors, (4) competition, (5) saturation level, (6) magnet, and (7), store characteristics Notice that these variables are of a categorical/nominal scale, because they will not be measured.
Data analysis	Thematic analysis of interview transcripts
Time	6-7 weeks

Question 3: "Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?"

Objective	To get a better understanding about the changing demand of fashion retailers i.e., which criteria they find important when choosing store locations. Furthermore, we want to explain why certain selection criteria are considered more important than others in a changing market.
Required data	The required data to answer the questions are 1) the selection criteria that are regarded most important in the post crisis era, 2) the selection criteria that are regarded mist important before the crisis, and 3) an explanation why change in selection criteria has occurred.
Methods	Semi-structured interviews with 5 retail experts (retailers and managers/brokers)
Instruments	Interview guide and ATLAS.ti
Concept	Selection criteria for store locations
Variables (also codes for the interviews)	(1) performance measures, (2) population structure, (3) economic factors, (4) competition, (5) saturation level, (6) magnet, and (7), store characteristics Notice that these variables are of a categorical/nominal scale, because they will not be measured.
Additional codes	24-hour economy, accessibility, concentration trend, increasingly critical, market share, marketing potential, nationwide expansion, niche shopping streets, size stores and tourists
Data analysis	Thematic analysis of interview transcripts
Time	6-7 weeks

Question 4: "How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply (period 2006-2014)?"

Objective	To measure how the market share of fashion retailers has changed in the past years in the main retail areas in the Netherlands: 1) central, 2) supporting, 3) large scale and 4) other.

Required data	The data required is of a secondary nature i.e. it is readily available. Extracted from the Database of Locatus.
Methods	Extract and analyse data from Locatus database
Instruments	Primarily the software of Locatus and excel.
Concept	Current supply/ market share
Variables	Number of selling-points and square meters.
Time	6-7 weeks

1.4.4 Evaluating the research: validity and reliability

In the case of the fourth research question which describes the current supply, validity can be guaranteed because the measurement is straightforward. The number of stores and the total square meters are measured. Locatus, makes a distinction between four main retail areas: 1) central, 2) supporting, 3) large scale- & special, and 4) "dispersed". This approach should give a proper measurement of the current supply for fashion retailers. To ensure reliability and thus ensure that the measurement is consistent and accurate, Locatus will be contacted to ask how they measure the current retail supply of fashion retailers. The extent of accuracy will follow from this enquiry.

To ensure reliability and validity in the qualitative part of this research (research questions 2 and 3), this study uses the concepts described by Kumar, (2011, p. 185): "*Trustworthiness in a qualitative study is determined by four indicators – credibility, transferability, dependability and conformability – and it is these four indicators that reflect validity and reliability in qualitative research*". According to Kumar credibility parallels internal validity, transferability parallels external validity, dependability parallels reliability and conformability parallels objectivity.

Credibility refers to the extent that the results are credible and believable from the perspective of the participant in the research. It is believed that the respondents are the best judge to determine whether or not the research findings have been able to reflect their opinions and feelings accurately (R. Kumar, 2011, p. 185). Therefore, to ensure credibility the respondents of the interviews will be contacted for confirmation and validation approval in order to judge to what extent they agree with the findings.

Transferability refers to the degree to which the results could be generalized (Kumar, 2011, p. 185). To deal with transferability in this study provides an extensive and description of the research process for others to follow and replicate.

Dependability refers to whether you would obtain the same results if you could observe the same thing twice. As qualitative research implies flexibility and freedom, it is difficult to establish dependability. However, by keeping an extensive and detailed record of the process for others to replicate a certain level of dependability can be reached (Kumar, 2011, p. 185). In this regard, a good and "complete" documentation of the interview transcripts will be very important in this study.

CHAPTER 2 LOCATION, LOCATION, LOCATION

This chapter consist of a review of classical location theories, a review of Dutch retail impact models, a review of how retail locations are classified, and finally a review of literature on store location selection criteria. The purpose of this section is to get a better understanding of the theories on how retailers approach location decision problems.

The importance of location decisions in retail strategy is well recognized in historic research. To ensure long-term viability, retailers must not only take into consideration competitors' future reactions, but also the changing environment (Ghosh & Craig, 1983, p. 56). Location is perhaps the most important variable determining long-term success of a retail business, among others such as: size, store image and service level (Ghosh & Craig, 1983, p. 56; Jones & Simmons, 1987, pp. 1-23). While marketing elements – such as store image, service level, quality, pricing, and assortment – may be easily changed in response to a changing environment, store location represents a long-term decision that can be changed only at a considerable cost (Ghosh & Craig, 1983, p. 56). Therefore a critical element of a retailer's strategic plan is a location strategy. As Ghosh and McLafferty (1987) point out:

> *It is through the location that goods and services are made available to potential customers. Good locations allow ready access, attract large numbers of customers and increase the potential sales of retail outlets. In the extremely competitive retail environment, even slight differences in location can have a significant impact on the market share and profitability. Most importantly, since store location is a long-term fixed investment, the disadvantages of a poor location are difficult to overcome* (Brown, 1989, p. 450).

2.1 CLASSIC LOCATION THEORIES

In the past, retailers have made store location decisions based on intuition and past experience . However, as retailers began to recognize the critical importance of a store's location, many retailers started using more systematic and analytical forecasting techniques in the location selection process (Ladle et al., 2009, p. 8). Since the 1920s, there has been a growing interest in and application of a variety of models to solve location decision problems. Classic location theories – such as Hotelling's (1929) "principal of minimum differentiation", Reilly's (1931) "law of retail gravitation", Christaller's (1933) central place theory, and Huff's (1964) attraction models – have provided a strong basis for others to build upon.

2.1.1 Hotelling's (1929) "principal of minimum differentiation"

According to Hotelling's Law, there is an 'undue tendency for competitors to imitate each other in quality of goods, in location, and in other essential ways' (Hotelling, 1929, p. 41). The law is named after Harold Hotelling (1895–1973) who described the idea in an Economics Journal article, 'Stability in competition' (1929). Hotelling's Law is also referred to as the principle of minimum differentiation or Hotelling's linear city model. With his famous example of ice vendors at the beach, Hoteling explains why retailers tend to locate near each other. The underlying idea is that any firm would gain, through an increase of its market share, by establishing close to its competitor on the larger side of the market. The firm "squeezed" between two firms at the centre of the market, will experience a vanishing market.

2.1.2 Reilly's (1931) "law of retail gravitation"

According to Reilly's "law of retail gravitation" the purchasing power of citizens of two cities is distributed in direct relation to the size of the population of each city and in indirect relation to the square of the distance towards that city (Evers et al., 2011, pp. 230-231). In essence, it is a method of evaluating human behaviour that measures the likelihood that individuals will gravitate toward a store depending on the individuals' travel distance, the travel distance to alternative stores, and the inherent drawing power of each location (Ladle et al., 2009, pp. 8-9).

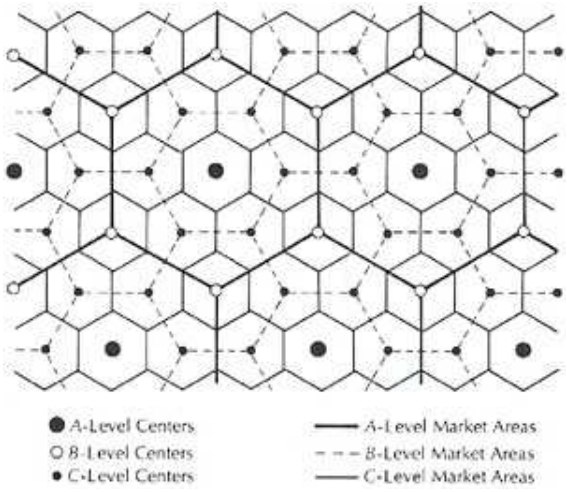
Reilly'sLaw can be expressed mathematically as: $d = D/\ 1+\sqrt{(Pb/Pa)}$. Here *d* is the breakpoint, *D* is the distance between the centres a & b, and *Pb/Pa* is the relative size of the population of the two centres. As expected, for centres of the same size, *d=D/2*, and if *Pa* is larger than *Pb*, the point of indifference is closer to *b*. As the size of *Pa* becomes very large with respect to *b*, *d* tends to *D*, meaning the customer will always prefer the larger centre unless they're very close to the smaller centre. Thus, *d* will give the distance from *Pa*, also called the breakpoint. As an example: after leaving store "a" you remember something that you wanted to buy; it just so happens that you are headed towards an alternative store "b". The break-point can be thought of as the point after which you would travel towards store "b" instead of store a because of its notional "gravity". This would happen sooner, for example, if store b is an equivalent store but with greater square footage, suggesting that you are more likely to go to store b for greater available utility. This notional gravity can be influenced by a number of things, but square footage is simple and effective.

2.1.3 Christaller's (1933) central place theory

According to Jacobs (2007, pp. 23-25) the theory of Chirstaller is based on the need for a consumer to buy a product. The market area of a product is determined by the maximum distance that consumers can or will travel to purchase a product. If a supplier wants to offer a product, than a minimum demand for that product is needed. Enough consumers should want to buy that product. The demand differs per product. Each product has its own market area e.g. when purchasing a car consumers are willing to travel greater distances compared to purchasing milk. In this regard, different types of stores have different levels of demand and different sizes of catchment area.

A combination of low demand and small catchment areas will be more likely to occur than a combination of a high demand and a large catchment area. The latter combination is mainly found in more centrally located places. As a result, the number of branches and the variety of the products is greater in more centrally located places central places, compared to peripheral locations. Christaller concludes that a hierarchy exists in the functional structure of cities. De biggest and most central places dominate over the average size places, which in their turn dominate smaller places (see figure 7). According to Christaller, consumers attempt to minimise the distance when purchasing a product, therefore the consumer will always choose the nearest centre which offers the desired product.

Figure 8. Diagram of Christaller's central place theory (De Souza, 1990, p. 258).



2.1.4 Huff's (1963) attraction models

The most important innovation in locational models, using pioneering theories, comes from Huff (1963), who has converted Reilly's theory to a workable probabilistic model (Evers et al., 2011, p. 231). In this model the probability *Pij* that a consumer located at *i* will choose to shop in store *j*, is expressed by the function of the distance *D* and the attractiveness of A to all competing stores. This model is expressed by the following formula:

$$P_{ij} = \frac{A_j^{\alpha} D_{ij}^{-\beta}}{\sum_{j=1}^{n} A_j^{\alpha} D_{ij}^{-\beta}}$$

Where:

- *Pij* is the probability that a consumer located at *i* will choose to shop in store *j*
- *Aj* is a measure of attractiveness of store j, such as square footage
- *Dij* is the distance (or travel time) from *i* to *j*
- α is an attractiveness parameter estimated from empirical observations
- β is the distance decay parameter estimated from empirical observations
- *n* is the total number of stores including store *j*.

Evers et al. (2011, p. 232) discusses the popularity of the model, as well as the problems. The popularity of the model can be attributed to its conceptual appeal and relative ease of use. Only two variables are considered: attractiveness and distance/travel time. However, there is some criticism. Especially, determining the "distance decay" parameter is considered problematic, because this variable has great impact on the results. Distance decay is determined on the basis of historic consumer behaviour, while the probabilistic models used in practice are mostly used to describe a future situation.

2.1.5 Conclusions

According to the literature the proximity to competitive retailers, distance, population size, catchment area, and store size are the most important factors when considering location for retailers. Whether they are important for fashion retailers will be revealed in this study. The critical location factors according to the classic location theories are summarized in table 4.

Table 4. Classical location criteria (author).

Classic location theories	Critical location factors
Hotelling's (1929) "principal of minimum differentiation"	Proximity to competition
Reilly's (1931) "law of retail gravitation"	Distance to store, and population size
Christaller's (1933) central place theory	Catchment area of the product
and Huff's (1964) attraction models	Distance to store and size stores

2.2 SELECTION CRITERIA FOR STORE LOCATION

Since the publishing of the pioneering studies mentioned above, in which distance, competition and agglomeration are the main components – there have been many applications and modifications of these models. By adding additional components, practitioners and researchers have put much effort to make the models more realistic (Li & Lui, 2012, pp. 591-592). Several criteria are used in location analysis. Kuo, Chi, and Kao (2002, pp. 204-205) distinguish seven categories of criteria for choosing a store location: (1) population characteristics, (2) magnet, (3) store characteristics, (4) competition, (5) availability, (6) convenience, (7) and economic stability. Based on a literature review of fifty-three studies, Turhan et al. (2013, pp. 391-396) also present seven categories of criteria for choosing store location: (1) performance measures, (2) population structure, (3) economic factors, (4) competition, (5) saturation level, (6) magnet, and (7), store characteristics. These seven categories are in line with the previous ones, and add a new category "saturation level". By studying these factors retailers can analyse how desirable an area is.

However, it has been noticed that there is a lack of well-rounded research into the selection criteria necessary for the evaluation of potential store locations (Turhan et al., 2013, p. 392). While all factors within these categories should be considered to provide a useful insight in the choosing of a good location, they cannot be equally important in all location decisions (Turhan et al., 2013, p. 396). Prevalent research does show that prioritizing among different selection factors is necessary. For example, when a retailer considers two provinces to open new stores, it seems logical to consider the population structure (population growth rate, age, education level, occupation, etc.) and economic factors (monthly income, house ownership, etc.), while store characteristics (parking convenience, sidewalk width, passenger traffic, etc.) seem less important in this scale of analysis. Another example is that of the research of Karande and Lombard (2005), who study spatial proximity among retail competitors. They study the retail structure store level to provide a better understanding about store location and competitive interaction (Karande & Lombard, 2005, pp. 688-689). In their study on a store-level, competition factors are very important. These two examples indicate that different scales may ask for different selection factors when choosing a store location.

According to Turhan et al. (2013, pp. 391-396), criteria for choosing a store location are classified in to seven categories: (1) performance measures, (2) population structure, (3) economic factors, (4) competition, (5) saturation level, (6) magnet, and (7) store characteristics. The proposed selection criteria by Turhan et al. are selected for this study because it represents the most complete collection of selection criteria that is found in the literature. These criteria will be discussed in the next paragraphs. See table 5 on page 46 for a comprehensive summary of the selection criteria.

2.2.1 Performance measures

When considering a new store or entering an existing one, future and past performance is extremely important. Therefore, the most common used measures to consider are store profits, market share, store patronage, and price elasticity.

2.2.2 Population structure

To make a good choice of store locations, population characteristics should be included in the selection process. Knowledge about the demographic structure of the market in any potential location is especially important for the retail manager. By understanding the demographic structure, retailers can match their target market more effectively. Furthermore, people's consumption patterns are not easily changed due to their financial circumstances or longstanding habits. Therefore knowledge about the "purchase habits" of people who live or work in a certain area, are important for retailers to describe customers (how they shop, frequency, how far they will travel, preferred places, preferred hours).

Several factors can be used to define characteristics of the population in the potential store location: the number of households, population size, population density, population growth rate, customer size and density, age, gender, education, occupation, marital status, household size, travel time (or distance), politic attitudes, social classes and cultures, and purchasing habit

2.2.3 Economic factors

The economy of a population represents a part of the population structure. However, in this categorisation it is presented as a separate category.

The decision to locate a store in a given market depends on several economic factors, including household income, income distribution, mobility (autos-per-household), residents' willingness to spend their money at the store, the source of income, rentals and so forth. Furthermore, the type and price of houses in the area, the proportion of home ownership vs renting, the per capita sales all reveal the economic structure of a given area. The number of persons employed in a household, the total average income for each household, and the regularity and frequency of their income are indicative of the ability of residents to purchase products. By considering these economic factors retailers can take into account the spending power, retail sales potential, profitability, patronage behaviour and price sensitivity of a given area.

2.2.4 Competition

In search of a good retail location retailers need consider their competitive environment. In direct competition, a new store will be forced to enter into rivalry with available stores offering the same products in order to capture more shares from the market. As for indirect competition, retailers who offer unrelated products are also viewed as prospective competitors of new entrants into market because they are competing for the same consumer euros. Thus they share the same market share, directly or indirectly. In this regard, the actual effects of competitors are very difficult to measure. However, there are some important factors to consider: the spatial distance between retail stores, the size and number of competitor stores, shopping alternatives, settlement with comparison to competitors, relative competitive strength, competitors' sales volume, stiffness in competition, and the quantity, quality and extent of aggressiveness. Furthermore, the presence of particular retailers such as Apple, Primark, or

H&M, may also attract more trade from greater distances. Thus, positively affecting the pedestrian flows for others retailers who locate near their flag ship stores.

2.2.5 Saturation level

The saturation of an area or market refers to the extent to how the demand of that area is serviced by the current retailers. Traditionally managers have used the index of retail saturation (IRS) to measure the attractiveness of a particular market. The index is a useful tool to measure whether a higher profit can be achieved in that market. The IRS is the ratio of demand for a product or service divided by available supply. The IRS can be measured as followed: IRS = ((P) (A.E.))/S.

P is the number of people in the area who are customers for the particular line(s) of merchandise; A.E. is the average retail expenditure in the area for a particular trade; and S is the total amount of space for selling a particular line of trade in all stores in that area (in square feet). Thus, the IRS represents the total retail sales per square foot of its space in that particular market for a particular line of retail trade.

Understanding the saturation of the market is crucial for retailers. In a market where there are too few stores selling a specific good or service, the needs of the population stay unsatisfied. For retailers to locate in such an area would be profitable. However, when a market has too many stores for a particular line of products some retailers may not meet their selling goals in order to be a profitable and viable business.

A similar concept of saturation is also used in the Dutch dpo method, where (future) demand and supply are measured in order to investigate if a certain retail development is desirable (Evers et al., 2011, pp. 221-228).

2.2.6 Store characteristics

To gain competitive advantage or to enhance the performance of stores, retailers should carefully consider their array of store characteristics. Turhan et al. (2013, p. 395), classifies store characteristics in three basic categories: (1) ease in accessibility, (2) store-image attributes, (3) and costs.

Each attribute of the store can favourably or unfavourably affect the sales potential of the store. In literature, “ease of access”, which refers to the ability of consumers to find a store easy and quickly, is one of the most discussed factors including: parking convenience, sidewalk width, traffic density, store visibility, etc. Store-image attributes refers to atmospherics, assortments, and quantity and quality of products, etc. For example, by increasing product assortments retailers can benefit from economies of scale. Food-retailers such as Albert Heijn and Jumbo deploy this strategy. Improving store atmospherics, for example, through better layout such as more or less counters does not only have an impact on revenues but also on expenses. Finally the cost of the building, rent, renovating of the store, and so forth are important factors to consider when choosing a store.

2.2.7 Magnet

“Magnets” is used to describe crowd points (hospital, market, churches, etc.), culture and education organization (library, universities, etc.), government and business organizations (offices, etc.), and vehicle maintenance (parking area, garage, etc.). When evaluating a potential location for a store, the presence of “magnets” is (at least for some retailers) an important variable. For example, book stores, music stores, and office supply stores benefit from locating near universities and offices in a retail area. The great advantage of the presence of

magnets is that they attract more trade from greater distances, and the pedestrian flows will be larger when retailers locate near one or more magnet retailers. Thus, the potential in terms of visiting customers per day will be influenced for retailers who locate near a magnet.

Table 5. Selection criteria for store location (Turhan et al., 2013, pp. 399-402).

1. PERFORMANCE MEASURES	
- Store sales or demand	- Market share
- Store profit	- Price elasticity of store
- Store patronage or brand loyalty	
2. POPULATION STRUCTURE	
- Gender	- Population density
- Age (i.e. % Elderly)	- Population growth rate
- Education level	- Customer size
- Marital status	- Customers density
- Occupation	- Travel time (or distance)
- Household size	- Social classes & subcultures (ethnicity, nationalities represented, racial composition)
- The number of households in the trade area	
- Population size (The number of persons residing in a trade area)	- Purchasing habits
3. ECONOMIC FACTORS	
- Household monthly income	- House value
- The amount of money that will be available for buy my goods and services	- The percentage of homeowners as against renters
- Total disposable income	- Rentals
- The willingness to spend their money	- Elasticity of rental contract period
- The purchasing power of the residents of a community	- Autos owned
	- The numbers of persons employed in a family
- The regularity and frequency of their income	- The type of house
	- The percentage of household heads with college degree
- The source of income	
- House ownership	
4. COMPETITION	
- The spatial proximity to competitors	- Relative competitive strength
- The size and/or numbers of competitor stores in trade area	- Competitors' sales volume
	- Stiffness in competition
- Competitors' shopping alternatives	- The quantity, quality and extent of aggressiveness in competition
- Settlement with comparison to competitors	
5. SATURATION LEVEL	
- Consumption level	- The average per capita expenditure for these goods
- The number of people in the area who are likely customers for the particular line(s) of merchandise	- The total space devoted to selling those goods in all stores in the section
6. STORE CHARACTERISTICS	
Ease in Accessibility	**Store-image attributes**
- Parking convenience	- Atmospherics
- Pedestrian crossing	- Number of checkout counters
- Sidewalk width	- Square area (front area, square area, selling area etc.)
- Road width	
- Existence of alternative roads	- Formation
- Topographic barriers (rivers, highways,lakes, street, hill, etc.)	- Assortments of product
	- Pricing of product
- Distance to main road	- Quantity and/or quality of product
- Vehicle traffic density	
- Passenger traffic	**Costs**
- Personal recruitment or operation hours	- Cost (of building, renting, buying, renovating, transport etc.)
- Store visibility	
- Corner location or located near road intersection	
7. MAGNET	
- Crowd point (hospital, market, hotel, food courts, temple etc.)	- Government and business organization (office building, government office, etc.)
- Culture and education (school, studying centre, library etc.)	- Vehicle maintenance (gas station, parking area, garage etc.)

-	Relaxation (recreation centre, department store, KTV and club, cinema, or theatre, organization, beauty parlours, museum, park, financial organization, beauty parlours, museum, athletic, zoo etc.)

2.2.8 Selection criteria of fashion retailers

Comprehensive research on selection criteria of store location of fashion retailers is scarce. The research of Van Vilstere (2010) indicates that there are four important criteria considered among fashion retailers: location, patronage, rent, and physical building properties. These factors can also be found in the comprehensive list of criteria of Turhan et al. (2013, p. 395).

2.3 AGGLOMERATION EFFECT OF RETAILERS

The underlying thought of Hotelling (1929) is similar stores operating within the same market sector will achieve superior performance if they are clustered together. Nelson (1958), built upon this notion and formulated the "theory of cumulative attraction", arguing that retailers of different categories also benefit from being located near to each other (Li & Lui, 2012, p. 593). Both theories are supported by the many examples of specialized areas such as "fashion high streets" and restaurant rows, on the one hand, and concentration of restaurants, fashion stores, and cinemas, on the other hand.

The effects of agglomeration are further discussed by Kumar and Karande (2000, pp. 170-171), who state that agglomeration is advantageous because it facilitates multipurpose shopping by consumers. Multipurpose shopping allows consumers to save time and thus effectively reducing their shopping cost by benefiting from economies of scale.

According to Becker (1965, pp. 516-517) shopping is part of the overall household production process and households determine how much, what and where they buy by evaluating the cost of shopping against the benefits. In addition to the cost of products, the total cost of shopping includes inventory, transportation, and search costs. For example, the cost of shopping for similar groceries at the Albert Heijn for households who live near the store are lower than for households living further away. Also, the costs of shopping for households whose incomes are high are more than that of households with relatively low incomes due to higher "opportunity cost of time". Opportunity cost of time can be considered to be the value of time expenditure (Karande & Lombard, 2005, p. 690).

The tendency of a 24-hour economy, in which retailers provide a 24-hour service, reduces the opportunity cost of time of consumers. Consumers might find it more convenient to shop at night or after working hours, because their opportunity cost of time is lower at that time. Retailers, who provide this service, partially reduce the opportunity cost of time for consumers. In theory, consumers subsequently have more to spend on products, thereby increasing store sales (Kumar & Karande, 2000, p. 172). Last year the municipality of Amsterdam conducted a test, in which certain shopping streets got the permission to open 24-hours: Arenaboulevard, Amsterdamse Poort, Van Baerlestraat and PC Hooftstraat. However, none of the retailers have made use of this permission and restrained to regular closing hours (AT5, 2014).

2.4 CLASSIFICATION OF DUTCH RETAIL AREAS

There are three main ways to classify retail areas in the Netherlands: the classification according to the Dutch retail research organization Locatus, A-, B-, and C-locations on the basis of the amount of passers byers, and on the basis of consumer shopping motives.

2.4.1 Central, supporting, large scale & special, and dispersed

Locatus makes a distinction between central retail areas, supporting retail areas, large scale- & special and "dispersed" retail areas (Evers et al., 2011, p. 74). Central retail areas include traditional large city centres and main shopping streets in smaller cities and villages. Supporting retail areas include city district centres, neighbourhood centres, and local centres. The category large scale & special retail areas includes large scale retail concentrations like Alexandrium in Rotterdam and special retail areas like Schiphol, and Factory Oulet Centres like Bataviastad and Rosada. The type "dispersed" include all other retail areas outside the categories described above. See table 6 for the square meters of retail in these retail areas. Also see appendix D for a detail description of the subcategories.

Table 6. Main classification retail locations (Evers, 2011, p. 14; Evers et al., 2011, p. 74).

Retail location types	Total m^2 (2011)	Total m^2 (2010)
Central retail areas	10,513,766	10,460,279
Supporting retail areas	4,112,675	4,125,395
Large scale - & special retail areas	4,050,501*	3,980,966
Dispersed retail areas	9,048,962	8,938,356

* *Large scale (3.945.812 m^2), special (104.689 m^2)*

This study mainly focusses central and supporting retail areas, because these are the retail locations which predominantly accommodate fashion retailers.

2.4.2 A-, B-, and C-locations

Retail locations can be classified according to the patronage/passers byers. Bolt (1995, pp. 289-292) classifies A-, B-, and C-locations:

A1-location: Located in central retail areas with 75-100% of the maximum patronage capacity. Situated in the proximity of multiple "magnets" (e.g. V&D, H&M, Bijenkorf), along a double-sided shopping street. The street image is created by multiple double sided contiguous stores, where retail chains (most of which have a national coverage) are predominantly present: minimum of 50% are retail chains.

A2-location: Located in central retail areas with 45-80% of the maximum patronage capacity. These shopping streets have a direct connection with A1-locations. At least one "magnet" should be present or nearby. The street image is created by multiple double sided contiguous stores, where retail chains (most of which have a national coverage) are present: minimum of 25% are retail chains.

B1-locations: 15-45% of the maximum patronage capacity. The street image is created by many less familiar retailers, predominantly specialized independent retailers. In Dutch they are called "midden- en kleinbedrijven"

(MKBs), which corresponds to the English "small- and medium enterprises" (SMEs). These streets are often "side streets" or streets that end in A1-locations. Minimum of 15% are retail chains.

B2-locations: 15-35% of the maximum patronage capacity. These locations are the same as B1-locations; however the shopping street is separated by traffic. These shopping streets are also often "side streets", where the street image is not created by contiguous stores.

C1-locations: 5-15% of the maximum patronage capacity. These are locations outside or adjacent to central retail areas, with traffic and a parking possibility. These locations lend themselves for shopping with a specific purpose (goal).

C2-locations: These locations are no longer considered to be in the main shopping areas. The street image is created by few retailers (that can only afford low rent prices), heavy traffic or an alley-characteristic.

This study mainly focusses on A1-, A2-, B1-, and B2-locations, because these are the retail locations which predominantly accommodate fashion retailers.

2.4.3 Run, Fun and Goal

Retail areas can also be classified according to the shopping motives of consumers. Evers et al. (2011, pp. 54-55) identifies three motives: grocery shopping (run), recreational shopping (fun), and shopping with a specific purpose (goal). For grocery shopping the following factors are considered important: availability (assortment), convenience (distance, travel time, comfort), and accessibility. For recreational shopping, shopping as an activity can be considered more important than the actual purchasing of products. According to Cachinho (2012, p. 32) (among others), we live in an "experience economy" where shopping has become a pleasurable "leisure experience" in itself. Finally, we have the motive of shopping with a specific purpose, where the consumer shops at a specific store for a specific article and multipurpose shopping is no longer a primary goal. The guarantee of availability, efficiency and price are more important that other factors e.g. the remaining assortment. Examples can be a vacuum cleaner which has proven satisfactory in the past, or buying a washing machine after extensive online research.

Fun shopping is predominantly found in central retail areas, whereas run shopping is relatively dominant in supporting retail areas. As for goal shopping, it is dominant in large scale- and special retail areas where consumers can purchase products for in and around the house, and do-it-yourself (DIY) products.

2.5 Planning sciences in the Netherlands

In the Dutch retail market, models that aim to match demand and supply, define size and spreading of new developments, and define the effects of new developments, are called DPO, "distributieplanologisch onderzoek" in Dutch (Evers et al., 2011, pp. 217-218). These methods are based on historic research like Reilly's (1931) "law of retail gravitation" and Christaller's (1933) central place theory. In Dutch planning sciences the most important DPO method is also called "distributieplanologisch onderzoek", which is the same as the collective name for similar methods (Evers et al., 2011, pp. 217-218). To prevent confusion this method will be abbreviated with small characters (dpo). A dpo, which used to be compulsory by law in the 70's and 80's, aims

to analyse (future) demand and supply of retail space and translate this to a programme of new retail developments. While this method is used when important decisions are made when planning new retail developments, retail specialists and experienced planners regard a dpo out of date. This is because the method is partially based on assumptions which have led to conflicting results among proponents and opponents of new developments. This is because the method is partially based on assumptions which have led to conflicting results among proponents and opponents of new retail development. The “Netherlands Leisure Centre” is an example of a large retail development which gained a bad reputation because of conflicting research on the future effects of the shopping/leisure centre (Evers et al., 2011, pp. 234-237)

2.6 CONCLUSIONS LITERATURE STUDY

A review of pioneering research regarding location decision problems has revealed interesting insights that can be related to the current fashion sector. According to literature, consumers are prone to be attracted to (preferably close) large retail agglomerations to benefit from multipurpose shopping and reduced total shopping costs (this includes travel and search costs). However, recent studies also show that consumers are willing to travel longer distances to shop. Traveling longer distances in this regard complies with the shopping motive “Fun”, because consumers can relatively easily visit the larger, more historic cities of the Netherlands for a relaxing day of recreational shopping. Therefore it seems that, at least for fashion retailers, distance to the consumer is a less important factor to consider that it used be.

Retailers, in turn, are prone to agglomerate near each other in order to service their consumers with multipurpose shopping and reduce their total shopping cost. Fashion retailers fit well in this description, because they are mostly located near each other, and thus provide the same benefits to their customers. Furthermore, the store location selection criteria proposed in the literature hold many important variables for retailers and real estate managers to consider when considering a new or redeveloping an existing store. However, there are so many factors to consider that retailers are forced to choose between the most important ones for them. Selecting the appropriate selection criteria is deemed to be different in an era of economic growth in, as opposed to the post-crisis era we live in today. Given the current economy in which recovery is slow and difficult to predict and were the retail market is faced with rising vacancy numbers and bankruptcies, retailers will have to reassess the viability of their stores.

A review of store location literature reveals an important set of selection criteria among fashion retailers. These criteria are combined with the selection criteria of Turhan et al. (2013, p. 395) and will be used in the interview rounds in order to reveal the most important selection criteria of fashion retailers (see table 7).

Table 7. Literature review – selection criteria (author).

	Selection criteria store location						
Classical location theories	- Distance to store, and population size	- Catchment area of the product	- Attractiveness store	- Size stores	- Proximity to competition		
Turhan	- Population structure	- Economic factors	- Performance measures	- Store characteristics	- Competition	- Magnet	- Saturation level

PART II: RESULTS EMPIRICAL RESEARCH

In part II of this study the following research questions are answered by conducting interviews with retail experts and retailers on the one hand, and by conducting a quantitative analysis of the Dutch fashion supply using data from Locatus on the other hand:

1) What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers? (Interviews).
2) Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis? (Interviews).
3) How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply, in the period 2006-2014? (Quantitative analysis).

Chapter 3 discusses the most important selection criteria in the post-crisis era on the one hand, and the most important changes in the selection criteria among fashion retailers on the other hand. Chapter 4 discusses the development of the current fashion supply in the period 2006-2014 in order to establish to what extent change in the selection criteria among fashion retailers is reflected in the built environment.

Table 8. Structure empirical study – Chapters 3 and 4.

Chapter	Research question	Propositions(P) / Variables (V)	Scale
Chapter 3.1: Selection criteria	Question 1: What are currently the most important selection criteria among fashion retailers?		National & Local
Chapter 3.2&3.3: Change in selection criteria	Question 2: Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?	(P1) "Fashion retailers are targeting prime shopping locations, while closing stores in smaller towns and secondary shopping areas in the post-crisis era". (P2) "The selection criteria of fashion retailers in the post-crisis era, are not the same as they were 10 years ago".	National & Local
Chapter 4: The retail supply	Question 3: How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply?	(V 1) Increase average store size fashion(square meters) (V 2) Increase of the fashion supply (selling-points) (V 3) Increase of the fashion supply (square meters)	National vs Local

CHAPTER 3, SELECTION CRITERIA FOR NEW STORE LOCATIONS AMONG FASHION RETAILERS – IN THE POST-CRISIS ERA.

This chapter focusses on the demand of fashion retailers. The following research questions are answered: (1) "What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers?", and (2) "How are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?". The transcript-codes used to identify the most important selection criteria are: performance, population structure, economic factors, competition, saturation, magnet, and store characteristics. However, the answers from the participants also revealed other topics regarding the preference of new locations and buildings among fashion retailers. These topics have been coded with: 24-hour economy, accessibility, concentration trend, increasingly critical, market share, marketing potential, nationwide expansion, niche shopping streets, size stores and tourists.

The interviews reveal that there are two important changes in the period 2006-2014 regarding selection criteria of new store locations among fashion retailers. First of all, fashion retailers are pulling away from a nationwide expansion strategy and focussing on the largest Dutch agglomerations in the post-crisis era. Cities that are mainly desired are Amsterdam, Rotterdam, The Hague, Utrecht, but also tourist cities such as Maastricht. According to the participants, fashion retailers are currently not willing to expand to secondary cities, as opposed to times before the crisis. The second important change is that fashion retailers have become more critical when considering shopping areas and stores to expand to. In other words, the criteria that are used to assess expansion possibilities have become more comprehensive and in turn retailers have become more critical when assessing their possibilities. This chapter focusses on these two fundamental changes that have a national and a local tendency.

3.1 SELECTION CRITERIA OF FASHION RETAILERS

Both consultancy firms and retailers where asked which selection criteria they found most important when considering a new store. The selection criteria from the literature (performance, population structure, economic factors, competition, saturation, magnet, and store characteristics) were used to organize their answers. The answers from the participants reveal that performance, store characteristics, competition, population structure, and economic factors are currently the most important selection criteria. Saturation and magnet are considered less important.

3.1.1 Nationwide assessment versus local assessment

The results from the interviews reveal that fashion retailers make an expansion assessment on two different scales: a nationwide scale and a local scale. In each scale different selection criteria are considered important. In a nationwide assessment the following selection criteria are used: (1) performance, (2) population structure and (3) economic factors. In a local assessment the three criteria that are regarded the most important are: (1) location, (2) store characteristics, and (3) competition (see figure 8).

Figure 9. Most important selection criteria for fashion retailers (ill. author).

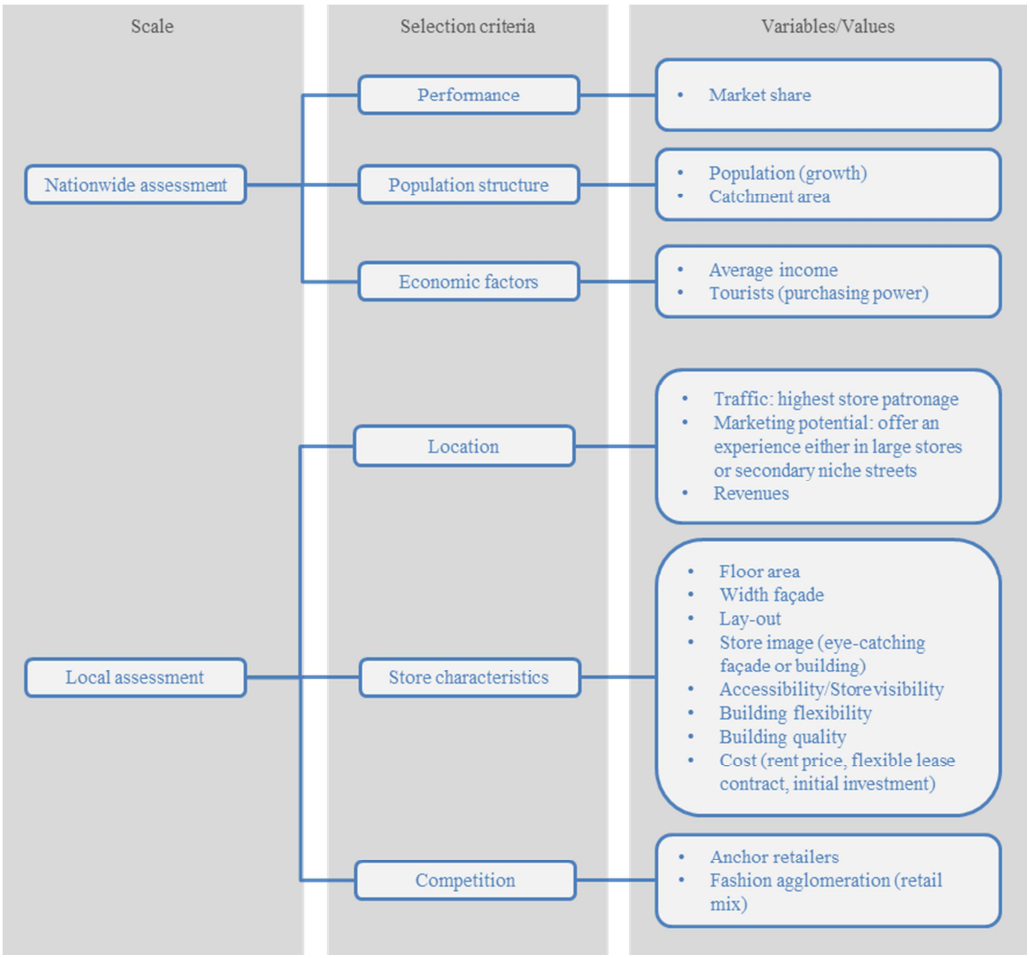


Table 9. Most important selection criteria in the post-crisis era (author).

Important variables – Nationwide assessment										
	Schulte		Zeedijk		Brink		Van den Bosch		Van Lit	
Performance	-	Market share	-	Market share	-	Market share	-	Not mentioned	-	Not mentioned
Population structure	-	100,000 citizens	-	30,000 citizens	-	Prime cities, particularly Amsterdam	-	Top10-25 cities	-	Top 25 cities
Economic factors	-	Income	-	Income	-	Tourists	-	Tourists	-	Not mentioned
	-	Tourists								
Important variables – Local assessment										
	Schulte		Zeedijk		Brink		Van den Bosch		Van Lit	
Location	-	Location(high patronage)	-	Location(high patronage)	-	Location(high patronage)	-	Location(high patronage)	-	Location(high patronage)
	-	Marketing potential			-	Marketing potential	-	Marketing potential		
Store characteristics	-	>2.500-3000m^2	-	>1000m^2, 20m wide, 4m high.	-	Size store	-	Size	-	Size
	-	Lay-out	-	Lay-out	-	Lay-out	-	Lay-out	-	Lay-out
	-	Image(facade)	-	Cost(rent)	-	Cost(rent)	-	Image(facade)	-	Image(facade)
	-	Cost(rent)	-	Accessibility			-	Accessibility	-	Accessibility
	-	Modern buildings					-	Visibility		
Competition	-	Not important	-	Important	-	Important	-	Not important	-	Important

	Factors that are considered less important				
	Schulte	Zeedijk	Brink	Van den Bosch	Van Lit
Magnet	- Less important	- Less important	- Less important	- Less important	- Less important
Saturation level	- Less important	- Less important	- Less important	- Less important	- Less important

3.2 CHANGE IN THE NATIONWIDE ASSESSMENT

In order to research the change in the nationwide assessment of fashion retailers the following proposition was used during the interviews:

(P1): "Fashion retailers are targeting prime shopping locations, while closing stores in smaller towns and secondary shopping areas in the post-crisis era".

3.2.1 Concentration trend towards prime cities

The interviews with both the retailers and the consultants reveal that the fashion sector has witnessed a nationwide expansion before the crisis. In this period fashion retailers would not only expand into prime cities, but also smaller secondary cities with relatively low population densities (around 30,000 habitants). Rob Zeedijk mentions that before the crisis there were 30 regions in which expansion was possible for his organization. This included secondary cities such as Rijssen, Oud-Beijerland and Schagen. He also mentions that when a store was added to the supply, this directly meant an increase in revenues in this period. Thus opening a store in a secondary location was indeed profitable. Fashion retailers may have been caught up with an "expansion fever", in which fast decisions needed to be made in order to expand nationwide and rapidly. Once a suitable building was available, all competitors would show interest in the building: "Before you could act the building was already gone". Furthermore, municipalities did not have sufficient control over this expansion. For example, three small municipalities next to each other asked fashion retailers to open a store in their retail centre in order to make their own city- or town centres more attractive. Consulting one another and the risk of an oversupply of retail was not on their agenda

Today a nationwide expansion strategy is not on the agenda of fashion retailers anymore. In fact, as they see their revenues decline in smaller towns and cities, fashion retailers are carefully reassessing their stores and renegotiating their leases. According to Rob Zeedijk, smaller cities are often the first locations in which the revenues decline. In these cities insufficient footfall and lower revenues are not in balance with the rental costs anymore. Even after renegotiations about the rent, some stores have had to close since the crisis and it is likely that more stores will follow. The current markets in secondary cities seem to be discarded from expansion possibilities and the focus in solely on prime cities, such as Amsterdam or Rotterdam.

According to the consultancy firms, who often act on behalf of large fashion chains (e.g. Hugo Boss, H&M and Bestseller), fashion retailers are solely interested in expanding in the largest Dutch cities. Secondary, i.e. smaller cities and towns are losing the attention of fashion retailers. As such they are moving towards compact inner cities. According to the interviewees, supporting centres, such as Amsterdamse Poort or Boven 't Y, are also becoming less attractive for fashion retailers, even more, some fashion retailers don't even consider locations

outside of Amsterdam. According to Pepijn van den Bosch cities of interest among fashion retailers are the largest 10 or maybe 20 cities. Maarten van Lit mentions fashion retailers will only expand in the top 25 cities. According to the participants every fashion retailer has his own strategy but the current tendency is to systematically shrink the current supply, especially in the secondary locations i.e. smaller cities and supporting shopping centres. All interview participants support the fact that the minimum population demand has become much higher in the post crisis era, particularly for international newcomers.

3.2.2 Assessing the market share

The interviews reveal that, in the period before the economic recession, when a store was added to the fashion supply, this directly resulted in an increase in revenues for a retail organisation. Therefore, a nationwide expansion was on the agenda of many fashion retailers. However, nowadays it's important to keep in mind that the total cash spend in fashion has been reduced by the decreased purchasing power of consumers. Besides, online shopping is becoming more and more accepted by consumers, which also results in a reduction of the total cash spent in physical stores. These developments have led to a more careful assessment of the possible market share and revenues in a city by fashion retailers. Björn Brink mentions that his clients are carefully assessing "revenue ceilings", something fashion retailers have assessed to a lesser extent before the crisis.

3.2.3 Purchasing power of tourists

According to the consultants, cities that can attract many tourists are becoming an important economic factor for fashion retailers. Tourists with high purchase-power are important consumers for fashion retailers, especially since the purchase-power of the Dutch citizens has declined due to the economic recession. Tourist cities like Amsterdam and Maastricht are currently attracting many international fashion retailers. To them, tourists are an important selection criterion.

3.3 CHANGE IN THE LOCAL ASSESSMENT

In order to research the change in the local assessment of fashion retailers the following proposition was used during the interviews:

(P2): "The selection criteria of fashion retailers in the post-crisis era, are not the same as they were 10 years ago".

3.3.1 No concessions made in store location

Location has always been the most dominant factor among fashion retailers. Fashion retailers primarily expand into shopping streets with high store patronage which results in favourable revenues. However, according to the consultants, fashion retailers are highly critical about which shopping streets are viable in the post-crisis era. Before the crisis fashion retailers would also consider shopping streets with a medium-high patronage, i.e. A2, B1, and B2 locations, thinking: "consumers will visit our stores anyway". When a store on the busiest street near strong fashion anchor retailers was not available, fashion retailers would easily consider the second best option. Today, fashion retailers are competing greatly for the best performing shopping streets, preferably A1. Although strong retailers such as Zara can afford to choose the second best option – "Consumers know our brand and are willing to come to our store" – fashion retailers who do not have that power cannot make this concession.

3.3.2 No concessions made in store characteristics

According to the interviewees, fashion retailers are assessing the available buildings far more critical than 10 years ago. In times before the crisis, fashion retailers would only assess a possible store on the basis of a few criteria. An example given by one of the interviewees is that a certain fashion chain solely desired to open new stores near H&M, of course within a certain rent range. A visit to the actual store was not even necessary sometimes. The reason for this is that the competition was very high and the available stores were scarce. Retailers needed to act fast in order to open a store in the desired shopping area. Store characteristics such as floor area, a striking façade or building quality were taken in consideration 10 years ago, but when the buildings did not meet the right requirements it was not considered a deal breaker.

Today, the second important set of criteria next to location are the store characteristics. Especially the lay-out and the size of the building need to be suitable for the retail formula. If the building does not meet the right requirements, i.e. the right width, length, and size for their formula to work, the object will not be leased. All participants acknowledge that large stores have become increasingly important for fashion retailers. With the introduction of international formulas such as H&M, Zara, and Primark, who often occupy stores over 1,000 m^2, fashion retailers have recognized the benefits of larger units. Fashion retailers, e.g. WE Fashion, who used to occupy relatively smaller units 10 years ago, have changed their concepts and now require large buildings.

According to Rob Zeedijk store characteristics have always been important for them. A new building needs to be at least 1,000 m^2 and have a qualitative façade of 20 meters wide. However in the period before the crisis, fashion retailers including C&A would also experiment with small-scale units in smaller cities and towns. Their preferred size of 800-1,000 m^2 was neglected, and even 300 m^2 stores were rented. In the period before the crisis, fashion retailers would follow a trend of renting these smaller stores that did not fit their traditional formula. These smaller stores could not fully house the assortment they have in their traditional larger store in historic inner cities. These smaller stores are the ones that are coping with a low patronage and lower revenues and thus will be the ones that will be discarded first.

Another important aspect is the lay-out of a store. Today, fashion retailers require a building that is flexible enough to fit their concept. This often means a wide entrance (façade), high ceilings and preferably a square floor plan. Roel Schulte says: “Instead of preference for eye-catching monumental buildings in the past, flexible modern (to be redeveloped) high street buildings have become more and more important. Where the shop layout used to be adapted to the building, the building is more and more adapted to the desired shop layout”. Today fashion retailers are still interested in buildings with allure. In their words: “the most eye catching buildings in the streets, with attractive facades”. However, in addition the building needs to be large enough and preferable with a square lay-out in order for their concept to fit. According to the interview participants modern or renovated buildings offer the desired building requirements.

Lastly, fashion retailers have signed relatively high leases, as a result of a highly competitive market and the scarcity of available buildings before the crisis. Today, high rents are only accepted at A1-locations in the prime cities. If the rents in secondary shopping streets are not in balance with the revenues, fashion retailers are forced to close their stores. In these secondary locations, in which store patronage and the store revenue have decreased, fashion retailers have the negotiation power to lower rent prices and ask for flexible lease contracts.

3.3.3 Providing an experience in large stores

According to the interview participants fashion retailers need large stores in order to provide their consumers with a pleasant experience. As such, large scale buildings have become an increasingly important selection criterion for fashion retailers. As mentioned before, fashion retailers would make concessions in size and lay-out more easily before the crisis. They would also experiment with smaller concepts in smaller towns and villages, which did not fit their traditional formula. Nowadays, the buildings needs to fit perfectly with their concept in order to be considered for expansion. In the period 2006-2014, large scale units have proven to be a success factor, making it possible for fashion retailers to provide their consumers with a pleasant experience and to benefit from economies of scale.

3.3.4 Marketing potential stores

According to consultants the marketing potential of stores is becoming an important factor for fashion retailers. Björn Brink says: "International retailers are very much interested in streets with a 24-hour economy in Amsterdam". However, the existence of a 24-hour economy in the Netherlands is questioned by other participants.

The most crowded streets in the Netherlands with long opening hours offer the possibility for a store to act as a marketing-tool for a brand. Fashion retailers benefit from recognition, as consumers remember their brand and now also have the possibility to purchase products online at their convenience. When fashion retailers do not advertise conventionally (e.g. in TV commercials, magazines, radio or bus stops), physical stores become more and more important as a marketing tool (as an expression of the retailers' brand image), according to Roel Schulte. Pepijn van den Bosch underpins this notion. "Marketing is becoming more and more difficult in the current market. Commercials can be blocked from the digital TV and web browsers, while marketing along roads is becoming more and more difficult". The possibility of using a building as a marketing-tool, a flagship in which the consumers can experience the brand, is an important tool for fashion retailers to attract consumers. Large and preferably eye-catching buildings are key to provide consumers with this experience.

With regards to the marketing potential of the store, fashion retailers are increasingly interested in the 24-hour economy of Amsterdam. However, it seems that Amsterdam is the only city in the Netherlands of which one could speak of a 24-hour economy. In other prime cities, consumers prefer a retail economy in which stores are opened seven days a week, but not at night. These cities have witnessed a decline of consumer visits outside regular opening hours on Thursdays nights and Fridays nights *(koopavond)*, and an increase of consumer visits on Sundays (City Traffic, 2014). In fact, the municipality of Rotterdam has changed their policy of their inner city opening hours for retailers. On the 1th of January 2015, retailers will have the possibility to open their stores on Sundays from 8:00-22:00u, as opposed to 12.00-18.00u (RTV Rijnmond, 2014).

3.3.5 Niche shopping streets

The interviewees mention that independent fashion retailers are rising up against large fashion chains. Hutspot in Amsterdam is an example of a multi-brand store who works with new and creative independent fashion retailers. Rent-prices keep dropping in A2 and B- and C-locations, often side streets or streets that connect with an A1-location. This creates an opportunity for independent entrepreneurs, who are eager to start their own concepts. New possibilities could present themselves in attractive A2- and B1-locations, while this possibility was not

present before the crisis. The Negen Straatjes is a good example of a B-location that has become increasingly popular among fashion retailers. In the Negen Straatjes the selling-points of fashion retailers have more than doubled in 10 years' time. As a result of the popularity the rent-price-range has also risen from €150-600 in 2007 to €600-1,100 (DTZ, 2007, p. 6; 2014, p. 12). These attractive "niche" shopping streets have their own marketing potential.

3.3.6 New anchor retailers

According to the participants, competition is an important selection criterion among fashion retailers. Fashion retailers are attracted to the brands that are able to attract large groups of consumers, in other words anchor retailers. Strong retailers such as Zara and Primark on the other hand, rely mostly on their own power to attract consumers, and thus pay less attention to their competitors. These strong retailers play an important role in retail areas, as they are able to change passer-byer flows (*passanten stromen*).

According to the consultants international fashion retailers have taken over the anchor role in the fashion sector. Fashion retailers such as Zara, H&M and Primark have replaced former anchor retailers such as De Bijenkorf, V&D, C&A, and WE Fashion. However, this development has been on-going even before the crisis.

3.3.7 Saturation and magnet

While saturation and magnet where recognized as criteria, they are considered far less important than the criteria mentioned above by all respondents. According to one consultant, there could be a discussion about visit-lengthening-factors within large cities. However, saturation and magnet do not form critical criteria for expansion.

CHAPTER 4, CHANGE IN THE SELECTION CRITERIA AND CHANGE IN THE RETAIL SUPPLY, IN THE PERIOD 2006-2014.

This chapter focusses on the current retail supply of fashion retailer. The following research question is answered: (1) "How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply, in the period 2006-2014?"

4.1 CHANGE FROM A NATIONAL POINT OF VIEW

In the interview rounds the following proposition (P1) was used: "Fashion retailers are targeting prime shopping locations, while closing stores in smaller towns and secondary shopping areas in the post-crisis era". Current research does not provide information about what the prime locations are and which selection criteria are related with these locations. The interviews and the quantitative study aim to create a better understanding in this matter. The variables being used in the analysis are found in table 10.

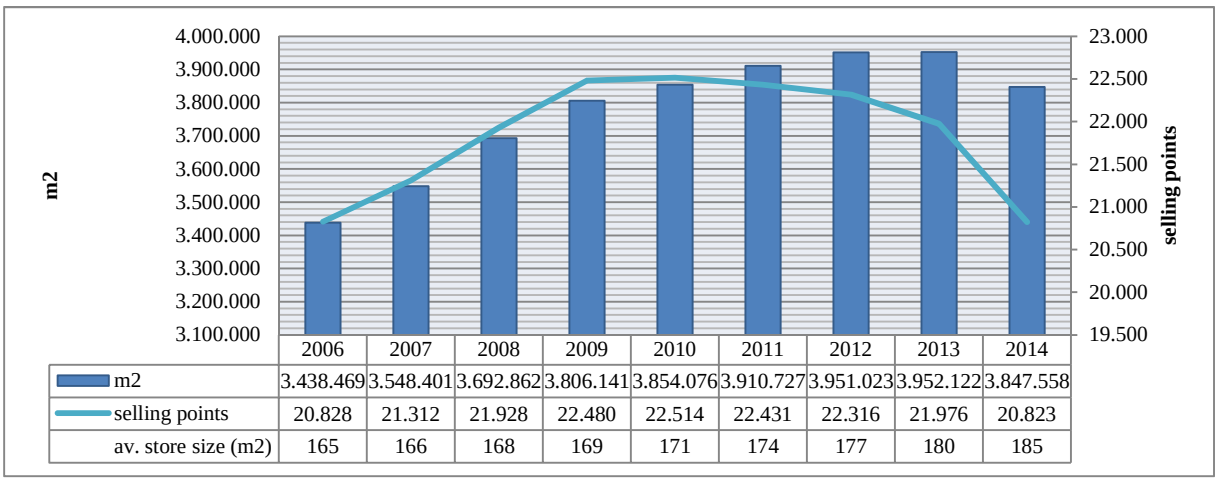
Table 10. Variables quantitative analyses (author).

Variables		Values
1.	Increase of the fashion supply	selling-points
2.	Increase of the fashion supply	square meters
3.	Increase average store size fashion	square meters

4.1.1 The total fashion supply, 2006-2014

According to the interviewees, fashion retailers were eager to expand before the crisis, in order to be close to the consumers and have a nationwide foot-print. This notion is supported by looking at the numbers. In fact the fashion branch has expanded immensely before the crisis in terms of selling-points and square meters. In the period 2006-2010, the fashion branch has grown from 20,828 to 22,514 selling-points nationwide, while the total volume of square meters has been gradually growing from 3,438,469 m^2 to 3,952,122 m^2 in the period 2006-2013 (see figure 9).

Figure 10. Fashion supply (square meters and selling-points), 2006-2014 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	3.438.469	3.548.401	3.692.862	3.806.141	3.854.076	3.910.727	3.951.023	3.952.122	3.847.558
selling points	20.828	21.312	21.928	22.480	22.514	22.431	22.316	21.976	20.823
av. store size (m2)	165	166	168	169	171	174	177	180	185

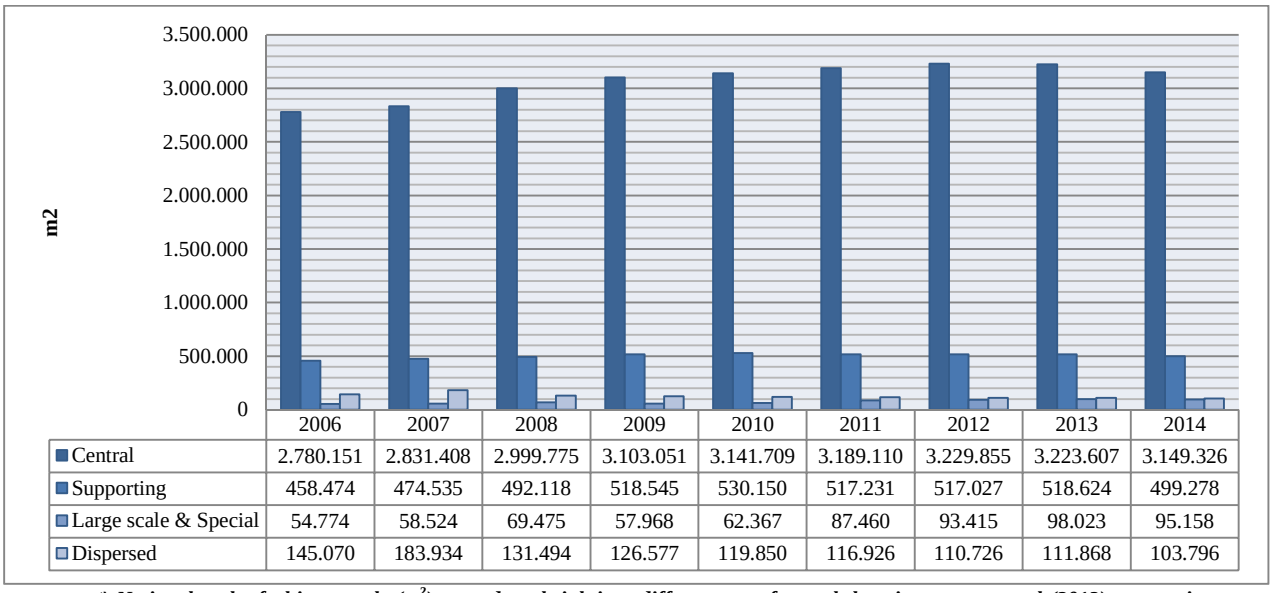
However, in period 2010-2014 there has been a great decline in the number of selling-points. With 20.823 selling-points this number now again equals that from 2006. A remarkable development is the increase in the number of total square meters which has not declined equally to the number of selling-points. With 3,847,558 m^2 in 2014, the fashion supply has shrunk for the first time in 2014. With less selling-points and a higher amount of square meters, the conclusion can be made that on average stores have become larger. This is in line with the trend among retailers of enlarging their stores to benefit from economies of scales and also to respond to the experience economy (see appendix A). The nations average store size the Netherlands has grown from 165 m^2 (2006) to 185 m^2 (2014) and will be discusses further in chapter 4.1.5.

4.1.2 Central, supporting, large scale & special, and dispersed retail areas

According to the interviewees, expansion of the fashion supply can mainly be found in prime cities in the post-crisis era, i.e. the top 10 or 25 largest municipalities. To get more insight into the concentration trend towards prime cities and to asses in which locations fashion retailers have closed their stores, the four main retail areas central, supporting, large scale & special, and dispersed are analysed in the following paragraph.

Figure 10 shows that fashion is mainly found in central retail areas and to a lesser extent in supporting areas. In the period 2006-2014, the supply has changed with 369,175 m^2 (+13.3%), 40,804 m^2 (+8.9%), 40,384 m^2 (+73.7%), and -41,274 m^2 (-28.5%), in central-, supporting-, large scale & special - and dispersed- retail areas respectively. The graph shows a positive trend for central areas, where the supply has gradually grown in the past 9 years, except for 2013 and 2014, during which the supply has slightly shrunk. Supporting areas have also witnessed a positive trend up until the year 2010. In 2011, 2012 and 2014, supporting areas have also witnessed a strong decrease of the total supply. The increase of the supply in large scale & special is mainly due to expansions of the outlet centres Roermond Designer Outletcentre, Lelystad Batavia Stad and Rosada Factory Outlet. Figure 11 shows that in the period 2006-2014, the supply has grown with 155 (+1%), -67 (-2%), 160 (+81.2%), and -253(-27.8%) selling-points, in central-, supporting-, large scale & special - and dispersed retail areas respectively.

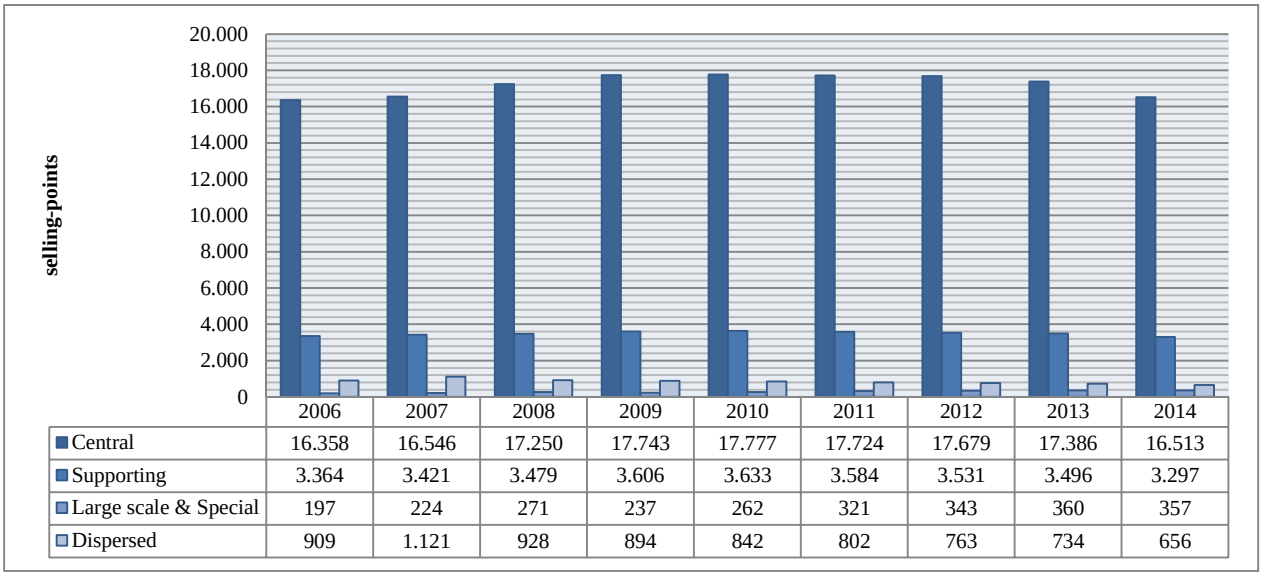
Figure 11. Fashion supply (m^2) in central, supporting, large scale & special and dispersed, 2006-2014 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
Central	2.780.151	2.831.408	2.999.775	3.103.051	3.141.709	3.189.110	3.229.855	3.223.607	3.149.326
Supporting	458.474	474.535	492.118	518.545	530.150	517.231	517.027	518.624	499.278
Large scale & Special	54.774	58.524	69.475	57.968	62.367	87.460	93.415	98.023	95.158
Dispersed	145.070	183.934	131.494	126.577	119.850	116.926	110.726	111.868	103.796

**** Notice that the fashion supply (m^2) started to shrink in a different year for each location type: central (2013), supporting (2011), large scale & special (2014), and dispersed (2008).***

Figure 12. Fashion supply (selling-points) in central, supporting, large scale & special and dispersed, 2006-2014 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
Central	16.358	16.546	17.250	17.743	17.777	17.724	17.679	17.386	16.513
Supporting	3.364	3.421	3.479	3.606	3.633	3.584	3.531	3.496	3.297
Large scale & Special	197	224	271	237	262	321	343	360	357
Dispersed	909	1.121	928	894	842	802	763	734	656

**** Notice that the fashion supply (selling-points) started to shrink in a different year for each location type: central (2011), supporting (2011), large scale & special (2014), and dispersed (2008).***

More important is that the supply has shrunk over the last few years. The number of selling-points has been decreasing after 2010 in central and supporting areas, and in dispersed areas the decline already started in 2008. After 2010, the supply in central areas has declined with 1,264 (-7.1%) selling-points, while 336 (-9.2%) selling-points disappeared from supporting centres. In dispersed areas the supply has declined with 186 (-22.1%) selling-points. Dispersed areas seem to have lost the interest from fashion retailers already since 2008. The fashion supply has also shrunk in terms of square meters, but with a lagged effect. The total fashion supply in central areas has declined with 80,529 m^2 (-2.5%) since 2012, while the supply in supporting areas has declined with 17,749 m^2 (-3.4%) since 2012.

The numbers above show that fashion retailers have disappeared primarily from central retail areas in the post-crisis era: 1,264 selling-points (-7.1%) and 80,529 m^2 (-2.5%). However, relatively speaking, fashion retailers have subtracted a slightly larger portion of their supply from supporting areas: 336 selling-points (-9.2%) and 17,749 m^2 (-3.4%) (see table 11).

Table 11. Growth versus decline of the fashion supply, in selling-points and m^2, 2006-2014 (Source: Locatus).

Supply (selling-points)	**Period of growth 2006-2010**		**Period of decline 2010-2014***	
	Growth selling-points	Growth in %	Growth selling-points	Growth in %
Central	1,419	8.7%	-1,264	-7.1%
Supporting	269	8.0%	-336	-9.2%
Large scale & Special	65	33.0%	95	36.3%
Dispersed	-67	-7.4%	-186	-22.1%

Supply (m^2)	**Period of growth 2006-2012**		**Period of decline 2012-2014****	
	Growth in m^2	Growth in %	Growth in m^2	Growth in %
Central	449,704	16.2%	-80,529	-2.5%
Supporting	58,553	12.8%	-17,749	-3.4%
Large scale & Special	38,641	70.5%	1,743	1.9%
Dispersed	-34,344	-23.7%	-6,930	-6.3%

** The fashion supply has shrunk in selling-points since 2010*
*** The fashion supply has shrunk in square meters since 2012*

4.1.3 Concentration trend of fashion retailers in the post-crisis era

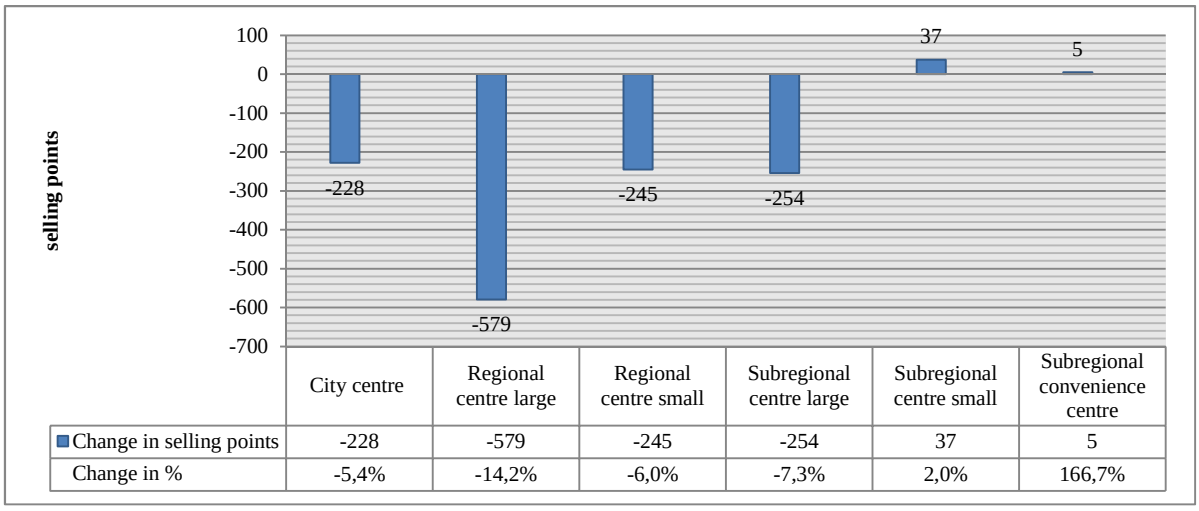
The numbers in the paragraphs above don't reveal in which retail areas the concentration trend of fashion retailers is noticed in the post-crisis era. At a first glance it appears that the fashion supply is shrinking in all retail areas, except for large scale & special. In order to shed light on this matter a closer look in the subcategories of central areas and supporting areas is needed. Table 12 shows these subcategories. A detailed description of these subcategories can be found in appendix D.

Table 12. Subcategories retail areas central and supporting – English translation (Locatus, 2014b, p. 6).

Central retail area		*(Centraal winkelgebied)*	**Stores**	**Selling-points (2014)**	**m^2 (2014)**
1.	City centre (17 largest retail agglomerations)	*(Binnenstad, 17 grootste winkelagglomeraties)*	>400	3,989	736,656
2.	Regional centre large	*(Hoofdwinkelgebied groot))*	200-400	3,498	744,997
3.	Regional centre small	*(Hoofdwinkelgebied klein)*	100-200	3,872	786,020
4.	Subregional centre large	*(Kernverzorgend winkelgebied groot)*	50-100	3,241	570,082
5.	Subregional centre small	*(Kernverzorgend winkelgebied klein)*	5-50	1,905	310,312
6.	Subregional convenience centre	*(Kernverzorgend supermarktcentrum)*	3-4	8	1,259
Supporting retail area		*(Ondersteunend winkelgebied)*			
1.	City district centre	*(Stadsdeelcentrum)*	>50	1,243	150,921
2.	Inner urban shopping street	*(Binnenstedelijke winkelstraat)*	>50	598	126,020
3.	District centre large	*(Wijkcentrum groot)*	25-50	607	82,534
4.	District centre small	*(Wijkcentrum klein)*	<25	672	101,829
5.	Neighbourhood centre	*(Buurtcentrum)*	5-9	159	32,165
6.	Mini convenience centre	*(Supermarktcentrum)*	3-4	18	5,809

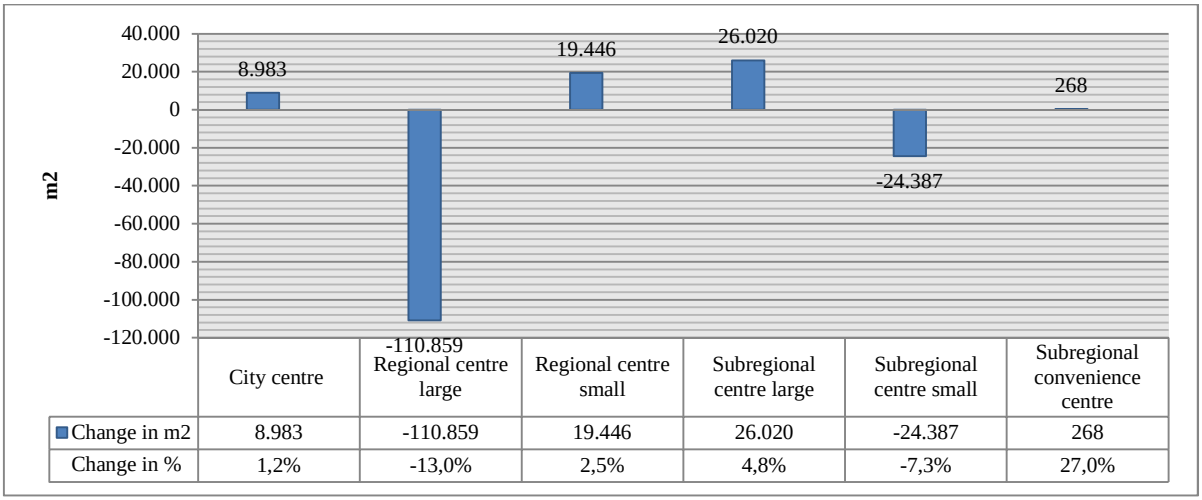
The period of analysis will be 2010-2014 for the number of selling-points and 2012-2014 for the number of square meters. It is these periods in which change in the supply is noticed. Figure 12 shows that the number of selling-points has declined in almost all central retail areas since 2010. However, regional centre large (200-400 stores), has witnessed the highest decline with 579 selling-points (-14.2%). Since 2012 the fashion supply has shrunk in square meters in central retail areas. Figure 13 shows that regional centre large witnessed the largest decline: 110,859 m^2 (-13.0%). Furthermore, while the city centres have declined in selling-points, the number of square meters has been growing steadily since 2006.

Figure 13. Change in selling-points fashion supply in central retail areas, 2010-2014 (Source: Locatus).



	City centre	Regional centre large	Regional centre small	Subregional centre large	Subregional centre small	Subregional convenience centre
Change in selling points	-228	-579	-245	-254	37	5
Change in %	-5,4%	-14,2%	-6,0%	-7,3%	2,0%	166,7%

Figure 14. Change in m^2 fashion supply in central retail areas, 2012-2014 (Source: Locatus).

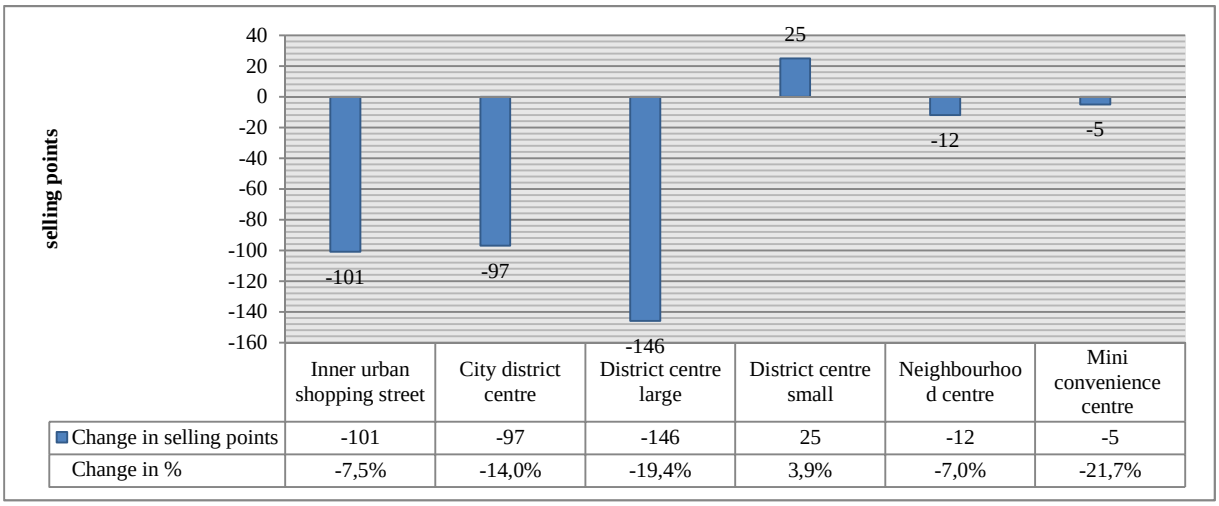


	City centre	Regional centre large	Regional centre small	Subregional centre large	Subregional centre small	Subregional convenience centre
Change in m2	8.983	-110.859	19.446	26.020	-24.387	268
Change in %	1,2%	-13,0%	2,5%	4,8%	-7,3%	27,0%

Figure 14 shows that the number of selling-points has declined mostly in inner urban shopping streets, city district centres, and district centre large, since 2010. For the analysis of supply in square meters in the supporting areas the periods 2012-2014 and 2013-2014 are discussed. Figure 15 shows that the supply has mostly declined in district centre large and small since 2012: -19,983 m^2 (-19.4%) and -9,488 m^2 (-8.5%) respectively. However, figure 16 shows that the supply has also declined strongly in city district centres since 2013: -9,409 m^2 (-6.9%). Furthermore, while the inner urban shopping streets have declined in selling-points, the number of square meters has been growing steadily since 2006. Inner urban streets that show an increase in the supply (2012-2014) are

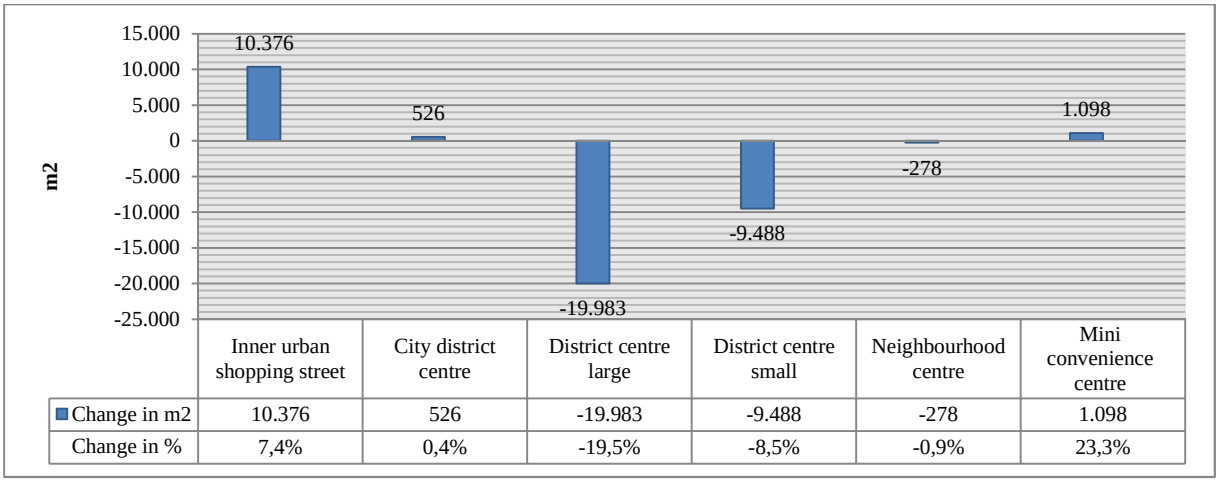
found in the largest Dutch cities. Amsterdam: PC Hoofdstraat (+942 m^2), Bos en Lommerplein (+1,063 m) and Ferdinand Bolstraat (+1,013 m^2). The Hague: Hobbemastraat (+683 m^2), Paul Krugerlaan (+501 m^2). Rotterdam: Oude Noorden (+703 m^2).

Figure 15. Change in selling-points fashion supply in supporting retail areas, 2010-2014 (Source: Locatus).



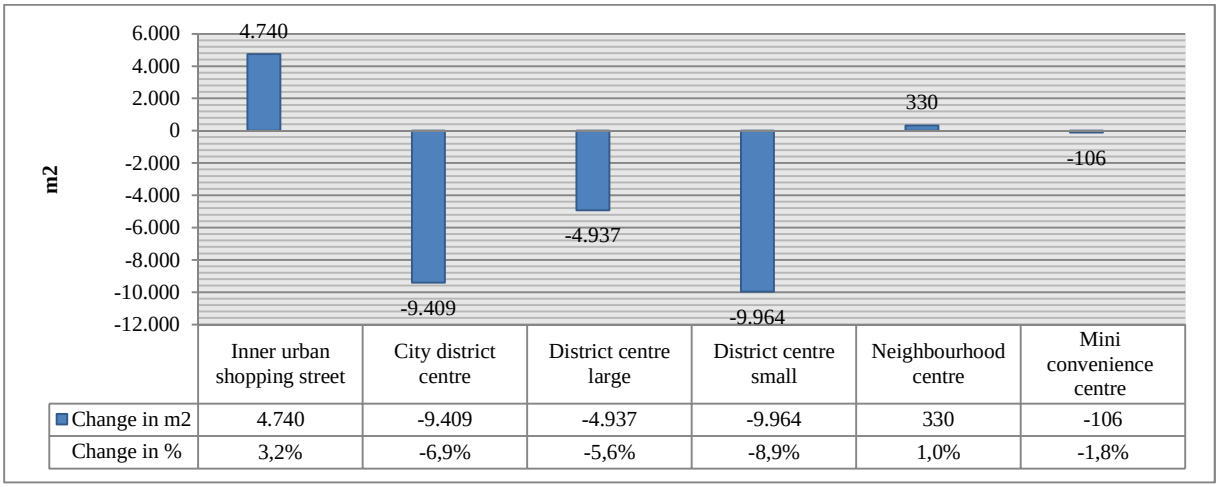
	Inner urban shopping street	City district centre	District centre large	District centre small	Neighbourhood centre	Mini convenience centre
Change in selling points	-101	-97	-146	25	-12	-5
Change in %	-7,5%	-14,0%	-19,4%	3,9%	-7,0%	-21,7%

Figure 16. Change in m^2 fashion supply in supporting retail areas, 2012-2014 (Source: Locatus).



	Inner urban shopping street	City district centre	District centre large	District centre small	Neighbourhood centre	Mini convenience centre
Change in m2	10.376	526	-19.983	-9.488	-278	1.098
Change in %	7,4%	0,4%	-19,5%	-8,5%	-0,9%	23,3%

Figure 17. Change m^2 fashion supply in supporting retail areas, 2013-2014 (Source: Locatus).



	Inner urban shopping street	City district centre	District centre large	District centre small	Neighbourhood centre	Mini convenience centre
Change in m2	4.740	-9.409	-4.937	-9.964	330	-106
Change in %	3,2%	-6,9%	-5,6%	-8,9%	1,0%	-1,8%

The results above should be read with caution as the subcategories can include different retail cities each year. For example the subcategory “main-retail-area-large” includes city centres with 200-400 stores. As such a city centre, in which the retail supply declines below 200 stores, will be transferred into “regional centre small” the following year. In this case 42 cities where categorized as regional centre large in 2012, while only 36 cities where included in 2014. Furthermore, in 2012 83 cities where categorized as regional centre small, while only 81 cities where included in 2014. “City centres” include the 17 largest Dutch inner city retail agglomeration of which the cities have not changed in the period 2006-2014. See appendix D for a list of these cities.

4.1.4 City centres

According to the interview participants, the top 15-25 cities in the Netherlands are the only ones currently considered for expansion. Therefore, the analysis of the supply of the top 17 Dutch cities, with over 600 stores, is discussed in this paragraph. This includes the historic city centres of: Amsterdam, Maastricht, Rotterdam, Utrecht, The Hague, Haarlem, Den Bosch, Eindhoven, Nijmegen, Arnhem, Leiden, Groningen, Breda, Alkmaar, Leeuwarden, Hilversum, Dordrecht.

Figure 17 shows that the number of selling-points in the period 2006-2014 has mostly increased in Amsterdam, Rotterdam, Maastricht, Haarlem and Utrecht. However, figure 18 shows that the number of selling-points has started to decrease in almost all city centres since 2010, with the exception of Rotterdam, Amsterdam, Maastricht and Haarlem.

Figure 18. Change in fashion selling-points top-17 city centres, 2006-2014 (Source: Locatus).

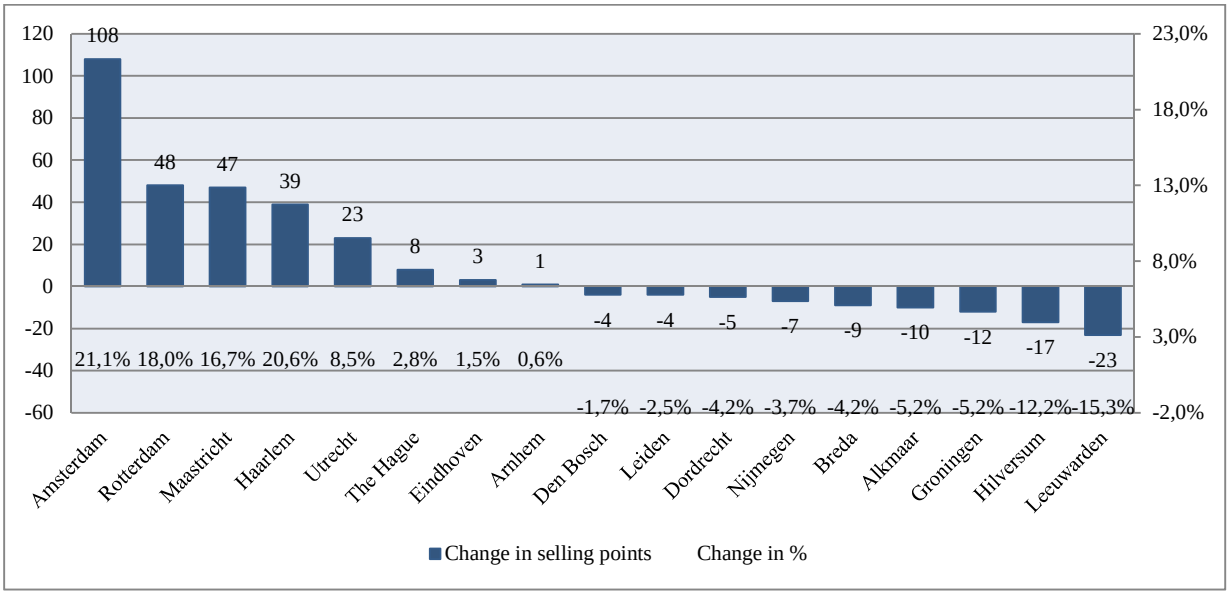
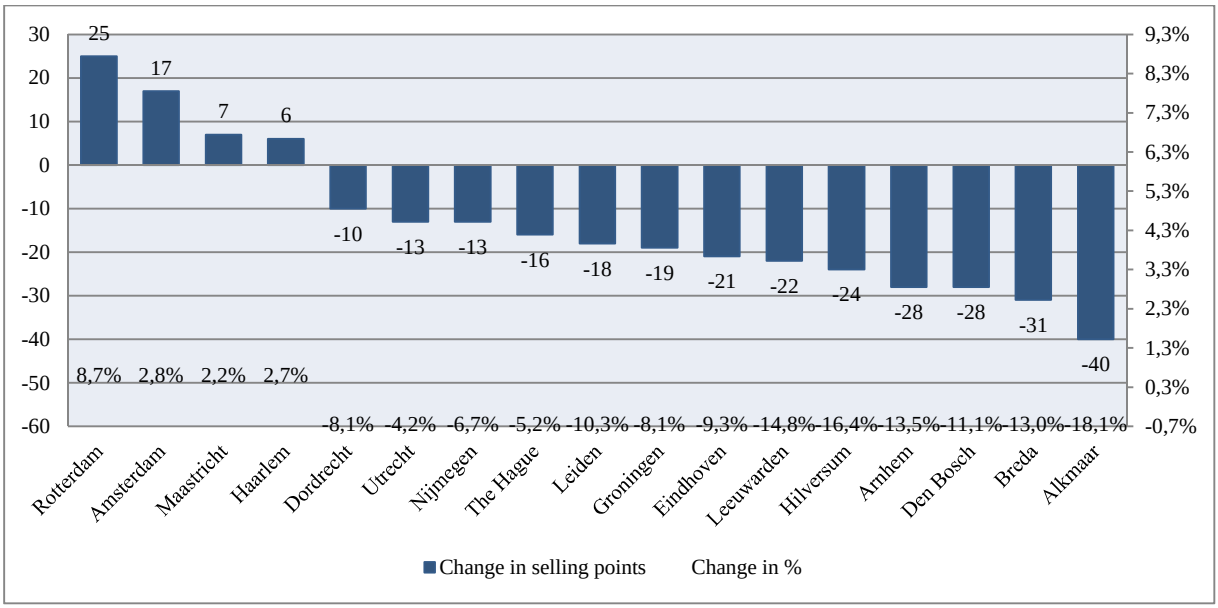


Figure 19. Change in fashion selling-points top-17 city centres, 2010-2014 (Source: Locatus).



The analysis of the total square meters shows that in the period 2006-2014, almost all city centres witnessed an increase in square meters. The supply has grown heavily in Amsterdam and Maastricht, with 25,509 m^2 (+39.5%), and 19,866 m^2 (+60.6%), respectively (see figure 19). These cities are also dominant in attracting tourists. However, after 2012 fashion has witnessed a decline in terms of square meters in certain city centres (see figure 20). While the supply city centres such as Amsterdam (+9.1%) and Maastricht (+14.14%) kept growing after 2012, other city centres have witnessed a decline of the total amount of square meters. For example Arnhem (-9%), Breda (-7.6%), and Eindhoven (-7%). The supply in Nijmegen has also grown heavily with 18.1%, mostly due to the opening of a 5,400 m^2 store by Primark in 2014.

Figure 20. Change in m^2 fashion top-17 city centres, 2006-2014 (Source: Locatus).

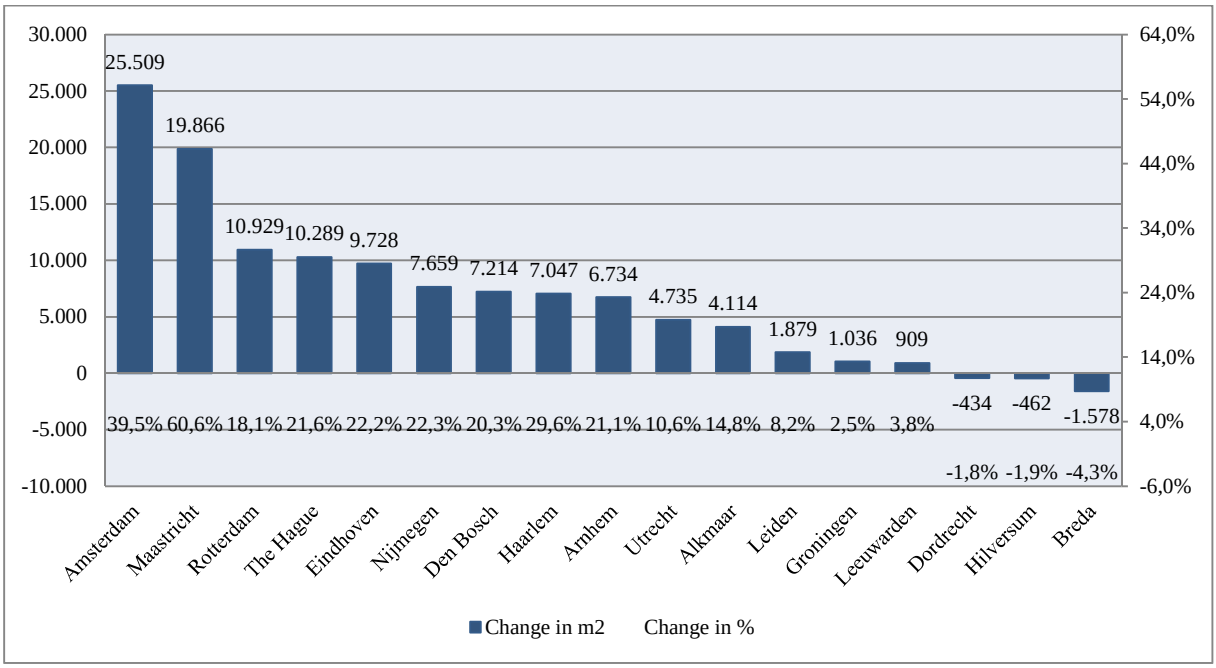
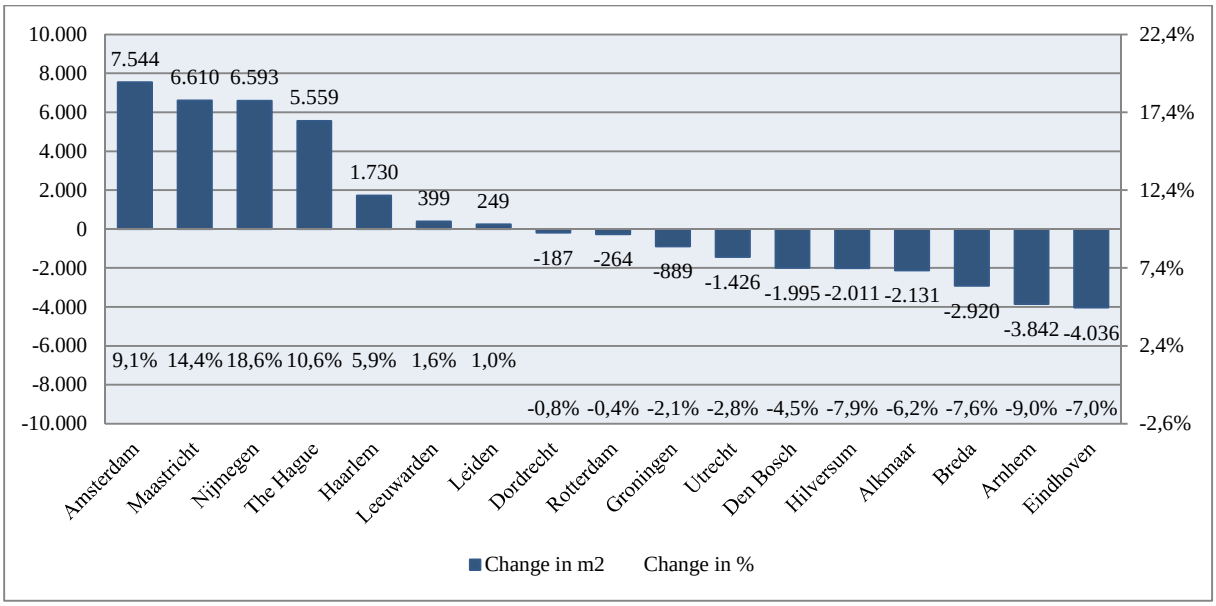


Figure 21. Change in m^2 fashion top-17 city centres, 2012-2014 (Source: Locatus).



4.1.5 From small scale to large scale stores

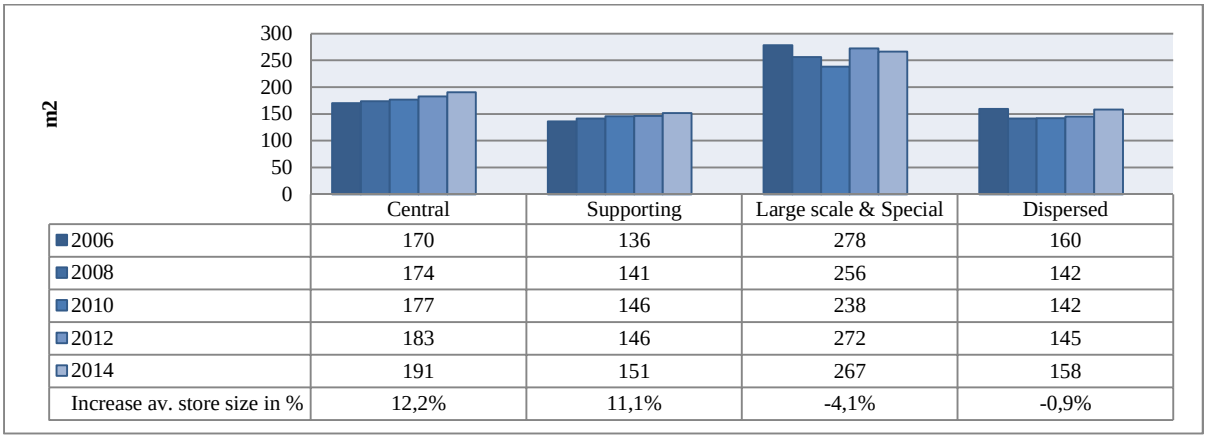
In the Netherlands, fashion stores size ranges from 6 m^2 to over 9,500 m^2. The categorization of size from Locatus is the only one available in the Netherlands. Therefore this categorization is used in this study. Locatus makes a distinction between the following floor area categories: 0-100 m^2, 100-200 m^2, 200-400 m^2, 400-800 m^2, 800-1,600 m^2, and >1,600 m^2. In order to make references on size the categorization in table 13 is applied in this study.

Table 13. Categorization size stores (Source: Locatus, adapted by author).

Locatus:	0<WVO<= 100 m^2	100<WVO<= 200 m^2	200<WVO<= 400 m^2	400<WVO<= 800 m^2	800<WVO<= 1,600 m^2	1,600<WVO
	Small scale units: 0-200 m^2		Medium scale units: 200-800 m^2		Large scale units: >800 m^2	

A striking observation in the nationwide analysis of the fashion supply is that while the number of selling-points has slightly increased, the total square meters has gradually increased in the period 2006-2014. The average store size has grown the most in central retail areas, from170 m^2 to 191 m^2 (see figure 21).

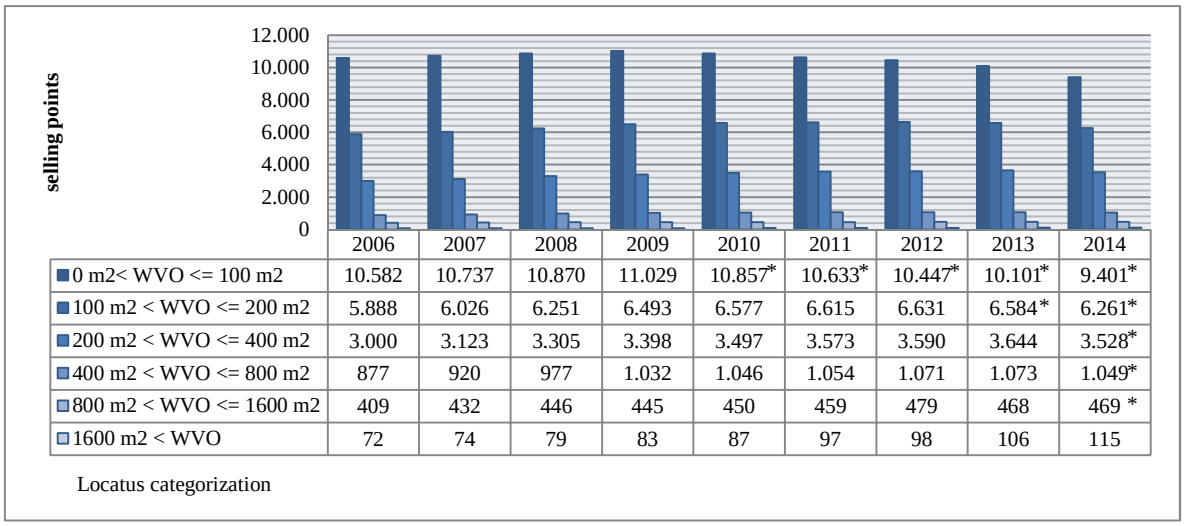
Figure 22. Change in average store size stores, 2006-2014 (Source: Locatus).



	Central	Supporting	Large scale & Special	Dispersed
2006	170	136	278	160
2008	174	141	256	142
2010	177	146	238	142
2012	183	146	272	145
2014	191	151	267	158
Increase av. store size in %	12,2%	11,1%	-4,1%	-0,9%

Figure 22 shows a distribution of selling-points per store-size-range (categorization Locatus), in the period 2006-2014. As mentioned before, a decline in selling-points is noticed since 2010. The numbers indicate that small scale stores (0-200 m^2) have declined most. In the period 2010-2014, fashion retailers have left 1,456 stores with the size of 0-100m^2, and 316 stores with the size of 100-200 m^2. On the other hand, the number of large scale units (800 m^2 or larger) has been gradually rising since 2006 (see figure 22, 23 and 24).

Figure 23. Change in selling-points per store-size-range, 2006-2014. (Source: Locatus).

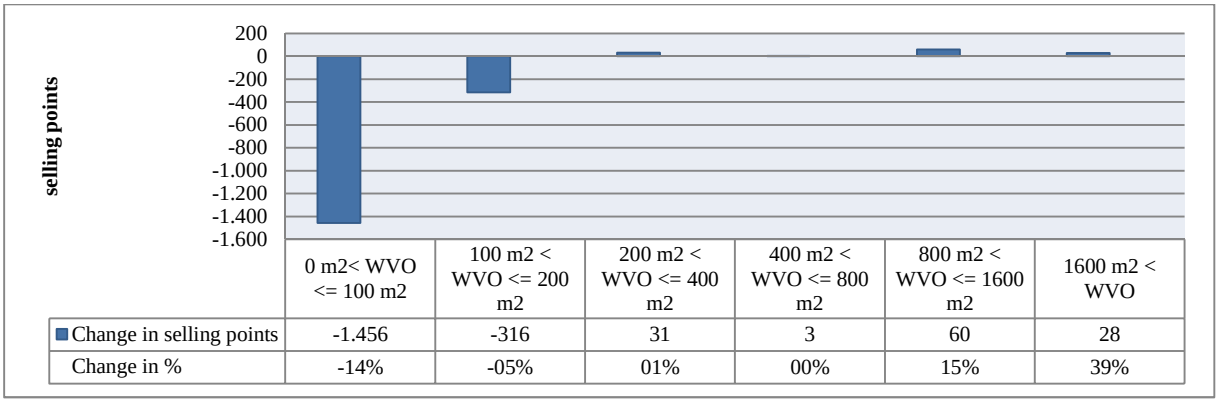


	2006	2007	2008	2009	2010	2011	2012	2013	2014
0 m2< WVO <= 100 m2	10.582	10.737	10.870	11.029	10.857*	10.633*	10.447*	10.101*	9.401*
100 m2 < WVO <= 200 m2	5.888	6.026	6.251	6.493	6.577	6.615	6.631	6.584*	6.261*
200 m2 < WVO <= 400 m2	3.000	3.123	3.305	3.398	3.497	3.573	3.590	3.644	3.528*
400 m2 < WVO <= 800 m2	877	920	977	1.032	1.046	1.054	1.071	1.073	1.049*
800 m2 < WVO <= 1600 m2	409	432	446	445	450	459	479	468	469 *
1600 m2 < WVO	72	74	79	83	87	97	98	106	115

Locatus categorization

**** Notice that smaller sized units have been disappearing first from the fashion supply, starting in 2010.***

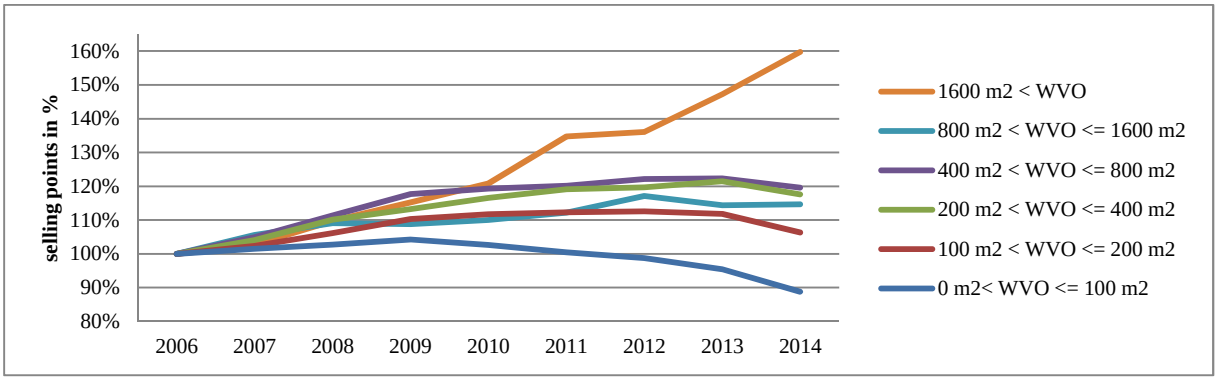
Figure 24. Change in selling-points per store-size-range*, 2010-2014. (Source: Locatus).



	0 m2< WVO <= 100 m2	100 m2 < WVO <= 200 m2	200 m2 < WVO <= 400 m2	400 m2 < WVO <= 800 m2	800 m2 < WVO <= 1600 m2	1600 m2 < WVO
Change in selling points	-1.456	-316	31	3	60	28
Change in %	-14%	-05%	01%	00%	15%	39%

**Locatus categorization*

Figure 25, Change in selling-points per store-size-range* in %, 2006-2014. (Source: Locatus).



**Locatus categorization*

4.1.6 Conclusion nationwide analysis

Five important observations can be drawn from the results. First, the number of selling-points has declined much stronger than the total square meters. This indicates that mostly small scale fashion retailers have disappeared from the fashion supply. For example, while 228 selling-points disappeared from the top 17 Dutch city centres since 2010, the number of square meters grew from 707,438 m^2 in 2010 to 736,656 m^2 in 2014, in these locations. As such, small-scale fashion retailers are apparently the first ones closing stores in the post-crisis era.

Second, regarding central retail areas, the supply in terms of selling-points is declining in most cities. However, the supply in terms of square meters is declining heavily in regional centres, while the supply in subregional centres has been relatively stable. This indicates that the largest cities (down town) are strongly desired among fashion retailers, while smaller and midsized cities (regional centres) are losing their interest. Furthermore, the fashion supply in smaller towns doesn't seem to be witnessing much fluctuation in the supply (subregional centres).

Third, regarding supporting retail areas, the supply in terms of selling-points and square meters is mostly declining in city district centres and district centres large and small. As such, supporting areas show a stronger trend of a declining fashion supply, of course relatively speaking as these centres are much smaller than central retail areas.

Fourth, the fashion supply in city centres, i.e. the largest 17 city centres in the Netherlands, is the only category of central retail areas in which the supply has been gradually growing, even in the post-crisis era. However, the analysis shows that each downtown area follows its own trend and that the fashion supply is growing or declining at its own pace. There are certain city centres, such as the touristic cities Amsterdam and Maastricht, in which the supply is still growing, even in the post-crisis era. Other cities, such as Eindhoven, Arnhem, Breda and Alkmaar, are witnessing a gradual decline of the fashion supply. In this regard this study concludes that a concentration trend of fashion retailers in the post-crisis area is not found in all prime city centres, but only in strong tourist cities such as Amsterdam, Maastricht and Haarlem.

To conclude, the fashion supply of inner urban streets (secondary shopping location) has grown gradually, even in the post-crisis era. This indicates that the concentration trend of fashion retailers can also be found in secondary shopping streets of the largest Dutch cities, and in particular in "inner urban streets" of Amsterdam, The Hague and Rotterdam.

The results show that certain shopping areas in the Netherlands are more attractive recreational "fashion areas (fun)", while others may become less and less attractive for fashion retailers. These results indicate that downtown areas of the G4, and touristic cities Maastricht and Haarlem are the most desired locations among fashion retailers in the post-crisis era. With the exception of Utrecht, where a slight decline of the fashion supply is noticed. Furthermore secondary inner urban shopping streets of Amsterdam, The Hague and Rotterdam have also witnessed growth in the post-crisis era. Fashion retailers seem to be leaving the mid-sized Dutch cities, while the supply in small town centres seems to be rather stable. As such a gap is visible between the largest cities and the smaller towns.

This development is in line with theories of agglomeration (Li & Lui, 2012, p. 593), which describe that retailers benefit from agglomerating near each other. It may be that certain retail areas score better on the selection criteria fashion retailers nowadays utilize, and therefore show a stronger trend of agglomeration. The results indicate that there are signs of segmentation, in other words that certain shopping areas are becoming increasingly attractive as the best place to open a fashion store, especially when this trend sustains.

4.2 CHANGE FROM A LOCAL POINT OF VIEW – CASE STUDIES

This section aims to describe if the concentration trend towards prime city centres and the trend of occupying larger stores are reflected in the development of the fashion supply in the period of 2006-2014. The variables that are used in the case studies are found in table 14.

Table 14. Variables quantitative analysis.

Variables	Values
1. Increase of the fashion supply	selling-points
2. Increase of the fashion supply	square meters
3. Increase average store size fashion	square meters

The case studies are: (1) Amsterdam, (2) Haarlem, (3) Amstelveen, (4) Boven 't Y, (5) Amsterdamse Poort and (6) Osdorpplein (see figure 25 and appendix C).

Figure 26. Location case studies (own ill).

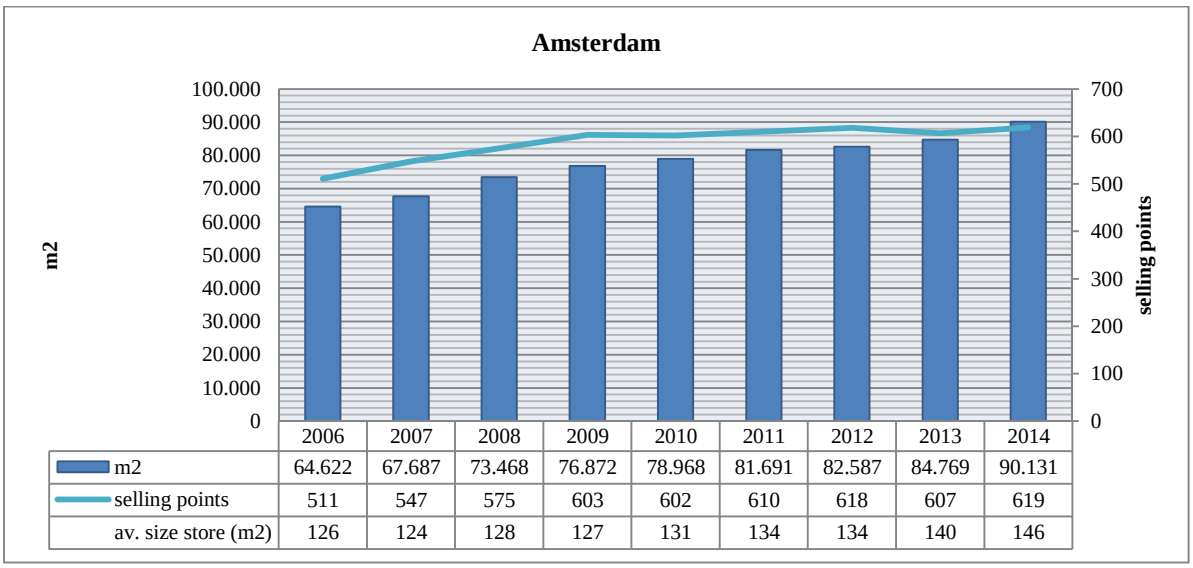
4.2.1 City centre Amsterdam – Nieuwendijk & Kalverstraat

Because the city centre of Amsterdam is relatively large, this case study focusses primarily on two historic shopping streets of Amsterdam: Nieuwendijk and Kalverstraat. However, the shopping area Negen Straatjes (Nine Streets), west of these historic streets, also deserves some attention. Negen Straatjes has become an increasingly attractive place for fashion retailers, were the number of selling-points has more than doubled from 44 to 98 selling-points since 2006. Maps with the development of Negen Straatjes are only available from the year 2012 onwards, though.

Figure 27. Retail supply Nieuwendijk & Kalverstraat, 2006 and 2014 (Source: Locatus).

In the period 2006-2014, the total number of selling-points of fashion in Amsterdam's city centre has grown from 511 to 619 (+19.7%). The amount of square meters has grown relatively faster from 64,622 to 90,131 m^2 (+39.5%).

Figure 28. Fashion supply Amsterdam, 2006-2014 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	64.622	67.687	73.468	76.872	78.968	81.691	82.587	84.769	90.131
selling points	511	547	575	603	602	610	618	607	619
av. size store (m2)	126	124	128	127	131	134	134	140	146

Figure 28 shows the development of the fashion supply in the Nieuwendijk and Kalverstraat in the period 2006-2014. At a glance the maps don't show very striking developments. The fashion supply has remained more or less stable during the past years.

However, the analysis of the numbers of the fashion supply in these two main streets, show an interesting result. While the total numbers of selling-points has been gradually growing in the city centre, in the period 2006-2014, the number of selling-points has declined in the Nieuwendijk and the Kalverstraat from 162 to 138 (-14.8%). However, the square meters have grown from 31,392 m^2 to 35,281 m^2 (+12.4%). In this regard, Nieuwendijk and Kalverstraat remain two of the most popular Dutch shopping streets. However, fashion retailers seem to have chosen to move into larger buildings; hence following the trend of growing average stores size: from 196 m^2 (2006) to 256 m^2 (2014). Figure 28 shows that smaller units have been vacated by fashion retailers, while larger units have been occupied. Thus, the total increase of 118 selling-points from figure 27 has taken place elsewhere. Furthermore, a visual analysis shows that fashion retailers have occupied large units south of Damsquare. Here

an agglomeration of large units is visible. According to the interview participants it's likely that this trend will continue once the relatively large buildings on the Rokin and the street itself are renovated.

Figure 29. Fashion supply Nieuwendijk and Kalverstraat, 2006 and 2014 (Source: Locatus).

** Locatus categorization. In this study fashion represents clothing & fashion + shoes & leather.*
** 2012 and 2014 also show the fashionsupply of the "Negen Straatjes" (Reestraat, Hartenstraat, Gasthuismolensteeg, Berenstraat, Wolvenstraat, Oude Spiegelstraat, Runstraat, Huidenstraat and Wijde Heisteeg), which also existed in 2006.*

The Negen Straatjes is an example of a shopping area that has become extremely popular among fashion retailers and consumers, which in turn contributes to the growing number of fashion retailers in Amsterdam. Nonetheless, the Negen Straatjes only offers small scale retail units with an average size of 66 m^2. In 2006 Negen Straatjes housed mainly independent fashion retailers. In the course of time this area has become increasingly popular among Dutch citizens and also tourists (Lampe, 2011). With 98 selling-points of fashion in 2014, the numbers have more than doubled. While Negen Straatjes used to house mainly smaller independent retailers, nowadays one may also find international fashion retailers such as Filippa K, Lee and Fred Perry, and national fashion retailers such as Scotch and Soda.

The analysis of Nieuwendijk & Kalverstraat confirms that the average store size has increased, in this case with +30.6%. This is much higher than the average for Dutch central retail areas of +12.2%. Furthermore, smaller units have been left for larger ones, which has resulted in a decrease of selling-points. An agglomeration of larger units is noticed south of the Damsquare, while in the Negen Straatjes the take-up of small scale units is remarkably high.

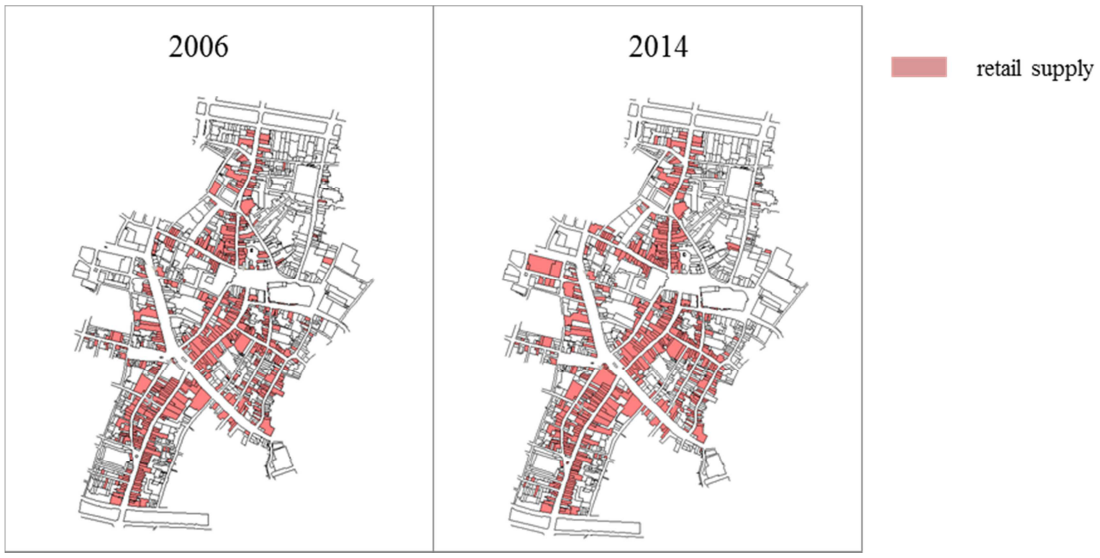
Table 15. Summary supply Nieuwendijk & Kalverstraat, 2006-2014 (Source: Locatus).

	Nieuwendijk & Kalverstraat	**Av. central retail areas NL**
increase in selling-points	-24	155
increase selling-points in %	-14.8%	0.9%
increase in m^2	3,889	369,175
increase m^2 in %	12.4%	13.3%
av. size store 2006	196	170
av. size store 2014	256	191
increase av. size store in %	30.6%	12.2%

4.2.2 City centre Haarlem

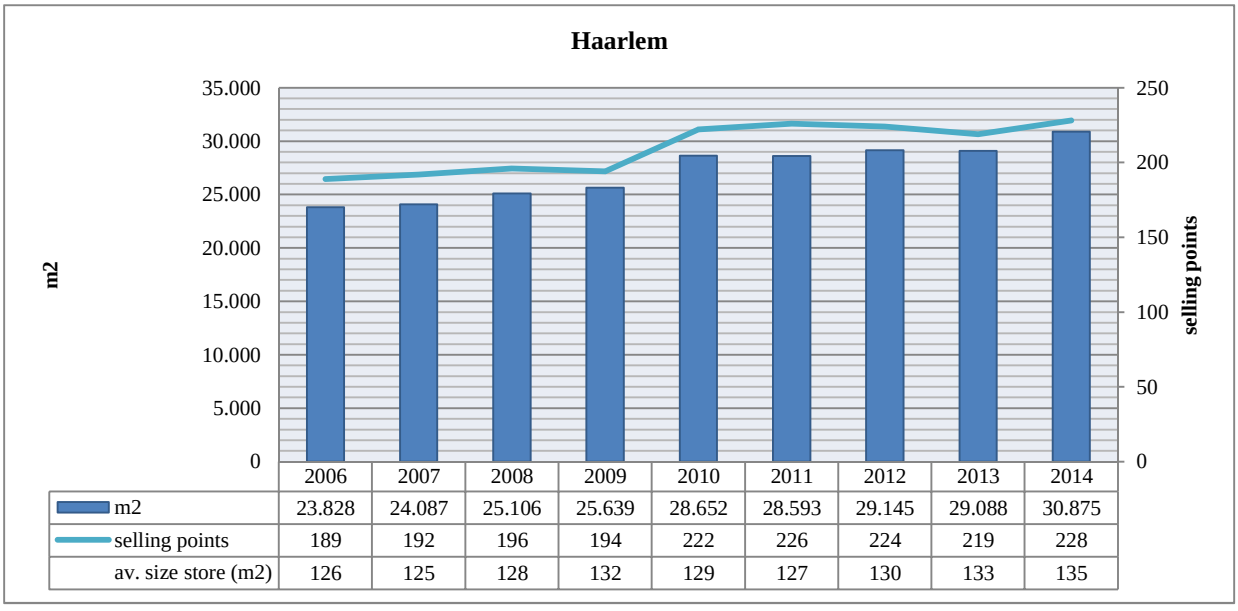
Figure 29 shows the total retail supply of the inner city of Haarlem in 2006 and 2014. A first observation shows that the supply has become more dense and has expanded to the west in the past 8 years.

Figure 30. Retail supply Haarlem, 2006 and 2014 (Source: Locatus).



In the period 2006-2014, the number of fashion selling-points in Haarlem's city centre has grown from 189 to 228 (+20.6%). The square meters has grown accordingly: from 23,828 to 30,875 (+29.6%) m^2. The average store size has grown from 126 to 135 (+7.4%)m^2.

Figure 31. Fashion supply Haarlem, 2006-2104 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	23.828	24.087	25.106	25.639	28.652	28.593	29.145	29.088	30.875
selling points	189	192	196	194	222	226	224	219	228
av. size store (m2)	126	125	128	132	129	127	130	133	135

Figure 31 shows a clear agglomeration of fashion retailers along Grote Houtstraat, Zeilstraat, Barteljorisstraat, Kruisstraat and Annegang. In the period 2006-2014, the fashion supply has expanded into Zeilstraat and the southern part of Grote Houtstraat.

Figure 32. Fashion supply Haarlem, 2006 and 2014 (Source: Locatus).

The analysis of Haarlem confirms that average store size has grown, in this case +7.4%. This is slightly lower than the average for Dutch central retail areas of +12.2%. By looking at the structure of the inner centre of Haarlem, it seems that there is a scarcity of large buildings. This may be the reason why the average store size in Haarlem has grown less rapidly, compared to other cities. The fashion supply in Haarlem follows the trend that A1-locations in historic and touristic inner centres are attracting more fashion retailers. It seems that fashion retailers tend to agglomerate in clusters in the city centre of Haarlem. This also supports the fact that neighbouring retailers are indeed important as a selection criterion for fashion retailers.

Table 16. Summary supply Haarlem, 2006-2014 (Source: Locatus).

	Haarlem	**Av. central retail areas NL**
increase in selling-points	39	155
increase selling-points in %	20.6%	0.9%
increase in m^2	7,047	369,175
increase m^2 in %	29.6%	13.3%
av. size store 2006	126	170
av. size store 2014	135	191
increase av. size store in %	7.4%	12.2%

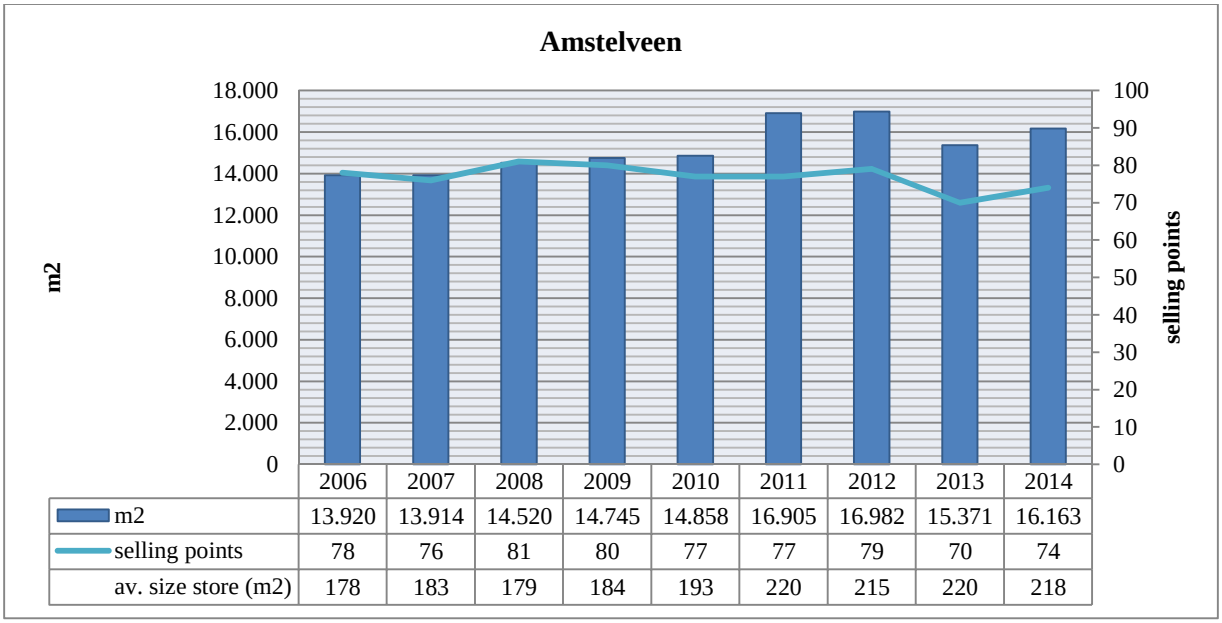
4.2.3 City centre Amstelveen

Figure 32 shows the total retail supply of the inner city of Amstelveen in 2006 and 2014. A first observation reveals that the total volume of the centre has stayed the same.

Figure 33. Retail supply Amstelveen, 2006 and 2014 (Source: Locatus).

In the period 2006-2014, the number of selling-points in Amstelveen's city centre has declined from 78 to 74 (-5.1%). However, the number of square meters has grown from 13,920 to 16,163 m^2 (+16.1%). The average store size has grown from 178 to 218 (+22.4%) m^2.

Figure 34. Fashion supply Amstelveen, 2006-2014 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	13.920	13.914	14.520	14.745	14.858	16.905	16.982	15.371	16.163
selling points	78	76	81	80	77	77	79	70	74
av. size store (m2)	178	183	179	184	193	220	215	220	218

Figure 34 shows that the total fashion supply is located at Rembrandtweg and on the right from Stadsplein. Fashion retailers have agglomerated next to each other in this shopping centre. In the period 2006-2014, the fashion supply has staid more or less the same. However, the northern side of Rembrandtweg shows a slight decrease of selling-points.

Figure 35. Fashion supply Amstelveen, 2006 and 2014 (Source: Locatus).

The city centre of Amstelveen, also called Stadshart Amstelveen, is one of the best qualitative shopping centres in the Netherlands (wckm, 2013). The owner of the larger part of the units is Unibail Rodamco. The reason why this central retail area isn't growing in line with other central retail areas is mostly because the citizens of Amstelveen are against an expansion of the centre. Unibail Rodamco and the municipality presented their intentions in June 2013 to expand the shopping centre north-east of Rembrandtweg and Stadsplein into the Schilderswijk. This included the demolishment of several houses, which was the main reason why a few weeks later the plans where revoked by the Municipality (Gemeente Amstelveen, 2013). In June 2014, the municipality has been carefully assessing other possibilities to expand the shopping centre. The municipality has carefully discussed the possibility to expand the shopping on the east and west-side of the shopping centre (VVD, 2014). After the revoking of the plans for expansion, Unibail Rodamco mentioned that they fear that large chains will leave a shopping centre where expansion is not possible (Parool, 2013).

The analysis of Amstelveen confirms that the average store size has grown, in this case with 22,4%. This is much higher than the average growth for Dutch central retail areas of 12,2%. However, the fashion supply in Amstelveen has not grown in number of selling-points, possibly because expansion appears to be a difficult matter in Amstelveen. As for agglomeration, it seems that the northern side of Rembrandtweg is coping with a slight decrease of fashion retailers.

Table 17. Summary supply Amstelveen, 2006-2014 (Source: Locatus).

	Amstelveen	**Av. central retail areas NL**
increase in selling-points	-4	155
increase selling-points in %	-5,1%	0,9%
increase in m^2	2.243	369.175
increase m^2 in %	16,1%	13,3%
av. size store 2006	178	170
av. size store 2014	218	191
increase av. size store in %	22,4%	12,2%

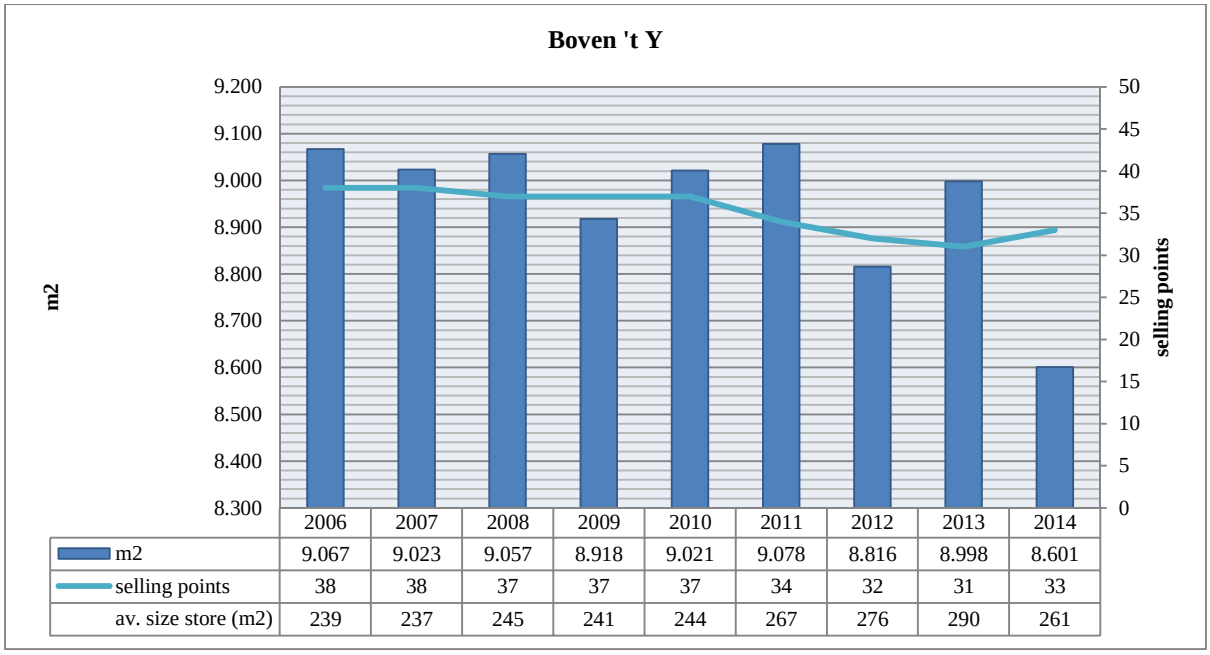
4.2.4 Boven ‘t Y

Figure 35 shows the total retail supply of the supporting centre Boven ‘t Y in 2007 and 2014. A first observation shows that there are many small scale units available and a few larger ones.

Figure 36. Retail supply Boven ‘t Y, 2007 and 2014 (Source: Locatus).

In the period 2006-2014, the number of selling-points in the supporting shopping centre Boven ‘t Y declined from 38 to 33 (-13,2%). The number of square meters has declined accordingly from 9,067 to 8,601 m^2 (-5,1%).

Figure 37. Fashion supply Boven ‘t Y, 2006-2014. (Source: Locatus)



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	9.067	9.023	9.057	8.918	9.021	9.078	8.816	8.998	8.601
selling points	38	38	37	37	37	34	32	31	33
av. size store (m2)	239	237	245	241	244	267	276	290	261

Figure 37 shows that the total retail supply is scattered around Buikslotermeerplein. This case does not show a strong agglomeration among fashion retailers. Instead the shopping centre shows a great variety of retailers (electronic, travel agencies, tanning salons, etc.) next to each other.

Figure 38. Fashion supply Boven ‘t Y, 2007 and 2014 (Source: Locatus).

The analysis of Boven ‘t Y confirms that the average store size has grown, in this case with 9,2%. This is slightly lower than the average growth figure for Dutch supporting retail areas of 11,1%. The shopping centre shows a gradual decrease in selling-points. As for agglomeration, the selling-points are scattered throughout the centre. Fashion retailers are not strongly agglomerated next to each other.

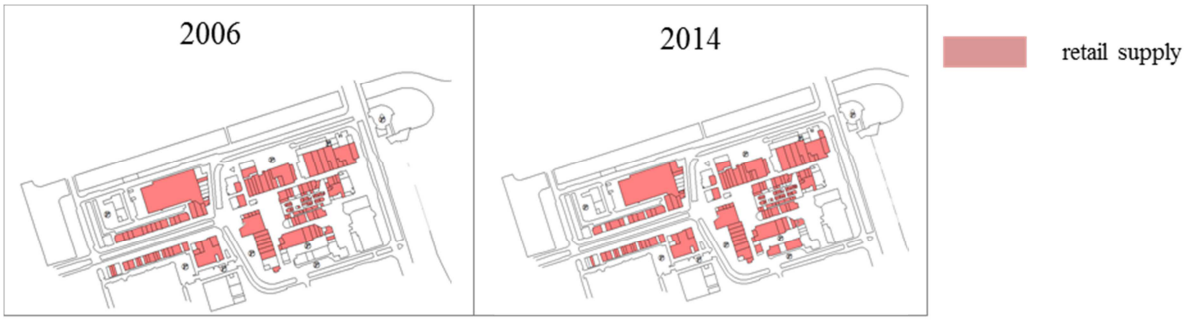
Table 18. Summary supply Boven ‘t Y, 2006-2014 (Source: Locatus)

	Boven ‘t Y	Av. supporting retail areas
increase in selling-points	-5	-67
increase selling-points in %	-13,2%	-2,0%
increase in m^2	-466	40.804
increase m^2 in %	-5,1%	8,9%
av. size store 2006	239	136
av. size store 2014	261	151
increase av. size store in %	9,2%	11,1%

4.2.5 Osdorpplein

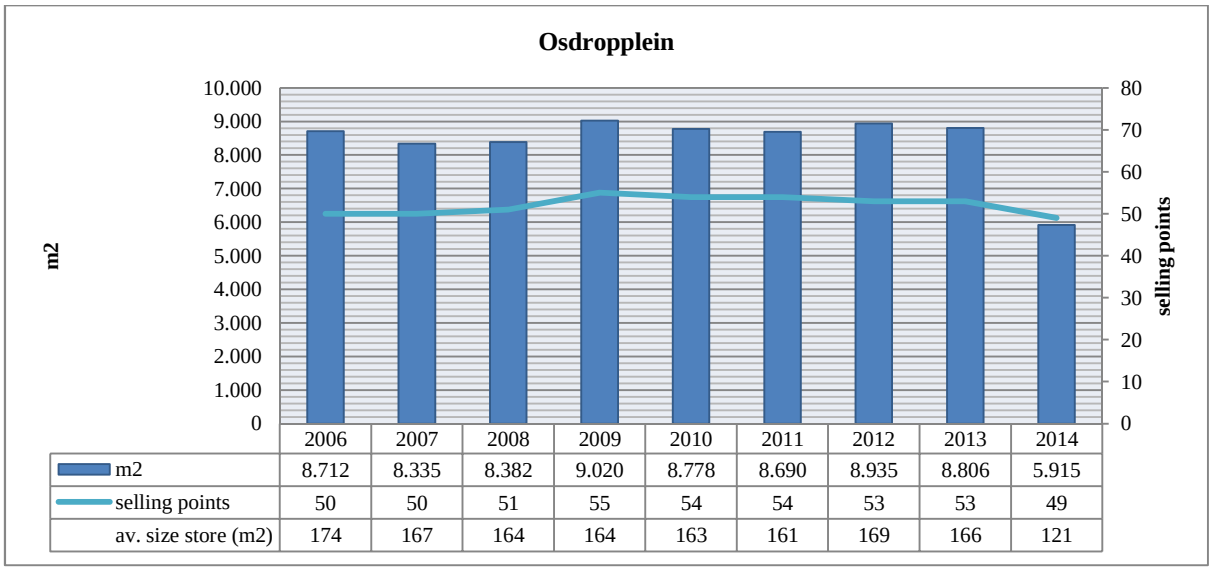
Figure 38 shows the total retail supply of the supporting centre Osdorpplein in 2006 and 2014. A first observation shows that there are many small scale units available and several larger ones.

Figure 39. Retail supply Osdorpplein, 2006 and 2014 (Source: Locatus).



In the period 2006-2014, the number of selling-points in Osdorpplein declined from 50 to 49 (-2,0%). However the number of square meters has declined more drastically from 8,712 to 5,915 m^2 (-32,1%).

Figure 40. Fashion supply Osdorpplein, 2006-2014. (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	8.712	8.335	8.382	9.020	8.778	8.690	8.935	8.806	5.915
selling points	50	50	51	55	54	54	53	53	49
av. size store (m2)	174	167	164	164	163	161	169	166	121

Figure 40 shows that the fashion supply is mainly agglomerated around the centre, Osdorpplein. West of Osdorpplein, a few fashion retailers are situated in Tussen Meer. Osdorpplein is a supporting retail area with a more or less steady number of selling-points. However, an interesting observation is that the total number of square meters for fashion has declined with 32,1% in the period 2006-2014. The main reason is because two large units, respectively 725 and 1,600 m^2 have been left by Bristol and Fashion Outlet Vögele in the previous year. The number of selling-points in Tussen Meer has also slightly declined from 8 to 6.

Figure 41. Fashion supply Osdorpplein, 2006 and 2014 (Source: Locatus).

The analysis of Osdorpplein contradicts the trend of growing average store size, as in this case the average store size has shrunk with 30,7%. Compared to the average growth figure for Dutch supporting retail areas of +11,1%, this is very low. This indicates that while large units are available, some fashion retailers have lost their interest in this shopping centre for other reasons. The shopping centre does show a relatively steady number of selling-points. As for agglomeration, the selling-points are mostly agglomerated around square Osdorpplein.

Table 19. Summary supply Osdorpplein, 2006-2014. (Source: Locatus)

	Osdorpplein	Av. supporting retail areas NL
increase in selling-points	-1	-67
increase selling-points in %	-2,0%	-2,0%
increase in m^2	-2,797	40,804
increase m^2 in %	-32,1%	8,9%
av. size store 2006	174	136
av. size store 2014	121	151
increase av. size store in %	-30,7%	11,1%

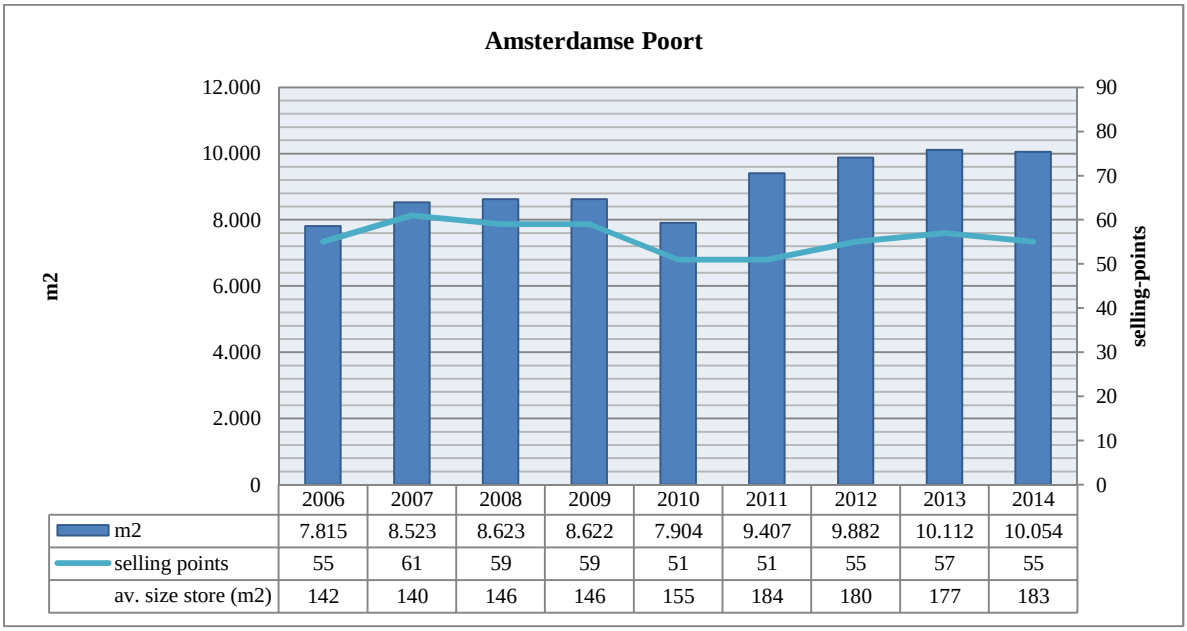
4.2.6 Amsterdamse Poort

Figure 41 shows the total retail supply of the supporting centre Amsterdamse Poort in 2006 and 2014. A first observation shows that there are many small scale units available and several larger ones.

Figure 42. Retail supply Amsterdamse Poort, 2006 and 2014 (Source: Locatus).

In the period 2006-2014, the number of selling-points in Amsterdamse Poort has remained stable at 55 selling-points. A slight fluctuation is measured in the years 2008 and 2010. However, the total number of square meters has increased in this period from 7,815 to 10,054 m^2 (+28,7%).

Figure 43. Fashion supply Amsterdamse Poort, 2006-2014 (Source: Locatus).

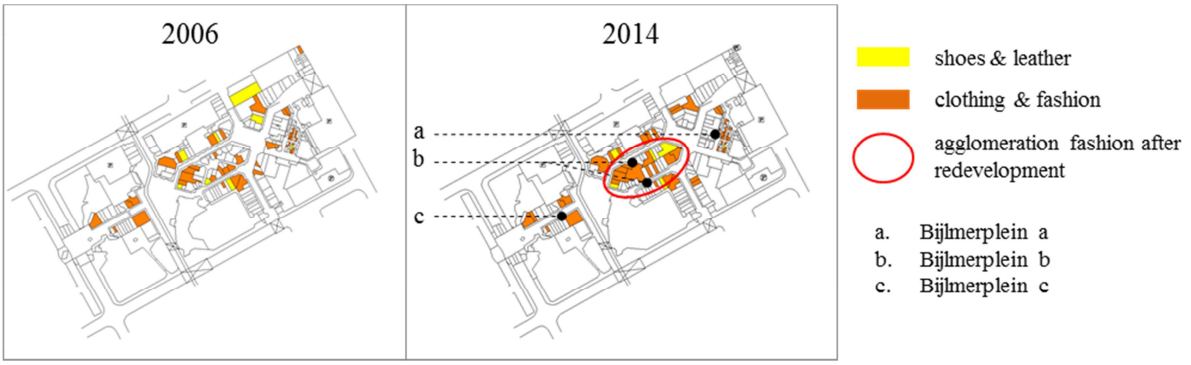


	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	7.815	8.523	8.623	8.622	7.904	9.407	9.882	10.112	10.054
selling points	55	61	59	59	51	51	55	57	55
av. size store (m2)	142	140	146	146	155	184	180	177	183

Figure 43 shows that the total retail supply is concentrated around Bijlmerplein. The fashion supply is mainly situated in part (b) of Bijlmerplein. In part (a) one finds a couple of relatively small units which house small independent retailers.

Amsterdamse Poort is a supporting shopping centre with a stable number of selling-points. However, after a renovation of part (b), the size of the units has become larger. While the former structure offered units of around 65-80 m^2, part (b) now offers several units of 100+ m^2 and 4 units ranging from 235 to 1,160 m^2. H&M, New Yorker, Van Haren and Miss Etam are the occupiers. While H&M moved within the centre to a larger unit, nationally operating newcomers New Yorker, Van Haren and Miss Etam have occupied the other larger units.

Figure 44. Fashion supply Amsterdamse Poort, 2006 and 2014 (Source: Locatus).



The analysis of Amterdamse Poort confirms that the average store size has grown, in this case with 28.7%. This is much higher than the average growth figure for Dutch supporting retail areas of 11.1%. The shopping centre shows a stable number of selling-points. However, smaller units have been left for larger units. As for agglomeration, the selling-points are mostly agglomerated in the centre of Bijlmerplein.

Table 20. Summary supply Amterdamse Poort, 2006-2014 (Source: Locatus).

	Amterdamse Poort	Av. supporting retail areas NL
increase in selling-points	0	-67
increase selling-points in %	0,0%	-2,0%
increase in m^2	2.239	40.804
increase m^2 in %	28,7%	8,9%
av. size store 2006	142	136
av. size store 2014	183	151
increase av. size store in %	28,7%	11,1%

4.2.7 Conclusion case studies

The case studies answer the following research question from a local point of view: "How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply, in the period 2006-2014?"

Table 21. Summary central retail areas, 2006-2014 (Source: Locatus).

	Av. central retail areas	**Downtown Amsterdam**	**Nieuwendijk & Kalverstraat**	**Downtown Haarlem**	**Downtown Amstelveen**
increase in selling-points	155	108	-24	39	-4
increase selling-points in %	0,9%	21,1%	-14,8%	20,6%	-5,1%
increase in m^2	369.175	25.509	3.889	7.047	2.243
increase m^2 in %	13,3%	39,5%	12,4%	29,6%	16,1%
av. size store 2006	170	126	196	126	178
av. size store 2014	191	146	256	135	218
increase av. size store in %	12,2%	15,1%	30,6%	7,4%	22,4%

Table 22. Summary supporting retail areas, 2006-2014 (Source: Locatus).

	Av. supporting retail areas	**Boven 't Y**	**Osdorpplein**	**Amterdamse Poort**
increase in selling-points	-67	-5	-1	0
increase selling-points in %	-2,0%	-13,2%	-2,0%	0,0%
increase in m^2	40.804	-466	-2.797	2.239
increase m^2 in %	8,9%	-5,1%	-32,1%	28,7%
av. size store 2006	136	239	174	142
av. size store 2014	151	261	121	183
increase av. size store in %	11,1%	9,2%	-30,7%	28,7%

The case studies of downtown areas Amsterdam and Haarlem confirm that fashion retailers are interested in opening stores in the historic downtown areas. Both downtown areas have witnessed a steady growth of the fashion supply (in square meters and selling-points). This trend is not noticed in Amstelveen, were the supply has not witnessed a gradual growth in terms of selling-points and square meters in the post-crisis era. For the most part this is because the citizens have protested against expansion. The shopping streets Nieuwendijk and Kalverstraat have also witnessed a slight decrease in selling-points, but a slight growth the fashion supply in terms of square meters.

Supporting areas Boven 't Y, Amsterdamse Poort and Osdorpplein show a declining or stagnating trend of the fashion supply. Especially Boven 't Y, a shopping centre with relatively few scattered fashion stores, shows a gradual decrease of selling-points and amount of square meters.

It seems that large stores, which are relatively scarce, are indeed preferred by fashion retailers in the post-crisis era. The average store size in all downtown areas has increased in the period 2006-2014. The case study of Amsterdam shows that fashion retailers have chosen to move into larger buildings near Dam Square, thereby increasing the average store size in these streets. In the downtown area of Amstelveen, it is also noticed that smaller units have been left for larger units.

An increase of the average store size is less noticed in the supporting areas. Boven ‘t Y simply does not have that many large stores to offer. At Osdorpplein fashion retailers have even left relatively large units. Amsterdamse Poort on the other hand has attracted fashion retailers into large units, after a redevelopment of the shopping centre.

In the nationwide analysis and in the interview rounds two main trends are noticed. First, a concentration trend towards prime city centres. Secondly, the preference of fashion retailers to occupy large stores. The results from the case studies support both trends. An additional and important observation is the agglomeration of relatively large buildings, occupied by fashion retailers, in Amsterdam, Haarlem and at Amsterdamse Poort.

CHAPTER 5 CONCLUSIONS AND DISCUSSION

In this concluding chapter an answer will be given to the main research question of this research project. Subsequently a recommendation on future research and a reflection on the research process will be provided.

5.1 CONCLUSION

5.1.1 Introduction

Before the financial crisis, the Dutch economy had witnessed a long period of prosperity. In this period, the Dutch fashion retailers witnessed a nationwide expansion of a diversity of retail concepts and stores. However, in the period 2006-2014 the retail sector has been confronted with a changing economy, a change in consumer behaviour, and technological innovations. As a result, the retail market is currently faced with increasing vacancy rates and bankruptcies, especially in the non-food sector. Fashion retailers are also faced with many uncertainties, such as the recovery of the economy or the impact that online shopping will have on the revenues of physical stores. In this regard, fashion retailers are operating in a changed market, a demand-driven market which now faces rising vacancy rates, bankruptcies, and a growing differentiation between retail locations, and it seems impossible for fashion retailers to apply the same store location selection criteria that have been used before the crisis.

The subject of this study is change in the selection criteria for store locations of fashion retailers. By combining in-depth interviews with retail experts and retailers and a quantitative study of the supply, an answer is given to the following research question: "*What are the implications of changing store location selection criteria among fashion retailers in the post-crisis era for the current retail supply?"*

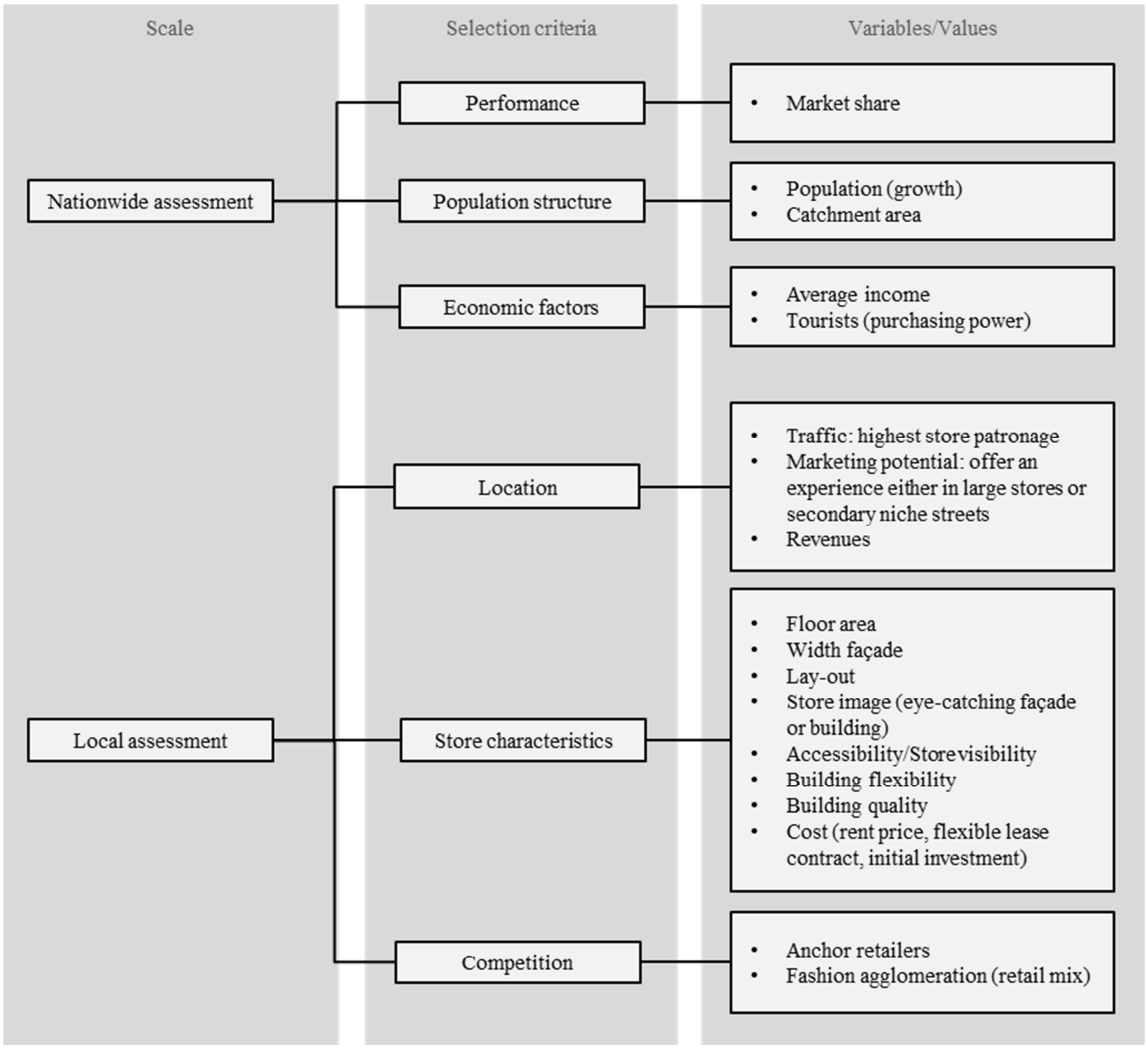
5.1.2 Important selection criteria among fashion retailers

"What are currently the most important selection criteria among fashion retailers for new store locations according to retail experts and retailers?"

Fashion retailers have to assess their expansion possibilities carefully, which often involve long-term and costly commitments. First, fashion retailers conduct a nationwide assessment: they asses viable cities or regions for opening new stores. Secondly, a subsequent local assessment is conducted: fashion retailers asses which shopping streets and buildings are best suited for their new stores and concepts. Both assessments require different selection criteria. Using the categorization of selection criteria from Turhan et al. (2013, p. 395), this study assigns the nationwide and local assessment with the most important selection criteria for fashion retailers.

In the nationwide assessment the most important criteria are: (1) performance, (2) population structure, and (3) economic factors. In the local assessment the most important criteria are: (1) location, (2) store characteristics, and (3) competition. According to the interviewees, location is by far the most important selection criterion among fashion retailers. Location refers to locations with large passer-byers flows, in this regard. However, the interviews also reveal that the local assessment for a possible new store ultimately depends on many factors, and more specifically, also on the store characteristics and the competition (see figure 44).

Figure 45. Most important selection criteria for fashion retailers (author).



5.1.3 Changing location and store preferences among fashion retailers

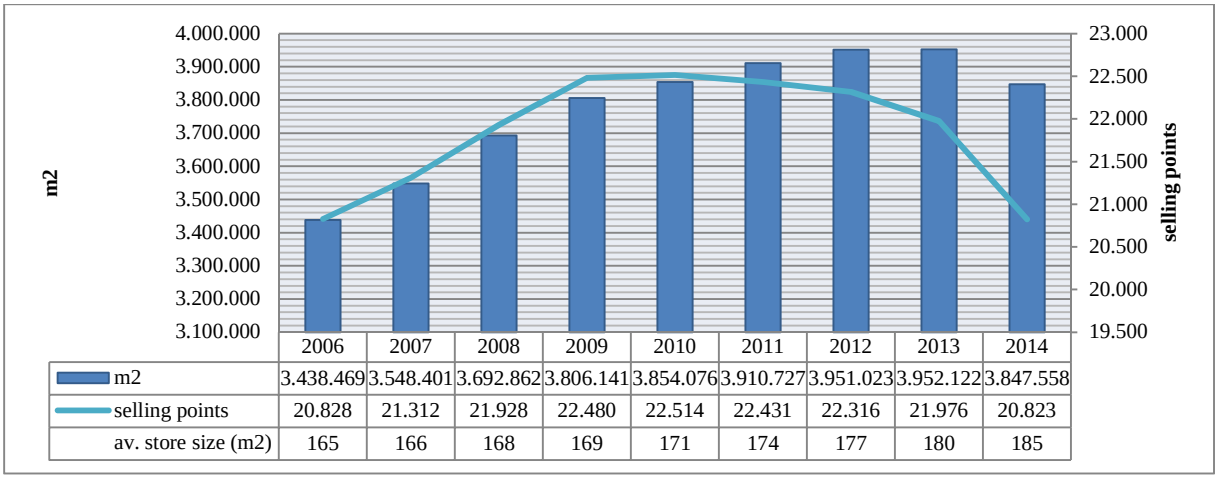
- *"Are the selection criteria for new store locations among fashion retailers the same in the current post-crisis era, compared to times before the crisis?"*
- *"How are changes in the selection criteria for new store locations among fashion retailers reflected in the current retail supply (period 2006-2014)?"*

This study reveals that there are two fundamental changes regarding the selection criteria of store locations of fashion retailers, in the period 2006-2014. First of all, fashion retailers are pulling away from a nationwide expansion strategy and are focussing on the largest Dutch agglomerations, such as Amsterdam and Maastricht, in the post-crisis era. The second important change is that fashion retailers have become more selective when considering shopping areas and stores to expand to. In other words, the criteria used to assess expansion possibilities have become more comprehensive and, in turn, retailers have become highly critical of their possibilities. The following section discusses these two fundamental changes and its impact on the current retail supply in more detail.

Concentration trend towards prime cities and inner urban shopping streets

After a long period of economic growth, before the financial crisis in 2008 in which Dutch consumers enjoyed a relatively strong purchasing power, fashion retailers saw their revenues grow once they expanded. Opening new stores, either in cities in which they were already established or new ones, resulted in additional revenues. Therefore a comprehensive assessment of the revenue potential was not a priority. As a result, the fashion sector has witnessed a heavy expansion in both large historic city centres, but also smaller cities with population densities of less than 100,000 citizens. Even supporting retail areas, which often accommodate retailers providing daily goods, were an option for fashion retailers to expand to. However, after the financial crisis in 2008 the fashion supply has started to shrink, in selling-points since 2010, and in square meters since 2012 (see figure 45). This study reveals that fashion retailers in the Netherlands have changed their preference from a nationwide expansion to a concentrated expansion. Retail locations where the fashion supply is still growing in the post-crisis era are the largest Dutch agglomerations, such as Amsterdam and Maastricht, and in inner urban shopping streets, particularly of Amsterdam, Rotterdam, and The Hague. Fashion retailers are also in the process of optimizing their current portfolios, in other words, assessing their market share potential comprehensively in cities in which they are established, renegotiating rental prices, and ultimate closing stores that are no longer viable. This notion is supported by the shrinking fashion supply in small and midsized cities and supporting shopping areas. Furthermore, tourists with high purchasing power are becoming a key factor when considering cities to expand to, especially for large fashion chains. The fact that touristic cities such as Amsterdam, Haarlem and Maastricht have witnessed a strong and continuous growth of the fashion supply, even in the post-crisis era, supports this notion.

Figure 46. Fashion supply (square meters and selling-points), 2006-2014 (Source: Locatus).



	2006	2007	2008	2009	2010	2011	2012	2013	2014
m2	3.438.469	3.548.401	3.692.862	3.806.141	3.854.076	3.910.727	3.951.023	3.952.122	3.847.558
selling points	20.828	21.312	21.928	22.480	22.514	22.431	22.316	21.976	20.823
av. store size (m2)	165	166	168	169	171	174	177	180	185

The results show that in the period 2006-2014, there were many cities in which the fashion supply (in m^2) grew with more that 20%, e.g. Amsterdam, Maastricht, Rotterdam, and The Hague (see figure 46). After 2012 however, the year in which the fashion supply started to shrink, many of the largest Dutch fashion agglomeration such as Den Bosch, Eindhoven, Breda have witnessed a decline of the total square meters of fashion (see figure 46). City centres where the supply has continued to increase after 2012 are Amsterdam, Maastricht, Nijmegen, The Hague and Haarlem. The increase in Nijmegen is mostly due to the opening of a Primark of 5.400m^2 in 2014. The concentration of fashion retailers in large cities such as Amsterdam, The Hague, and Rotterdam is also underpinned by the growth of the fashion supply in inner urban shopping streets. In fact, the supply in inner

urban shopping streets is the second type of location in which the supply has been gradually growing, even after 2012. An increase of the supply is especially found in supporting inner urban shopping streets of: Amsterdam (PC Hoofdstraat +942 m^2, Bos en Lommerplein +1,063 m and Ferdinand Bolstraat +1,013 m^2), The Hague (Hobbemastraat +683 m^2 and Paul Krugerlaan +501 m^2), and Rotterdam (Oude Noorden +703 m^2).

Figure 47. Change in m^2 fashion top-17 city centres, 2006-2014 (Source: Locatus).

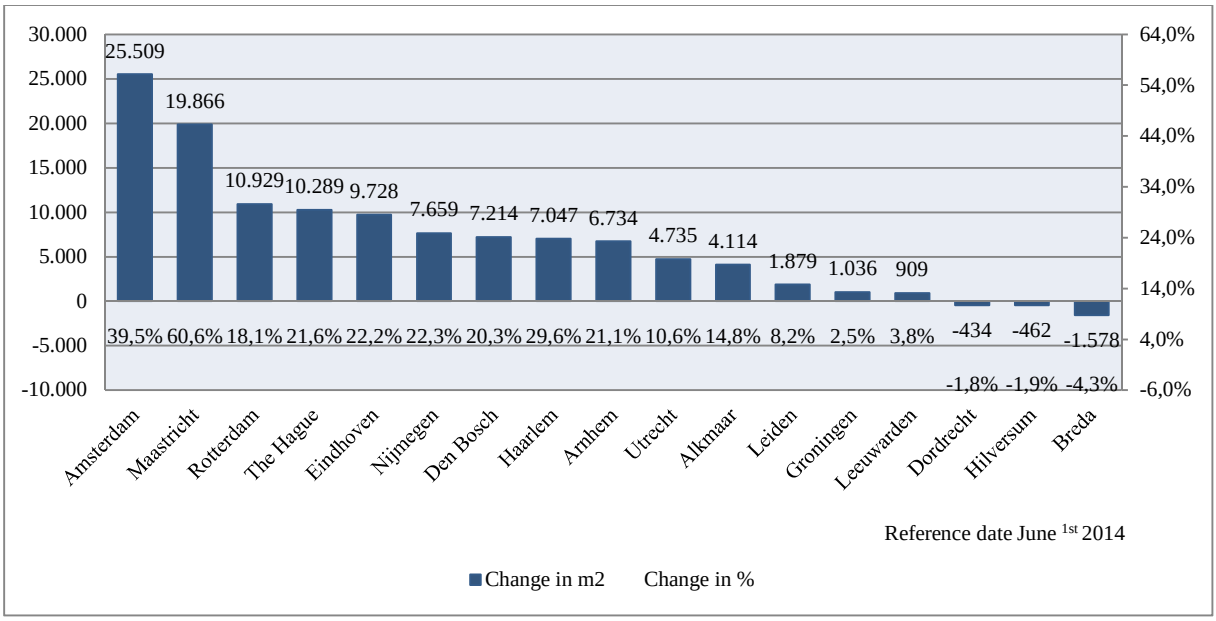
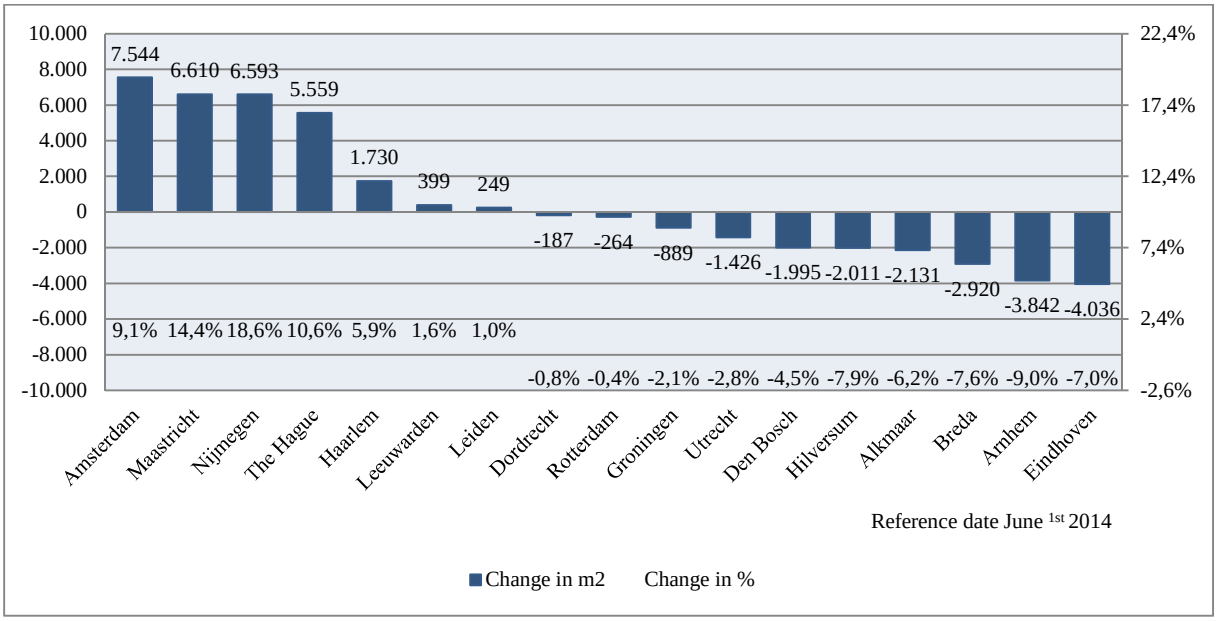


Figure 48. Change in m^2 fashion top-17 city centres, 2012-2014 (Source: Locatus).



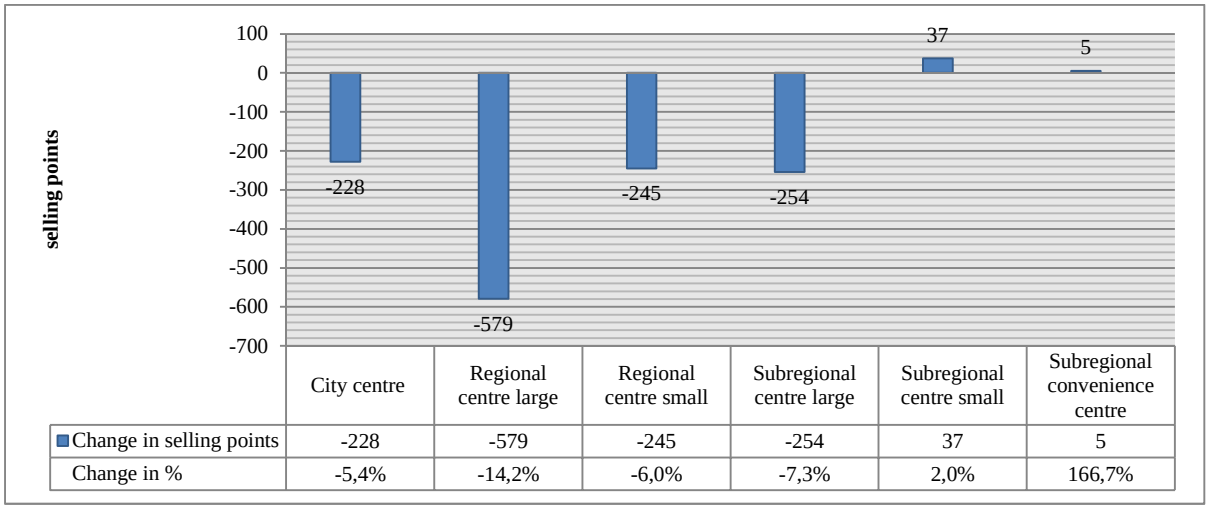
Challenging times for small and midsized cities

According to the interviewees, store patronage has dropped heavily in the secondary Dutch cities in which too many square meters of retail is available. In turn, fashion retailers are reassessing their revenue potential in the secondary cities, while keeping in mind that online shopping will also have a, yet unknown, impact on the

revenues of their physical stores. If the rent-price, operation cost and revenues do not result in positive numbers, fashion retailers will either negotiate for lower rents or ultimately close the weaker performing stores.

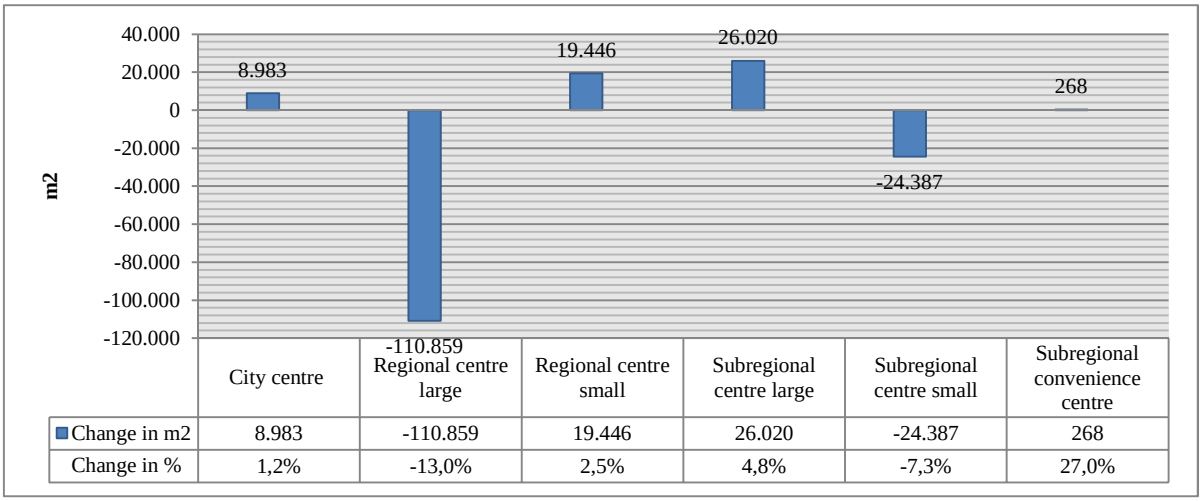
The analysis of the current fashion supply indicates that fashion retailers have closed their stores especially in small and midsized cities (regional centre small and large) of 100-400 stores. In fact, the supply has strongly declined both in selling-points and square meters in regional centres (see figure 48 and 49). It is in these locations where fashion retailers are renegotiating their leases and also closing stores once they are not viable anymore. On the other hand, the fashion supply in subregional centres (towns with 5-100 stores) remained relatively balanced in the period 2006-2014 (see figure 48 and 49). These results indicate a growing gap between the strongest performing cities with highly competitive markets and the small towns in which the supply remained relatively stable. Small and midsized cities seem to be the first locations in which fashion retailers are closing their stores.

Figure 49. Change in selling-points fashion supply in central retail areas, 2010-2014 (Source: Locatus).



	City centre	Regional centre large	Regional centre small	Subregional centre large	Subregional centre small	Subregional convenience centre
Change in selling points	-228	-579	-245	-254	37	5
Change in %	-5,4%	-14,2%	-6,0%	-7,3%	2,0%	166,7%

Figure 50. Change in m^2 fashion supply in central retail areas, 2012-2014 (Source: Locatus).



	City centre	Regional centre large	Regional centre small	Subregional centre large	Subregional centre small	Subregional convenience centre
Change in m2	8.983	-110.859	19.446	26.020	-24.387	268
Change in %	1,2%	-13,0%	2,5%	4,8%	-7,3%	27,0%

Strong agglomeration of fashion in A1-shopping streets

Location has always been the most important factor among fashion retailers. Fashion retailers always prefer shopping streets in a city with the highest numbers of passers-byers. For them, a high store patronage does not only result in favourable revenues, but also in brand recognition. However, according to the interviewees fashion retailers have become highly critical about the shopping streets that are viable in the post-crisis era. Before the economic recession, fashion retailers would not only consider their best option, but also their second and third best option in a city. As a result, fashion retailers have also expanded to shopping streets with a medium-high patronage i.e. A2, B1 and B2 locations, depending on the market segment they cater. Today, fashion retailers with expansion ambitions are almost exclusively interested in A1-shopping streets. International fashion chains in particular are focused on prime cities and their A1-locations, where they are willing to pay high rents if their store is profitable. As a result of the strong competition, rent prices in A1-locations have been gradually increasing and certain retail branches such as consumer electronics have been driven off.

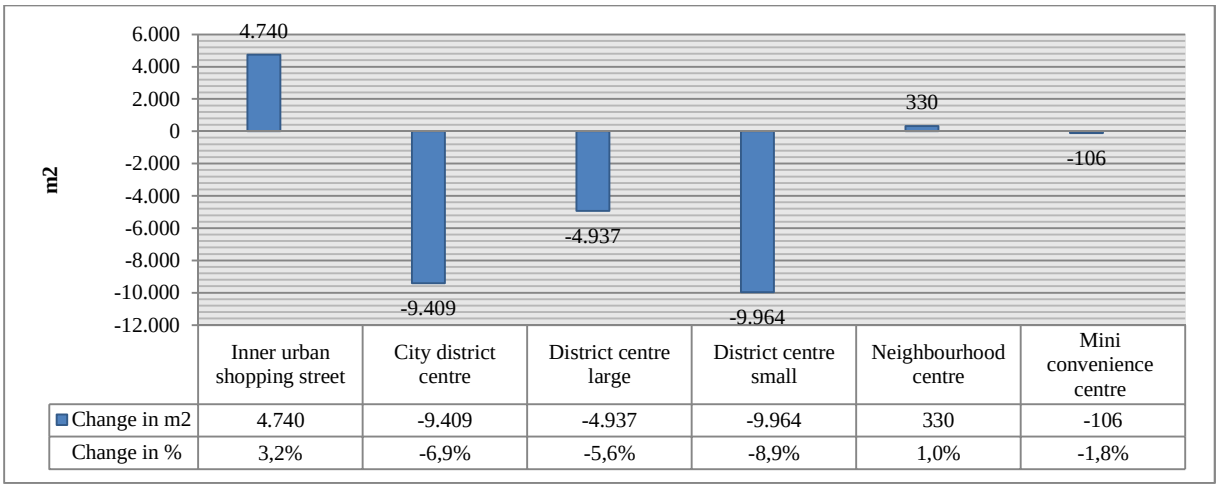
The city centre of Haarlem is an example where the fashion supply has been continuously growing in the period 2006-2014: 20.6% in selling-points, and 29.6% in square meters. This expansion can be mostly found in A1 shopping streets Grote Houtstraat and Barteljorisstraat (see figure 50).

Figure 51. Fashion supply Haarlem, 2006 and 2014 (Source: Locatus).

Supporting shopping locations no longer fit for "fun" shopping

Of old, recreational shopping in the Netherlands, in which fashion plays an important part, is concentrated in historic city centres. For this reason ca. 3,150,000 m^2 (82%) of the fashion supply is found in city centres. However, fashion retailers have also expanded in supporting retail areas where currently ca. 499,000 m^2 (13%) of the fashion supply is located. Since 2010 the fashion supply has declined strongly in supporting areas (with the exception of inner urban shopping streets), resulting in a decrease of 30,872 m^2 (-5.8%). As such, supporting locations have witnessed an earlier and a relatively stronger decrease of the fashion supply, compared to the decline of 80,529 m^2 (-2.5%) in central retail areas since 2012. This decrease in supporting areas is mostly found in city district centres and district centres (see figure 51).

Figure 52. Change m^2 fashion supply in supporting retail areas, 2013-2014 (Source: Locatus).



	Inner urban shopping street	City district centre	District centre large	District centre small	Neighbourhood centre	Mini convenience centre
Change in m2	4.740	-9.409	-4.937	-9.964	330	-106
Change in %	3,2%	-6,9%	-5,6%	-8,9%	1,0%	-1,8%

According to the interviewees, fashion retailers are no longer considering secondary shopping areas for expansion in the post-crisis era. This is mainly due to the fact that these centres cannot offer the same shopping experience and retail mix of (historic) city centres. In this regard, a cautious conclusion can be drawn. It seems that supporting city district and district centres are becoming less attractive for retailers that focus on recreational shopping. As such, supporting shopping areas may no longer be seen as a location where consumers shop for "fun", at least for fashion retailers who are looking for expansion in the post-crisis era.

Fashion retailers strongly critical of store characteristics

As a result of the nationwide expansion ambitions among retailers before the crisis, the rental market was under pressure. Many retailers, also fashion retailers, were looking for opportunities in shopping locations with a high patronage. Due to the highly competitive market, fashion retailers needed to act rapidly. Once a building became available on a desired location the assessment was quickly done by assessing the most important aspects such as rent prices, floor era and building image. However, if the criteria did not meet their requirements, some buildings which were considered the second best option were leased nonetheless. In fact, the interviewees mention that sometimes international fashion retailers would only ask for two or three criteria. For example, near H&M and a store of least 400 m^2.

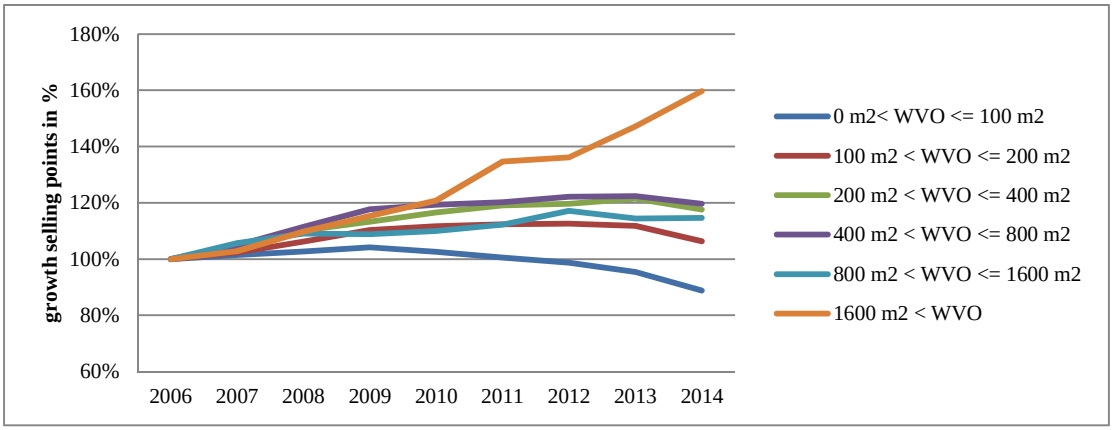
According to the interviewees, fashion retailers have become highly critical in the assessment of potential buildings for expansion in the past ten years. This concerns the assessment of qualitative, quantitative and financial building properties. Building characteristics that have become increasingly important are: a minimal floor area, wide facades, a fitting lay-out for the formula (height, width and depth), a striking façade, good store visibility and accessibility, modern buildings, and flexible lease contracts. More importantly, potential buildings need to meet all criteria before they are even considered for expansion.

An important observation is that fashion retailers are strongly focused on larger buildings. This is especially the case for international fashion chains. For example, today Zara and C&A are only interested in buildings of at least 2,500 m^2 and 1,000 m^2, respectively. In the past, both Zara and C&A would launch their concepts in both small and large buildings, thereby sometimes offering only a small part of their total assortment. As such, Zara opened smaller stores in which only women's clothing, or man's clothing could be found. Today Zara is only

interested in buildings in which all their departments can be offered: men's, women's, and children's clothing. According to the interviewees, experimenting with small and large concepts was a trend among many retailers before the crisis, whereas today fashion retailers are only interested in large buildings. Another important building characteristic is a suitable lay-out, with preferably high ceilings, wide facades and a square floor plan. According to the interviewees, modern buildings lend themselves better for the criteria that fashion retailers have today. Because they are often larger in scale and often have square floor plans. By contrast, older and monumental buildings can have atypical floor plans and are sometimes difficult to adapt. Another important observation is that fashion retailers have more negotiation power with regard to rent prices in the post-crisis era, at least outside the A1-locations. In these locations, building owners are coping with growing vacancy rates. As such, fashion retailers are increasingly able to renegotiate their rents and also negotiate for flexible leasing contracts.

This study confirms the growing need for larger stores. In the period 2006-2014, large scale units have proven to be a success factor, making it possible for fashion retailers to provide their consumers with an experience and to benefit from economies of scale. Anchor fashion chains such as H&M, Zara, Primark, and The Sting are well known for their large concepts. This study reveals two important developments. On the one hand, fashion retailers are occupying larger stores (800-1600 m^2) more frequently, while on the other hand, small scale stores (0-200m^2) are strongly declining in the post-crisis era. As such, the economic recession has had a larger impact on the viability of small scale fashion retailers, while fashion retailers with larger concepts seem to be the ones that are expanding in the post-crisis era (see figure 52).

Figure 53. Growth fashion selling-points per store-size-range* in %, 2006-2014 (Source: Locatus).



Locatus categorization

Marketing potential

As mentioned above, fashion retailers are increasingly interested in large stores. An important reason is the rise of the experience economy in the Netherlands. Today, stores have evolved from places where products are sold, into places where consumers can experience their favourite brands. Large and striking buildings are capable of providing this experience, as opposed to smaller and less attractive buildings. As such, the stores of fashion retailers play an important part in the marketing of their brand. For example, Zara's only marketing-tool is its physical store, with the exception of their online platform. Another benefit of using the physical store for marketing a brand is that once consumers become familiar with the brand, they can easily purchase products

online at their convenience. As such, international brands are highly interested in the 24-hour economy of Amsterdam. It seems that a 24-hour economy is only found in Amsterdam. Other prime cities such as Rotterdam are more interested in opening their stores seven days in the week, while losing interest in opening stores on Thursdays and Friday nights *(koopavond),* due to a declining number of consumer visits.

Niche shopping streets

According to the interviewees, the concentration of large fashion chains in A-locations along with the decline of rent prices in B-locations will create opportunities for independent entrepreneurs. While large fashion chains focus on the "mass market", creative entrepreneurs have the opportunity to focus on "niche markets". Lower rents in B-locations make it possible for independent fashion retailers to concentrate in these streets and create "niche shopping streets", with less familiar brands but a desired atmosphere for consumers. Successful examples where fashion retailers have strategically agglomerated in small scale buildings are the Negen Straatjes and Utrechtsestraat in Amsterdam.

Strength of anchor retailers

Fashion retailers are attracted to brands which are able to attract large groups of consumers, in other words anchor retailers. As such, the presence of anchor retailers has always played an important part in the selection of new stores among fashion retailers. While less familiar brands strongly desire to locate near anchor retailers, strong retailers such as Zara, H&M and Primark rely mostly on their own power to attract consumers and pay less attention to their competitors. The strength of anchor retailers to attract other fashion retailers towards them has consequences for the built environment. For instance, once anchor retailers change their building and location preferences and decide to move e.g. to a shopping street were buildings are newly built and large in scale, they have the strength to change passer-byer flows (*passanten stromen*) and to pull other fashion retailers with them. As such, anchor retailers play a leading role in the success of shopping streets and it is therefore important to monitor their store and location preferences closely.

5.1.4 Main research question

What are the implications of changing store location selection criteria among fashion retailers in the post-crisis era for the current retail supply?

This study shows that there are two fundamental changes regarding the selection criteria of store locations for fashion retailers, in the period 2006-2014. Firstly, fashion retailers are pulling away from a nationwide expansion strategy and focussing on a concentrated expansion in the largest Dutch agglomerations in the post-crisis era. As a result, the expansion of the fashion supply after 2012 is mostly found in: (1) the largest Dutch agglomerations, such as Amsterdam, Maastricht, Nijmegen, The Hague, and Haarlem and (2) in inner urban shopping streets, particularly of Amsterdam, Rotterdam, and The Hague. This concentration trend is also fuelled by the interest of international fashion chains in opening new stores in tourist cities, such as Amsterdam, Maastricht, Rotterdam, The Hague and Haarlem. Furthermore, fashion retailers have also become strongly aware of less performing markets, i.e. cities in which their stores are less or insufficiently profitable. They are also strongly aware of the fact that online shopping will have its effect on the profitability of their physical stores. As such, fashion retailers are in the process of optimizing their current portfolios. As a result, the decline of the

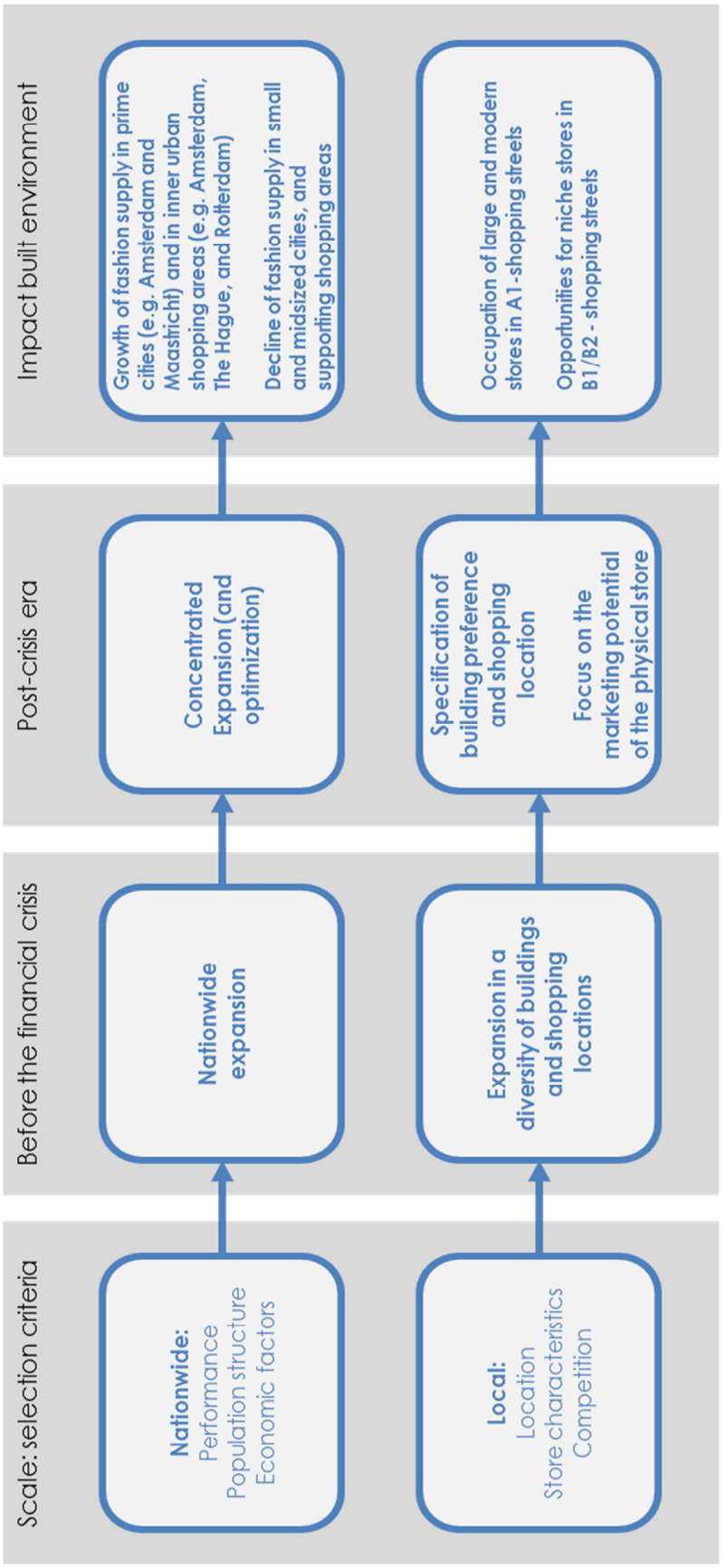
fashion supply after 2012 is mostly found in: (1) city centres in small and midsized cities with ca. 100 to 400 stores, and (2) supporting retail areas, except for supporting inner urban shopping streets.

Secondly, this study concludes that fashion retailers have become highly demanding of potential locations and buildings for expansion in the post-crisis era. This has resulted in the further specification of their criteria for suitable shopping locations and suitable building. The selection criteria have not only become increasing comprehensive, but more importantly, potential buildings need to meet all criteria before they are even considered for expansion. Today fashion retailers are solely interested in A1 shopping streets, with the highest passer-byer flows. As a result, fashion retailers are strongly agglomerating in A1 shopping streets in prime cities (e.g. Amsterdam, The Hague, and Rotterdam), thereby driving off other retail branches in these streets. Whereas, secondary shopping streets and supporting shopping centres where fashion is not strongly represented are witnessing a decline in the fashion supply. Fashion retailers are also highly critical of qualitative, quantitative and financial building properties. Building characteristics that have become increasingly important are: a minimal floor area, wide facades, a fitting lay-out for the formula (height, width and depth), a striking façade, good store visibility/accessibility, modern buildings, and flexible lease contracts.

The main reason why fashion retailers seem to be assessing stores more comprehensively is because stores may have evolved from places where products are sold, into places where consumers can experience their favourite brands. According to the interviewees, anchor fashion retailers (e.g. Zara, H&M, The Sting, and Primark) are particularly focussed on the marketing potential of their stores. In other words: the possibility to provide their consumers with an experience, rather than offering them solely a product. As such, the stores of fashion retailers play an important part in the marketing of their brand. In order to provide this experience, fashion retailers strongly prefer large and striking buildings with preferably high ceilings, wide facades and square floor plans. As such, fashion retailers are strongly agglomerating in relatively large and often modern buildings in A1-locations. This trend is particularly noticed among international fashion chains. As a result, secondary shopping streets where rent prices are under pressure and renegotiable provide new opportunities for creative and independent fashion retailers. These “niche shopping streets” are not focused on the mass-market but on niche markets.

These two fundamental changes in the selection criteria among fashion retailers are presented in a simplified conceptual model (see figure 54 on the next page).

Figure 54. Conceptual model fundamental change in the store selection criteria of fashion retailers (ill. author).



5.1.5 Discussion

This section reflects on the classical location theories and discusses the research methodology of this study project. According to the literature the proximity to competitive retailers, distance, population size, catchment area, and store size are the most important factors when considering location for retailers (see table 23). This study adds to the literature in two ways. First, the results of this study contradict the theory of Reilly. According to Reilly's "law of retail gravitation" the purchasing power of citizens of two cities is distributed in direct relation to the size of the population of each city and in indirect relation to the square of the distance towards that city. This means that each city will always attract a certain amount of consumer, depending on its size and distance. However, this study reveals that smaller and midsized cities are coping with attracting consumers, which is indicated by the declining fashion supply. It seems that larger historic cities are growing in their "gravitational force". Secondly, according to the theory of Chirstaller, the market area of a product is determined by the maximum distance that consumers can or will travel to purchase a product. According to Christaller, consumers attempt to minimise the distance when purchasing a product, therefore the consumer will always choose the nearest centre which offers the desired product. However, this study shows that fashion retailers are concentrating in the largest retail agglomerations (e.g. Amsterdam and Maastricht), thereby locating themselves relatively far away from potential consumers in smaller and midsized cities. This is an indication that fashion retailers are confident that consumers will travel the long distance in order to shop in their stores.

Validity in this research project is sought by the validation of the results by the interview participants and Locatus. However, due to the lack of time the responses have not yet been received. Reliability in this research project is dealt with by an extensive description of the research process for others to follow and replicate. In this regard, a good and complete documentation of the interview transcripts and quantitative analysis of the fashion supply are available by request. Generalization of the results of the interviews is enhanced by performing a quantitative analysis and case studies. By conducting interviews, this study shows the change of location and building preferences of fashion retailers in the Netherlands. The quantitative analyses of the fashion supply and case studies show results that are corresponding to this changing demand: concentration trend large cities, the decline of the fashion supply in small and midsized cities, and the occupation of large stores in A1 locations. In this regard, the results of this research project apply are fairly generalizable for the fashion market in the Netherlands.

This study also is subject to some methodological shortcomings that limit the interpretation of the results, and are left for further investigation. As such, any attempt to generalize the research findings requires caution. First, the research design is cross-sectional; hence data and the perception of experts are collected in a certain point in time. As such, the results are based on data available in this point in time. There are certain developments that can change the outcome of the results in a longer course of time. For example, once the Dutch economy has recovered and the purchasing power of consumers has increased, this will certainly have an effect on the expansion ambitions of fashion retailers. As such, a longitudinal study is desirable in order to reveal whether the selection criteria among fashion retailers are of a long-term nature, or if the selection criteria among fashion retailers are continuously changing. Second, the study assesses information only from the perspectives of the participating organizations: three consultancy firms and two large chain fashion retailers. Consequently, it offers a one-dimensional focus. Also, it is not known if their view on expansion and selection criteria is shared by other

fashion retailers, therefore it seems useful, in terms of reliability, to involve more fashion retailers in future research: independent fashion retailers as well as other fashion chains.

5.2 REFLECTION ON THE RESEARCH PROCESS

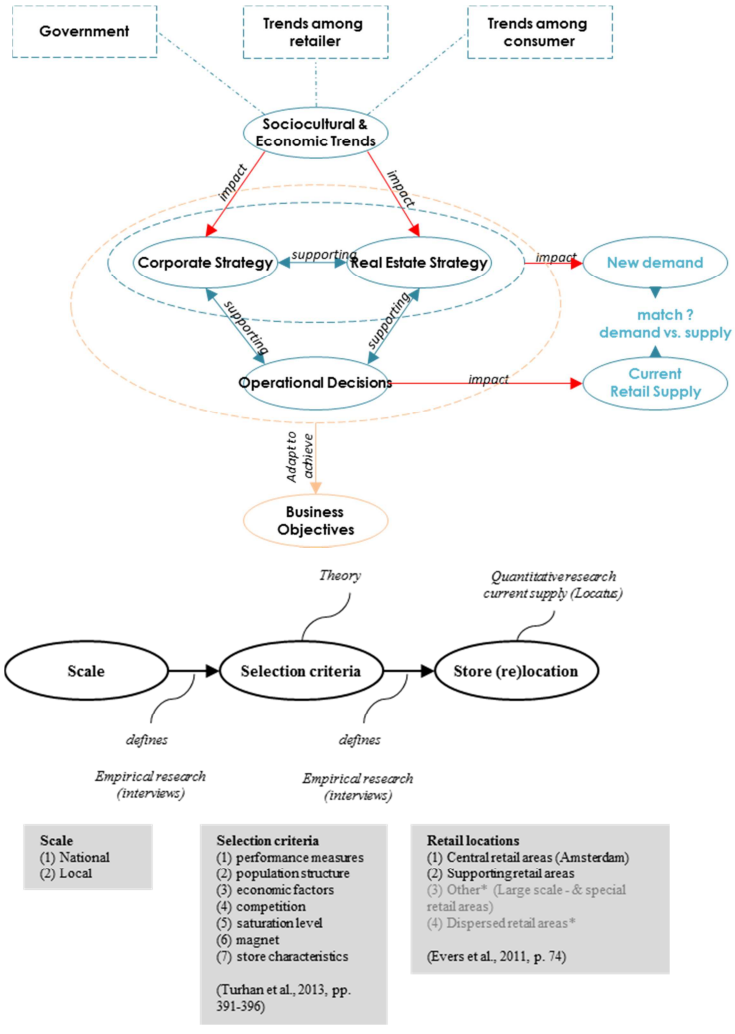
This section presents a reflection on the research process in order to discuss how and why the approach did or did not work and to ultimate draw lessons in retrospect.

5.2.1 Research period before P2

The first phase of the research process was aimed to write a sound research proposal, with a demarcation of the scope and a preliminary literature study. During this first period I had chosen a too broad scope: the retail sector and its current trends. As such, writing a coherent proposal became very difficult to say the least. The main critique was a lack of focus.

In order to bring more focus in the research proposal, I have read ten scientific articles with a clearly defined scope and in which the research focusses on only a few variables. The article of Guenzi and Troilo (2007) "The joint contribution of marketing and sales to the creation of superior customer value", has especially helped in finding the focus in my research proposal. This article focusses on a specific subject (company) and six criteria. As a result I have changed the scope of the research proposal into: fashion retailers as the subject, and their selection criteria for new store locations as seven main variables. Furthermore, central and supporting areas are chosen as the main areas of focus. See figure 54 for the conceptual models of the research proposal.

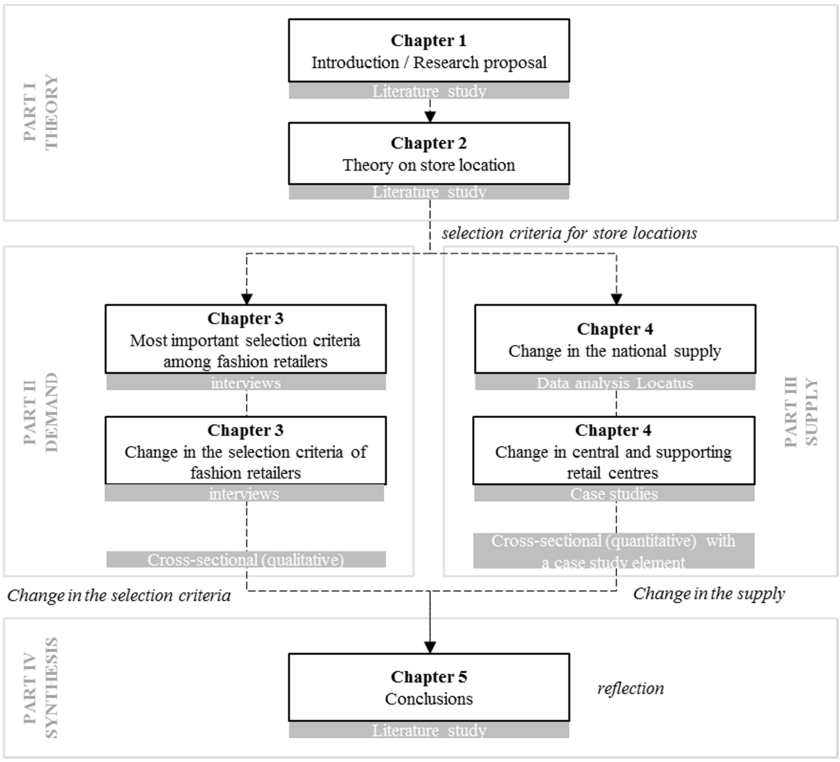
Figure 55. Conceptual models P2 (above the model without focus, and below the model with focus) (ill. author).



5.2.2 Research period before P4

The subsequent period was aimed at conducting the empirical research. I have chosen a cross-sectional study design with a case study element. The research strategy is both qualitative and quantitative of nature. The final research design is presented in figure 54.

Figure 56. Final research design (ill. author).



This research design has proven to be successful in answering the research questions. However, there are some aspects of the research design that could have been improved in retrospect.

Firstly, this study primarily focuses on the development of the fashion supply in central retail areas, on the one hand, and supporting retail areas, on the other hand. Because of the limited time of this period (8 weeks) both the interviews and the quantitative study (the cases studies) had to be conducted parallel of each other. As a result the case studies were conducted right from the start. However, both the quantitative analysis and the interviews revealed that there are striking changes in the supply when a comparison is made between cities, as opposed to central versus supporting centres. Even within the top-17 largest Dutch retail agglomerations the supply shows different developments. Cities such as Amsterdam and Haarlem are witnessing a strong increase while other prime cities, such as Breda or Alkmaar have witnessed a decline of the fashion supply. It seems that there are insights about the location preferences of fashion retailers to be found when assessing solely central retail areas: e.g. small and midsized against large prime cities. As such, the case studies could provide knowledge about why fashion retailers are leaving certain central areas. For example, it would be interesting to choose two large cities, such as Amsterdam and Rotterdam with a strong increase of the supply on the one hand, and Breda or Alkmaar with a decreasing fashion supply on the other hand.

Secondly, for the interviews both consultants and retailers with over 10 years of experience in the retail (real estate) sector were asked to participate. However, it was very difficult to convince the professionals from the

retail organizations to participate in this study. For example, organizations such as H&M have the policy to always decline graduation projects. As a result, only five professionals were interviewed in this study instead of the desired eight. Furthermore, planning the interviews has also been more difficult than expected. The reason is primarily the very busy schedule of the participants, which resulted in a couple of rescheduled interviews. Especially the period of only 8 weeks makes it very difficult to find the right interview participants, schedule the interviews, write the transcripts, and write down the insights. It would have been more workable if the interviews were planned September and not in October.

Thirdly, an important part of the interview was primarily aimed to reveal a ranking of the most important selection criteria among fashion retailers. During the interview rounds it became clear that location was the most important criteria, as one could expect in the real estate sector. However, the interview participants were not very eager to rank the other selection criteria: competition, store characteristics, economic factors, population structure, magnet and saturation. According to the interviewees, the different selection criteria in the post-crisis have become more important altogether as fashion retailers have become highly demanding. As such, it became clear that a list of the most important criteria for a nationwide and local assessment was more insightful, as opposed to a ranking in importance. The result is that the ranking of the selection criteria has been omitted from the research results.

Fourthly, in the interview rounds during the first set of questions, the participants spoke mostly about building characteristics. During the second set of questions, the participants spoke mostly about the nationwide location preferences. By switching these two sets of questions, the interview results would have been more logical to analyse. Starting with the selection criteria from a nationwide view (cities and regions) and subsequently focussing on selection criteria on object level (buildings).

5.2.3 Lessons

The research process of this graduation project has taught me some important lessons of conducting research. Firstly, the research project needs to have a clearly defined and focused scope. Otherwise, the student will be overwhelmed with all available information that has the slightest relation with the problem. Focusing on a few variables brings this focus to the research.

Secondly, it is important to aim for results early in the research process. As such, striking insights or dead ends will be revealed early in the process. When dead ends or striking unknown insights are revealed, the student can adapt the research questions or research design in order to improve the overall research project and ultimately aim for better research results.

APPENDIX A: TRENDS IN THE RETAIL SECTOR

In the following section a brief discussion of important trends that have been addressed in this study is found.

The consumer, and a changing way of consumption

Consumers are constantly renewing their needs, wants and desires, changing their behaviour and lifestyles, with direct effect on shopping activities. Prahalad and Ramaswamy (2004, p. 123) mention an important shift in the role of the consumer from isolated to connected, from unaware to informed, from passive to active. The two main drivers for this change are a generally higher education level, and the rise of the internet. The changes in consumer profile result in new shopping behaviour, where a more smarter and conscious consumer becomes more demanding. Along this trend consumers also seem to spend their money differently during the economic downturn. Since 2008 the total revenue in the retail sector has declined with 9% to 81 billion in 2013 (Platform31, 2014, p. 5). Due to the economic downturn the purchasing power of consumers has declined over the years, having direct effect on their spending behaviour. While the total revenue of the non-food sector has declined with 7,5% in comparison with the total revenue of the year 2000, the total revenue of the food sector has grown with 37% in comparison with the total revenue of the year 2000 (HBD, 2013a). From 2008 on there is a clear trend in declining revenues for the non-food sector and growing revenues for the food sector. Another important trend is the changing demographics in the Netherlands. The time of a population pyramid with a relatively small number of older people and a relatively large number of young people has past. While in 2010 there were the same number of people above their 40's as there were people below their 40's. In the next 10 years this will shift to 50 years (CBW-MITEX, 2010, pp. 64-72). The number of young people will remain roughly the same, while the number of adult and elderly people will significantly increase. This means that, a certain demographic of consumers with relatively high purchasing power and certain needs, will grow.

Change in consumer preferences are not straightforward and clear, however retail branch organizations have made an effort to describe the trends that follow change in consumer behaviour. This study uses the trends described by the report of CBW-MITEX, *Retail 2020,* because this report sums the most important trends among consumers mentioned in relevant articles, reports and retail magazines.

Table A1, Created from CBW-MITEX report, Retail 2020 (CBW-MITEX, 2010, pp. 31-123; HBD, 2011, pp. 9-19,56-65; Nozeman, Van der Post, & Langendoen, 2012, pp. 122-159)

Trends	Change in consumer preference
Individualization	Own and unique style important Customization
Cross channel commerce	Online shopping (next to Offline shopping and Catalogue shopping)
The digital super consumer	Consumers increasingly sophisticated and demanding Constantly seeking for opinions Change from need to want
End of the population pyramid	More elderly consumers with relatively high purchasing power More 1 person households Depopulation peripheral locations
Glocalisation	Consumers value local retailers, but also choose greatly for international retailers
Priority	Less visit to the city centre Consumers shop more in the weekends Consumers shop less during the day Consumers want to shop when it fits them best
Transparency	Consumer is better aware of the product/service and origin
New middle market segment	Value for money Acceptance of price/value products like Primark, IKEA, H&M
Conscious consumer	Consumers spend less and more consciously Consumers want to know the product Purchasing power has decreased More sales used products
International upcoming markets	Consumers buy more and more from foreign countries

Trends among retailers

Retailers are always trying to respond to (changing) consumer behaviour or are trying to influence the consumer with new brands or new retail concepts (Evers et al., 2011, p. 87). The paragraph below describes the recurring trends among retailer.

Growing differentiation between retail location and cities

In 2006 the NRW, the Dutch retail association, made predictions about transitions in retail locations. They predicted that in the Netherlands there would be a growing differentiation between powerful and vital cities like Amsterdam, Utrecht, The Hague and Rotterdam on the one hand, and on the other hand more average cities (less historic, no universities, less innovative) that cannot compete well against the larger ones (NRW, 2006, p. 34). Large corporate retail firms, as well as investors are vigorously analysing which retail locations will perform well the coming years and of course which retail locations will cope with (structural) vacancy (Platform31, 2014, p. 34). Comprehending these dynamics is necessary to assure continuity of their business, and revenues. As a consequence large retail franchises are actively targeting scarce A1-locations in large cities, and thus a change in strategy or at least in location preference is notable. DTZ states that A1 locations ask for corresponding business models with short lifecycles of products and fast continuously changing assortments (DTZ, 2013, p. 5). These types of business models are typical for retailers in the fashion industry.

On the other hand retailers who provide white-goods, books & music, and electronics are disappearing from the main shopping streets. Since 2005, 502 electronic stores have disappeared from the Dutch city centres (Overbosch, 2012, p. xi).

Vacancy

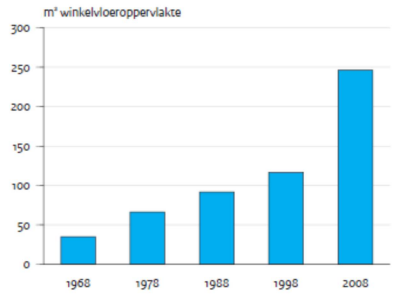
Vacancy in the retail sector has grown to to 8% or 3 million m^2 of the total retail supply (Buitelaar et al., 2013, p. 121). In city centres of small towns and villages, in centres of “shrinking cities”, in B- and C-locations in larger cities, vacancy rates are above the national average of 8% (Buitelaar et al., 2013, pp. 55-56). Of the total vacancy

of 3 million square meters retail floor area, approximately one million square meters can be found on these peripheral large scale retail concentration with an average of 13% of vacancy (Kooijman, 2013, pp. 40-41).

Enlargement stores and convenience

In the past year total square meters in the retail sector has gradually been growing, while the total amount of stores has been relatively stable. In other words, stores have become larger and according to even exponentially (Evers et al., 2011, p. 13). See figure A1. Large peripheral retail developments, that began in the 80´s (Evers et al., 2011, p. 94), of course have an impact on the growing average size of stores. Peripheral locations, with low rent prices and high accessibility have been the best location for large scale retail developments to sell voluminous products, mainly furniture and DIY-products. However there are other examples like the introduction of the store formula Albert Heijn XL of Ahold in 2002, now counting 30 stores in the Netherlands (Albert Heijn, 2013). By introducing larger stores in their business model, Ahold can benefit from economies of scale.

Figure A1, (Evers, 2011, p. 13).



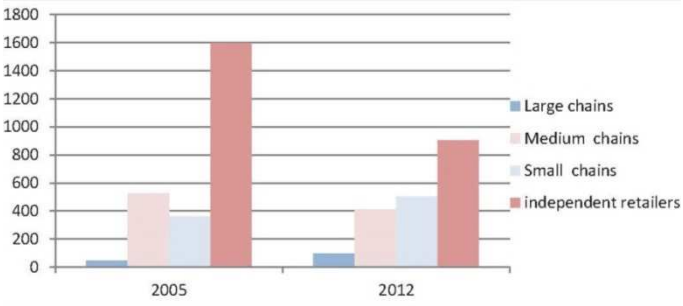
Next to the enlargement of stores, there has also been a trend of smaller store formulas on convenience locations like transportation hubs, gas stations. In 1999 Ahold introduced the first convenience Albert Heijn in a train station, which in 2001 was renamed AH to go (Albert Heijn, 2014). According to Kreijkes (2009, p. 79), show that this “convenience” strategy that originated from the inner urban strategy was very successful after the crisis. Ahold, then discovered a new consumers, the “quick travellers”, who’s stay is around 3 minutes in the store. For these customers, Ahold launched the “AH to go” shops which are located in train stations, filling stations, subways, city centre, and even in big offices. Today, Ahold has an AH to go in all the largest train stations in the Netherlands, and Ahold wishes to expand even more in city centres.

Internationalization, franchising and bankruptcies

Another remarkable trend is the growth of franchise stores in A1 and A2 locations. In cities with over 100.000 citizens the franchise stores has grown from 40% in 1984 to 78% in 2011 (Platform31, 2014, p. 38). Furthermore, almost all branches in retail have been coping with so called “category-killers”. These are large chain franchises, often international, who manage to obtain a great market share in a short amount of time. Their selling-points are large product assortments and low prices. Two well know examples are IKEA and MediaMarkt, two large international franchises who make it difficult for retailers to compete with. Meanwhile, the yearly bankruptcies have increased from 560 in 2010 to almost 900 in 2013 (Platform31, 2014, p. 72). The

research of Overbosch (2012, p. 55) exhibits that the independent retailers are contributing most to the decline of store numbers. See figure A2.

Figure A2, Decline of independent retailers. (Overbosch, 2012, p. 55)



Experience economy, leisure and hybridization

Nowadays "experience" seems to be a key ingredient when it comes to shopping. Not only do retailers need to have a large assortment and provide great variety, but they also need to excite the consumers. A combination of stores, cafes, restaurants, cinemas and other leisure-activities are therefore necessary to provide a pleasurable experience. In this line of thought, Cachinho (2012, pp. 32-33) describes the changing function of urban retail in three stages. First, modernity until (50-60's), where shopping places are utilitarian premises serves an economy of needs. Secondly, post-modernity (70-90's), witch stores as spaces of synthesis (retailtainment), serving an economy of signs. And Thirdly, hyper-modernity (after the 90's), with stores as places of entertainment and life experience, serving an economy of fascination. Shopping, in this regard is no longer, and has not been for a long time, a basis activity to satisfy consumers' basic needs. Shopping has become a pleasurable "leisure experience" in itself Cachinho (2012, p. 32). This evolution to an experience economy can be supported with the theory of Maslow, who states that once basic human needs are satisfied, at once other and "higher" needs emerge, with the need for self-actualization at the top of the hierarchy (Maslow, 1943, pp. 375-385). Self-actualization can be described as the need of an individual to do what he is fitted for: "what a man can be he must be"(Maslow, 1943, p. 382). We can safely say that in western countries where people are relatively wealthy, individuals are pursuing a "higher", may be even the "highest" need i.e. self-actualization. There is a need for self-expression and independence.

Table A2. Urban retail changes (Cachinho, 2012, p. 133).

Attributes	**Modernity (until 50–60's)→**	**Post-modernity (70–90's) →**	**Hyper-modernity (after 90's) →**
Kind of retail spaces	Traditional stores owned by small shopkeepers	New retail concepts and formats owned by multiples and big corporations	Diversity of retail concepts and formats owned by multiples and big firms
Spatial organization	Hierarchical structure dominated by the city centre, based on centrality and proximity	Centre-periphery dialectics based on accessibility, circulation and parking facilities	Post-hierarchical structure based on topological and hyper-real spaces and virtual places
Retail offer	Goods and services according to standardized mass production lines	Goods and services according to a wide variety of lines and market segments	Brands, signs, atmospheres and consumer experiences
Functions	Shopping places as utilitarian premises. Economy of needs	Stores as spaces of synthesis: retailtainment. Economy of signs	Stores as places of entertainment and life experiences. Economy of fascination

Another development that fits well in an experience economy is the concept of pop-up stores, also known as guerrilla stores. Vacant stores and offices, sometimes on unique exiting places are temporary transformed into a temporary selling-points but especially into an exciting marketing channel (Loggers & Kooijman, 2014, pp. 44-

45). There are many successful examples of pop-up stores like beach store of H&M at Scheveningen in the summer of 2011 and the Alfa Mito store in shopping centre Stadshart Amstelveen in 2012. While the financial feasibility of a pop-up store is limited, the societal value of preventing vacancy and deterioration, but also the marketing value of a project or location seems to an important purpose (Loggers & Kooijman, 2014, p. 52).

Figure A3, Pop-up H&M beach store in Scheveningen (Retail Design Blog, 2011).

Virtualisation

Technological innovation has brought many new developments to the retail sector. Consumers nowadays use social media, smartphones, and websites to research, compare, rate and to buy their products. Of all online consumer purchases, the most purchases have been in telecom, consumer electronics, computer hard- and software and clothing & shoes. While the total revenue of the retail sector has been declining, the total revenues from online shopping have been gradually growing. Online shopping accounts for 10,9% of the total non-food purchase, including telecom-subscriptions and excluding travel & insurances. If the food-sector is included, online shopping accounts for 5,7% of the total consumer purchases. In comparison to the year 2000 these percentages are respectively 0,5% and 0,3% (HBD, 2013b). In this regard, the total market share of online retail is still limited in the Netherlands. The Top-3 (Ahold including Bol.com, RFS Holding including Wehkamp.nl, and Zalando) have a market share of 22% (Platform31, 2014, p. 39).

Some remarkable developments are: new virtual shops e.g. bol.com in Utrecht station; possibility to shop 24/7 online; opening of physical stores of telefoonkopen.nl(30 stores), Coolblue (4 stores, in the BENELUX) and Shoebazaar.nl; shopping street “9 straatjes” goes online (HBD, 2011, pp. 39-45).

Furthermore, since introduction of the first AH pick-up point in Heemstede, in October 2012, Ahold has created 15 more pick-up point, where consumers can pick up their groceries they have bought online. Pick-up points are situated in location that are easy to access by car (Albert Heijn, 2013).

Developments in governmental policy

Research shows shifting retail planning ideologies in the Netherlands. Since the 1970s the Netherlands have known restrictive guidelines with the main goal to preserve city centres and the complementary shopping centres (Spierings, 2006, p. 602). However, since the rise of these guidelines retailing planning policy have become less

and less restrictive and above this deregulation and decentralisation of retail planning policies have caused controversy among retailers and owners of retail real estate. New to be approved guidelines, again restrict the development of new retail locations to preserve city centres and the complementary shopping centre (Spierings, 2006, pp. 607-608). These shift in planning ideology also has an effect on the retail landscape, however it will not be a main research subject for this research.

APPENDIX B: RETAIL DAY 2014

With regards to my profound interest in the retail sector, I have organized a day in which "retail" was the main topic of thought. On Wednesday 28 mei 2014, the Retail Day look place at the Koninklijke Industrieele Groote Club in Amsterdam, made possible by the organization FRESH Students. The main driver for this day was to exchange knowledge among experienced players in the real estate sector and students. However, this day was also organized in order to conduct informal (preliminary) interviews with the experts: Clemens Brenninkmeijer (Redevco), René Vierkant (Syntrus Achmea), Evert-Jan van Garderen (Eurocommerical Properties), Maarten van Oosterveld (Corio), and Maarten van Lit (NRW).

<u>The main findings of the conversations held that day were:</u>

- Retailers in the fashion industry are starting to think differently about their store locations. Before the crisis, retailers where eager to open stores in smaller central retail areas and supporting retail areas to have a nationwide spread, whereas now they act more careful. Therefore some have turned their focus towards solely top retail locations.
- There is a need to create sustainable "winning" shopping streets. Key aspect to realize sustainable shopping streets are: a social dimension (by enhancing interaction and experience), an environmental dimension (by incorporating sustainability and mixing function), and an economic dimension (by creating jobs and motivating entrepreneurship). All in all, working together is key.

<u>Quotes of the day:</u>

- "Retailers focussen op een select aantal winkelsteden".
- "Vroeger wilde de retailer 300 winkels in Nederland, nu zijn het er misschien nog maar 100".
- "Maximale huurprijzen in de sterkste winkelsteden stijgen door".
- "In relatief zwakkere winkelsteden stabiliseren of dalen de maximale huurprijzen".
- "Duurzaam succesvolle winkelbeleggingen bevinden zich in blijvend aantrekkelijke binnensteden, waarin zowel volledig (inter)nationaal aanbod aan ketenbedrijven gevestigd is, als ook een aantrekkelijke omgeving met lokaal ondernemerschap, cultuur en leisure, waar burgers graag wonen, werken en winkelen".
- "Teveel aan winkelmeters moet actief worden verkleind door winkels in kansarme locaties en straten weg te bestemmen en winkeliers te verplaatsen naar kansrijk zwerfmilieu in de stad".
- "De winnende winkelstraten van de toekomst zijn diegene die een blijvende waarde creëren voor alle stakeholders van die straat".

Figure B1, Retail Day 28 May 2014 (ill. author).

APPENDIX C: SELECTION OF THE CASE STUDIES

To understand how the supply has developed in the period 2006-2014 in specific locations, case studies are performed. This section aims to reveal if the trends from the previous paragraph also apply to specific shopping areas – i.e. increase of average store size, increase of selling-points in central retail areas, the decrease of selling-points in supporting areas, and the agglomeration of fashion retailers. This study focusses on 6 case studies, 3 central retail areas and 3 supporting areas. The next paragraph describes how the case studies are selected.

Selecting the retail areas

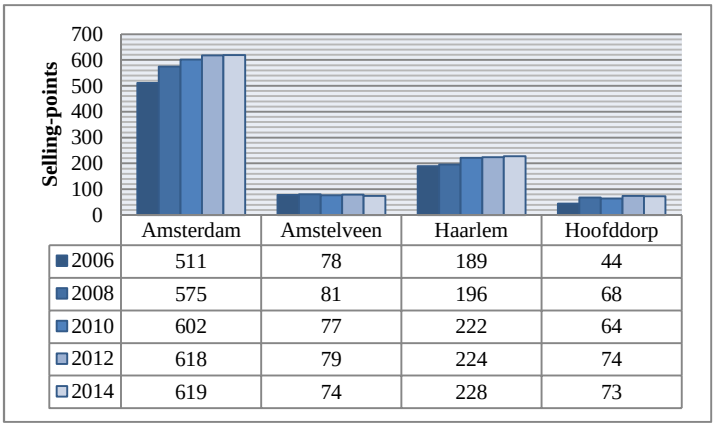
In order to choose the cases an analysis is performed on the number of selling-points for fashion. This analysis shows that the selling-points are mostly found in the G4 cities of the Netherlands: Amsterdam, Rotterdam, The Hague and Utrecht. See table C1. The city of Amsterdam is chosen as first case study because it is known for its fast growing number of fashion retailers, both in quantity and square meters. The next 5 case studies will be choses near Amsterdam for two reasons. The location selection criteria of retailers may not be as general as the literature suggest and may be different for different shopping regions. In this regard, the results may vary for different shopping regions. Choosing the region of Amsterdam allows for a greater possibility that the results of the case studies offer coherent insights for the Amsterdam region. For example, an important and unique selection criterion for a store in Maastricht may be because the city lies close to the neighbouring countries Belgium and Germany which can attract tourists for a day of shopping in the Netherlands.

Table C1: Ranking cities with most fashion selling-points. (Source: Locatus).

City	Selling-points	m^2
1. Amsterdam	1.364	190.230
2. Rotterdam	822	156.113
3. The Hague	620	96.075
4. Utrecht	418	70.618
5. Maastricht	371	59.583
6. Eindhoven	329	77.924
7. Haarlem	313	45.364
8. Den Bosch	306	55.399
9. Breda	306	51.308
10. Groningen	263	51.211

To choose the remaining 5 case studies a brief analysis is made by choosing 4 central retail areas and 10 supporting areas in the Amsterdam region. See figure 13 and 14.

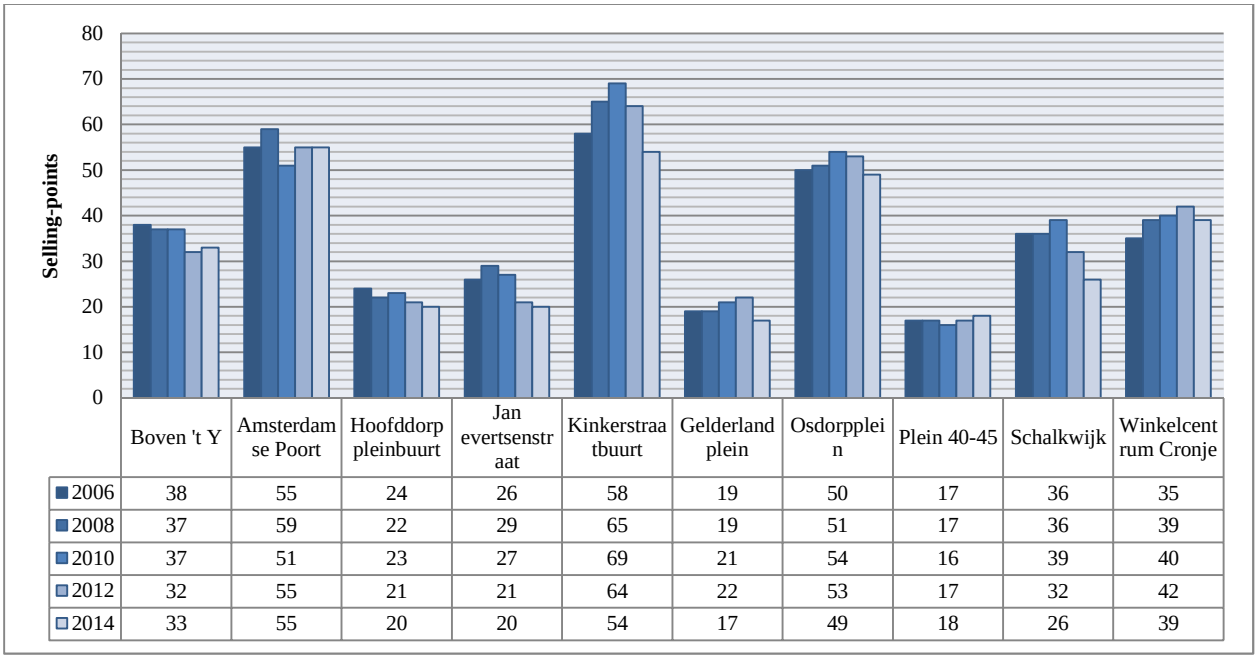
Figure C1, Selling-points in central retail areas (Locatus).



	Amsterdam	Amstelveen	Haarlem	Hoofddorp
2006	511	78	189	44
2008	575	81	196	68
2010	602	77	222	64
2012	618	79	224	74
2014	619	74	228	73

The graph above is in line with the trend that the supply is growing in central retail areas. The number of selling-points has gradually increased in all cities except for the city centre of Amstelveen.

Figure C2, Selling-points in supporting retail areas (Locatus).



	Boven 't Y	Amsterdamse Poort	Hoofddorp pleinbuurt	Jan evertsenstraat	Kinkerstraatbuurt	Gelderlandplein	Osdorpplein	Plein 40-45	Schalkwijk	Winkelcentrum Cronje
2006	38	55	24	26	58	19	50	17	36	35
2008	37	59	22	29	65	19	51	17	36	39
2010	37	51	23	27	69	21	54	16	39	40
2012	32	55	21	21	64	22	53	17	32	42
2014	33	55	20	20	54	17	49	18	26	39

In the analysis of the 10 supporting areas the number of C&F units has decreased in 6 out of 10 supporting areas. However in 3 out of 10 areas there is not a clear increase or decrease noticed, but a fluctuation around an average number of stores. In 1 out of 10 supporting areas the numbers of Selling-points has slightly grown. The numbers are in line with the trend that that the supply has (slightly) declined in supporting areas. The exception is Winkelcentrum Cronje which shows a slight positive trend.

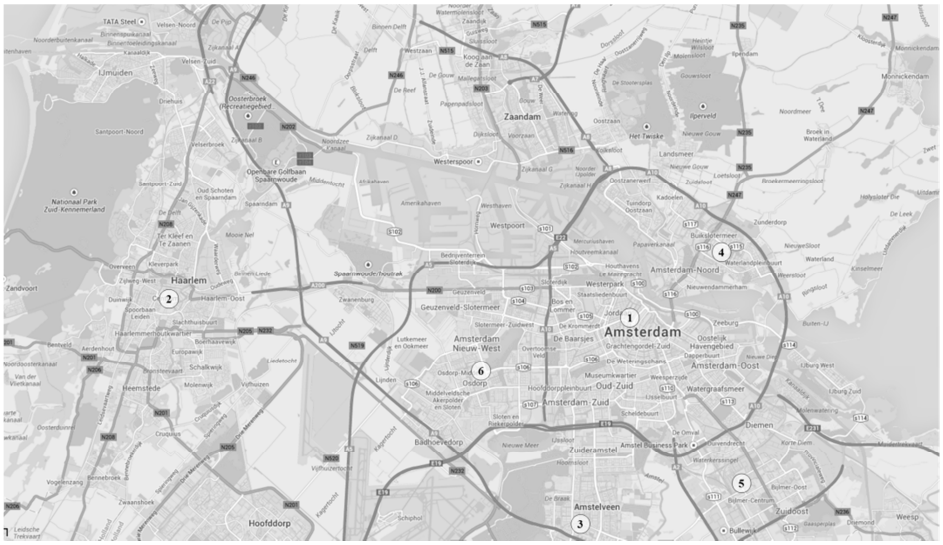
City centres Amsterdam, Haarlem and Amstelveen are chosen for the case studies. Amsterdam and Haarlem because of their positive trends and Amsteveen with a slightly negative trend as counter case study. Supporting

shopping areas Boven ‘t Y, Amsterdamse Poort and Osdorpplein are also chosen as case studies. Boven ‘t Y and Amsterdamse Poort because of their slightly negative trends and Osdorpplein as counter case study with a supply that has stayed more or less the same. Furthermore, the case studies were also selected depending on the available historical maps from Locatus which show the supply of the sub-branch C&F.

The analysis above does not claim to test the preposition that secondary retail areas are supposedly becoming less desired by fashion retailers. To test this, more shopping centres should be considered in the analysis. However, according to our preliminary interviews this should be the case in the retail sector. By focussing on the Amsterdam region and the shopping centres described above, this study aims to find participants in this study who have considered both central and supporting retail areas, also in a post-crisis era. The fact that the supplies in the case studies show movements will allow us to find retailers who have undergone the process of deciding to leave or to enter a new location. It’s most likely that these retailers will have considered a number of selection criteria when choosing new retail locations or when they choose to stay in the current ones.

The case studies are: (1) Amsterdam, (2) Haarlem, (3) Amstelveen, (4) Boven ‘t Y, (5) Amsterdamse Poort and (6) Osdorpplein. See figure 15.

Figure C3: Location case studies (own ill).



APPENDIX D: SUBCATEGORIES RETAIL AREAS

- **Centraal winkelgebied**: Het belangrijkste winkelgebied in een woonplaats wordt aangeduid als centraal winkelgebied.
- **Ondersteunend winkelgebied**: Naast één centraal winkelgebied bestaan in veel woonplaatsen een of meerdere ondersteunende winkelgebieden.
- **Overige winkelgebieden**: Concentratie grootschalige winkels en speciale winkelgebieden

Table D1. Subcategories retail areas (Platform31, 2014, pp. 28-29).

Centraal winkelgebied	**Winkels**	**Commentaar**
1. Binnenstad	>400 winkels	top 17 winkelgebieden NL, stadscentrum grotere steden
2. Hoofdwinkelgebied groot	200-400 winkels	stadscentrum middelgrote steden
3. Hoofdwinkelgebied klein	100-200 winkels	stadscentrum kleine steden
4. Kernverzorgend winkelgebied groot	50-100 winkels	centrum grote dorpen
5. Kernverzorgend winkelgebied klein	5-50 winkels	centrum kleine dorpen
6. Kernverzorgend supermarktcentrum	3-4 winkels	waarvan minstens één een supermarkt van >500m2
Ondersteunend winkelgebied	**Winkels**	**Commentaar**
1. Stadsdeelcentrum	>50 winkels	bestaat naast binnenstad of hoofdwinkelcentrum. merendeel van het centrum is planmatig ontwikkeld
2. Binnenstedelijke winkelstraat	>50 winkels	winkels, ondersteunde winkelstraten in grotere steden, niet planmatig ontwikkeld
3. Wijkcentrum (groot)	25-50 winkels	winkelgebieden met 25-50 winkels
4. Wijkcentrum (klein)	<25 winkels	winkelgebieden met 10-25 winkels, of winkelgebieden met 5-10 winkels en minimaal 2 supermarkten
5. Buurtcentrum	5-9 winkels	met of zonder supermarkt
6. Supermarktcentrum	3-4 winkels	waaronder in ieder geval 1 supermarkt van 500 m2 of meer
Overige winkelgebieden	**Winkels**	**Commentaar**
1. Concentratie grootschalige winkels	>5 winkels, vloeroppervlak >500 m2,	Waarvan >50% grotere goederen: meubels, dier en plant, doe-het-zelf, fiets- en autoaccessoires etc. Zoals Rotterdam Alexandrium, Keurenplein, De Hurk, Marconistraat en Den Haag Megastores.
2. Speciaal winkelgebied		Veelal winkelgebieden rondom treinstations of met een bepaald thema, zoals Lelystad Bataviastad, Rosada Factory Oulet, Roermond Designer Outletcentre and Schiphol Plaza.

Table D2. Subcategories retail areas- Subcategories translated freely in English (Platform31, 2014, pp. 28-29).

Central retail areas	**Stores**	**Comments**
1. City centre	>400 stores	Top 17 retail agglomerations NL, city centres of the larger cities
2. Regional centre large	200-400 stores	City centres of middle to large cities
3. Regional centre small	100-200 stores	City centres of small cities
4. Subregional centre large	50-100 stores	Centres of large Towns
5. Subregional centre small	5-50 stores	Centres of small Towns
6. Subregional convenience centre	3-4 stores	Has at least one supermarket of >500m^2
Supporting retail areas	**Stores**	**Comments**
1. City district centre	>50 stores	Exists next to downtown and regional centres. The centres area mostly developed by one investor or developer as one shopping centre
2. Inner urban shopping street	>50 stores	Supporting shopping streets in large cities, not developed by one investor/developer
3. District centre large	25-50 stores	Supporting shopping centres with 25-50 stores
4. District centre small	<25 stores	Supporting shopping centres with 10-25 stores, or supporting shopping centres with 5-10 stores and a minimum of 2 supermarkets
5. Neighbourhood centre	5-9 stores	With or without a supermarket
6. Mini convenience centre	3-4 stores	Has at least one supermarket of 500 m^2 or higher
Other	**Stores**	**Comments**
1. Concentration large-scale stores	>5 stores, floor area >500 m^2,	At least >50% large scale products: furniture, animal or plant, Do-It-Yourself, bike and car accessories, etc. For example: Rotterdam Alexandrium, Keurenplein, De Hurk, Marconistraat and Den Haag Megastores.
2. Special retail area		Mostly shopping centres around train stations or shopping centres with a theme such as: Lelystad Bataviastad, Rosada Factory Outlet, Roermond Designer Outletcentre and Schiphol Plaza.

Table D3. Example: cities included in downtown area, regional centre large and regional centre small, 2012 & 2014 (Source: Locatus)

Downtown area	
2012	2014
Centrum Amsterdam	Centrum Amsterdam
Centrum Maastricht	Centrum Maastricht
Centrum Rotterdam	Centrum Rotterdam
Centrum Utrecht	Centrum Utrecht
Centrum The Hague	Centrum The Hague
Centrum Haarlem	Centrum Haarlem
Centrum Den Bosch	Centrum Den Bosch
Centrum Eindhoven	Centrum Eindhoven
Centrum Nijmegen	Centrum Nijmegen
Centrum Arnhem	Centrum Arnhem
Centrum Leiden	Centrum Leiden
Centrum Groningen	Centrum Groningen
Centrum Breda	Centrum Breda
Centrum Alkmaar	Centrum Alkmaar
Centrum Leeuwarden	Centrum Leeuwarden
Centrum Hilversum	Centrum Hilversum
Centrum Dordrecht	Centrum Dordrecht

Regional centre large	
2012	2014
Centrum Almelo	Centrum Almelo
Centrum Almere	Centrum Almere
Centrum Alphen a.d. Rijn	Centrum Amersfoort
Centrum Amersfoort	Centrum Apeldoorn
Centrum Apeldoorn	Centrum Assen
Centrum Assen	Centrum Bergen op Zoom
Centrum Bergen op Zoom	Centrum Bussum
Centrum Beverwijk	Centrum Delft
Centrum Bussum	Centrum Deventer
Centrum Delft	Centrum Doetinchem
Centrum Deventer	Centrum Drachten
Centrum Doetinchem	Centrum Ede GLD
Centrum Drachten	Centrum Emmen
Centrum Ede GLD	Centrum Enschede
Centrum Emmen	Centrum Goes
Centrum Enschede	Centrum Gouda
Centrum Goes	Centrum Heerlen
Centrum Gorinchem	Centrum Hengelo OV
Centrum Gouda	Centrum Hoorn NH
Centrum Heerlen	Centrum Middelburg
Centrum Hengelo OV	Centrum Oosterhout NB
Centrum Hoofddorp	Centrum Oss
Centrum Hoorn NH	Centrum Purmerend
Centrum Meppel	Centrum Roermond
Centrum Middelburg	Centrum Roosendaal
Centrum Oosterhout NB	Centrum Sittard
Centrum Oss	Centrum Sneek
Centrum Purmerend	Centrum Tilburg
Centrum Roermond	Centrum Veenendaal
Centrum Roosendaal	Centrum Venlo
Centrum Schiedam	Centrum Vlaardingen
Centrum Sittard	Centrum Weert
Centrum Sneek	Centrum Zaandam
Centrum Tilburg	Centrum Zeist
Centrum Veenendaal	Centrum Zutphen
Centrum Venlo	Centrum Zwolle
Centrum Vlaardingen	
Centrum Weert	
Centrum Zaandam	
Centrum Zeist	
Centrum Zutphen	
Centrum Zwolle	

Regional centre small	
2012	2014
Centrum Amstelveen	Centrum Alphen aan den Rijn
Centrum Amsterdam Zuidoost	Centrum Amstelveen
Centrum Baarn	Centrum Amsterdam Zuidoost
Centrum Barneveld	Centrum Baarn
Centrum Borne	Centrum Barneveld
Centrum Boxmeer	Centrum Beverwijk
Centrum Brunssum	Centrum Boxmeer
Centrum Coevorden	Centrum Culemborg
Centrum Culemborg	Centrum Den Burg
Centrum Den Burg	Centrum Den Helder
Centrum Den Helder	Centrum Deurne
Centrum Deurne	Centrum Dokkum
Centrum Dokkum	Centrum Dronten
Centrum Dronten	Centrum Emmeloord
Centrum Emmeloord	Centrum Enkhuizen
Centrum Enkhuizen	Centrum Ermelo
Centrum Epe	Centrum Etten Leur
Centrum Etten Leur	Centrum Geleen
Centrum Geleen	Centrum Gorinchem
Centrum Haaksbergen	Centrum Haaksbergen
Centrum Hardenberg	Centrum Hardenberg
Centrum Harderwijk	Centrum Harderwijk
Centrum Haren GN	Centrum Haren GN
Centrum Harlingen	Centrum Heemskerk
Centrum Heemskerk	Centrum Heemstede
Centrum Heemstede	Centrum Heerenveen
Centrum Heerenveen	Centrum Heerhugowaard
Centrum Heerhugowaard	Centrum Hellevoetsluis
Centrum Hellevoetsluis	Centrum Helmond
Centrum Helmond	Centrum Hillegom
Centrum Hillegom	Centrum Hoofddorp
Centrum Hoogeveen	Centrum Hoogeveen
Centrum Houten	Centrum Houten
Centrum Huizen	Centrum Huizen
Centrum IJsselstein UT	Centrum Kampen
Centrum Joure	Centrum Katwijk ZH
Centrum Kampen	Centrum Laren NH
Centrum Katwijk ZH	Centrum Leerdam
Centrum Laren NH	Centrum Leidschendam
Centrum Leerdam	Centrum Lelystad
Centrum Leidschendam	Centrum Lisse
Centrum Lelystad	Centrum Meppel
Centrum Lisse	Centrum Naaldwijk
Centrum Naaldwijk	Centrum Nijkerk GLD
Centrum Nijkerk GLD	Centrum Nijverdal
Centrum Nijverdal	Centrum Noordwijk ZH
Centrum Noordwijk ZH	Centrum Nunspeet
Centrum Nunspeet	Centrum Oisterwijk
Centrum Oisterwijk	Centrum Oldenzaal
Centrum Oldenzaal	Centrum Oud Beijerland
Centrum Oud Beijerland	Centrum Putten
Centrum Putten	Centrum Raalte
Centrum Raalte	Centrum Ridderkerk
Centrum Ridderkerk	Centrum Rijssen
Centrum Rijssen	Centrum Rijswijk ZH
Centrum Rijswijk ZH	Centrum Schagen
Centrum Schagen	Centrum Schiedam
Centrum Sluis	Centrum Sluis
Centrum Spijkenisse	Centrum Spijkenisse
Centrum Stadskanaal	Centrum Stadskanaal
Centrum Steenwijk	Centrum Steenwijk
Centrum Terneuzen	Centrum Terneuzen
Centrum Tiel	Centrum Tiel
Centrum Uden	Centrum Uden
Centrum Valkenburg LB	Centrum Valkenburg LB
Centrum Valkenswaard	Centrum Valkenswaard
Centrum Veendam	Centrum Veendam
Centrum Veghel	Centrum Venray
Centrum Velp GLD	Centrum Vlissingen
Centrum Venray	Centrum Volendam

Centrum Vlissingen	Centrum Waalwijk
Centrum Volendam	Centrum Wageningen
Centrum Waalwijk	Centrum Wassenaar
Centrum Wageningen	Centrum Winschoten
Centrum Wassenaar	Centrum Winterswijk
Centrum Winschoten	Centrum Woerden
Centrum Winterswijk	Centrum Wychen
Centrum Woerden	Centrum Zandvoort
Centrum Wychen	Centrum Zevenaar
Centrum Zandvoort	Centrum Zierikzee
Centrum Zevenaar	Centrum Zoetermeer
Centrum Zierikzee	
Centrum Zoetermeer	

APPENDIX E: INTERVIEW QUESTIONS

Understanding store location selection criteria among

Interviewgids vastgoedadviseurs

Contactgegevens

Naam ……..

Bedrijf ……

Functie ……

Opmerkingen vooraf:

* Het interview wordt idealiter opgenomen met een recorder en duurt circa 45 min.

* De manier waarop het interview in de scriptie wordt verwerkt, wordt in samenspraak met de participanten afgesproken. De participanten mogen ervoor kiezen om anoniem te blijven (naam & bedrijf – bedrijf – anoniem).

Interview Nederlands

Thema 1: voorbeeld recent project

Locatie is voor retailers een belangrijk aspect en de locatiekeuze heeft gevolgen voor het succes en de levensvatbaarheid van de winkels. Locatiekeuze vraagt daarom om een uitgebreide analyse. Ik zou het graag willen hebben over een recent project van u. (Bijvoorbeeld in de Kalverstraat of Nieuwendijk in Amsterdam).

1. Kunt u mij vertellen welke belangrijke criteria toen zijn voorgedragen door de retailer bij het aanhuren/aankopen van een nieuwe winkel? Welke criteria was doorslaggevend voor uiteindelijke de keuze?

Thema 2 Criteria die doorslaggevend zijn bij het kiezen van een nieuwe winkel vóór en ná de crisis.

Als gevolg van de economische crisis en de verminderde koopkracht van de consumenten, wordt de detailhandel geconfronteerd met toenemende leegstand en een toenemend aantal faillissementen in het afgelopen decennium. Gezien deze recente trends kunnen we stellen dat de huidige retailmarkt veranderd is ten opzichte van de retailmarkt voor de crisis. Retailers die nieuwe winkelruimte aanhuren of aankopen of bezette winkels verlaten opereren daarom in een andere markt als die van vóór de crisis. Het lijkt ondoenlijk dat retailers in een markt vóór en ná de crisis dezelfde selectiecriteria voor nieuwe winkellocaties hanteren.

2. Bent u van mening dat moderetailers hun selectiecriteria voor nieuwe winkellocaties hebben aangepast na de crisis en dat deze dus anders is, vergeleken met tijden vóór de crisis?
    a. NEE: Bent u van mening dat fashionretailers hun locatiekeuze anders zouden moeten overwegen, gezien deze ontwikkelingen?
3. Wat is volgens u op dit moment de meest belangrijke criteria bij het kiezen van nieuwe winkellocaties?
4. Was deze criteria hetzelfde in tijden vóór de crisis?

Thema 3 schaalvergroting: winkelkarakteristieken worden steeds belangrijker.

Uit onderzoek is gebleken dat onder moderetailers er sprake is van schaalvergroting van de winkelruimte, met name in centrale winkelgebieden.

5. Is schaal hedendaags een van de belangrijkste criteria voor moderetailers? Kunt u een voorbeeld noemen? Werd dit criterium voor de crisis net zo belangrijk beschouwd?

Thema 4 segmentatie en agglomeratie: Hoofd- en ondersteunende winkelcentra.

Fashion retailers bevinden zich historisch gezien voornamelijk in centrale winkelgebieden en in mindere mate in ondersteunende winkelgebieden. Er zijn echter aanwijzingen van een *groeiende differentiatie* tussen de winkellocaties in Nederland. Aan de ene kant worden toplocaties steeds populairder, met name onder fashion retailers – en aan de andere kant wordt de *consument steeds meer en meer mobiel*, waardoor een bezoek aan kleinere nabijgelegen winkelcentra vaker wordt overgeslagen. Een kwantitatieve onderzoek laat zien dat er sprake is van een concentratie van fashionretailers in de (historische) binnensteden (Amsterdam, Haarlem, Maastricht, Rotterdam), terwijl het aanbod aan fashion in sommige centrale winkelgebieden en in ondersteunende winkelgebieden (Osdorpplein, Amsterdamse Poort, Buikslotermeer) echter verdwijnt (ook in centrale gebieden: Breda, Alkmaar, Leeuwarden). Wanneer we bijvoorbeeld kijken naar winkellocaties in de regio van Amsterdam en Haarlem.

6. Bent u van mening dat retailers hun locatiestrategie hebben veranderd na de crisis?
7. Welke criterium zorgt ervoor dat de populaire winkelgebieden als het centrum van Amsterdam of Haarlem gestaag blijven groeien in mode?
8. Bent u van mening dat ondersteunende winkelgebieden als Osdorpplein, Boven 't Y of Amsterdamse Poort na de crisis minder interessant zijn geworden voor retailers? Welke criteria is hiervan de oorzaak?

Thema 5: Ranking selectiecriteria uit de literatuur.

Historische literatuur laat zien dat 7 belangrijke criteria te overwegen zijn, bij het kiezen van winkellocaties: (1) de prestatie, (2) de bevolkingsstructuur, (3) economische factoren, (4) de concurrentie, (5) het verzadigingsniveau, (6) magneet en (7) winkelkarakteristieken. (Criteria worden hier uitgelegd, zie blz. 7).

9. Herkent u deze criteria uit eigen ervaring?
    a. JA: welke criteria beschouwt u als belangrijk en welke criteria wordt door jullie nooit gebruikt bij het kiezen van nieuwe winkellocaties?
    b. NEE: welke (alternatieve) selectiecriteria voor nieuwe winkellocaties worden wel door jullie gehanteerd?
10. Welke selectiecriteria op stadsniveau zijn nu van belang in tijden na de crisis (post-crisis tijdperk), die niet of minder van belang zijn geweest in tijden voor de crisis?
    a. Welke waarden worden aan de belangrijkste criteria toegekend?
11. Welke selectiecriteria op stadsniveau zijn dan voor jullie van belang geweest in tijden voor de crisis, die niet meer of minder van belang zijn na de crisis (post-crisis tijdperk)?
    a. Welke waarden worden aan de belangrijkste criteria toegekend?

Thema 6: Nieuwe selectie criteria, toekomstige vooruitzichten.

Een kwantitatieve analyse van Locatus en DTZ laat zien dat de High Streets (de populairste vaak historische winkelstraten) de meeste fashion retailers trekken. Deze modebranche wordt sterk vertegenwoordig op deze winkellocaties en is afgelopen jaren gestaag gegroeid, met name in Amsterdam maar ook in andere steden (Maastricht, Rotterdam en Haarlem).

12. Denk u dat retailers nieuwe criteria hanteren bij het kiezen van deze High Streets? Zoals het marketingpotentieel, schaalvergroting of de 24-uurs economie van deze winkelgebieden?
13. Voorziet u toekomstige(nog onbekende) criteria, die fashion retailers zullen gaan hanteren?

** Gaat u akkoord om het resultaat van het onderzoek t.z.t. te verifiëren ?*

Selection criteria

Please rank the following selection criteria:

- PERFORMANCE MEASURES

- POPULATION STRUCTURE
- ECONOMIC FACTORS
- COMPETITION
- SATURATION LEVEL
- STORE CHARACTERISTICS
- MAGNET

* You may add your own category if you feel that this category is missing from the list above. You may also leave out a category if you feel that this category is not relevant when selecting new stores.

Before the crisis (2006 - 2010):	**After the crisis (2010 - 2014):**
1. ……	1. ……
2. ……	2. ……
3. ……	3. ……
4. ……	4. ……
5. ……	5. ……
6. ……	6. ……
7. ……	7. ……

Brands 2014:	**Primark**	**Hennes & Mauritz**	**Inditex**	**Bestseller**	**Scotch & Soda**	**G-star**	**C&A**	**We Fashion**
Amsterdam	1	7	4	7	5	1	1	3
Amstelveen	0	1	2	2	1	1	1	1
Haarlem	0	2	1	6	1	1	1	2
Amsterdamse-Poort	0	1	0	1	0	0	1	1
Boven 't Y	0	1	0	1	0	0	1	2
Osdorpplein	0	1	0	2	0	0	1	2
Brands 2007:	**Primark**	**Hennes & Mauritz**	**Inditex**	**Bestseller**	**Scotch & Soda**	**G-star**	**C&A**	**We Fashion**
Amsterdam	0	5	3	14	0	0	1	2
Amstelveen	0	1	0	2	0	0	1	1
Haarlem	0	1	0	5	0	0	1	2
Amsterdamse-Poort	0	1	0	2	0	0	1	2
Boven 't Y	0	1	0	2	0	0	1	2
Osdorpplein	0	1	0	1	0	0	1	2

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