

**A BEFORE AND AFTER STUDY OF
THE EFFECTS ARISING FROM THE
OPENING OF A TESCO
SUPERSTORE IN BECCLES**

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PREFACE

When speaking about the influence of Tesco on his town, David Smith, Beccles Town Mayor (2008/09) said, *“in Tesco they can park, they can walk into the town centre, discover all the lovely little shops we’ve got here, and so it’s improved things rather than diminished the number of people in the town as was thought, so it has been a good thing.”*

(Interview with Alison Acton, BBC Radio Suffolk, 8 September 2008)



INTRODUCTION

This study, commissioned by Tesco Stores Ltd, looks at changes in shopping behaviour and structural changes in the town centre of Beccles following the opening of the Tesco store there in September 2005.

The Tesco store was granted permission by Waveney District Council in 2003. Part of the discussion prefacing the decision concerned the extent to which the proposed store would assist in enhancing the health and vitality of Beccles Town Centre. The Retail Assessment supporting Tesco's planning application recognised that whilst there was inadequate quantitative need to support more than a proportion of the floorspace proposed, the diversion of trade from existing local, out of centre stores would have positive effects on the town centre and thus meet policy objectives.

In 2006, the Council received a Retail Study¹ from their retail planning consultants looking at matters including the health and vitality of town centres across the District. This Study included a review of the health of Beccles Town Centre. With regard to the effects arising from the new, edge-of-centre,² Tesco supermarket it asserts that *"... if the resident population undertake food shopping locally, they may be inclined to resist other shopping destinations for non-food visits and other shops in the centre are therefore supported. In this way, this type and size of supermarket in this location are in many respects ideal in this size of centre. Now that Beccles shopping function is better anchored, its overall prospects for the future are enhanced"*.³

Our research examines the validity of this assertion. It is based on two forms of evidence:

- **A Store Exit Survey** of Tesco customers provides information about the change in supermarket shopping patterns and how this change has affected shoppers' use of retail and other facilities within the town

¹ Great Yarmouth Borough and Waveney District Retail and Leisure Study – August 2006 (DTZ).

² The store is located in what is termed by relevant Government policy as an "edge of centre location" where the store and its associated car park are "well connected to and within easy walking distance (ie. up to 300 metres) of the primary shopping area". Planning Policy Statement 6: Planning for Town Centres (2005).

³ Paragraph 5.33 of the Great Yarmouth Borough and Waveney District Retail and Leisure Study.

centre. It also serves to verify relevant findings of the original Retail Assessment which supported the planning application for the Tesco store.

- **A review of the occupation of retail units** using GOAD (a leading industry provider of shopping centre data) and our own survey verifications to compare changes in the number, nature and location of retail outlets in the town before and since Tesco started trading in 2005.

The joint application of these two data sources helps in understanding how shoppers have changed their behaviour following the opening of the Tesco store and how this has influenced retail representation and development in and around the town centre since.

Conclusions can then be drawn regarding the nature of the change and the extent to which this is beneficial for retailers and other town centre interests, and with regard to meeting other planning policy objectives (for example, in reductions in travel, improvements to the physical condition of the town centre and its attractiveness, particularly in terms of its built heritage). It is then possible to consider the extent to which the assertions in the original application Retail Assessment and the Council's subsequent 2006 study can be confirmed.

THE STORE EXIT SURVEY

The hypothesis (put forward by the Council's and Tesco's consultants) was that if more food shopping was done locally, this would reduce the use of other non-local locations for non-food purchases, and thus support Beccles Town Centre. To test this, a suitably structured Store Exit Survey was developed in conjunction with The Oxford Research Agency.



The focus of this Store Exit survey had to be such that it would identify how the use of the recently built Tesco store had changed patronage of the adjacent town centre. Although information relating to the proportion of Tesco shoppers who visited the town centre on the same trip might be of interest, this would say very little about how overall usage of the town centre has changed following Tesco's opening.

Questions were therefore structured to identify how Tesco's main food shoppers interact with the town centre and how their interaction may have changed as a result of switching this shopping to the new store.

To provide the necessary initial framework, respondents were first asked which of the following eight statements best described their main food shopping behaviour before and following Tesco's opening.

- a) *Prior to Tesco opening I did most of my main food shopping at Morrisons in Beccles and continue to do so.*
- b) *Prior to Tesco opening I did most of my main food shopping at Somerfield in Beccles and continue to do so.*
- c) *Prior to Tesco opening I did most of my main food shopping at Rainbow Co-op in Beccles and continue to do so.*
- d) *Prior to Tesco opening I did most of my main food shopping at a supermarket in another town and continue to do so.*
- e) *Prior to Tesco opening I did most of my main food shopping at Morrisons in Beccles, I now do it at Tesco.*
- f) *Prior to Tesco opening I did most of my main food shopping at Somerfield in Beccles, I now do it at Tesco.*
- g) *Prior to Tesco opening I did most of my main food shopping at Rainbow Co-op in Beccles, I now do it at Tesco.*
- h) *Prior to Tesco opening I did most of my main food shopping at a supermarket in another town, I now do it at Tesco.*

Whilst the survey picked up some respondents who used and continue to use other stores for their main food shopping (see a, b, c and d above), the overall purpose of the survey was to study the effects of those who had transferred their main food shopping activity from other non-local stores to Tesco (see e, f, g and h above). 60% of respondents fell into this category. It is the changes in the behaviour of these shoppers that provides much of the relevant evidence of how related and unrelated use of the town centre has changed following the transfer of their main food shopping trip to this Tesco store.

They key “before” and “after” questions can be illustrated thus:

Before	After
Tesco opening	Tesco opening
Visited Beccles town centre as part of main food trip?	
Frequency of town centre visit as part of main food trip?	
	Visit Beccles town centre <u>not</u> as part of main food trip?
	Frequency of town centre visit <u>not</u> as part of main food trip?

By considering the relative changes to each of these positions against each of the relevant shopping habit scenarios, effective evidence can be assembled. As the survey also identifies how shoppers were already using the town centre, including when visits were unrelated to supermarket shopping, it is possible to identify the role that the opening of Tesco has had in increasing usage of the town centre for other shopping. It is important to distinguish such evidence from that relating solely to the proportion of shoppers “*linking trips*” between the Tesco store and the town centre. By itself such information cannot be definitive about whether those linking their shopping activities, now visit the town centre more often or less often.

The first of our key findings concerns the source of new Tesco main food shopping trips (ie. from which stores or locations they have been diverted). Table 1 shows that the two main sources of business for Tesco were from the

large Morrisons (formerly Safeway) superstore on the edge of Beccles and from other stores in the wider area. Very little of Tesco's main food shopping business has been sourced from existing town centre stores. This is consistent with the judgements made in the Retail Assessment which supported Tesco's planning application.

Table 1: Tesco, Source of Main Food Trips

	%
Morrisons, Beccles	46.7
Somerfield, Beccles	5.0
Rainbow Coop, Beccles	3.3
Store in another town	45.0

Many of those who previously used Morrisons may have regularly visited Beccles town centre. It is, therefore, the behaviour of those who previously undertook main food shopping at stores away from the town that is of particular interest here.

Table 2 sets out locations that were used by those who previously did their main food shopping in another town (ie. 45% of the whole sample). This shows that the majority of these trips (65%) were diverted from stores in, or close to, major or regional centres with wide ranges of non-food retail businesses and services. It is also relevant to note that superstores in and around these towns are generally larger formats, offering a wider range of goods including household, recreational and clothing items.

Table 2: Tesco, Source of Main Food Trips diverted from stores in other towns

Lowestoft	37%
Norwich	15%
Great Yarmouth	13%
Sub Total	65%
Other locations	35%

Due to proximity, those who already did their main food shopping in Beccles (even in an out of centre location) will have used the town centre at least infrequently. Therefore, it is the responses from shoppers who previously

used stores elsewhere, that will indicate whether and to what extent Beccles town centre was visited as a result of Tesco opening. Table 3 shows how the different categories of all main food shoppers have interacted with the town centre before and after Tesco's opening.

Table 3: Ever visit Beccles town centre immediately before or after supermarket used for main food shopping?

	Used other supermarket in Beccles and now use Tesco		Used supermarket in other town and now use Tesco	
	% Prior to Tesco opening	% After Tesco opening	% Prior to Tesco opening	% After Tesco opening
Yes	64	71	36	65
No	36	29	64	35

The likelihood of ever visiting the town centre (associated with a main food shopping trip) by those who transferred to Tesco from other stores in Beccles (and we know this is principally from Morrisons) has marginally increased from 64% to 71%. However, the biggest effect on the likelihood of a town centre visit comes from those respondents who have transferred main food shopping to Tesco from stores outside Beccles (45.0% in Table 1). Table 3 shows a substantial increase, from 36% to 65%, of the people who have “*ever visited*” the town centre immediately before or after main food shopping consequent upon their change of main food store, to Tesco. Whilst it is perhaps axiomatic that this is a result of the change, it is important to recognise the positive effect this can have on the town centre.

To better understand the significance of this change, it is necessary to consider two other findings; the frequency of these additional related trips to the town centre and the extent to which respondents were already visiting the town centre independent of carrying out their main food shopping.

In terms of frequency, Table 4 shows that whilst those who transferred from other stores in Beccles may now visit the town centre a little more frequently

as part of their main food trip to Tesco, the significant change relates to visits by shoppers who previously used supermarkets in other towns.

Table 4: Frequency of visits to Beccles Town Centre as part of trips to main store⁴

	Use TC a lot more often %	Use TC a little more often %	About the same %	Use TC a little less often %	Use TC less often %
Used other supermarket in Beccles and now use Tesco	3	13	72	6	7
Used other supermarket in other town and now use Tesco	10	13	68	9	0

It is important to put this positive change for the town centre in the context of an understanding that these respondents may already have been using the town centre.

Table 5 shows that for those who were already using stores in Beccles for main food shopping and who now use Tesco, usage of Beccles town centre remains constant, independent of that food shopping trip. However, for respondents that transferred their main food shopping trip from a store outside Beccles, the removal of their exposure to other town centres has increased the tendency to visit Beccles town centre unconnected with a food shopping trip. This indicates that the opening of the Tesco store has had an important positive influence on shopping behaviour. People are now looking more naturally to Beccles as a shopping destination unconnected to their use of the Tesco store in the town. However, it is the opening of the Tesco store and its resultant positive impact on the town centre that has helped change this behaviour.

⁴ ie. immediately before or after main food shopping trip.

Table 5: Ever visit Beccles town centre when not doing main food shopping?

	Used other supermarket in Beccles and now use Tesco		Used supermarket in other town and now use Tesco	
	% Prior to Tesco opening	% After Tesco opening	% Prior to Tesco opening	% After Tesco opening
Yes	86	85	68	79
No	14	14	32	21

As before, it is important to understand changes in the frequency of these unrelated visits to the town centre. The results in Table 6 show a marginal shift in the frequency of visits to Beccles town centre which are unrelated to main food shopping. This is, however, towards more frequent usage. More significantly, the 22% of respondents who previously undertook their main food shopping away from Beccles (10% + 12% in Table 6) now use Beccles town centre more frequently. This would seem to be explained by reduced contact with the wide range of facilities in Norwich, Great Yarmouth and Lowestoft (which between them accounted for 65% of these respondent's previous main food shopping destinations, see Table 1).

Table 6: Frequency of using Beccles town centre on occasions other than related to main food shopping⁵

	Use a lot more often %	Use a little more often %	About the same %	Use a little less often %	Use less often %
Used other supermarket in Beccles and now use Tesco	7	13	70	2	8
Used other supermarket in other town and now use Tesco	10	12	75	3	0

⁵ ie. immediately before or after main food shopping trip.

These survey results demonstrate that the opening of the Tesco store has led to greater usage of the town centre in conjunction with food shopping trips but also that shopping behaviour has been influenced to the extent that residents using the Tesco store will now look to use the town centre more regularly irrespective of food shopping activity. This behavioural change is particularly important, as it indicates that residents who ought to be looking to the centre are now choosing to do so. The increase in the frequency of use of the town centre demonstrated by the Exit Survey therefore confirms both Tesco's and the Council's retail consultant's early assessments that increased activity in the town centre would arise as a result of the store opening.

RETAILER REPRESENTATION SURVEY

A review of changes in town centre retailer representation for the four year period prior to Tesco opening helps to identify the underlying nature of town centre change and any evidence of decline, growth, or stagnation during this time period .

Using Experian's GOAD plans based on surveys the agency undertook in April 2001 and March 2005, data depicts a relatively static picture in terms of the size of the centre (total number of units), its composition (proportions of specific kinds of business use) and the number of vacant units (see Table 7).

Table 7: Change in Beccles Town Centre between 2001 and 2005

	Number of Units		% Change
	2001	2005	2001-2005
Comparison	79	75	95
Convenience	15	13	87
Newsagents & Stationers	2	3	150
Retail Service	17	18	106
Leisure Services	25	28	112
Financial & Business Services	18	19	106
Vacant Outlets	14	13	93
Total	170	169	99

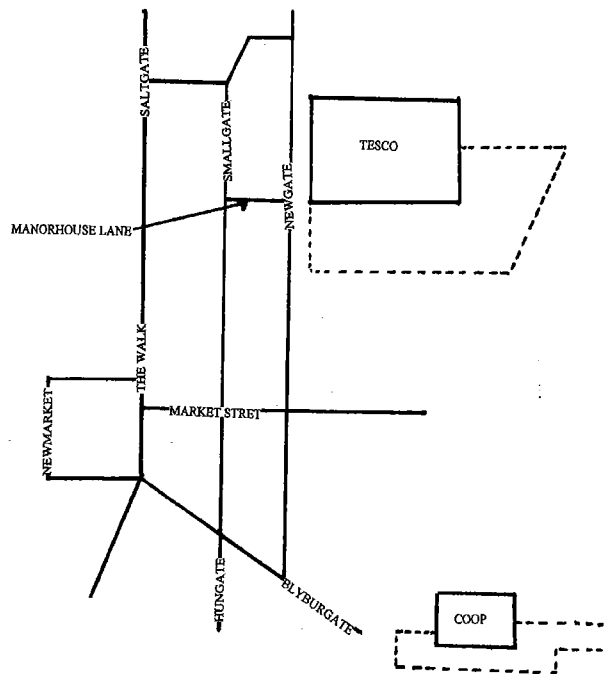
Source: GOAD Category reports 2001, 2005

The prime pitch around New Market saw little overall change. An independent household goods retailer was replaced by a travel goods business and the adjacent travel agent by a confectioner. (The travel agent may have been adversely affected by industry-wide changes in the way holidays and travel are now purchased).

The key multiple retailers in the town centre, Woolworths, Boots, Martins, Superdrug, Stead & Simpson, Somerfield, McKays and Motor World remained in situ throughout this period.

However, in the Blyburgate area to the south east of the town, there were four vacancies at 2005 confirming the area's peripheral nature in terms of retail activity. This is notwithstanding that the Co-op car park is, in part, accessed off Blyburgate.

FIGURE 1: BECCLES TOWN CENTRE



With the Experian GOAD plan (March 2007) and our own update (August 2008) a comparison with the positions in 2001 and 2005 relating to the size of the centre in terms of numbers of units, the proportion of different types of businesses and the number of vacant units can be made. Table 8 provides results which suggest a generally static picture whilst the 7% vacancy rate at 2008 suggests a healthy centre. However, when analysed on the ground, evidence of positive change within the town centre can be seen.

Table 8: Change in Beccles Town Centre between 2001 and 2008

	Number of Units				%	%
	2001	2005	2007	2008	Change 05-07	Change 05-08
Comparison	79	75	76	77	101	103
Convenience	15	13	15	14	115	108
Newsagents & Stationers	2	3	3	3	100	100
Retail Service	17	18	18	19	100	106
Leisure Services	25	28	29	29	104	104
Financial & Business Services	18	19	19	19	100	100
Vacant Outlets	14	13	11	12	85	92
Total	170	169	171	173	101	102

Source: GOAD Category reports 2001, 2005, 2007 and MRPP Survey 2008

In the three years since Tesco opened, this closer street-level analysis has identified positive change and enhancement to the centre in terms of retail representation, with no evidence of any adverse consequences.

More detailed analysis by shop unit shows quite considerable changes within the comparison goods sector, with new retailers (mainly independents) moving in and out of the town. In terms of unit turnover, there were 13 changes as represented by GOAD between 2005 and 2007. Breaking this down further, data show seven arrivals against six departures, which confirms there was considerable interest amongst retailers in opening businesses in the town. This is likewise confirmed by vacant unit turnover rates. Likewise in respect of vacancies, when these are analysed in respect of the rather coarse comparison of using GOAD data at 2005 and two years later, it merely suggests two additional vacancies when, in fact, the dynamic of the situation was that of the six units vacant at 2005 these had been replaced by seven different vacant units at 2007. This again confirms a strong local retail market with a good proportion of vacancies being short term.

In the prime town centre pitch, the key change has been the recent occupation of the vacant former Lloyds TSB unit on The Walk, by multiple clothing retailer Edinburgh Woollen Mill. This has reinforced the quality of retailing along this important but short retail pitch of about 12 units, running north west from the prime pitch in New Market.



At the top of this part of New Market, the Woolwich Bank (no. 12) recently closed together with an adjoining independent dry cleaners (no. 14). Both units have been reoccupied, although the nature of the current occupiers (Citizens Advice Bureau and a cancer charity shop) suggests this may be temporary. Nearby, a small independent retailer selling CD's (18 New Market) has closed but the building is undergoing extensive renovation suggesting financial confidence (or even a pre-let) relating to a new occupier.

A very small previously vacant unit (22 New Market) is now occupied by an independent estate agent and an even smaller former gift shop (no. 26) is currently vacant.

However, the most significant changes have been to premises located between Tesco and the prime retail pitch, specifically on Newgate and Smallgate. At the time of the 2005 GOAD survey, the large unit and associated buildings on the corner of Manorhouse Lane and Smallgate were vacant. They appear to have been vacant for a considerable period certainly from



the time of the 2001 GOAD survey. The site has now been refurbished and is occupied by the multiple fashion retailer, New Look. Their occupation provides a key, halfway anchor at the Smallgate turning point on the route between Tesco and the prime town centre pitch.



On Newgate, opposite Tesco, two relatively large and unattractive warehouses located within the town's conservation area have been converted and together with adjacent proposals under construction, will provide up to 9,000ft² of retail floorspace in up to six units. The conversion took place within the last year and two units are already occupied. One of these is as a consequence of the development itself, through the relocation of a picture frame business (Woodcare) from a small frontage building that had to be demolished. More significantly, a large part of the space has been occupied by home decor and fashion retailer, Laura Ashley. This creates a further significant attraction for the town's comparison goods offer and should help encourage occupation of the remaining space here. The balance of the site is currently under development and will provide three further shop units. These will help turn the corner from Manorhouse Lane into Newgate, thus even more effectively joining the Tesco into the retail fabric of the town centre.

The pedestrianisation of Manorhouse Lane, the key link between Tesco and the primary pitch on Smallgate, has been attractively implemented (Tesco contributed to the cost of this). Fronting it, and on the corner of Newgate, a smaller storage building has been converted into a retail unit and is now occupied by an independent children's shoe retailer, Lollipop. A further adjacent storage building has been converted into offices.

At the southern end of Smallgate (no. 6), a small gift shop is now occupied by an independent ladies fashion retailer.

Elsewhere in the town, on a return frontage in Hungate (no. 4), south of Exchange Square, a vacant unit has been occupied by a local jeweller selling handmade items.

The town centre extends south eastwards along Blyburgate. Beyond this is the out of centre Co-op Rainbow supermarket. Unlike much of the town centre, it is not possible to shop by walking a circuit in this area. The Co-op supermarket is an out of centre store and does not provide an effective anchor. In addition, it is located somewhat away from the street itself. The quality of retailing therefore deteriorates as one travels away from the centre. However, analysis of the 2001 and 2005 GOAD plans demonstrates that the fortunes of this area have always been somewhat mixed, with shops changing occupiers regularly and with some long term vacancies, especially towards the southern extremity. For example, nos. 28-30 and 33-35 were vacant on the 2005 GOAD plan, and although the former was occupied in 2007 by a computer equipment retailer, it was subsequently vacated. No. 33 remains vacant today although no. 35 is occupied by a financial adviser.

However, there is now some indication of positive change in this area. An independent interior decoration retailer (The Marmalade Tree) has relocated from a small unit at no. 5 to a much larger shop at no. 13. The stationery and art shop previously at no. 13 has, it seems already relocated closer to the prime pitch through occupation of part of a unit created through the sub-division of 2-4 Smallgate⁶.



⁶ If the occupier is not the same, an alternative retailer has entered the market.

Whilst a nearby office equipment retailer has relocated (no. 12) the space has been reoccupied, albeit by a nursing agency.

A previously vacant unit (no. 26) is now occupied by an independent retailer selling scented candles and related gifts. At nos. 28-30, whilst an independent computer equipment shop has been vacated, shop fitting is in progress to accommodate a new occupier. At the far end of Blyburgate, the small unit formerly occupied by a fishmonger (Neech) has been reoccupied by an antique dealer (Plaice Antiques). This complements the adjoining Blyburgate antiques, nos. 27-29. However, the far end of Blyburgate continues to suffer from some vacancies. A former small art gallery at no. 34 is currently vacant as is no. 33, a longstanding vacancy, formerly a laundrette. However, the adjoining premises, also previously vacant, have now been converted to residential use.

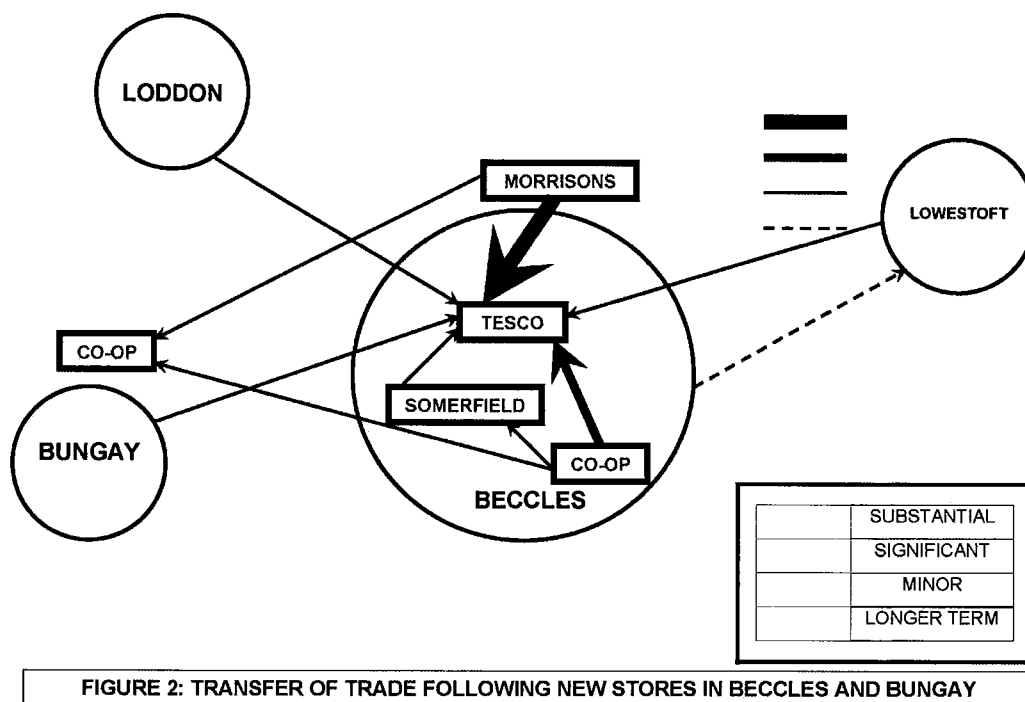
In the consideration of Tesco's proposal, concerns were raised that its location to the north-east of the town centre would shift the centre of gravity of the shopping area away from New Market and adversely affect shops to the south, along Blyburgate.

However, whilst there is evidence of change in the Blyburgate area, it is historically a part of the centre where those wishing to establish retail businesses have often started ventures. Overall there is no indication that recent change here can be seen as negative. Some vacant units have been reoccupied whilst other retailers who have established businesses in the area, have relocated into more suitable premises either in the same street or elsewhere in the centre.

A further positive change to this area is likely to arise from the Co-op's proposals to restructure their retail operation nearby. A resolution to grant planning permission was made in August 2008 to demolish the existing foodstore and erect seven retail units totalling 50,000ft². The supermarket would be downsized from 29,000ft² to 10,000ft² with two of the other units providing 15,000ft² each of space to be used specifically for non-food retailing,

with three of the remaining units being 3,000ft² and one at 1,000ft². The development will be served by 276 parking spaces.

The Co-op's Retail Assessment explains that following the opening of the Tesco store, a reduced trading format is required but that the Co-op does not wish to abandon its retail presence in Beccles. This, therefore, confirms the basis of Tesco's consultant's original assessment that the new store would primarily divert trade from out of centre stores in the town, and elsewhere, to a more preferable (in planning policy terms) edge of centre location. The proposed downsizing of the Co-op should therefore be seen as evidence of a positive outcome in terms of ensuring the health and vitality of the town centre.



The local planning authority has recognised, in their assessment of the Coop's recent proposals, that there is not an adequate supply of larger format stores to accommodate certain comparison goods needs in Beccles and that in this regard, the Co-op redevelopment will meet an identified need for such floorspace which may also help to recover expenditure lost to similar stores

away from the town. This is a further, albeit indirect, beneficial consequence of the Tesco development.

CONCLUSIONS

The results from a carefully structured Store Exit Survey have been effective in demonstrating that the new Tesco store has attracted shoppers who previously did not normally visit Beccles Town Centre. In addition, results have demonstrated that the introduction of the Tesco store on the edge of the town centre has increased the frequency of shopper use of the town centre both linked to visits to the Tesco supermarket and otherwise. The availability of Tesco's car park for town centre shopping, has, in particular, been beneficial to the attractiveness of the town centre.

The associated review of changes in retailer representation over the three years since the Tesco store opened demonstrates significant positive change. This is not only reflected in a low vacancy rate but also the entry of new retailers, including national multiples, into the centre. Conversion and redevelopment proposals on sites between the Tesco store and the prime town centre pitch and elsewhere, have created provision to accommodate some of these retailers. Recent additions to the town have included New Look, Edinburgh Woollen Mill and Laura Ashley.

The out of centre Co-op is advancing proposals to downsize its foodstore and introduce a range of retail warehouse type units. This demonstrates the dynamic and responsive nature of retailing. The downsizing of the Co-op foodstore is consistent with the hypothesis in the Retail Assessment accompanying Tesco's planning application, that it was desirable for the town centre that more frequently purchased items such as food, be diverted to locations where such shopping trips could help underpin the adjacent town centre.

This study has demonstrated that the Tesco store has had a positive effect at drawing new shoppers into the town centre and that new retail opportunities and representation have come forward in locations that further reinforce the

health of the town centre. This has confirmed the Council's consultant's 2006 assertion of the likely benefits of the Tesco supermarket on usage of town centre shops.

These changes to Beccles town centre have helped address other planning policy objectives. Beccles has become a more self-contained community with associated reductions in the need to travel. The various reviews of the town centre have confirmed that investment in refurbishment, conversion and redevelopment is occurring at a rate that demonstrates a healthy and attractive town centre. The town centre's attractive built heritage has, as a result, also been enhanced.