

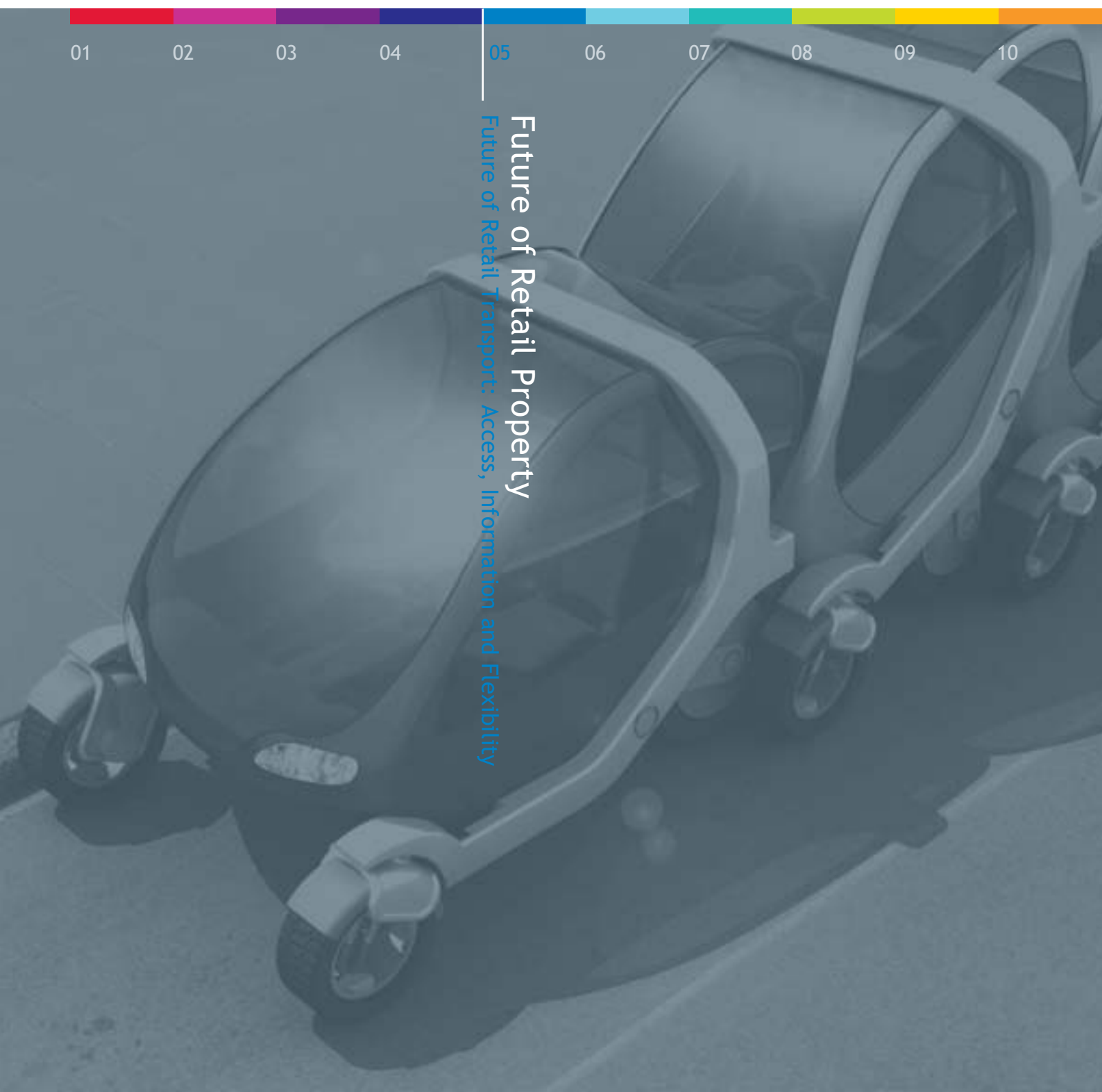
Future of Retail Property

Future of Retail Transport: Access, Information and Flexibility

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| | | | |
|----------------------------------------------------|-----------|-----------------------------------------------|-----------|
| Introduction | 04 | Section 6 | 37 |
| - Scope of the review | 04 | The Informed Traveller | 37 |
| Section 1 | | - Introduction | 38 |
| Executive Summary | 05 | - Information and marketing | 39 |
| - Summary overview | 06 | Section 7 | |
| Section 2 | | People, Lifestyles and Retail Markets | 41 |
| Context | 09 | - Introduction | 42 |
| - Trip making | 10 | - Transport needs in changing retail markets | 43 |
| - Transport markets and investment | 12 | - People, places and lifestyles | 45 |
| Section 3 | | - Technological change | 47 |
| Transport Infrastructure and Transport Cost | 13 | - Planning and regulation | 48 |
| - Introduction | 14 | Section 8 | |
| - Infrastructure and public investment | 15 | How Much Change and How Fast? | 49 |
| - Road pricing | 16 | - Transport change | 50 |
| - Fuel costs and energy markets | 18 | Section 9 | |
| - Paying for transport | 22 | Overview of Impacts on Retail Property | 53 |
| - Freight costs | 23 | - Introduction | 54 |
| - Other cost impacts | 24 | - Overall impacts on retail locations | 55 |
| Section 4 | | - Accessibility, flexibility and information | 57 |
| Managing Passenger and Freight Transport | 25 | Section 10 | |
| - Introduction | 26 | Appendices and Additional Resources | 59 |
| - Regulation and legislation | 27 | - Appendix A: Transport trends | 60 |
| - Public awareness | 28 | - Appendix B: Transport policy impacts | 64 |
| - Business travel plans | 29 | - Appendix C: Forecasts | 71 |
| - Freight and logistics | 30 | - Appendix D: Actors in delivering change | 73 |
| Section 5 | | - Appendix E: Acknowledgements | 77 |
| Future Modes | 31 | - Appendix F: References and notes | 78 |
| - Introduction | 32 | | |
| - New modes | 33 | | |
| - Dominant and expanding modes | 35 | | |

The development of transport, the economy and society are interdependent. In the 19th century, the developing rail network helped cities to strengthen their position as major retail centres. The 20th century was the age of the motor car widening the range and choice of viable retail locations to suburbs and out of town locations. At the start of the 21st century, fast-developing electronic information, communication and transport networks are set to make equally profound impacts on both the retail and transport industries.

This review identifies the changes taking place in transport and the factors that are influencing its evolution in relation to retail travel. The elements most likely to lead to change within the next ten years are reviewed under five headings:

- **Transport Infrastructure and Transport Cost** (Section 3)
- **Managing Passenger and Freight Transport** (Section 4)
- **Future Modes** (Section 5)
- **The Informed Traveller** (Section 6)
- **People, Lifestyles and Retail Markets** (Section 7)

Section 2 is a factual summary of retail travel trends. Sections 3 to 7 set out one possible view of the future to show the range of impacts and relevance to retailing; other views may be equally valid. The main points are summarised at the start of each section, and are explained in more detail in the text. Examples are provided to illustrate more complex issues.

In presenting this view of future transport, there has been a significant emphasis on the very important role that needs to be played by retailers and retail property developers in future. Transport and retail markets are interdependent. Successful transport solutions are a pre-requisite for competitive retail property. Retailers themselves can make a significant contribution to delivering the changes that meet transport needs as described in Section 8.

Other relevant factors are described in the Tables and Appendices, and a brief discussion of the evidence and sources is included in end notes. Section 9 summarises the overall conclusions.

All footnotes are in Appendix F and separated into the different sections.

Scope of the review

This review of transport is set within the *Future of Retail Property* research programme - mapping out the forces for change in the retail industry to 2015. The aim is to provide developers, planners, retailers and advisors with information on forecasting social, political, technological and economic changes in order to help develop better shopping places.

The work:

- involved a detailed scoping of the agents impacting on future transport and their relationship with retail travel. This was based on a review of published evidence and expert consultation.
- developed scenarios for discussion at a workshop with leading researchers, reviewing each factor and the scale of impact over the next ten years.
- projected the most likely scenarios as the basis for a main prediction backed up through consultation with leading experts in each field.

Section 1

Executive Summary



Summary overview



06

Transport is becoming more important for retail competitiveness. It affects both the supply and demand sides of retailing, and has significant potential for improvement.

Increasingly, accessibility, efficiency, flexibility and information will define good retail transport. At the same time, current management by mode, infrastructure and ownership will remain important for the foreseeable future.

Travel associated with retail is growing faster than for any other trip purpose. Car travel is also growing, and accounts for over 60% of shopping trips. There is a decline in walking to the shops but pedestrians still account for more than a quarter of shopping trips.

The gap between public understanding and transport policy aims has stalled change, making future transport unpredictable. This gap in understanding is closing, and the rate of transport change will accelerate.

Overall, retail travel in 2015 will look quite like it looks today, but new pricing mechanisms, technologies and lifestyle changes will be gaining momentum.

The transport economy is large and growing. It currently accounts for over 15% of household spending. Although large transport markets evolve slowly, the sector is set for major change.


The patterns set in the next ten years will define the future of retail transport for many decades.

In the new information age, better informed travellers will be more sophisticated consumers

- The developing integration between transport and electronic communication networks will be major drivers of retail transport change.
- Technology will help people to manage the increasingly complex choices available.
- Some travellers will start to rely on mobile communications with satellite navigation to help choose shopping locations.
- The 24-hour connected society will require more flexible transport, providing trips at more times of day to more places.

Transport modes are evolving with successful options being faster, more flexible, cleaner, and safer

- As part of the preparation for a transport future less dependent on oil, new and more expensive energy sources for transport will increase their market share. Mass markets will emerge for these new energy technologies and the rate of change will depend on the incentives offered by Government. Replacing vehicle fleets with new



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vehicles and infrastructure with new facilities will take many decades.

- Car travel will continue to be the dominant mode, but will be replaced progressively by even more flexible, automated and efficient modes.
- The costs of travel will rise through fuel costs and fares, and indirectly through growing congestion. Rising labour costs will be an equally important factor influencing public transport and freight costs.
- Growth in public transport markets will be greatest for high frequency and high speed modes, with major transport hubs being even more attractive retail locations.
- In advance of widespread emissions trading in transport, carbon offsetting will be adopted on a voluntary basis as part of corporate responsibility policies in more companies.
- Overall, it will become slightly more expensive to travel to the shops.

More customer-responsive passenger and freight transport will adapt to fast changing needs

- Retail marketing will progressively provide more transport information, discounts and benefits for customers, particularly for those affected by higher travel costs and transport difficulties.

- The majority of the British population will carry and use smartcards and other smart media. The companies administering these media will gain market share for small retail purchases, public transport and, in the longer term, road pricing.
- There will be increased resilience in supply chains through improved technology and real-time tracking of goods.

There is a shift towards an 'access' economy where lifestyles and experiences are more important influences on behaviour

- Growing participation in national voluntary road pricing will reflect an increasingly 'pay as you go' society.
- Public funding for transport will be more clearly linked to benefits resulting from improved accessibility.
- Retailers will become more involved in selling and managing access to transport services. Parking will cost more, but increasingly retailers will pay for customer parking. Large retailers will become big purchasers of public transport tickets to ensure better value travel for customers and staff.
- Site-specific travel plans will become core business at most shopping places, helping managers ensure that transport difficulties do not adversely affect competitiveness.

Summary overview

Competitive shopping places

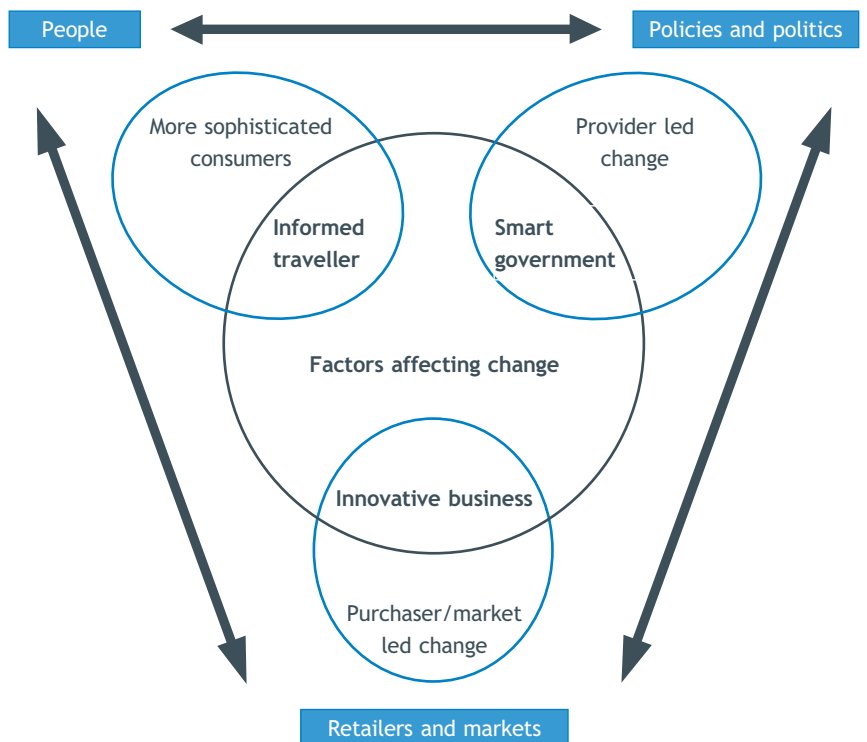
Competitive retail locations will be those with high quality accessibility, such as at multi-modal transport hubs, and locations with large local population catchments. These locations will be even more competitive in future than they are today.

Large urban areas and out-of-town centres will attract increasing retail trade, generally offering more attractive and flexible transport options than smaller centres can offer. Other retail locations may also be attractive, but the available options provided by local retail transport initiatives could have significant positive or negative impacts.


The indirect effects of wider economic, demographic and social changes on lifestyle, behaviour and attitudes will be greater than the direct effects from changes in the supply of roads, parking, buses, trains, cycleways and footpaths.

The transport changes anticipated by this review will be particularly critical for the future of secondary urban centres, freestanding towns, local centres and retail parks. Many of these locations will remain viable despite transport changes, but some will not. Development at these locations would benefit from a detailed local analysis of future transport risks.

Factors affecting change in retail transport



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