



The Changing Establishment in Retail

A Research on Possible Effects of the Increasing Internet Purchases on the Strategy of Retailers and Consequences for the Dutch Retail Structure

Master Thesis Human Geography
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Preface

I am very proud to introduce this Master Thesis, which forms the completion of my study Human Geography within the specialization 'Urban and Cultural Geography'. The last nine months I have been working on this thesis about changing strategies of retailers of chain stores and the retail structure due to the increasing purchases through the internet. The topic for this research is originated out of interest in urban development and in shopping. For three years I have worked as a sales assistant at WE Fashion in Nijmegen. In 2010, a switch to the New Store Concept of We Fashion took place, which replaced the two former stores. Because of that, I assisted in building up this store and witnessed the change from a close distance. This experience brought me closer to the practice of this research and made it even more interesting to compare this change to other chain stores and to find out what the underlying motives are for retailers. Also, in daily life, I frequently find myself in the role as a consumer. With this research I had the possibility to investigate this topic in another daylight, namely from the retailer's perspective.

The completion of this thesis would not be possible without the help I had during the process. First of all, I want to thank my supervisors Ruben Gielis and Martin van der Velde, for their assistance and the useful feedback which helped me in refining my research. I would also like to thank Rik Eijkelkamp for his guidance and advice at my internship and the remaining employees of DTNP for their interest, suggestions and their company. I have experienced my internship as very pleasant and it was an added value to my research, because I learnt a lot about the research practice and other projects. I also want to show gratitude to the respondents who found time to schedule an interview and made my fieldwork possible. Finally, I would like to thank my family and friends who helped me correcting my English and for their support during the whole process.

I hope you will enjoy reading my Master Thesis.

Christine Hutting

Nijmegen, November 2012

Abstract

Objectives. This study was conducted to investigate changing strategies of retailers due to the increasing internet purchases, and consequences this may have on the retail structure. Thorough knowledge on this subject was missing, including new strategies that have emerged due to internet, and in practice it seemed that the increasing purchases on the internet can cause changes in the retail structure. In order to investigate this, an answer to the following main question was given: *To what extent do retailers of chain stores deal with their establishment differently, because of the increasing internet purchases and what are the consequences for the retail structure?* Sub questions were formulated to support the answer to the main question. In this research, a distinction is made between the physical establishment, the virtual establishment and the combination of these establishments, the synergetic establishment. The focus mainly regarded the effects of increasing internet purchases on the physical establishment which have most consequences for the physical retail structure. A literature study of these concepts was preceded the empirical part of this study.

Methods. Eight different chain stores within the fashion branch and the additional non-daily branch were central in this research. Different methods were used to answer the main question. First, eleven in-depth interviews with eight real estate managers of chain stores and three real estate experts of property parties, were conducted. The interviews with the real estate managers functioned as a basis for the empirical part and the interviews with the property experts functioned as a confirmation in the finalization process of the results. Second, observations were held among the chain stores. This involved observations in the physical stores and observations on their websites and their web shops. Reason for this was to contribute to the knowledge concerning the virtual establishment and to confirm subjective statements of the interviewed retailers.

Results. After the analysis of the in-depth interviews and the observations, changes in the strategies of retailers can be mentioned. In general, large inner cities become more important for fashion retailers in the search for a new location and medium-sized cities become less attractive for this purpose. Better consideration of new locations due to increasing internet purchases, leads to less expansion of stores. For the toy branch, the increasing purchases on the internet results in the relocation towards more affordable locations. For the electronic branch, this results in a lower amount of surface in square meters of their peripheral stores in the near future. Next to that, internet stimulates service within the fashion and the additional non-daily branch and experience in the physical store within the fashion branch. In the fashion branch, this is visible through the

appearance of the store because of its increasing surface. In general, multi-channel strategies are increasingly important to combine physical and virtual channels. In the fashion branch, internet will be more integrated in the physical store, which suggests a synergy between the physical and the virtual establishment. Also, internet is more often used as a publicity tool for the physical and the virtual establishment of chain stores.

Conclusions. Retailers of chain stores deal with their physical establishment differently, because of the increasing internet purchases. The main difference can be found within the location of the physical establishment, which is more critically chosen by retailers. Through that, the focus for a physical establishment is mostly on large inner cities. Stores in the toy branch have to relocate their physical establishment, in order to deal with the internet. For the fashion, sports and electronic branches, the physical establishment will function as a basis. Especially stores in the fashion branch deal more with multi-channel strategies and the integration of internet in the physical store. This results in a synergy between the physical and virtual establishments. Stores in the fashion branch are also increasing in square meters, because the store experience becomes more important to attract the consumer towards the physical establishment. For the retail structure this means that the large inner city stays attractive for the retailer's physical establishment, because of the new focus of the retailers due to the increasing internet purchases. Medium-sized cities and outskirts of inner cities lose their attractiveness for retailers to locate their physical establishment. So, the retail structure changes but does not disappear due to the increasing internet purchases of nowadays. Chain stores within retail will remain in the near future. Through that, large cities in The Netherlands will stay attractive for shopping activities. However, for some branches less physical stores are achieved, because the current retail structure is making room for multi-channel strategies, which leads to the synergetic establishment.

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“Leegstand winkels door toename internetaankopen”

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Bron: www.marketingfact.nl

Chapter 1 Introduction

Vacancy of shops is a current issue in Dutch city centres. The total increase of vacancy was 10% in 2011 and is still growing which leads to changes in the retail structure (Locatus, 2011). The current economic crisis, which again causes high rents and scarcity, stimulates this change. When mobility became easier in the past decades, consumers were more willing to travel longer distances to shop somewhere. An important changing development at this moment, are the purchases through internet that put many shops in the inner cities at risk. Namely, purchases through internet are increasing nowadays, at the expense of purchases in shops in the cities. According to current debates, this problem of vacancy often arises in the outskirts of cities and not in the city centre. The internet development stirs up the discussion about the state of retail in inner cities. These developments have consequences for the retail structure in inner cities, because the changing consumers' demand requires a different approach of retailers. In current debates it is addressed that one out of three physical shops may already be gone in 2015 (Molenaar, 2011). Traditional shops are now more negatively influenced by the consequences of internet than retailers who sell their products through the internet (Weltevreden, 2011, p. 8, 9). When this happens, the inner city can become less attractive. Retailers could respond to that by changing their strategies which explains the current changing retail structure.

1.1 Background

New developments with respect to inner cities in The Netherlands have become very important to attract domestic as well as foreign people. People's behaviour in the inner city is influenced by changing patterns in travel, leisure and culture. They often travel to cities to make use of commercial services in order to look for recreation. This makes consumers the 'users' of the inner city. Retailers of stores have another purpose within the inner city. They increasingly try to upgrade city centres

¹ Translation headline: “Vacancy shops due to increase internet purchases”.

with the aim of enhancing commercial practices (Spierings, 2006, p. 1). This is expressed through investments in their strategies in order to generate more consumer spending. Namely, the main goal of each individual store is to maximize profit. The purpose of the retailer includes attracting a large number of consumers to their store in order to profit through their purchases. The attitude of the retailers in this situation is also based on the mutual competition between retailers. This means that each retailer can change their strategy in order to attract consumers (Spierings, 2006).

Traditionally, retailers focused on the four P's, price, product, promotion and place. Physical stores had the ability to respond to the needs of consumers by choosing a correct location strategy (Molenaar, 2011, p. 187, 188). The needs of the consumer were mainly practical in nature. From the end of the last decade, shopping became more and more a cultural phenomenon in the so called 'experience economy' (Pine & Gilmore, 1999). The experience of something new was placed central, because people searched for authenticity and exclusivity (Van der Loo & Rohde, 2003). Retailers also focus on the image consumers give to spaces which are controlled by retailers, through strategies which upgrade the store (Spierings, 2006, p. 1). So, next to the location, factors concerning the changing meaning of the physical store are also influencing strategies of retailers. In this study, the physical store is meant with the physical establishment. Economic location theories mainly include the location behaviour of retailers and patterns in the retail structure, but miss aspects relating to internet strategies. Retailers of well-known chain stores, are placed central in this study, because chain stores are in any case located in large shopping areas (DTNP, 2012). Therefore, large-sized and medium-sized cities form a delineation of the research.

Currently, purchases through e-commerce, the use of social media and other technologies, characterize behaviour in the current society. The exponential rise of web shops, leads to more targeted consumers. People are better oriented through the wide range of information on websites. E-commerce is defined by Savrul and Kılıç (2011) as "*the trade of physical goods over open (...) networks*", where open networks represent the internet. Definitions from other authors are comparable, but mainly leave the word 'good' open to other associations than just physical products, such as services or advertisement. Physical products form the main transferable good of internet, because it concerns business to consumer (B2C) purchases (Savrul and Kılıç, 2011, p. 251). In The Netherlands, internet has reached a market share of 10% of all purchases in the nondaily sector (Molenaar, 2011). Therefore, retailers in the non-daily sector are included in this study, within the fashion, sports, electronics and toy branch. E-commerce gives people the opportunity to shop at

home and at any time (Bakos, 2001, p. 69). Also, around 90% of all people in The Netherlands have access to the internet (CBS-Statline 2011). It shows that a new trend changes the Dutch retail.

It is already investigated that internet influences the physical world (Dixon & Marston, 2002, p. 19). Next to physical environments, virtual environments have emerged due to internet. Colquhoun (1999) states that these environments are not just alternatives, but they are merging too. Since e-commerce emerged, internet can be seen as an establishment that becomes relevant when investigating the physical establishment in the current retail structure. When these establishments merge, internet can also become a meaningful environment next to the city centre which can cause a struggle between these two purchase channels. This means that a lower demand for purchases in the physical environment can cause a decreasing demand for retail floor space. In some branches competition from e-commerce is bigger than in others, because they offer a different product. For example, large household devices such as refrigerators are more sensitive for e-commerce (Weltevreden, 2007, p. 10). For this reason it is assumed that there is a variation in location choices of retailers within their location policy, because different branches provide different products, which ask for an individual strategy by each retailer. Difference in shopping behaviour of consumers is also an important factor for location choices (DTNP, 2011). The question remains in what way the retailer anticipates on the internet.

1.2 Scientific relevance

There are three scientific contributions to existing research that can be distinguished. First, the economic geographical field explains decisions for retailers which are based on the profit they can make at different locations, originally near the market (Ball, et al., 1998, p. 102). Within this field, spatial retail patterns has been studied tremendously. Traditional models of locations in retail focus on the retail structure. Therefore, the central place theory developed in 1933 by Walter Christaller is included in this study. This theory will be supplemented with recent theories. Many authors, among others (Ball et al., 1998; Berry, 195; Borchert, 1998; Spierings, 2006) have built on his economic model, by which entrepreneurs try to locate themselves on the most strategic, beneficial places. Retailers change their strategy in the hope to increase in sales, where other retailers fear for a decrease in sales (Spierings, 2006, p. 32). The retail structure is subject to change due to changing consumer's demand (Buursink, 1977). The growing purchases through internet are stimulating this now, because internet already affects sales. Because it is assumed that this trend will continue to

grow, changes in the spatial retail structure could rise within a few years from now. This requires a new focus on locations in retail (Ball et al., 1998, p. 92), which has not been thoroughly investigated yet. So, in what way internet is going to have effects on the retail structure in Dutch cities is not very clear yet. There already has been some research in the last decade about retail changes that are affected by internet by, among others, Weltevreden, 2006; Weltevreden & Van Rietbergen, 2004; Farag et. al., 2006 and Verkaik, 2011. A change in the physical establishments could lead to a change in the entire Dutch retail structure. Next to the physical establishment of the retailer, the virtual establishment which represents e-commerce, will be relatively new to research in this field. Different strategies regarding this channel will also be highlighted, which also includes multi-channel strategies such as the returning of an online bought product in the physical store. In the end, the realization of the store consist out of three kinds of establishments: the physical establishment, the virtual establishment and the combination of those establishments, which will show the influence of internet in the strategy of retailers (Verkaik, 2011, p. 14). In general, the addition of the 'synergetic establishment' which evolves out of the multi-channel strategy, is the added value to existing research on this subject. It shows the physical strategies used in the virtual establishment and e-commerce strategies used in the physical establishment. This has not been scientific investigated yet, but is very relevant to include, because traditional location strategies seem to lose ground to e-commerce strategies which asks for a new solution.

However, and secondly of relevance in this particular research, the perspective of the consumer is central in former studies. In this light it is relevant to investigate location choices of retailers in particular and their motives behind the strategies of stores, in order to gain insights in the changing establishment of their stores. The retailer has the ability to influence current and future strategies. In this study the near future refers to a few years from now, until 2020. Researching the retail structure is relevant because it determines future establishments of retailers (Planbureau voor de Leefomgeving, 2011, p. 11).

Thirdly, the relation between cultural factors and the retail patterns is missing in scientific literature. Location choices are dependent on the retailers' perspective or meaning to upgrade the store. Therefore, the meaning of the individual retailer will be another important aspect of this study (Lynch, 1960, p.1). This include the meaning of the store from the retailer's perspective. In literature meaning is described as "*a pleasant atmosphere by which consumers are positively affected*" and in other words the store's appearance (Kim et al., 2007, p. 95). Namely, stores appear differently to

people and the retailer has the ability to control this through the design of the store (Spierings, 2006, p. 32). This is important, because internet has also become a new meaningful establishment and retailers must take the promotion of their store into account. This could also influence retail strategies (Harrison & Howard, 1972, p. 389). This cultural geographic perspective on the subject is of added value in this research, because scientific knowledge concerning the meaning of the retailer in particular, is often missing. So, this study also adds the importance of a cultural geographic dimension to the field of economic geography.

1.3 Societal relevance

A strong demand for shopping sites exists as shopping itself is gaining popularity the past decades (Falk & Campbell, 1997, p.3). Recently, much attention is paid in public debates to consumer trends regarding internet, especially when vacancy is growing these days and some branches within the retail sector are depending on an attractive, vibrant city (DTNP, 2011). People want to spend their time in a fun way in an inner city, because people enjoy being in the inner city for an afternoon (Weltevreden, 2007, p. 9). However, dominant consumer trends concerning shopping will not be investigated in this study, because many other studies have studied consumer trends before (Vosters, 2008; Verkaik, 2011; Jedras, 2011). Internet will be researched with constant reference to strategies of retailers, because in the end, the establishment of the retailer is central. E-commerce is a relatively new phenomenon in the current society and can be increasingly meaningful for the establishment of retailers nowadays. Effects on society are not very clear yet, especially not in relation to retailers (Verkaik, 2011). Lynch (1960) and Harrison & Howard (1972) describe the different locations within the city in relation to its meaning for the society. However, the meaning is never related to the chain store on the street scale until so far.

In the light of the internship at DTNP, a spatial economic consultancy, this subject of study is very relevant. Especially results concerning location patterns and the changing retail structure due to internet are very useful for their advisory reports and retail structure visions. It covers both the spatial as well as the public debates regarding influences of internet, because the way in which internet developments are integrated in the spatial retail structure will be addressed.

As already mentioned, retailers in inner cities are under pressure through high rents, little space and competition on the internet (Vosters, 2008). It could be that most inner cities in the upcoming years lose ground to internet when competition of web shops becomes too severe, with

more store closings and shrinking core shopping areas as a consequence (KSO Randstad, 2011, p.13). When this actually will lead to a decrease in the amount of shops in the future, the city becomes less exiting (Brayé, 2012, p. 6). Therefore, this study could also be relevant for municipalities and retailers within the city, where these developments occur. With help of the conclusions of this study they could work towards an attractive business environment, because they know about the effects of the latest trends in the retail structure of cities and adapt their strategy to that. When the inner city attracts more consumers, a city will be more attractive for retailers (Spierings, 2006). For this reason, changing choices in location policy of physical stores in cities must be investigated. City planners and organizations involved in planning could also gain knowledge from the results of this study, because it is relevant to know what kind of retail structure future cities will have in order to control spatial decisions. Finally, for investors it is important to know changes or threats in retail property. They only invest in retail space when they foresee chances and low risks or when it is certain that other retailers will see possibilities for that location too. To do so, different branches will be distinguished in this study, to include different location patterns.

1.4 Research Objective

The above mentioned delineation leads to the following research objective:

Contribute to knowledge about the changing establishment and the changing retail structure due to internet

by

investigating the way in which retailers of chain stores deal with their establishment differently, because of the increasing internet purchases and give insights in the consequences for the retail structure in Dutch cities in the near future.

The physical establishment is investigated according to two aspects; economic geographical aspects and cultural geographical aspects, as mentioned in chapter 1.2. These two aspects investigate the way in which physical establishments of chain stores takes place differently, now purchases on internet are increasing. The internet growth in the near future is taken for granted, as 79% of all

people in The Netherlands regularly purchases on the internet through web shops (CBS, 2012). Also, virtual establishments of chain stores emerge on the internet. So, the aim is to investigate the way in which retailers are dealing with the relatively new phenomenon of e-commerce, in relation to the traditional location theories of physical stores. In the end, the combination of traditional strategies and internet strategies could form a synergy of the physical and the virtual establishment in the retail structure. Possibilities of this will be described in the analysis of this analysis.

The empirical part of the study focuses on retailers of chain stores, specifically on big crowd pullers which already are located in most large or medium-sized Dutch cities. These are mostly located in central places (Jedras, 2011). According to traditional strategies, people usually towards the central place where these stores are located, which generate crowd (KSO, 2011). The question rises, whether these locations for chain stores will retain, looking at the internet. Less purchases in physical stores could be an effect of the increase of web shops, which will make the existence of physical stores less profitable. This concerns an explorative research, because new information will be gathered in order to give the above mentioned insights on this topic.

1.5 Research Question

To reach the above mentioned objective, the research question of the thesis will be the following:

To what extent do retailers of chain stores deal with their establishment differently, because of the increasing internet purchases and what are the consequences for the retail structure?

To answer the main question, three dimensions are central in the research: the physical establishment, the virtual establishment and the synergy of those establishments. Subsequently, one chain store can have different establishments which contains different strategies, because e-commerce strategies can be combined with the physical store. The establishment evolves out of a change in focus for different strategies, by retailers. Out of that change, the change in retail structure becomes clear.

For the physical establishment, existing location theories will be combined with existing literature on cultural geography regarding the physical store. Location theories will describe the traditional way of

dealing with locations, according to the central place theory. Cultural geographical literature will describe the way of dealing with the store according to the retailers' perspective in order to gain insights in store related strategies. How the store comes forward to the consumer is also important because retailers normally respond to that by changing the store's appearance, such as the size of the store. Effects on the physical establishment are central in this part of the study.

For the virtual establishment, the concept of e-commerce will be addressed. It becomes clear how retailers deal with the internet. An attempt is made of describing the current effects of e-commerce in physical stores. In this part, it is assumed that internet does not replace the physical store, but only affects it. Because extensive scientifically material on the conjunction of the physical and the virtual environment is missing, a part of the contribution for the virtual establishment is also given with the aid of empirical data. Changes in the virtual establishment are relatively time bounded and because of that, the source of information is mainly the retailer, on the basis of in- depth interviews.

In the end, the combination of the physical and the virtual establishment, called the synergetic establishment, will be investigated according to a multi-channel strategy. The combination implies the way these establishments are interwoven concerning retailer's current and future strategies. With the synergetic establishment is meant the integration of the internet in the physical and the virtual establishment. The effects of internet on the physical store and its surrounding, form the basis in order to interpret the proportion of these environments in the 'traditional' and physical retail structure and the retail structure in the near future. This is done in the analytical part of the study, before the conclusion is carried out.

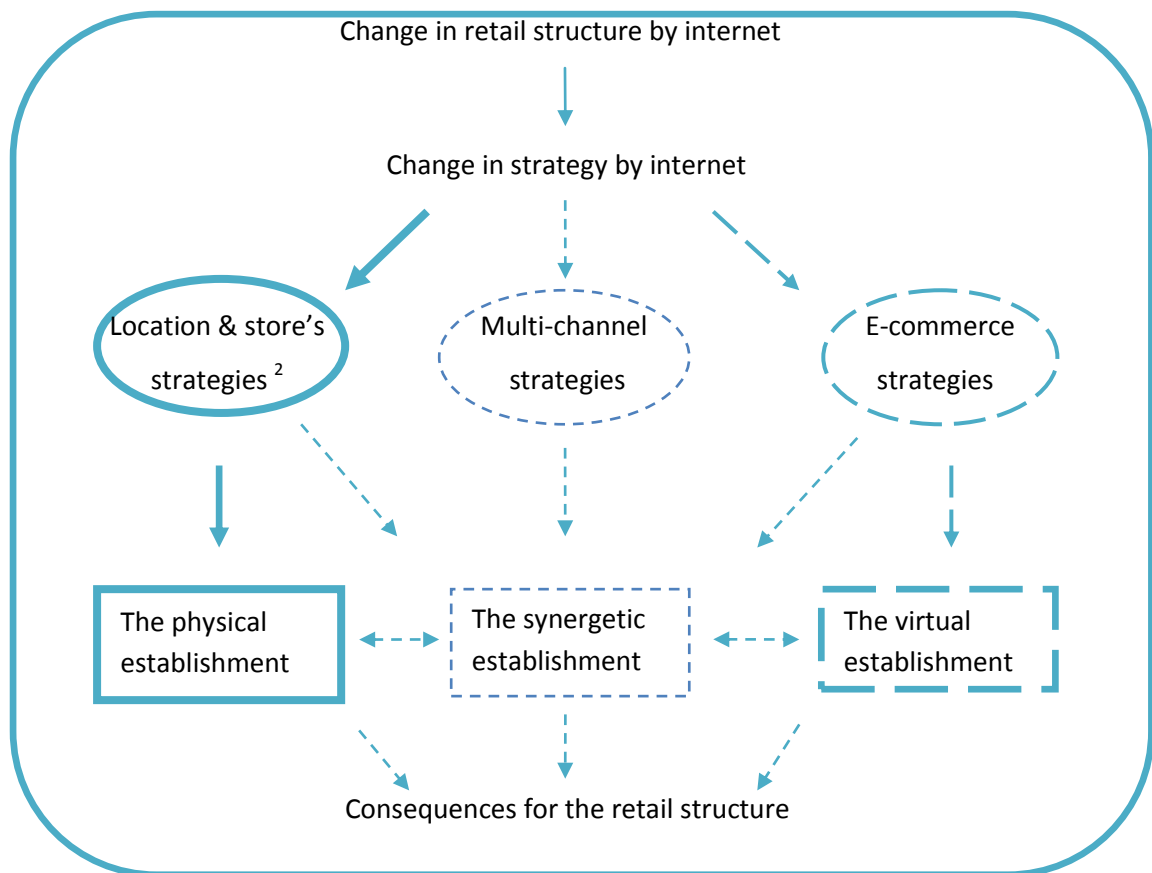
In recapitulation, the following sub questions will function as a guide to answer the main question:

- 1) In what way do retailers of chain stores deal with their physical establishment in the light of internet, regarding current location- and store's strategies?*
- 2) In what way do retailers of chain stores deal with their virtual establishment regarding e-commerce strategies?*
- 3) To what extent are the physical and virtual establishment synergetic, regarding multi-channel strategies?*

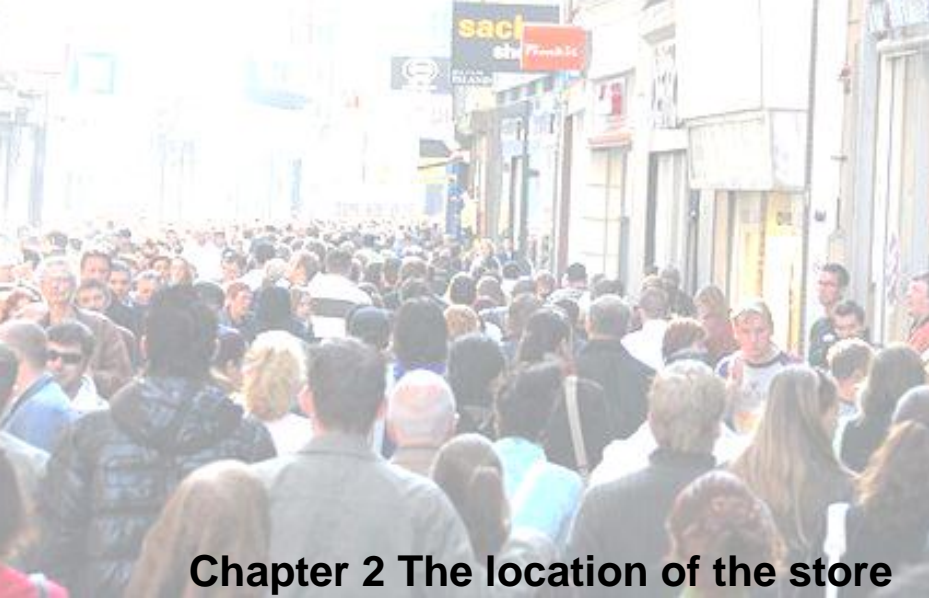
1.6 Conceptual model

As mentioned in chapter 1.1, a change in the current retail structure has been an indication for a change in strategies of stores by internet. The different strategies leads to corresponding establishments which are marked in the conceptual model below. The strategies of the physical establishment are the most traditional way of dealing with the store and are still used nowadays. After that, the virtual establishment represents purchases through e-commerce, a strategy which is increasingly used over the past few years. Finally, the synergetic establishment is evolving now, because in the current retail structure it seems that the virtual establishment is replacing the physical establishment. This new way of dealing with the store marks that retailers combine the chances of the physical establishment together with the chances of the virtual establishment which makes it much more complex for retailers. In the end, the establishments together will have consequences for the retail structure. The following conceptual model recapitalizes the general structure of the thesis.

Figure 1: Conceptual model



² With store's strategies is meant the strategies explained in chapter 4 of this thesis, which include the upgrading of the store through its design and publicity.



Chapter 2 The location of the store

This chapter will introduce the location strategies of the physical store. In location theories is outlined why certain locations are preferable for stores on the basis of economic models. Traditionally, stores are concentrated near the market, where trading of goods takes place. Currently, the market could be subject to change because of a changing demand of consumers by internet. Retailers act according to the market and they could relocate or change some physical shopping locations. For the same reason, clustering of shops could be differently organised too. For this reason, central places and clustering will be elaborated in this paragraph to describe possible changes in strategies.

2.1 Central places

Retailers are looking for a new establishment for their store, in the case they see opportunities in the market. Retailers are always searching for the spatial gaps in the market (Planbureau voor de leefomgeving, 2011, p. 11). They search for strategic locations for their location policy. The chance exists that a high level of chain stores are already located in large and medium-sized, Dutch cities. Retailers will not often choose to locate a store in a relatively small city. This has to do with a certain demand of the consumer. This is an important issue for retailers, because attracting consumers is their purpose (Van der Loo & Rohde, 2003). When internet purchases grow at the expense of purchases in the store, the city becomes less attractive when retailers decide to close the physical store. Namely, a chain store has to be profitable. This requires a certain level of scale and automatically focuses on large central places. A central place demands a trade-off between choice and distance from the consumer (Brayé, 2012, p. 5). This is outlined by the well-known theory of Walter Christaller, who introduced the Central Place Theory in 1933.

Originally, stores are centrally located, because they strive for maximal accessibility. They are competing to become provider in their market of goods and services, the so-called catchment area, where they can provide the consumer in the best way. This means a location in a short distance from the consumer. Stores have a certain threshold, expressed in the number of people in their catchment area that is needed for the profit of a store (Spierings, 2006). Shopping centres differ on the basis of levels of concentration and function. This is well visible when ranging shopping centres according to higher and lower levels of function. Namely, high-order services and low-order services provide different functions ranked in the spatial order (Marcuse & Van Kempen, 2000, p. 6). In this sense, inner cities, neighbourhood shopping centres and large scale shopping concentrations can be distinguished (Locatus, 2012). Only the large and medium-sized cities represent the inner city in this thesis, because of the relatively high level of provisioning. Differences between shopping areas within city centres concern the size, the frequency and the spatial distribution of stores. This is also declared in Christaller's central place theory, where he proposes a spatial model of central places which explains retail activity. He uses the range of a good to describe locations of stores, which means the geographic location where price and transport costs equal utility. The distance the consumer travels, depends on the willingness to buy a good (Ball et al., 1998, p. 78, 88). Three main, potential locations for retailers within the inner city, can be mentioned. First, A-locations can be mentioned. These locations are highly accessible by public transport and are located in the central part of cities. This is often the most desirable location to establish a chain store. Second, B-locations refer to locations that are reasonably accessible because they are further removed from the central location. Finally, C-locations are less desirable locations, because these exist in the outskirts of the city (Vanderschuren & Galaria, 2004, p. 274). On A-locations a higher rent is applicable than on C-locations, because of a higher demand of retailers. The consumer's needs and therefore the urgency to buy a good, including the value, the ratio of price and effort to buy a good, are factors that influences the range of a certain good and thus the location of it. The centrally located, higher value places have a larger range than lower value places and also have a lower frequency of purchase, also called non-daily goods. These luxury products such as apparel, within the fashion branch or department stores (DTNP, 2010, p. 15).

The most efficient way to sell products is to locate the chain store near the consumer. In this case, the central place in the inner city is the best location for retailers, if their budget is sufficient (Ball et al., 1998, p. 88).

Consumers are important to support the profit accountability of city centres. In Christaller's model a few basic assumptions are given which are directive for the theory, but incomplete when looking at shopping areas in practice. One assumption is that the labour force is immobile. Due to the immobile population according to this theory, there is always demand for goods in any shopping area, because stores locate near to the consumer where transport costs are at its lowest (Brakman and Garretsen, 2003). When it is also assumed that the population is distributed equally across space and the consumer's choice is the same, a network of central places is modelled with circular hinterlands. When the vertexes cross each other, the centre forms the central place and a hexagon is formed. This net of trade areas, showed in figure 2, forms a functional hierarchy, because of the existence of high and low order central places, corresponding to respectively A, B and C locations, (Ball et al., 1998, p. 88). The order of hierarchy is shown by the size of the bullet points. The functional part of the hierarchy suggests a network of interdependent shopping centres, where each location has a function for a particular market segment (Buursink, 1977). The most exclusive goods are sold centrally, the A-location, because this place has the biggest catchment area where consumers want to travel the longest distance. These stores are often larger than stores on B and C-locations. More practically, the hierarchy represents the inner city, which has the highest function because of its offering (Spierings, 2006).

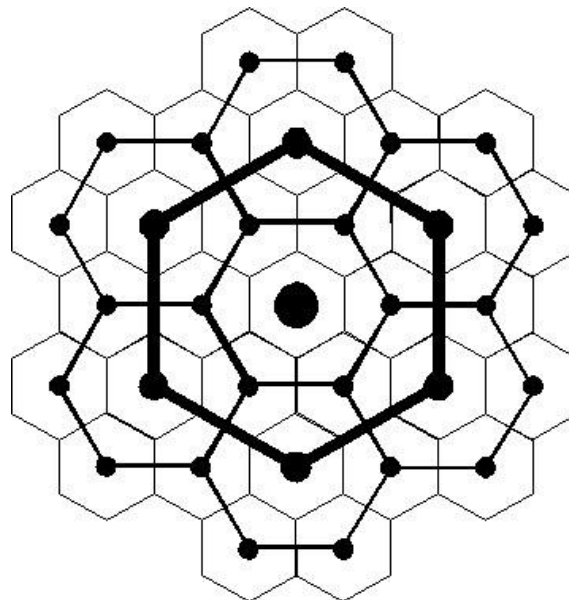


Figure 2: Christaller's Central place theory: the central place

The pursuance of retailers has to be ranked as high as possible in the hierarchy, in order to improve

the prestige and the functioning of the place (Jedras, 2011, p. 7). In the 1960s, large-scale stores located outside the hierarchical system, the periphery and the central place as an optimal location became uncertain. In The Netherlands, retail planning was used to centralise locations in order to maintain the hierarchical shopping structure, which is in favour of the economic functioning of shopping centres. After new guidelines for this control around the new century – deregulation and decentralisation within retail policy – there was the fear among retailers that local authorities such as property developers would take over control (Spierings, 2006). This could result in a shift, or in the worst case the destruction of the traditional hierarchy of central places. Nowadays, internet can be seen as the most important motivator of changing locations which could destabilize the hierarchy of central places. In other words, the hierarchical pattern is somewhat outdated nowadays, according to, among others, Berry (1963) and Borchert (1998). According to Borchert (1998) the retail structure changes due to recent developments such as internet which fragments consumer demands. The retail policy adapts itself to these current, changing conditions, where internet as a growing purchase channel, is part of.

Borchert (1998, p. 334) states *“there are also developments threatening the position of the inner city as the most attractive retail environment”*. When consumer demands fragments, central locations become often the most efficient places to satisfy this variety in demand of the consumer (Borchert, 1998, p. 327, 328). But ever since, people became more mobile which has eroded the advantage of city centres, in contrast to peripheral locations. Changed consumer preferences caused a dispersion of economic activity outside the city (Ball et al., p. 89, 92). The bottom of the hierarchy is subject to change as a result of new developments. So, stores are more fragile in their existence at the bottom of the hierarchy (Borchert, 1998, p. 329).

According to the central place theory, stores traditionally are concentrated. Since stores are growing in retail floor space square meters, space in the inner city becomes scarce. In their competition for land, the land is allocated to those users able to bid the highest rent. Large-scale retailing in the periphery does not fit into the traditional spatial pattern of retail concentrations but has still its popularity in certain segments (Ball. et .al, 1998, p. 42, 327).

So, the position of central places based on the theory of Christaller, is not entirely applicable anymore in the near future, because of a shift in retail locations due to the increasing use of internet. However, as a consequence of planning strategies, the spatial structure of shopping centres in Dutch inner cities follows more closely a hierarchical pattern than in most other countries. In The

Netherlands, in contrast to many other European countries, spatial planning has a rich tradition and is more controlled by the governance. The building of new shopping centres goes hand in hand with spatial visions and spatial planning structures (Lupi, 2009, p. 309). The functional composition and the level within central places have changed and could change the retail structure more in the future, because internet has a growing market share (Borchert, 1998, p. 328).

2.2 Clustering

Competition for a location and economic integration within the city centre are closely related. Attention for the 'New Economic Geography' as a movement, resulted in the conclusion that more integration within certain margins will not necessarily lead to a more competitive location, which was described in most traditional, economic models. This concerned a non-spatial perspective on clustering, whereas the 'New Economic Geography' as a more recent movement gives a spatial perspective on this subject by focusing on the practical aspects of locations, called the 'micro-foundations' (Boekema, 2004, p.118). By including that, the geographical scale becomes lower, because the integration on street level is more important with regard to clustering. In this way, there can be better argued about retailers and their physical establishment in particular.

On almost every regional level, a centre-periphery structure is visible. This influences the competition and integration within the inner city. In this term, stores in the inner city can have competition from the periphery. Increasing internet purchases could possibly result in a smaller amount of consumers in physical shopping streets. This could also cause a change in the way retailers deal with the concept of clustering, because through internet, competition changes too.

Traditionally, a city's local production expanded where trade arose and the volume of it created more and newer kinds of products. By generating more local production, cities or shopping areas could become specialized in a certain field and will attract more visitors (Jacobs, 1969, p. 652). Stores are thus often located near other stores in the same segment which enforces competition between these stores. This is one reason why shops cluster together. Some retailers adjust their location policy to the consumer who wants to shop in a short amount of time and for low travelling costs. Therefore, chain stores locate near other retailers, to stay near the flow of consumers and to create a comparative shopping area. For retailers belonging to the same segment, targeting the same groups of consumers and creating a strong network are other reasons to cluster (Jedras, 2011, p. 57). In that

way, consumers have a high possibility to be provided in their needs (Locatus, 2012). Clustering is often the outcome of the desire to locate as central as possible (Planbureau voor de Leefomgeving, 2011, p. 11).

When stores grow and a new location has to be sought, retailers often will try to combine business activities with other retailers (Atzema et. al., 2011, p. 106). Clustering is often beneficial for retailers of chain stores, because it creates a competitive advantage. This is important, because the main objective of chain stores is maximizing profits (Simon, 1972, p. 361). The objective includes the attraction of consumers and retailers benefit from each other's proximity in their network. When several chain stores are located in one cluster, for example in the inner city, they will have lower production costs. Within this example it becomes clear that retailers of chain stores have a stronger and more stable existence than independent retailers. When the motivation for clustering changes because of the growing internet purchases, this could have effects on the number and the level of concentration of physical stores. Sometimes this motivation also includes the assortment of products or the size which is needed for the assortment (Molenaar, 2011, p. 187, 188). The size is expressed in the retail floor space in square meters and is dependent on the specific location and the proximity of other retailers (Locatus, 2011). These location requirements of an individual retailer could affect choices of other retailers in the cluster, because a cluster often attracts retailers in the same branch, in order to compete at the same level (Ball et al., 1998). In this way, certain clusters are specialized in fashion within inner cities, while other clusters have another specialization, such as furniture clusters in peripheral areas. Differences between clusters exist when it comes to characteristics of market segmentation. This includes price ranges, product offering and additional services such as parking space. For example a furniture cluster needs more space, for parking and for the store itself, because it mainly offers large products. Clusters are chosen for the type of product they offer (Jedras, 2011, p. 107). Therefore, stores in inner cities are more concentrated than stores in peripheral areas. Competition within these clusters could have a positive impact on the internal development which stimulates growth of clusters (Van Dijk, 2009, p. 23).

So, clustering of stores is advantageous for the retailer and also for the consumer. For the consumer it is efficient, because it reduces the search costs, which makes purchases more likely. The clustered stores are often specialized in offering non-daily comparative goods, which are '*product-differentiated goods bought less frequently*' (Ball et al., 1998, p. 92). The retailer benefits from that, if he is capable to compete against his competitors. In not clustered, solitary shopping areas it is more

likely that the consumer is not attracted to the store or cannot find the product he wants. It is also possible that the transportation costs for the trip to the store do not compensate the personal value of the purchase. These solitary stores are less clustered and could become fragile when the market share of internet is growing. In order to achieve profit, these stores need to have an attractive force, for example by offering low prices or offer a wide range of products. Many fashion chains which are not located in peripheral areas, believe that being located in a proper location is one of the best strategies to attract consumers (Jedras, 2011, p. 33).



Chapter 3 The use of internet in the virtual establishment

Retailers are increasingly focusing on internet activities nowadays. E-commerce through web shops is, next to online presence through social media sites, the most common virtual activity. What goes on in this virtual environment of retailers and how internet is related to the physical establishment, will be elaborated in this chapter. In the end, an attempt is made to describe the synergy of the physical and the virtual establishment in the current retail structure in the form of a future vision.

3.1 E-commerce

In the past few years internet has developed itself as a 'cyberspace', which includes all activities on the net where society can develop social and economic relations. The part of the Dutch society who has access to the internet, was 90% in 2011 (CBS-Statline, 2011). In this sense, internet is seen as a place where many users occupy the same space. Jones (1999, p. 10) adds the following characteristic of internet: *"It has become a commercial technology in multiple senses of that phrase (a technology itself for sale and used for selling) and has become commonplace"*. It seems that internet has developed itself as a commercial medium and a channel service in which consumers are engaged through internet the last few years (Simon, 2006, p. 14). There are different manners to deal with a commercial transaction. This thesis focuses on business to consumer commerce, also known as B2C, which can be defined as the commercial transactions between businesses and consumers (Weltevreden, 2007, p. 8). E-commerce is a componential part of all internet activities. As already mentioned in the introduction, the main definition of e-commerce is given by Savrul and Kılıç (2011, p. 251), which state that e-commerce is *"the trade of physical goods over open (...) networks"*. Booi (2002 p. 23) uses the following definition of e-commerce: *"The field of pre-sales, sales and post-sales in products and services ordering through electronic channels"*. By his broad explanation of e-commerce he suggests that internet includes several channels. This can be linked to multi-

channelling, which is further elaborated in the next paragraph. According to a research of the Webshopmonitor (2012), forty per cent of large retail organizations in The Netherlands is using e-commerce. In 2010 this percentage was around twenty-three per cent, which equates to nearly a duplication in one and a half year. In 2011, the growth of purchases on the internet regards especially the product groups travel, telecommunication, hard- and software, audio/video, bikes and toys, compared to the percentage of purchases on the internet in 2010 (Multichannel Monitor HBD, 2011, p. 23). Looking at the branches of the chain stores that are being elaborated in this thesis, the electronic branch has the highest number of online purchases, followed by the toy branch, the fashion branch and the sports branch. The percentages of online purchases were respectively 33%, 27%, 27% and 14% in 2011, also shown in figure 3. The main article groups for the electronic branch are included, which are electronic/domestic device and kitchen equipment, video/audio and photo/film. Small article groups within this branches are excluded in this thesis, because these articles will not make a difference in the rank of online purchases when including them (HBD, 2011).

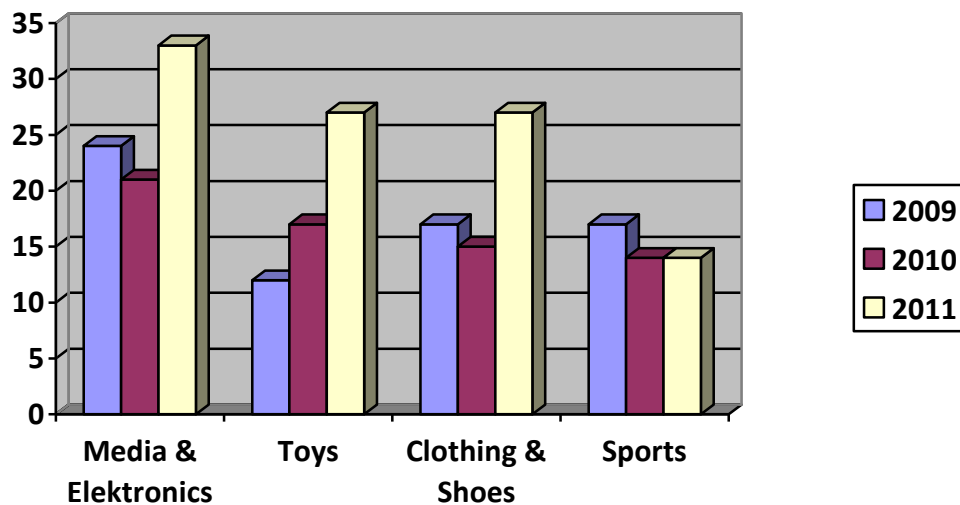


Figure 3: The development of online purchases per product group (HBD, 2011).

E-commerce is especially useful when it comes to efficiency and comfort; the time- saving component of e-commerce forms an important motive where retailers make use of. It allows people to stay at home and undertake activities through their digital network, instead of going to the physical store. Besides that, e-commerce is always accessible, is not bounded to opening hours and has a virtually unlimited supply, because it can encompass a wide variety of goods (Bakos, 2001, p.

69). Online retailers are not bounded to a geographical space, because they are virtually present. For example, they have no physical shelf space (Bakos, 2001, p. 71). Through this, it is possible to provide a wider variety of products and information to the consumer.

However, e-commerce has its downsides too. Research showed that especially the costs of sending products to the destination are relatively high. Also, when this is taking too long or costs are too high, consumers sometimes drop out in the next online purchase process (Simon, 2006, p. 191). Also, in research is shown that consumers hesitate with the actual purchase of a product, because they cannot try on the product, which mostly concerns apparel (Kim et al., 2007, p. 96).

Because of lower search and information costs on the digital net, web shops will be more competing on price with other web shops than physical stores. Namely, the consumer will be better able to compare products on web shops, certainly when price-comparing sites are increasing (Bakos, 2001, p. 71). Because of the mentioned, unbounded space on the internet, a higher amount of retailers is online present than in physical shopping areas, because the price barriers are lower for online retailers of chain stores or e-retailers, retailers who only sell online (Weltevreden, 2007). Namely, location rents are missing on the internet. On the other hand, competition will normally deliver a correspondingly lower price and fewer profits for retailers with web shops. The competition for a location on the internet exists too, because some retailers are better found than others on search engines, by paying high amounts of advertising costs. For example, when retailers of web shops pay a certain amount of money to Google, they are better found in their search results by consumers. So, retailers on the internet also have an intense price competition next to retailers of physical stores (Bakos, 2001, p. 71).

The competition relates to the comparative function of the internet. Because there is much competition, consumers have to choose from a large amount of retailers on the internet. This is possible by the information of the chain store and the offered products, which is increasingly accessible for everyone with internet access. Information is mostly aimed at the product; the colour, material, size, washing etcetera. Much information about the product is beneficial for the final purchase, because the consumer cannot feel or smell the product online. Information is also gathered about the quality of brands; comparisons on evaluating sites are used by the consumer to make a selection between providers. As a result, the use of internet as an information channel leads to more transparency in retail and thus to a better bargaining position between consumers and retailers. It makes consumers partly due to price comparison sites, more price-

sensitive because consumers now know which retailer offers low-priced products (Weltevreden, 2007, p.8). Besides that, the knowledge-based information channel creates the possibility to select personal preferences on the basis of personal information, also called personal customization. The consumer can choose the desired characteristics which together form the product. Another recent technical development in the past few years is the use of social media. This is also inserted to provide more information. The addition of another information channel give retailers the opportunity to even better approach the consumer than before. Because of better techniques, this is now better possible than in the past.

3.2 Multi-channelling

The purchase of a product consists of several stages: orientation (including searching information, reading reviews, valuating and comparing), the transaction, receipt of the order and forming an opinion. Not all of these stages are included with each purchase, which often depends on the type of product. When the stages of a purchase are both online and physically carried out, you can speak of multi-channel shopping (HBD, 2009). In other words, a multi-channel mix is *“the total set of marketing channels offered by a supplier”* (Simon, 2006, p. 15). This is shown in figure 4, which represents all kinds of shopping channels, retailers can respond on. In this thesis the channels store, website and web shop (*click ‘n collect*) are central. Often through the website or the web shop, the consumer will orientate himself and through ‘click ‘n collect’ the consumer can purchase the product and pick it up in the store.



Figure 4: The ways of multi-channel shopping

In research is shown that in The Netherlands, the physical store as a channel has become less used for orientation and buying, while the internet as a channel has becomes relatively more important for these actions. Shopping is more and more a multichannel process (Simon, 2006, p. 14). Channels such as the web shop collect information about the consumer, whereby the contact between the retailer and the consumer becomes easier (SearchCRM, 2007). As already mentioned, this is a positive side-effect; the retailer gets to know their consumer better, and through this, he is even more able to respond and provide to its needs.

Multi- channelling gives consumers the opportunity to compare products and stores or producers. This could be the switching of channels through the whole process of purchasing or combining channels in the store itself. The latter relates to the use of an online channel in the physical store, for example by using social media or internet on computers and mobile phones (Kim et al., 2007). The switching of channels through the whole process of purchasing tells something about the specific moment the consumer is active at the online or the offline channel. In the buying process this is often the combination of online orientation and purchasing the product in the physical store. In this way, online and offline activities are combined or integrated in the process. The percentage of consumers who switch channels between the orientation stage and the purchase stage is 23% (Multichannel Monitor HBD, 2011, p. 28). According to the expected trend, this will increase within a few years. What can be stated out of this, is that entrepreneurs who have both offline and online purchasing capabilities, will have the best chances in the future (CBW Mitex, 2011). It is clear that the offline and online establishment are increasingly interwoven. Making the consumers alert to buy something through another channel, called multi- channel marketing, also increases. This is a crucial part of doing business, because multichannel marketing allows a retailer to interact with their consumers. Every channel could be helpful to promote the other channel, the actual store. This often takes place in the orientation process of the consumer, when the consumers has not decided yet (SearchCRM, 2007). Examples are advertisements in the store, on the web shop or on social media such as Facebook.

So, multi-channelling developments have effects on activities taken place in the physical shopping areas (Verkaik, 2011, p. 14). Namely, possible changes in demand of retail space of chain stores occur, because the flow of purchases on the web shops are increasing and probably have effects on the amount of purchases in the physical chain stores. Therefore, the traditional location strategy from the previous chapter could change by internet.

3.3 Towards the conjunction of the physical and the virtual establishment

Finding out how the internet trends can influence retailers' strategies and the retail structure, this paragraph discuss some practical implications discussed in scientific sources. In this way it becomes clear what is already known about effects of internet within the physical establishment.

Many authors among Bakos (2001, p. 76) already gave examples of the upcoming multi-channelling, namely the alternation of the orientation process in physical stores and ordering online or delivering at home while the return of a good takes place in the physical store. From research it also seems clear that shopping in the future will contain a mix of channels. Cost-effectiveness and consumer satisfaction are positive factors that stimulate the 'click and bricks' or click and mortar' activities, retailers' activities that combines both internet strategies as physical strategies, which confirm that internet will not replace the physical channel (Pieterse & Ebbens, 2008, p. 96). These visions are mentioned by more authors. Practical examples and reasoning behind the use of a multi-channelling strategy for retailers of chain stores, are omitting. As becomes clear, multi-channelling is a relatively new discipline within research on retail which is not yet entirely explored in relation to the store.

As a future vision, De Kare-Silver (2011, p. 99) mentions that the store in the inner city becomes the showcase for the product, also called the 'Showcase Strategy'. In other words, retailers will treat their physical stores as if they are shopping windows, or showrooms, where consumers can see and feel the offered products. The focus of the physical store will become an experience of the consumer, in order to be distinctive in competition with other retailers the internet stimulates. Apparently, the visibility of the physical store is central in this case and puts a focus on strategies concerning the appearance of the physical store, which will be clarified in chapter 4. According to De Kare-Silver (2011), the multi-channelling trend is not insurmountable anymore for retailers, because focussing on more channels increases the chance of total profit. Namely, only managing a physical store does not guarantee profit anymore. However, which role internet plays within this precisely, stays unclear. The Dixons Stores Group is mentioned as an example of a realization of the Showcase Strategy and tries to profit with this in their real estate portfolio by mainly focusing on the realization of out-of-town showcase stores. This means that the central place in the inner city gets lost. Their online strategy stays unchangeable (De Kare-Silver 2011, p. 99).

Keen et al. (2001) states the following: *"Most experts agree that current retailing trends show a shift from traditional store-based retailing to an increased use of the Internet. Store based retailers*

have great concern that the internet will make the store obsolete". As a result of the traditional strategies of retailers, the internet could take the lead within strategies in the future. Many retailers have invested in the expensive internet presence (Keen et al., 2001, p. 19). For the current store strategies retailers often, do not know who their consumers are, according to Gilmore et al. (2001). The retailer and the employees have to know more about their products and especially their consumers, in order to deal with internet. *"The Internet again raises this concern"*, according to Gilmore et al. (2001, p. 210). Therefore, getting personal information about their consumers is crucial.

The question remains in what way these different channels are used by retailers in practice and what the effects of changing strategies by internet are on the store. It is useful to know the current strategies of retailers and their view of the future concerning this topic, as some of the mentioned theories are already outdated. This will be elaborated further in the next chapters.



Chapter 4 Strategies of the store

After addressing the strategic locations of the physical establishment in the second chapter, this chapter mainly concentrates on the physical establishment with according to cultural geographic strategies on street level. Retailers give increasing meaning to their physical store, in order to compete with other retailers which influences retailer's strategies. Retailers partly deal with their store according to the consumer's needs, as mentioned in chapter 2.1. The store's appearance will be elaborated, because in order to be more present and to improve the image, retailers improve their appearance. Another meaningful establishment of nowadays is the web shop. Retailers could adjust their strategy for the physical establishment, when appearance on the internet increases. The virtual establishment can also become a tool for strategy regarding the publicity of the chain store. How and why retailers deal with this, is outlined in this chapter.

4.1 The image of the store

Visionary plans precede by the observation of physical stores. Lupi (2009, p. 307) defines the formation of a meaningful place as following: *"Creating a meaningful place requires a delicate balance between visionary plans and the reality of the day"*. In this thesis, it is also assumed as a pleasant atmosphere by which consumers are positively affected (Kim et al., 2007, p. 95). By immediate perception of physical elements through its appearance, a subjective image can be created (Lynch, 1960, p. 15). This image is based on the personal background and the personal experience, but can also indirectly relate to factors of physical structure and design, such as a slogan or a symbol that is easy to remember (Harrison & Howard, 1972, p. 389, 390). The image is determining for the actions of people in the physical environment. Namely, a strong image of a particular store can evoke a visit of the store which is favourable for the retailer. An example of a successful chain store is Nike, which has the image of 'fit, style, and functionality' (Kumar et al, 2007, p. 642). Consumers often have images in their minds of the design of the store by thinking about that specific chain store, for example the logo which is visible by passing the store. Being perceived by

consumers could create a positive image of the store which stimulates visiting. Only when consumers are disappointed by their expectations about the appearance or the service of the store, the consumer is dissatisfied and visiting the store becomes less likely. Images of the service related to the store, will be excluded from the thesis, service is namely difficult to observe because of the subjective character of the concept and most people perceive the urban environment on the basis of its physical structure and design (Lynch, 1960).

A workable image requires the recognition of a physical and separate object, namely the store, which means that it distinguish itself from other things in the near environment. A strong identity goes beyond the visibility of an object, because the consumer has to be tempted to go to that place. Dapholkar et al. (1996, p. 4) understand the location of the physical store as attribute of the retail service quality. This is visible in the design attributes which refer to the appearance of the store, for example physical in-store facilities. A great number of attributes of the store that match with attributes of comparable stores, stimulates perception. The concerning attributes fit into the already existing image of the chain store. For example, when a fashion store has clothes as attributes in its window and a consumer has clothes in his mind when thinking about this chain store, this store is more easily perceived and remembered. In that case, a store is more likely to come to mind first at consumers, which stimulates the visiting of the store (Ward et al., 1992, p. 213, 215). Because of this, consumers become more aware of the store.

4.2 The appearance of the store

In order to be perceived, retailers change the visible aspects of their store which mark their appearance. The appearance of the design and layout of the store next to the publicity of the chain store through different channels will be elaborated, because retailers want to appear to the consumer.

4.2.1 Design of the store

An image is a human construction, because consumers reduce the complex physical environment, by tracing back all store attributes to only the main store attributes. Surely, perceptions are developed through stimuli which are created by both the internal as well as the external retail environment, divided into exterior and interior attributes (Gilmore et al., 2001, p. 205). Exterior attributes concern the outer design of the store, such as the brick construction, large parking lot or large windows

(Ward et al., 1992, p. 217). Generally, attributes in direct relation to the store concern mostly the façade of the store. Interior attributes concern the layout, quality of employees, ease of transaction, ease of credit, merchandise assortment and merchandise availability (Gilmore et al., 2011, p. 213). However, in this thesis the interior attributes only regard the smaller scale layout such as facilities, furniture or textile (Rodeman, 1999, p. 42). Its shape, colour and the arrangement could create an identified image. Gilmore et al. (2001, p. 210) found out that with 61% of the respondents, the look and the atmosphere of a store was of high value to their store choice. The atmosphere is partly determined by the internal appearance. The design is very important for retailers, because at the moment the consumer makes his choice to enter the store, only the outer appearance of the store is visible. Only when consumers enter the store, purchases become more likely.

Research on web shop design addressed that pleasing sensory qualities of the shop design, positively affect consumer's intentions, such as colours. This has direct effect on the willingness to stay longer at the web shop and on consumer's purchase intentions (Kim et al., 2007, p. 95, 98). This is beneficial for the concerning retailer. So, with both physical store and web shop it seems to be the case that appearance in terms of design, plays an important role in retailer's strategies.

A discrepancy exists between the perception of the retailer and the perception of the consumer (Gilmore et al., 2001). Research have shown that retailers think to know what the perception of the consumer is. However, retailers act according to a self-defined perception and regard their images and perceptions as being congruent with that of their consumers. Based on this, retailers attempt to define and control the perception of the consumer, based on its expectations (Gilmore et al., 2001, p. 213). Retailers mainly focus on the way they want to be perceived, rather than focus on the consumer's perception which sometimes can lead to a misunderstanding. Subsequently, the image is mirrored through environmental stimuli, such as the mentioned store attributes. When this discrepancy between the store's perception and the consumer's perception is solved, the retailers expectations are true, only than the consumer will proceed with its purchase (Gilmore et al., 2001, p. 215). The reason why retailers think that way, is because they each have their own values, which they regard as important. This self-perception can be defined as the identity of the chain store, mirrored through the appearance of the store. The identity of a store contains unique characteristics through its behaviour, communication and symbolism (Birkigt and Stadler, 1986). This becomes also clear through the retailers' acting towards the consumer. So, the appearance of the store is the result

of self-perception of retailers as well as imagining from the consumer's perspective , for example through service or pricing and in the store's design and layout (Gilmore et al., 2001, p. 213).

Stores sometimes change their size, structure and physical appearance in order to improve or adapt their image according to the changing demand of consumers (Govers & Go, 2009, p. 51). Because of the growing competition from the internet, consumer's demand fragments and the appearance of the physical store is more likely to be influenced to attract consumers. For example, both equipment as well as materials could be used to improve the design of the store (Dapholkar et al., 1996, p. 6, 7). However, an image in general is not changeable in a short amount of time (Lynch, 1960, p. 1). All the perceptions people have are cursory, which means that they can be varied. So, in many cases the perception is easier changed in retailer's strategies by the appearance of the store, than the image.

4.2.2 The publicity of the store

The growing competition from retailers on the internet, encourages retailers to promote their chain store. Next to the design of the store, the store could also appear through the communication in catalogues or magazines (Ball et. al, 1998, p. 94). Namely, first impressions, messages in media and imaging, are crucial nowadays (Hospers, 2009, p. 9). The emerging of the word "Verblokkering" is an example of the way a chain store is used in media in order to spread a message (Landry, 2006). The word "Verblokkering" emanates from the chain store Blokker which is located in almost every city in The Netherlands. In media it was represented as the uniformity of the streetscape in the retail structure. To counteract that, unambiguous goals and the uniqueness of a chain store become increasingly important to create and stimulate an image (Jedras, 2011, p. 22, 27). These messages are nowadays present on the internet, in a virtual establishment among other appearances such as advertisement. The latter is mainly used to promote the product instead of a general message. With that, retailers try to attract consumers to the physical store or to their web shop or web site on the internet. The retailer may focus more on publicity through internet instead of the traditional publicity, in order to compete with other web shops on the internet.

As already mentioned, retailers are much focused on the consumer. When retailers choose not to do so, they will miss their objectives which is not favourable for the chain store (Gilmore et al., 2001, p. 205, 206). Therefore, most retailers focus on one specific target group. The essence lies in the

thinking from the wishes and the needs of potential consumers with respect to the product (Van de Sande & Ashworth, 2006). To do that, different channels are used to achieve this. Sites such as Facebook and YouTube are placed in the top five of highest web traffic. To the extend this correlates with sales growth on the internet, these social media sites could be of major impact too (Kumar et al., 2007, p. 642). When social media is successful for retailers, they must not get rid of traditional tools such as printed catalogues. Namely, they will abandon the physical presence in the 'real world' and the reputation of the chain store on the internet could result in negative rankings on comparing and evaluating sites (Lontos, 2010). So, the best way to promote the chain store is focusing on physical presence in addition to online presence.



Chapter 5 Methodology

The prior chapters have given the foundation of the empirical part of this thesis and will be used as input for the choices made concerning the methodology. As already mentioned, the effects of internet purchases on the strategies of retailers regarding their establishment, will be investigated. This chapter will justify the choices that are made during the research process in order to guarantee the validity and the reliability of the results. This chapter will address the research strategy and research design, data collection and data analysis.

5.1 Research strategy and research design

It is assumed that internet is and will increase in the near future, which will have impacts on the retail structure. The theoretical concepts about three kinds of establishments and the retail structure, required detailed information about all the facets of this subject. Additional have to give more insights to answer the main question. The validity of the research will be increased if the data from these different sources are somewhat similar to each other (Vennix, 2007). Purpose of this research is to highlight profound results by addressing underlying motives and opinions of a certain target group. This is achieved through a qualitative research using in-depth interviews with retailers as data, in order to reveal deep structures from the respondent's perspectives that explored the why and how of this topic. Goal of a qualitative research is to highlight all facets of the complex reality to reveal a certain pattern. Therefore, the literature study and the analysis are alternated to deepen the empirical part by an iterative process (Boeije, 2005, p. 81). Also, the data is gained over a period of time, which called for a profound strategy (Hartley, 2004, p. 323). Therefore, a wide range of data is

obtained. Considering the data which is not available in literature yet and considering that it will explore a new phenomenon, this type of research is exploratory (Verschuren & Doorewaard, 2007).

The research objective requires a comparative case study (Verschuren & Doorewaard, 2007, p. 187). A case study can be described as *“An empirical inquiry that investigates a (contemporary) phenomenon within its real- life context.”* (Yin, 1994, p. 13). The intention of case studies is to study the research object by its various elements, complexities and possible developments. The integral character of the case study is advantageous for this research, because the research is focused on a change in a practical situation. This also puts the researcher in a close distance from the practice which produced results that made a contribution to the process of change (Verschuren & Doorewaard, 2007, p. 191). A comparative investigation is conducted, because the main topic concerns establishments of specific stores. These showed differences within the strategies of the chain stores. These different cases had to be compared to each other in order to get the desired results. Also, by using more cases in the study, the reliability of the research is more likely to be guaranteed, compared to a single case study.

To secure the quality of results gained from the respondents, a few assumptions are made regarding the chain store selection. Only chain stores are chosen which are physical present in current main shopping streets in large or medium sized, Dutch cities. Well-known chain stores have the ability to invest in new locations and image-building.

It is also assumed that chain stores are crowd pullers, hence they attract many visitors. To have a proportional distribution of chain stores and because effects of internet are different by branch, a few branches are selected according to the division that internship Droogh Trommelen en Partners (2011) uses. Chain stores which are qualified are divided into two nondaily-purchased paragraphs, which often include a more luxury assortment such as fashion stores than within daily purchased branches, such as supermarkets. In the first category chain stores are selected within the fashion branch, representing clothing stores. In the second category other branches within nondaily purchases are selected. Within this category, the remaining branches are placed, sports, multimedia, media etc. (DTNP, 2010, p. 26, 27).

Besides the eight chain stores, three interviews with other experts on real estate form important sources for the empirical data, namely property parties. These three remaining in-depth interviews with this group of respondents function as confirmation on the empirical data gained with the other eight interviews that form the basis of the empirical data. Also, observations at the location

are conducted to gain insights in the practical cases, especially to reveal the use of internet in the physical stores. This extra check is called 'methods triangulation'. This is the most desirable strategy, because it combines different methods by which an integral image of the research object is obtained (Verschuren & Doorewaard, 2007, p. 184). These different methods guarantee the validity and reliability of the study.

5.2 Data collection

Two different methods, namely in-depth interviews and observations are used for this study. The data includes primary sources, which are in-depth interviews and observations and secondary sources, which include scientific literature and additional documents, such as news articles about retail. The collection of the primary data will be further elaborated in this paragraph.

5.2.1 In-depth interviews

Within the comparative analysis, the basis for the data will be gained from in-depth interviews held with eight retailers of selected chain stores, specifically real estate managers. The answer to the main question will largely be based on the results of this respondent group. This is because the retailer's perspective on changing strategies by internet is central in the research. In-depth interviews will be the best measure for qualitative data collection, because it is important to reveal deep structures in order to know why choices regarding store location and store appearance are made.

Eight in-depth interviews are conducted of eight selected chain stores which form the basis for a broad retrospect on this subject. These interviews directly correspond to the information needed for the main objective and to answer the main question. Qualitative interviews seek to understand the perspective of the respondents.

Next to that, three interviews with real estate developers and owners, form the confirmation for the statements made in the other eight interviews. These respondents are experts in this field. Some of them have the ownership of shopping areas in the Netherlands, where most of them develop shopping areas and are responsible for the lease of premises. It is their job to organize rent and appreciation in order to profit. Due to negotiations with retailers and knowledge about supply and demand, they could give examples and visions of how the current market is dealing with internet. The complete list of all respondents are shown in tables 1 and 2.

2012

Table 1: Review of interviewed retailers (current function reported in July 2012)

Interviewed retailers within the fashion branch		
Store	Name	Current function
The Sting	Carlijn Hekman	Real Estate Manager
WE Fashion	Esther Haartsen	Junior Real Estate Manager
C&A	Rob Zeedijk	Manager Real Estate, Construction and Facility
Anonymous	-	-
Anonymous	-	-
Interviewed retailers within the additional non-daily branch		
Blokker Holding	Riko van Kooten	Real Estate at Blokker Holding B.V.
Media Markt	Jean-Louis Reinalda	Director Real Estate at Media Saturn
Intersport	Michel Lebbink	Formula Manager

Table 2: Review of interviewed real estate experts (current function reported in July 2012)

Interviewed real estate experts		
Company	Name	Current function
IPMMC	Wilbert Kroesen	Senior Development Manager
Syntrus Achmea	René Vierkant	Director Retail Investments
Wereldhave	Chris van Kaam	Lease Director

The number of interviews is beneficial for the research because of a reliable vision on store locations and motives behind it, which will be tested according to the results of the interviews. Reliability is a criterion that will guarantee the quality of the measurements, which is dependent on the consistent choices the researcher makes (M. van der Velde, personal communication, 8 February 2011). In order to give reliable and in-depth answers concerning the establishment of retailers, only a few respondents will be addressed. This required a small, detailed approach (Verschuren & Doorewaard, 2007, p.160). A face-to-face interview with each respondent was the best method for this. This would make it relatively easy to get detailed information about decisions for locations, new strategies or

visions for the future which are partly based on experiences and meanings. Because, in these interviews there was asked to which extent there will be a change in location and appearance of the store according to trends on the internet. This is accompanied with feelings and emotions, because the appearance of the store and statements about the retail structure in the near future are often a matter of the retailer's subjective meaning. Because the interviews are also useful to DTNP, certain practical information is asked during the interview which will not be further elaborated in the results. Criteria for catchment areas, the number of settlements and the size of the store are examples of this. One exception to the face-to-face interview has to be mentioned. One interview was conducted through the telephone, due to the time schedule of the specific respondent. This was a disadvantage compared to the other face-to-face interviews, because gestures and facial expressions which makes an interview more comprehensible, were missing. The interview lasted half an hour, where the remaining interviews lasted one hour averagely. So, less results could be derived from this interview. Moreover, ten out of the eleven interviews were conducted at the headquarter of the chain store or property party and one at home.

There was argued in a problem structured way. This structure indicates that there is a current problem in the present-day where the causes lie in the past and possible solutions lie in the future (RuG, 2002). Since choices of locations are highly expected to change in the future, according to the increasing internet purchases, it is useful to make a distinction between current and future strategies of retailers. This distinction is added to the interview guide of the respondents, shown at the end of this thesis, in appendix 1. In this way, it is possible to make statements about the retail structure in the near future.

The interviews that were conducted, were semi-structured. Prior to the interviews a thorough preparation preceded, according to an interview guide with subjects and questions (Boeije, 2005). In order to answer the main question of this thesis it was required to address the main topics and subtopics, according to insights gained in the theoretical part of the thesis. However, there was some room left for flexibility, because deeper understandings expressed by meanings of the respondent are useful, regarding to their own experiences. This was achieved by further interrogation of the respondent. Open questions in the interview guide were also included in order to achieve this. Illustrations and examples were asked during the interviews, because this is a mean to understand relevant phenomenon's in practice, regarding changed strategies or effects for the retail strategy.

This is way to decrease the chance on socially desirable answers (Verschuren & Doorewaard, 2007, p. 242).

5.2.2 Observations

With the main definitions used in the literature study in the theoretical part as a background, observations were conducted. The main goal was to support the statements of retailers about their meaning of the store and the location, because this part of the subject is visible at street scale and was more easily to observe than location patterns. Locations were also disregarded in the observations, because the structure is already substantiated by the interviews. This immediately refers to the other goal which is obtained by the observations. The literature could not be of further help when it came to the internet as channel for new strategies and the combination with the physical store. Practical examples of, for example the integration of internet in the store, were missing in scientific literature.

First, observations were conducted for a few physical stores. These observations were held independently, because it is important to guarantee exceptional cases (Verschuren & Doorewaard, 2007, p.190). This means, a selection preceded of, for the research relevant chain stores. The selection took place after the results of the in-depth interviews were assimilated, on the basis of relevant quotes of the retailers which contained information about, especially, multi-channel strategies. There is looked at both the external design of the store, as well as the internal layout, which reveal the appearance of the store. However, this selection was not preconceived and therefore it concerns an open observation (Verschuren & Doorewaard, 2007, p. 234). Only a list of the mentioned main interests were needed. This observation is performed in Nijmegen, because most chain stores in table 1 are present in this city.

Second, and next to the physical establishment, the virtual establishment is observed by visiting the web shops of all eight chain stores. Statements are also checked by looking at striking citations of retailers, for a more targeted way of looking at the web shops. In the case the chain stores are not in the possession of a web shop, the web site is observed as alternative.

5.3 Data analysis

The collected data of this research is analysed systematically. Transcripts of the interviews are made to reveal the structure of the text in a precise way. Every sentence is written down to make sure that none of the details is overlooked. Because the research method concerns qualitative, in- depth data,

objective hermeneutics formed the method of inquiry to analyze the data. Essential to objective hermeneutics is that hidden meanings are revealed. According to Oevermann (1987) this method intends to understand the story of the respondent by reconstructing the objective structure of a text. More specifically, it tries to interpret the underlying thoughts by a detailed interpretation and understanding. This method assumes that knowledge is embedded within the experience of people.

The researcher must start with an objective view on the case, context free, where preliminary knowledge is neglected. The text will be taken literally, without making assumptions to guarantee the validity, by using the most important citations from the respondents. In table 3, an overview of the interviews and their abbreviations are shown, used as reference in the analytical chapters that follow. Then the interpretation follows the sequence of the words and the general aspects of the structure appears (Varro, K., 9 December 2011). Namely, a text generates structures of meaning that goes beyond the imagination of the respondent. Objective and subjective senses in this context can be distinguished to typify the different causes of action (Oevermann, 1987). These actions could be rational, but also personal in terms of the meaning of the store. In the end, the structure of the actions of the respondents can be revealed by this method. This will show the importance of motives of the establishment from the retailers' perspective, which will reveal the choices in location policy and changes in the retail structure in the end.

Interview	abbreviation
The Sting	I1
WE Fashion	I2
C&A	I3
Felicia Fashion (anonymous)	I4
Anita Fashion (anonymous)	I5
Blokker Holding	I6
Media Markt	I7
Intersport	I8
IPMMC	I9
Syntrus Achmea	I10
Wereldhave	I11

Table 3: abbreviations of the interviews

The analysis according to objective hermeneutics seeks to give a declaration of the phenomenon, which regards a cause-effect relation. Also, as described by Boeije (2005) objective hermeneutics uses an instrumental elaboration which offers practical insights, whereby a combination of thinking and acting exists. It is a non-linear process of interaction between the theoretical framework and the empirical data. One of these instruments is encoding of the interviews, which is further elaborated in the next paragraph.

In the analysing part, the establishment includes more characteristics of a store. Location choices are measured that respond to inter alia, the strategy of the specific (geographical) location, the dispersion, the size of the store and the closeness to other retailers. These factors are important to take into account, because the central place theory shows an optimal amount of places with potential retail activity in the environment, located near the market (Ball et al., 1998, p. 78, 88). It is also of importance, because the market changes when internet sales increase and location choices are subject to change too.

5.4 Encoding

The purpose of the interviews is to reveal meanings with the aid of the transcripts from the interviews. All eleven interviews are literally written down, in order to maintain the objective meaning of the text and to decompose the data. This is done through 'Open Encoding'. Open encoding is defined by Strauss and Corbin (1998, p. 101) as an *"analytic process through which concepts are identified and their properties and dimensions are discovered in the data"*. The domain of the research object is visualised through this process. All data collected in this way are carefully read and broken into fragments. The relevant fragments are then labelled and compared to each other. This makes it easier to relate theories to the data and to search for in-depth relations. Moreover, open coding leads to a deeper understanding of the content that goes beyond paraphrasing and summarizing the text (Flick, 2009, p. 317).

In the analysis of the data, open coding is used according to different main codes and sub codes, whereby the interviews are interpreted. The list of codes, divided into main codes and the sub codes, is shown in Appendix 3. Examples are given for each code by relevant citations from the transcripts. The main codes leading to the most relevant fragments are 'Location of the store', 'Appearance of the store', 'Internet' and 'Retail structure'. This selection is made with the aid of the concepts within the main question. As location strategies and store's strategies are most known from literature, the

first two main codes concerns strategies of the physical establishment. Because, the location and appearance of the store refer to the physical establishment. The internet refers to e-commerce and multi-channel strategies within the virtual establishment and the synergy of both physical and virtual establishments. With the aid of sub codes, differences between these strategies are distinguished to make consistent statements about the three establishments. Finally, the retail structure is mentioned apart because it contains different conclusions, apart from the establishments.

All codes were interpreted in an open manner and will be used in a flexible way, because this approach leaved room for some flexibility and manoeuvring between different techniques of the researcher (Flick, 2009, p. 317). Therefore, not all codes marked in the transcripts are used in the analysis, but only the codes that show relevant relations with other codes. This secures the validity of the research domain (Strauss and Corbin, 1998).

Chapter 6 The Fashion branch

This chapter will show the empirical data of each chain store in a descriptive way. Effects of the relatively new e-commerce on the physical strategies and establishments are central in this chapter. It will become clear whether the location strategies and strategies of the store are intact or changed through e-commerce, with especially a focus on effects on the physical establishment. First, the fashion branch will be addressed, with a focus on the following chain stores: The Sting, WE Fashion, C&A. Felicia Fashion and Anita Fashion are also included, but preferred to be anonymous. With this total number of 5 interviews, a strong foundation will be set for the analytical part in chapter 8.

6.1 The Sting

6.1.1 The location of stores

Central places

According to this respondent the catchment area is important to include in their location policy. The catchment or the range of the store could overlap with another catchment area. This is well explained by The Sting who opened their first store 30 years ago in the Netherlands. Some locations are excluded in their choice for a new store: *“Middenwaard, which in itself is very successful, is eventually not through the selection for our location. The catchment area is probably good enough, but the problem is often that people in the Netherlands draw a catchment around their city. For example, suppose this is a city, and a catchment area here, you also find a city here, so it overlaps each other. That's a bit of a problem in the Netherlands”* (I1). For The Sting, the choice for a location is often accompanied with a ‘gut feeling’ instead of reasoning according to the theory of central places, which is decisive for a new location.

The purchases through internet would be an addition to the physical store, *“it strengthens each other”* (I1). However, The Sting has not got an own web shop on the internet yet, because they did not see the urgency of it until now, in order to *“go along with the remaining chains”*. The web shop will be released in November and, will contribute to the sales volume of the physical stores. Namely, *“We now rather dare to open a web shop than to open a shop in Purmerend or Doetinchem”* (I1). More locations are, because of the development of the web shop, reconsidered now. This mostly affects the medium-sized cities.

In general, The Sting mentions that the top of internet has not been reached yet and automatically assigns more chances for their web shop in the future. It is logic to assume that the

more faith the retailer has in internet, the more likely he is to invest in the new web shop. According to the Sting, the physical store remains very important next to the web shop.

Clustering

The Sting is focussed on its own strength, now they have a big store with a big assortment and believe that it is capable to attract more consumers with the store than 20 years ago. They still prefer to locate next to big fashion retailers, for example Sasha, perhaps Douglas, but preferably Zara and H&M. Then you have a better attraction, *“because Zara has anyhow more attraction than The Sting”* (I1). For this reason The Sting can be located on a side location in the A1 area, for example in Den Bosch next to the Zara, but not on the market place in the centre of the A1.

Partly because of the growing purchases on internet, The Sting has put on an initiative for opening on every Sunday in big cities in the Netherlands. This is accomplished with other retailers, because it only has effect when more (fashion) retailers in one street are open. This can be related to the concept of clustering, because only when stores are in its proximity and open for visitors, consumers will have a stronger force to visit the store. It is *“a good answer for the so called 24-hour online trading, because there we see a big sales improvement”* (I1). On the website of The Sting there are indeed several cities where ‘Sunday shopping’ is already carried out. Next to the large cities where The Sting is active on getting permission for the Sunday opening some other, smaller cities also have their stores opened every Sunday. Apparently, The Sting tries to counteract internet by extending their opening hours. This could be urging for The Sting, because they haven’t yet released a web shop on the net. The competition gets higher and higher when other retailers have a web shop and The Sting sees that too. The mean to notice the success of this action is the sales increase of one physical store, which contributes to the total profits. They notice that internet has also a part in this turnover.

6.1.2 The strategies of the store

The Sting focuses mainly on the internal layout with the aid of the interior, music and the overall experience, for example led rings in the store to trigger the consumers, whereby they will attach more meaning to it. This is shown in figure 5. This is achieved by the size of the store; one important criterion of The Sting is the magnificence of the store. The image is aligned to young people, their main target group. So, the appearance of the store is adapted to its target group and therefore very important. IPMMC thinks that the store’s design is also a very important part of their image. Namely,

“Retailers will not compromise on their design because of the crisis. (...) What they do try is to ask for a contribution from owners and investors to the design” (19). This can be seen as an investment in the physical store. The fact that The Sting is also busy with the development of a web shop, shows the importance of both channels, because they invest in both. The awareness of the store is even more important now the web shop is in its development, especially in Germany. The use of the web shop will bring them closer to the consumers, when they search for the right target group, according to the respondent.



Figure 5: The entrance of The Sting Eindhoven.

The Sting has a sharp focus on the interior. They indicate the web shop as a tool for getting known as a brand in the near future, *“to become faster known with the large crowd”* (11). This especially applies to Germany because physical stores in the Netherlands have already contributed to the awareness of The Sting and the concept of The Sting in Germany is not long known yet. However, this is more a positive side effect which contributes to the image and awareness. So, internet can be helpful when it comes to the publishing of the store(s) and it will thus increase because of the new use of internet. Also the use of social media such as Facebook and twitter will automatically increase according to the respondent, because of the web shop.

The increasing Sunday Shopping as mentioned before, can also be seen as publishing tool for the store, because more people will be aware the perception of The Sting when they are 7 days a week open for visitors. Internet is the motivator for this action, to outsmart it. Namely, the web shop is open for 24 hours, 7 days a week.

6.2 WE Fashion

6.2.1 The location of stores

Central places

The current location strategy of WE Fashion can be marked as a direct consequence of internet: *“And furthermore we have launched the new store concept. And it also results in the part of the strategy that we wanted to go from 2 shops to 1 shop”* (I2). This confirms the fact that several locations are reconsidered and a few locations will fall off according to their current, changed location policy. The focus of locations for the new concept stores will now be especially on the 5 big cities, Amsterdam, Rotterdam, Den Haag, Utrecht and Maastricht. In Nijmegen the new store concept was introduced in the year 2010. Because internet has been a driving force for the new concept, this can partly be seen as the cause for the changed locations. This relates to the fact that they regard internet as a challenge. This confirms the theory of central places and the fact that the level of the providing function becomes higher. Less locations will be marked as central, because WE is only focussing on the biggest cities, which are of higher central order, according to the model of Christaller. The smaller cities at the bottom of the hierarchy could fall off due to the shifting retail locations.

The growth of internet use will be levelling off in the near future, according to WE Fashion. In the near future it will still grow, but this retailer mentions that this will not take forever. This retailer mentions this literally: *“One says that the turning point of internet approaches”* (I2). They have not got the intention to change their location policy in the near future because of this. Although internet will not grow forever, WE is still active on integrating internet within the store. This is partly because WE wants to create a shopping experience for consumers. In the observation it became clear that internet is directly placed in the store on a tablet and by that, WE is giving the consumers the possibility to shop through their web shop when their own stock is not available at that time. Besides that, touchscreen mirror is placed in the dressing rooms, where consumers can take pictures of outfits. These pictures can be sent through e-mail or Twitter, in order to compare outfits and receive comments on your outfit from friends. These two forms of internet integration in the store are shown in figure 6. Now and in the future a combination of the channels internet and physical store will exist, according to the respondent: *“I am convinced that people will always go shopping, because I think it is just number 1 leisure”* (I2).

Clustering

WE search for proximity near other big fashion retailers, which refers to the concept of clustering.

The favour goes to the strongest retailers in the same segment: *"H&M is very strong and Zara is also a very strong club"* (I2). This is the most important factor for locating near to these stores. It is linked to the theory of Christaller by Syntrus Achmea, which states that clubs are more centred at one spot: *"It is of course from Christaller on clear that it adds value when you are with several similar shops side by side. And I think that everyone has learned this in his training, so they will continue to do so"* (I11). This does not indicate that there is a change in the way this retailer looks for proximity to other retailers, since the increasing use of internet. Also in the near future, this will remain the same.

6.2.2 The strategies of the store

WE Fashion also explicitly attach great importance to be perceived with its new store concept, which is from now on part of their strategy. This has effects for the (re)location of the stores. The focus on the large, new concept stores is also a way to improve their appearance. The respondent also said that in smaller cities, a more modest version of the store concept will be achieved. This suggests that the main part of the strategy of their stores is changed in 2 years, because the idea was to implement this concept on every new city. Because internet has been a driving force for the new concept, this can partly be seen as the cause for the changed stores.

WE relates internet to an experience: *"Internet will allow that people want to have more experience because they can simply shop from their couch or behind a desk now. So you need something more to offer than that. And that is why the new concept is so important"* (I2). This statement tells that because of internet, experience in the store will become more important. This experience is translated into the new store concept, which gives people a new kind of experience, according to WE. The given experience is thus an effect of the increasing internet purchases. This experience is a unique, adding value of the physical store: *"partly, to counteract the internet developments (..) And internet cannot give an experience in my opinion, it is mainly practical"* (I2). The experience is explained by the design of the concept store: *"because you have that kind of living room when you come in and it is just more fun to be in that shop. There are all beautiful things and all the beautiful furniture"* (I2). Indeed, the creation of the living room in the WE Store can be confirmed, according to the observation. The interior is adapted to that by a couch and a reading table with magazines. Also, there is the service of getting a cup of coffee. This appears to the consumer as a 'home feeling' and the internet is being used in the form of a build-in, touch screen computer with a link to the web shop, in a kind of closet. This closet, shown in figure 6, is adjusted to the internal environment, which

has to look like a home. The home-feeling makes it more comfortable to shop, according to WE. The web shop has another image, as seen in my observation, because such attributes are not used in its layout. The web shop is more practical, which is already mentioned by the respondent. It mainly is used for the search for the collection. In this sense, experience is not directly linked to the web shop.



Figure 6: New Store Concept: 'Shopping experience'.

The releasing of the concept store has been used in media, which attracted the attention to the physical store. This is linked to the economic crisis: *"everyone has a hard time now, so you need to be a little creative to give a note to your brand"* (I2). It is not very clear which part internet has for causing this publicity. Internet do cause the effect of the trend of mailing lists. WE thinks that this is becoming more important, next to mobile apps, which allows retailers to create 'pop-ups' on consumer's mobile phones which provide information about actions. This could bring the retailer more close to their consumers, which labels the importance of internet as an information channel. WE sees the importance of internet for their publicity: *"You must try to access all your consumers and internet is now simply a very important component, so if you do not have Internet, then you count for nothing"* (I2).

6.3 C&A

6.3.1 The location of stores

Central places

C&A is settled in the Netherlands for 170 years now. They used to locate in especially large or middle-large cities. After that, they also focussed on relatively smaller cities. This criterion was made a couple of years ago. However, they now focus on bigger cities again. This up-scaling trend by which

the bigger cities matters more, are not affected due to internet. The cause of change lies in the fact that the smaller stores in the smaller cities could not bear the entire concept of C&A. This has to do with meeting the expectations of the consumer.

Recently, C&A has their own web shop. They see the growing internet phase as an opportunity where they have responded on: *“Now we have C&A online next to Wehkamp, so let's say 2 online entries and they are both very successful and we even sell more on Internet than in the largest store we have in Amsterdam”* (I3). They are using internet, by having two internet entries. Although, C&A does not foresee a growth of internet as it has been in the past: *“What I can see is that the Internet is doing well and is growing fast, but overall sales growth is not really the case. So actually internet cannibalizes to our current stores”* (I3). Because sales do not increase as it did, the growth of internet is slightly levelling off. It was very tempestuous, but the growth slightly bends, according to this respondent. This will not have drastic effects for the physical locations. Namely, C&A compared the development of internet against the physical store, with the development of the video against the existence of cinemas: *“In my youth people said it was done with cinemas because everybody will now watch at home”* (I3). This did not happen, because of a certain experience, according to the respondent. He relates the physical store to an experience too.

Clustering

Mostly, H&M is in favour when it comes to clustering, because *“People are not making an extra turn for C&A, whereas previously they did. So what we want is make sure we are still close to other fashion chains”* (I3). This is at an A1-location, because most fashion retailers are clustered there. So, retailers abide by the central place theory and clustering, which has a great value for the clustering. When they are outside this area, they will consider relocation. Though, they still concentrate on the central part, with other retailers. When the concept of clustering is being followed by retailers, the central place as a whole could change from place too, due to the location of a cluster. This shows that clustering takes place in the central part.

When looking for the web site of C&A in the observation, I came across the second entry of C&A online, namely the web site called Wehkamp. This is a site for more fashion retailers that performance together because they are present on the same web site. The respondent adds to this the following: *“Through Wehkamp you can click further to the C&A collection, which proved to be extremely successful”* (I3). When people search for clothes in the same segment, they will be quicker

sent to the site of Wehkamp, than they would be sent to the more specific web shop of C&A. Although, the web shop of C&A is successful too, so the combination of those will probably strengthen each other. This is confirmed by IPMMC: *"C&A is now doing fine on the internet"* (I9). They do not have plans to change this.

6.3.2 The strategies of the store

The awareness towards the consumer is very important for C&A to attract the consumer. This retailer indicated that smaller stores which were a focus in the past, did not work because people were used to the wide arrange of possibilities in the store. This image failed. Now, C&A has another image because they adapted to the consumer, because *"people have a large department store in their minds. So we are now bigger again, in that extent the consumer just accepts it"* (I3). Again, you have to renew, but retailers meet this need slowly, because otherwise the consumer cannot keep up the change and will not recognise the store as it is, for example C&A anymore.

The web shop is a way to make clear the awareness of C&A. For example, C&A has certain ideas with the integration of internet in the store and uses this only in Germany, as a way find desired articles: *"In Germany you have a pole, where in a kind of computer you can see what is available and what it costs. You can also introduce that here, so that people can search even simpler through the collection and see if there is stock"* (I3). It was stated that the success factor in Germany has been the motivator to integrate internet in the store. This kind of development is now crossing their minds and can become plans in future Dutch stores, because more possibilities arise for integrating internet in the physical store. This would increase multi-channelling, because more channels are combined. This is conform the plans for introducing a more noticeable intern concept, as said by the retailer. For now, the current concept is still of application, also noticed in the observation. The retailer does not know which exact way it will go with internet: *"you also see that many people find it quite normal to buy something on the Internet"* (I3). The appearance of the web shop and the physical store has to be unambiguous. In the near future they have plans for a renewing of the intern concept. This means enlarge the assortment by include men, women all together, because the consumer expects the variety of choice at C&A. For C&A the image means being a 'value retailer'. It points the importance of their distinctiveness as a brand. This became noticeable in my observation, because on their web shop in large letters is stated: *'quality, affordable and always surprising'*. The web shop is used especially for highlighting their appearance.

2012



Figure 7: Display in the C&A store

In the entrance of the C&A store, as seen in my observation, there is a display of Jan Smit, a popular, Dutch artist. This is used as a tool to strengthen the “internal *appearance, or presentation to the outside*” (I3), which is more and more important to C&A. Their distinctiveness is accomplished by this, which is the goal of their internal design: “*We try to create a special world with that*” (I3). The influence of internet is also clear here, because the link ‘www.jansmit.com’ is placed on the display. This reference links the consumer to Jan Smit, whereas the site of C&A does not make a link with Jan Smit at all. This attribute marks the importance of the physical store as tool for publicity in comparison with the web site.

6.4 Felicia Fashion

6.4.1 The location of stores

Central places

Only the A1 is good enough for the establishment of this chain store and this has always been the case. “*Location policy is always top A1. (..) The place must be the best in the street*” (I4). This has always been the case for this business, because they are successful and a strong club, according to the respondent. Nothing has changed with respect to the location requirements due to internet the past few years. The physical and the virtual environment became complementary, because consumers now have the possibility to buy something on the web shop and to pick that up in the store. The respondent mentioned that the web shop guarantees a service for the consumer. This

indicates a multi-channelling strategy. Two examples of shopping where this combination becomes clear, are: *"Internet is now purely a service point, you can pick up the product in the store and you can return it as well, that's it for now"* (I4). Although you can also *'receive the order at any address'*, according to the observation of the web shop, it seems like the combination with the physical store is most important. This is in the most crowded areas in big cities; *"when you are located somewhere in a back street in a small town in the Netherlands, there will be, with no doubt, bad things happening"* (I4). The respondent points to the current vacancy at C-locations, but indicates that it will be a problem in the future for the medium-small business, mainly because some products are easy obtainable through internet in a small town. They will thus not make the decision to go to the physical store, because the distance to the store in the big city does not equipoise to the convenience of internet. The places where they are not expanding are the medium-sized cities, namely *"I might call many threats for a medium-sized city and for a large city many opportunities"* (I4). These cities have most consequences of internet. Because this chain store is only located at the best A1 locations, the mentioned threats do not affect the chain store. It will concentrate more on the high order central place, or big city, which has a large range and through that, reaches most consumers. Within that central place, *"I think it will further concentrate on the 'core' of the city, the shopping vein"* (I4). This all equates to the up-scaling hierarchy of the retail structure. A partial motivator for this shift is internet, but won't affect this chain store in the future.

Clustering

This retailer states that their own strength is leading in the location policy. Follow other stores is not always the best thing to do: *"We are the crowd puller ourselves"* (I4), because they are convinced of the fact that they will generate a big crowd flow, which is needed for a profitable sales volume. Most important thing is the demand of potential consumers, according to the respondent. Internet still grows and it is possible that you can create the same spheres as in the A1 locations, because the competition on the net gets bigger too. According to IPMMC people have the *"wildest ideas"* (I9) concerning internet, so new concepts will only grow more in future. It is likely that this retailer still makes use of the physical establishment in the near future, because of their strength and crowd puller status. They are not changing this strategy of clustering, because it always has been important.

6.4.2 The strategies of the store

Internet is purely seen as a service point and the adding value of the web shop. However, internet cannot offer the experience like the store can, because: *“People must have the idea that it feels good to shop. I think this is becoming increasingly important with regard to a shortcoming of the Internet, the experience”* (I4). This company has always valued this issue concerning the experience high, but in the future it could become even more important, to outsmart the internet: *“You cannot try it on and feel or smell it”* (I4). Therefore it is very important that retailers create something extra for the consumer in the physical store. This ‘extra’ is created through the image of the store, according to the respondent. This is as important as searching for a good location; *“Image is everything, we like beautiful buildings and eventually, the store is our visiting card”* (I4). So, their image is related to the buildings, or the appearance of the physical stores. The consumer has to be triggered to go inside which is accomplished with the external appearance, the facade. The buildings are easily perceivable by consumers, because of the distinctive character. Moreover, a building has to be distinctive to be noticed by passers. The respondent is now present in the Netherlands for 12 years. Though, this chain store has a very strong image. Internet does not have an influence on this.

The image is carried by the physical store. Other tools for publicity are for this reason superfluous: *“The company is quite publicity shy, because the crux is that the company believes in its own power”* (I4). The power is mainly related to the external appearance of the store, the building itself, as already mentioned. They have not used promotional attributes in the past and they never will in the future, because they believe in the presence of the physical store as a visiting card. In the observation the Facebook site of the concerning store appeared to be an additional tool for publicity, because many consumers are connected through Facebook. Also, there are certain clothes published for promotional purposes. So, apparently these messages through social media are excepted when talking about the companies’ publicity in which their consumers are attracted towards the store or the web shop.

6.5 Anita Fashion

6.5.1 The location of stores

Central places

This chain store is located at the A1-location in large cities and medium-sized cities. Especially the top ten largest cities in the Netherlands are in favour. They will not make an concession on that: *“What*

happens through the internet is that a shift takes place within the city: the choice becomes more explicit and more difficult by the rental prices" (I5). This implies that a shift in location is the effect of internet. Apparently, this shift is towards the largest ten cities. However, it is also mentioned that *"The top of internet has not been reached yet"* (I5). The fact that physical stores are quicker because they are more closely located to the consumer makes physical stores *"more efficient"* (I5). Because of that, the saturation of the growth of internet could happen in the near future.

Clustering

The chain store is always looking for proximity to other retailers. This could also have a side effect, namely, *"when too much stores of one formula are located in one street, it could cannibalize"* (I5). This could have negative effects on the store's sales. Much of the stores are not necessarily beneficial for the turnover of the store. Apparently, there has to be different stores with an additional and wide range of products in the same area to offer an experience. This is confirmed by Syntrus Achmea which is of meaning that it is all about *"feeling good and pamper yourself"* (I10). This kind of ambiance is created in relation to the clustering of stores: together you can offer more. It becomes more important to make strict choices, whether you want to locate somewhere or not. So location near other stores will not change in the future. However, IPMMC makes a statement that suggests that this could change on a longer term: *"And that is has already became too big, the fashion share in A1 areas"* (I9). When that happens, the concept of clustering can be affected in the future.

6.5.2 The strategies of the store

For this chain store, the assortment is adapted to its appearance. The design of the furniture and the logo of the store were changed throughout the years. They want to be seen as a chain store which brings experience to the consumer: *"Now we are trying to respond to the experience, to adapt the assortment", in order to manage the stock better, whereby less warehouse is needed*" (I5). This suggest that there is more space left for the actual store and for clothes. The respondent said that through internet, retailers have to think through how they will manage the combination of internet with their stock. Internet is complementary to the existing stock. So, according to the retailer, there is a solution to manage this. For example, *"the advantage of a showroom is that you have less stock"* (I5). This retailer supports the idea of a showroom in the future. The internal layout of the appearance will probably change when that happens.

The experience is also a crucial element to make your distinction in. What noticed me during the observation was not so much the experience according to the assortment, but the coffee table which was placed central in the concerning store. This gives a certain level of service for the consumer, by providing free coffee. This adds something extra to the store, a kind of distinctive character. Changing the appearance of the store, is in this case not caused by internet.



Figure 8: Coffee table in the store

Concerning the publicity of the store, the respondent mentions: *“Leaflets go to the solid consumer base, but in addition we also focus on the web shop. We also have different actions: A well-known Dutch designer now designs dresses for one store and a few years ago we advertised with (...), a hit series in the Netherlands”* (I5). This statement suggests that traditional tools for publicity are still used, next to extra tools. Because of the increasing purchases through internet the last few years, the web shop is now also used for publicity. This can be confirmed by the observation of the web shop: it presents some price- and sale actions of articles and special offers. With this knowledge, people will be more likely to buy something online. So, the web shop can indeed be seen as tool for publicity. Also, a referral to the physical store is placed on the web shop. This marks the multi-channel possibilities of this chain store, because there is a promotion for the use of both channels. In the observation it also has become clear that the store has many price actions, visible in the windows of the store. This was partly because of the period of sale which was nationwide carried out. This relates to the external appearance of the store. This could increase the awareness of the store, whereby people will more likely perceive the physical store.

6.6 Conclusion for the fashion branch

Physical stores within the fashion branch are located at the central A, mostly A1 areas within the inner city. The focus is now on large cities and less on the medium-sized city, which confirms the up-scaling shift of the hierarchy of central places. Because of that, they can reach a large amount of consumers with less means. The shift can be declared by the fact that most fashion retailers are more carefully now with their location policy, which means that more locations are (re)considered

and less locations are added. The number of stores of each retailer decreases by this and creates a movement in the retail structure, where the bottom of the retail hierarchy is first affected, namely the medium-sized cities and the C-locations. The increase of use of internet is partly a cause for this movement, according to three respondents within the fashion branch, because some locations are not on the planning anymore. This has especially consequences for the future retail structure. Only WE Fashion is directly affected by internet in their location strategy because of a new store concept which tries to outsmart the competition from internet. All retailers indicate that their web shop is complementary to their physical store, so fashion stores will continue to exist next to their web shops in the near future. All retailers are of meaning that the crisis is of more influence than developments of internet in their strategies. Regarding the concept of clustering, retailers are increasingly focusing on the A1 location which leads to more concentration of fashion stores.

Fashion retailers still see the appearance of the store as a way to attract the consumer to their store. Only in the stores of WE Fashion, internet is integrated in the internal decoration of the store, because they partly try to outsmart the web shop by creating an experience in the store. The location of the store is more used for publicity than the web shop. Only The Sting has not got a web shop yet, but are currently busy with releasing it. The fact that this chain store is busy with the development of a web shop, shows the relevance of the virtual establishment next to the physical establishment.

Chapter 7 The additional non-daily branch

As in the previous chapter, the focus in this chapter will be on the effects of e-commerce on the physical strategies and the physical establishment too. In this case, stores in the non-daily branch will be addressed, included electronics, households, sports and toys. This branch represents strategies of retailers concerning locations and their store now and in the near future. The following chain stores will be elaborated: Blokker Holding, Media Markt and Intersport. Blokker Holding is responsible for the location policy among others, Blokker, Xenos, Marskramer, Bart Smit and Intertoys. It will show the main data of each interview in a descriptive way.

7.1 Blokker Holding

7.1.1 The location of stores

Central places

With an establishment in the inner city, rents often are decisive for these chain stores. Blokker as a chain store has relatively the smallest stores with a small range located in medium-sized cities, next to large cities. Other stores, Xenos and toy stores such as Bart Smit, need a bigger range and are therefore located in larger cities than Blokker. Blokker has gone through a process of up-scaling the past few years. The assortment became larger, but this has nothing to do with internet. However, within Blokker Holding, the toy industry and to a less extent the electronics suffer from the internet. This is based on changed locations. Namely, there is a shift of toy stores, for example Intertoys that moves from A- locations to the outskirts of the city. Next to this shift, the number of toy stores in general also decreases, which causes vacancy. This happens, because games are easily bought on internet, because the products are recognizable, according to the respondent : *“that box of Lego or Parcheesi which are actually very suitable for purchase through internet”* (I6). They automatically move towards more affordable places, to keep their head above the water in the current financial crisis. So, the extent to which this location policy changes has a lot to do with the assortment. A characteristic of internet, which is guaranteed within the physical store and not at the internet, is the service and the consumer focus. Internet cannot provide that, according to the respondent. Internet has thus an influence on the retail structure for the toy branch. Also, when the question for a new store of a Blokker will rise, the Blokker will always stay in the inner city. So, the biggest consequence of internet is the shift of toy stores and the accompanied vacancy in the toy branch, because less toy stores will be realized in the inner city.

Syntrus Achmea property stated: *“In the Netherlands there is a dense retail structure. We have a very rich tradition of planners, which you do not have abroad. So, you can easily destroy something here”*. With this last sentence is meant that vacancy of stores does not mean a whole city has to be depreciated. This relates to the fact that Blokker Holding thinks that it will concentrate more on one place. Vacancy could cause the disappearance of the C- locations, because less stores are realized there and retailers more often choose for B-locations. This is partly declared by internet and partly the financial crisis. But as Syntrus Achmea mentions, *“there will certainly change something in the medium-sized cities and that will be a natural process, whether that comes from internet or something else”* (I10). Retailers must monitor the market to know the effects of internet or other dynamics.

Clustering

Blokker mainly focuses on clustering in inner cities, because they do not want to cluster in the periphery: *“That kind of takeaway activities is fine, but then on the central location, not in any peripheral area, because a flow of passers will be lost with that”*. This means that in the eyes of Blokker a central location is better visited. Clustering stays important: *“Shopping means that retailers try to locate with as many as shop doors together, the more interesting it is for the consumer. That is really the principle of shopping”* (I6). This reveals the meeting of the needs of the consumer by the retailer.

For toy stores this is somewhat different. Because of the increasing purchases of toys through internet, Intertoys or Bart Smit will be more likely to close their stores when there is too much competition in the same area, according to the respondent. This is certainly the case when a toy store is located in a small town, where another *“top1 toy store”* (I6) is already located. The demand for a toy store will decrease by that.

7.1.2 The strategies of the store

Blokker has got new strategies throughout the years, which partly affects the appearance of the store. The intention is not to create a strong image, because *“People can always find us”* (I6) and that underlines the recreational and targeted shopping function. So, when a shop is easily perceived ~~found~~, it does not always concern the appearance of the store. When the store is recreational, the Xenos for example, you have to be placed in a good consumer flow, which indicates the function of the store. In relation to this, the Kalverstraat would be a good option according to the respondent. The stores have a certain profiling, which is particularly shown in the appearance of the store: *“Led*

lighting makes its entrance and that surely has influence on your outward expression” (I6). This is the case with Blokker. Thirty years ago they used to have an old- fashioned facade, but the design is adapted to current fashion. This is a challenge, because there are continuously other ideas about cosiness and atmosphere. The retailer says: *“Now we have a much more open appearance to the external”* (I6). Most important thing is that you are distinctive and-very clear towards the consumer.

Internet is mainly a *“reservation program”* (I6) for the consumer. This is because consumers want to see or feel the product, especially with electronics, unless it is completely naturalized. For example he mentions the fact that consumers are known with the use of the Senseo device, after all the years it has been on the market. However, when something is bought on internet and the user is not satisfied, the user could have a problem, according to Blokker Holding. That problem is less likely in the physical store, because service of the staff could be the added value for a physical store.

The term ‘Verblokkering’ has been in the media, 10 years ago. For quite a while, this was a point of debate, because the word refers to the highly debated issue of cluttering of shopping streets in the Netherlands: *“Which is an honour, of course, but on the other hand it has some negative images. Everyone complains that the streetscape becomes the same”* (I6). However, this is what the consumer still wants, because they just need a Blokker in their proximity. Blokker attaches much value to the consumer’s needs. Xenos tries to stay as close as possible to their target group, women, by producing leaflets, being present in magazines such as Margriet and Libelle and being present on the annual domestic stock market: *“In the end, consumer decides”* (I6). So, they mainly focus on additional tools for publicity including the web shop, rather than the store itself.

There are a few differences in the establishment of current stores, because of internet. Next to the link to the web shop in leaflets, a link is placed at the façade of the physical store of Bart Smit and Intertoys: *“On all the shop windows Bartsmit.com is placed”* (I6). In the observation I also came across a reference to the web shop on the Blokker window, shown in figure 9. This shows that they want to be visible with the web shop in the hope it will stimulate the visiting of it. So, they try to refer to their web shop in their stores.



Figure 9: Blokker window with reference to the web shop

7.2 Media Markt

7.2.1 The location of stores

Central places

The location policy of Media Markt used to be focussed on the Netherlands in its entirety, including peripheral areas in the North and the South of the country. At this point, the retailer sometimes regrets the focus on these places at that time. Ever since, the location strategy has changed and they now focus on the mid and the West of The Netherlands, because Limburg and the regions Twente and the Achterhoek suffer from *“a population decline and the trend of aging”* (I7). The respondent mentions that especially young people use the internet for purchases, which could explain why they move out of these areas, which will lead to vacancy of stores. Media Markt mainly sells articles with a larger volume. For this type of assortment a bigger store is needed, on a location with many square meters. These stores are therefore located in the periphery, in the outskirts of a city and often close to highways. Next to that, they focus on locations in inner cities. This indicates that the large central place is not the only focus of the business. Both locations strengthen each other.

In the future vision of the respondent, there will still be a focus on both inner city (with the exclusion of C- locations) as well as the periphery, which means that *“There will not be so much a concentration”* (I7). This rejects the fact that only the central place in the city becomes more

important. This suggests the transience of the hierarchical pattern and the periphery as another location.

Internet does not seem to have direct influence on this strategy, because *“elderly people want to be helped in the physical store”* (I7) and will continue to visit the physical store. Service is seen as an important addition of the physical store, because service will be still important for their target group. Internet will continue to coexist together with the physical store; the store is an additional ‘third’, according to the respondent. Media Markt offers both channels. The only changes through internet, are the CD racks in the store which are replaced by smaller units, due to a higher purchase on internet. This started in 2011, after the web shop of Media Markt was released. The respondent thinks this has to do with the big success of the web shop by selling CD’s through the web shop. It is stated by the respondent that there could occur a smaller unit in the form of a more compact store with less meters, in the near future. This is in line with one statement from the real estate party Syntrus Achmea: *“We are still at the beginning but it is moving very fast”* (I10). This means that the effects of internet have not really reached the location strategy yet, but could reach it in the near future.

Clustering

For Media Markt, clustering is not a very important criterion within the location policy. This does not match to the vision of Syntrus Achmea property who states the following about the periphery and clustering: *“It actually cannot compete with the inner cities, because there is too little diversity and demand on that location. Often those are relatively small concentrations”* (I10). This indicates that the bigger the concentration or clustering, the more demand and diversity. The strongest clustering areas are those, which offers much. So, less clustering is taking place in the periphery compared to the inner city. This could mean that a stronger clustering better competes with the internet.

7.1.2 The strategies of the store

According to Media Markt, new technologies such as led lights are dependent on the consumers perception and it certainly does *“not promote the atmosphere and the experience, but that’s my meaning”* (I7). This tells that the appearance of the store leads to different perceptions and other images. The image must be changed through the years, because it is generally accepted that you need to follow fashion. This is similar according to Syntrus Achmea, which states that *“small buildings have a disability, you have to go along with the modern time”* (I10). This relates to the observation,

which showed that Media Markt has a huge entrance and many square meters of space. Through the values ease, cheapest in their branch and wide range, they are profiling themselves. According to this respondent, bigger stores can offer the current consumer more. They appear much more to the consumer, because of their size. In this light, peripheral areas as well as inner cities could be both places where appearance of the physical establishment is important, because of the distinctive images. This is strengthened when the city has a strong policy regarding safety and parking. According to the respondent the web shop appears as ease and comfort, which is related to the function or characteristics of internet. However, there is also a downside of this function, because internet lacks a certain timing when is said that a package is delivered between 9 o'clock and 12 o'clock and sometimes, *"you have nothing left of your day"* (I7). Consumers could visit the store instead of internet the next time, when the consumer has had a negative experience with the web shop. This statement of the Media Markt is supported by the vision of Wereldhave, which states: *"I have had a bad experience with the purchase of a laptop through internet (..) and I will never ever buy a laptop again through internet, I am done with that"* (I9). Because of that, the respondent still believes in the physical store, just like the Media Markt.

In contrast, the Media Markt makes use of its physical presence to be noticed and visited, because the consumer will visit the store also in the future, according to the Media Markt. Because the peripheral location is more and more important according to the retailer, an important tool for publicity will be high pillars and large facades, because these are visible attributes along the highway. However, what I have ~~also~~ seen in the observation on the web shop of Media Markt is the following slogan, which is often used in one breath with their name: *'Ik ben toch niet gek'* (*'Surely, I am not a fool'*). Relating to this, the retailer speaks about publicity which is important for Media Markt, because with an appealing slogan, you can attract consumers. For Media Markt, publicity is mainly about the physical appearance of the store, including the slogan, the logo and the appearance through the hugeness and of the store.

7.3 Intersport

7.3.1 The location of stores

Central places

Intersport has a wide variety of places where they are located, from A-, B- and C - locations to peripheral locations. The reason for this lies in the fact that the formula has four different formats for

their stores, each with a different range. Intersport believes in the strength of the peripheral area: *“The great advantage of that is a, the accessibility and b, the parking”* (I8). These locations haven’t been changed due to the increasing use of internet. Syntrus Achmea indicates that the feeling used to be important to retailers when they need to find a new location and those retailers now have other techniques. However, Intersport says that feeling is now of interest because the practice is in many cases different from a theoretical, location approach. Experience could be of help to select cities in the Netherlands. This feeling or instinct will still be used in the future.

In the last three till four years, internet is used by Intersport as an additional purchase channel. This has an effect on the location policy: *“And they are just all providers in that market in addition to it, trying to steal a piece from the market and that market does not grow anymore, that spending market”* (I8). The respondent actually speaks about a threat for the whole spending market. In this sense, internet becomes a replacement of a part of the existing market, because there is not an extra amount of turnover, as the spending market does not grow anymore. All markets, including the internet, become saturated at one point. This has consequences for the future when internet reaches its top. Some stores must close.

Because of the declining consumer spending in the store, Intersport deals more and more carefully with the adding of locations now. In the future, this location policy will probably not change, because internet becomes saturated. Intersport does not have a web shop yet, although they now see the urgency of that for the near future. They now believe in a web shop as a counterpart for the physical store: *“Then we have a digital shopping environment and a physical store environment, because we think this is a process that reinforces”* (I8). Internet is placed equal next to the already existing physical store environment: *“it is an extension of your store”*. This marks the fact that internet will be interwoven in the buying process, because it offers you more possibilities. This relates to multi-channelling, because the web shop, will be combined with the visiting of the store. According to Intersport, the saturation of shopping areas in the Netherlands will influence the retail structure, with more vacancy as a result. New physical establishments are now better considered. Internet is not a direct cause of this movement.

Clustering

Also Intersport recognizes the influence of clustering which is beneficial to them. It is important to consider *“What do we offer what another one does not offer and why do you have to visit us instead of the other retailer. And this game is getting more and more severe of course, because everyone has*

a hard time" (I8). This implies that there is competition with other retailers which is encouraged with clustering. Certainly when stores with a comparable assortment are close to one another, the choice gets more difficult for the consumer. Therefore, you have to be even more distinctive to profit in a clustered area, also in the future, according to the Intersport.

7.3.2 The strategies of the store

The traditional shopping in general has gained another meaning through the years. Ten years ago, for example, it was very busy in an average inner city, according to Intersport. Now, it is *"not at all busy on a Thursday night"* (I8). This is partly happening due to the purchases through internet which became more accessible, and on the other hand the expensive parking in the inner city. Relating to this fact, Intersport states that *"opening hours cannot be stretched more as it already is, because shopping is already saturated"* (I8). Due to internet, people have more options to shop now. It seems like stores want to cope with internet by stretching the opening hours because internet is available for 24 hours a day. It turns out that physical shopping has some negative consequences, such as parking rates. This could decrease the meaning of the store. This is not the case for Intersport. Intersport hasn't got a web shop yet, but they are active on the development of it. A reason for this could be that Intersport wants to be present online, because this improves the visibility, or the awareness of the Intersport as a store. However, the physical establishment is more important to them.

A good image is of great importance for Intersport, because their mentality is their image. However, they are not much focused on the appearance of the store. For them, image has not much to do with the appearance to the outside, because people know their mentality when they visit Intersport. This retailer namely stated that it is all about distinctiveness, the way you present yourself differently to the outer world: *"We do not profile ourselves at the lower end of the market. We are not an 'Actiesport' or whatever, but we stand for quality and a high assortment"* (I8). It is important for Intersport to fulfil the expectation of the consumer. Their physical store-offers quality and service. However, the periphery has another image than the inner city. *"The image of shopping differently"* (I8), fits within the periphery according to Intersport. Overall, the attractiveness of the whole city is important. The question is *"how do you attract that consumer to the city"* (I8)? This is the question for the future and becomes more difficult by internet. To be attractive as a city, you have to be dynamic and full of ambiance. For example, Den Bosch has an old core. This gives a very different shop ambiance than a *"cold, bare city"* (I8). For people that attach much value to the ambiance of a

city, this type of cities give a special meaning to the stores. Such a place is successful, according to Intersport.

Because Intersport has a distinctive image according to the retailer, regarding the assortment and professional advice, they are convinced of the fact that Intersport does not need much publicity. However, the web site is seen as a way to let the consumer know about certain actions ~~they have~~: *“It has arisen from a marketing thought”*. The reason for this online presence is another form of publicity and has to do with the awareness of the formula with consumers and the possibility of offering a wide range of products. *“Everyone is trying to come forward to consumers as best as possible, in his own way. Whether it is through traditional communication, advertisements or through the digital channel, whether it is newsletters or social media, which now plays an important role”* (I8). Apparently, the consumer plays a central role in their publicity. A way to get attraction on the web site is seen in figure 10. The consumer gets the possibility to win a meeting with a known football player. This could increase the visitors in the store. In the near future, when the web shop will be released, this could be another important channel for Intersport.



Figure 10: publicity on the home page of the website of Intersport

Also, the competition between retailers is getting more severe, which lead to bigger a use of, for example social media, because *“everybody has a hard time”* (I8). Namely, a link to Facebook is placed on the home page of Intersport as shown in the figure above. This creates more entries on the internet to be perceived by consumers. In that case the active attitude of Intersport concerning the web shop is a logic step to take in the near future which will satisfy the consumers' needs.

7.4 Conclusion for the additional non-daily branch

For the additional non- daily branch, the location policy is focused on different locations. Two retailers, Media Markt and Intersport have a focus on the inner city as well as the periphery, just outside the city. The only product group within Blokker Holding where the location of the store is changed through the internet, is toys. This is easily purchased through internet and in a less extend bought in the physical store. Toy stores slowly disappear from the A-locations to the outskirts of the city, namely B or C- locations. Especially toy stores are increasingly careful with the adding of locations. The recession is again more of influence for the changed location strategy within this branch, than internet.

These retailers are not much focused on their appearance, because of the more targeted oriented consumer. Media Markt focus a little on the appearance, by drawing attention to the large store and moreover the external appearance. Service is the added value of the store compared to the web shop, according to two retailers. When service on internet grows, the competition with internet could become more severe in future. The web shop is increasingly used to attract the consumer. This could increase the demand for the store which is beneficial. Internet also affects the Bart Smit in their design, where links to the web shop are placed in the window. This increases the physical-virtual links and for the Media Markt also the multi-channel possibilities, because more channels are used. The relation between the physical and the virtual establishment will be further elaborated in the next paragraph.

To summarize this chapter, the main theoretical concepts are elaborated in table 4, in order to meet the analytical exploration regarding effects of internet for the physical establishment.

2012

	Branch	Change in strategy by internet	Change in retail structure by internet
Central place	Fashion	Better (re)consideration now and in the future	Less stores, so a little bit more concentration on the central place in the future
	Additional non-daily	Only a small change now and in the future, because: -Current relocation in the toy branch -Relocation in the electronica branch in the near future -Better (re)consideration	More focus on outskirts city, so central place becomes less important
Clustering	Fashion	Increasing clustering in A1	Increasing concentration of stores
	Additional non-daily	No change, because clustering stays important	No change
Meaning of the store	Fashion	- Appearance becomes even more important in the future, because of scale increase & experience -Internet is increasingly used as new channel for publicity	Not applicable
	Additional non-daily	-External appearance more important for electronics in the near future -Web shop is increasingly used as new channel for publicity	Not applicable

Table 4: Main concepts for the physical establishment per branch

Chapter 8 Synthesis

In this chapter, the analytical synthesis of the study will be outlined. It partly builds on the previous two chapters and adds an in-depth analysis about the effects of changed strategies for the virtual establishment and the links between the physical and virtual establishment. This will eventually result in the combination of those establishments, the synergetic establishment. In order to do this, the chapter is divided into three paragraphs. First, the physical establishment is elaborated, which represents the positioning of the physical store. After that, the virtual establishment will address the way in which e-commerce is used by retailers and in the end, the synergetic establishment will be elaborated.

8.1 The physical establishment

8.1.1 Physical stores in the fashion branch

From a traditional point of view, retailers of chain stores focus on the central place within their location policy. Fashion retailers always attached great value to the central A1-location in the inner city, because of the high demand of consumers which generates profit. The central place will be even more important in the future according to fashion retailers, because of the largest flow of passers. This correlates with the clustering concept, because retailers want to locate next to other well-known chain stores. Especially H&M and Zara are mentioned in this context. The focus on the central place together with clustering leads to more concentration in large city centres, for example Amsterdam, Utrecht or Den Haag. In I1, the retailer who did not yet released its web shop, mentioned: *"We now rather dare to open a web shop than to open a store in Purmerend or Doetinchem"*. So, the smaller and the medium-sized cities, which are at the bottom of the hierarchy of central places because of its low range, lose its attention due to the current focus of retailers in their location strategy. In the worst case, these stores will close due to this shift in focus which is aggravated by internet. The interpretation of the hierarchy is thus important to include in retailer's choices, because the high scale of cities is often the first location choice for opening a new store. Related to the store's strategy, retailers become more critical towards location choices of chain stores. Because of this retailer's position, a change within the location strategy emerges. Location criteria are now better considered than before and existing locations are sometimes reconsidered. This means that fashion retailers will even better think through and deliberate with other retailers in their network about the most strategic locations for their stores in order to be certain. In other

words, they are aiming for the optimization of their current store portfolio, without adding a large number of new locations. One way to do this is relocation of stores: *"It is quite a difficult time, so the priority is to optimize the current portfolio and stores that are at a worse place should go back to top A1"* (I2). Generating revenue with less expansion is the new aim and this is also achieved by relocating existing stores to potential locations. With potential locations these retailers mean large city centres, where relocation or new locations are increasing, because large cities can offer experience. The experience will be elaborated further in this paragraph. For fashion retailers, these locations have to be strictly central and they will not make concessions in this decision. In I1 the following is addressed: *"We are going to be increasingly cautious. I think we still have a few shifts we will do in big cities, although we do it well in most places"*. The optimization is applied in four of the five chain stores which are not extremely expansive. Vacancy of stores is caused by this shift which can lead to less stores of one chain. This is currently happening with WE Fashion and to a less extent Anita Fashion. This has to do with a bigger dispersion of the same chain stores, because too much stores of one chain in an inner city can cannibalize current stores of these chain stores. With lowering the amount of stores, retailers want to ensure the profit of each physical establishment. In this way they hope they will choose the best option in the uncertain, economic situation. Namely, the current economic crisis intensifies these consequences of internet concerning location choices.

The clustering concept shows that especially fashion stores always cluster in the central part of the city. In the near future the central place can become more important for fashion retailers, because it will be more concentrated within the A1-location. The fashion cluster could grow further, because retailers especially look for other fashion retailers in their proximity. Another reason for the clustering of fashion stores in particular, is the offering of a comparable assortment. In this way, retailers respond to the needs of the consumer by giving the consumer a wide variety of choice. So, fashion retailers are very consumer oriented. This corresponds to locations in the inner city where stores are concentrated most. In I10 this is confirmed: *"That is of course from Christaller on clear that it adds value when you are with several similar shops side by side."* Also, the demand of these A-locations by retailers increases, with competition as a result. Clustering is often associated with an experience, because the inner city has a recreational function. In general the believe is that: *"Shopping has to be fun"* and *"shopping is leisure"*. This function of the store and its surrounding stores attract consumers who look for entertainment. Fashion retailers try to create a pleasant shopping environment in order to create ambiance and experience for consumers.

Consumers often want to be sure whether the clothes they are buying fits, which is a part of the experiencing the product. This need is noticed by most retailers. Felicia Fashion, among others, adds to this the following: *“Sure, they can also buy on the internet, but ultimately you cannot fit, feel, nor smell it”*. This refers to the experience in the physical store where fashion retailers try to respond to. One property party (I9) confirms this: *“It means the figuring out of how important it is and feeling the article. In fashion this is of course very important, so to feel it, see it, to know what material it is and do I want to wear it or not, does it fit with the colour of my face, my skin colour, hair colour, or with other things I bought”*.

This experience also relates to the concept of the appearance of the store. The consumer's desire of experience and ambiance can change the store's concept. According to these retailers, fashion stores become increasingly bigger, comparing with a few years ago. On the basis of the large assortment which turns out to be bigger too, retailers decide the total amount of retail floor space in square meters, needed for their concept. This is addressed in I2, where the new store concept from 2010 onwards, is applied with a bigger amount of square meters to cover both the total collection. These last mentioned retailers also attach great value to the experience in their store, concerning the internal appearance. This suggests a positive relation between the size of the store and the experience. In I2 is stated that internet causes a change in the needs of consumers: *“Internet will allow that people want more experience because they can simply shop from your couch or behind a desk now. So you need something more to offer than that. And for that reason the new concept is very important”*. Experience is perceived by retailers as an added value of the physical store, compared to the internet. Therefore, retailers try to outsmart internet by enlarge their store, which concerns the external appearance too. In I10 this is confirmed: *“small buildings have a disability, you have to go along with the modern time”*. So, large buildings offer more. The image is carried out through the external design and consumers only perceive that before entering the store. Like Felicia Fashion stated, *“Image is everything, we like beautiful buildings and eventually, the store is our visiting card”*. This corresponds to the fact that the physical store is the ‘image-maker’ for most fashion retailers. So, to achieve experience, fashion retailers respond to the increase in scale in their strategy in terms of large central places and the appearance. This is translated into the presence in large city centres and the large size of the store. When experience affects the size of the store, the appearance of the store is sequentially adapted. A few fashion retailers mention the internal appearance as a part of the experience. In I5 it was addressed that managing their stock is a way to

create experience, because they now have more space for their presentation. Again, the size of the store creates an experience. According to I2 the experience is created in the store by the new interior, which will be perceived by consumers as a living room and creates a home-feeling ambiance. Internal attributes also create an experience, for example an in-store closet, a couch and a coffee table.

One practical example regarding the future vision for fashion, could be the increase of showrooms, stores that function as display windows and are easily noticeable for consumers in the inner city. I11 contains an example of the emergence of a showroom: *“There are those who are not at all advertising, but one of the things they do with advertisement, is building stores. So you combine that experience, to show consumers who they are and what they stand for, so that is a kind of showroom”*. According to this property party, experience is represented in a showroom, by focussing mainly on the visibility of the building, which regards the appearance.

8.1.2 Physical stores in the additional non-daily branch

In the electronic, toys and sports branches, retailers not always use the theory of central places to choose the optimal location for their stores. Two of them, electronics and sports, also focus on the periphery, because of the space which is not available in the inner city. Due to the purchase of many articles on internet, retailers in the toy branch are struggling most with their physical stores, because not every toy store is profitable anymore. The electronic branch could cope with the same issue in the near future, because of the shift in locations towards the periphery. In the toy branch, a shift in focus is moving from the A-locations towards the outskirts of the inner city, namely to B- or C-locations. The reason for this relocation, are the lower rents at B- and C-locations and the decreasing expenditures in the physical store. Besides that, large sized cities are more attractive to locate a new store compared to medium sized cities, which marks the importance of high order central places.

According to many retailers, vacancy is especially rising at C-locations, in practice often called the starting streets. This is confirmed in I11: *“The starting streets just function worse (...) The demand is out of the market”*. So, vacancy of stores will rise because of a low demand. In I7 is stated: *“Consumers are the main motive to locate somewhere and by changing consumer behaviour, we change along”*. This proves that the retail property market is very dynamic, because retailers adapt to consumer's needs. Internet stimulates this movement, because less stores are established and

with the restraint of most retailers, less expansion is achieved. The electronic branch will anticipate on the lower expenditures in their stores, by realizing less retail floor space in peripheral stores in the near future. This has to do with the decreasing assortment, by the purchase of CD's through internet. The function of vacant stores into residential complexes could be a solution for the property market. Pick-up-points are also opted as solutions in the near future by some retailers, which highlights the space-related possibilities of the periphery. The space would solve many restraining logistic issues of the internet, as stated in I10: *"If the growth of internet continues and everyone wants to be supplied at home, you will get files in all those areas where buses deliver. It does not fit, it is not even physically possible. And that makes you think of another place where the distribution is already regulated"*. In the near future, solutions have to be found to solve logistic problems in the physical environment due to the internet.

For all three retailers in the additional non-daily branch, service and convenience become increasingly important to outsmart internet: *"the emphasis is increasingly placed on customer orientation, which means service"*. This example shows that the consumer is very important for the retailer's perspective. The retailer of the sports branch mentions distinctiveness as part of their strategy. This is translated in their image, because they stand for "quality and high-quality assortment". This is not related to the external appearance, because this is less important for these branches. Except for one retailer which is visible in their outstanding logo and their large façade (I7). This correlates with their visible location next to the highway, where they want to attract consumers. It could be that they want to outsmart the lower demand due to internet by attracting the attention to the periphery, by offering convenient parking space and large windows by focusing on exterior attributes. The latter retailer will put more focus on the periphery in the near future, with the aid of advertising boards next to the highway: *"Maybe we add more advertising boards in the future, because the peripheral location is more important and it is important that we remain visible"*. So, only for this retailer external appearance is important, by being visible in more than one attribute. The retailer within the sports branch is more concentrated on the internal non-physical appearance, the service.

So, when retailers pay attention to the appearance of the store, the physical store is meaningful to them. In the end, the appearance is used to attract consumers. The use of multi channelling shows a growing trend towards the future. This stimulates the orientation and information process of the

consumer, which affects the consumers' behaviour within the store. Internet is part of this trend, which makes publicity through both the store and the internet possible. Because the physical channel is still used, the internet can perform as an extra channel for strategies of retailers, without influencing the retail structure.

8.2 The virtual establishment

8.2.1 E-commerce in the fashion branch

It is agreed by most respondents that internet cannot provide an experience. Internet is rather functional and convenient, because it cannot appear to consumers like the store can. What can be stated out of this, is that efficiency and convenience which characterize internet, are not much used in fashion stores. In general, these retailers do not cope much with the share of purchases through internet. Some retailers who will release their web shop yet, now see the importance of the virtual establishment. The implementation of the web shop for one store (I1) is somewhat delayed looking at the increasing trend of online purchases in fashion in general. The declaration is the former business model with its agreements about internet, which drew more attention to the physical store. Namely, the experience in the store is the adding value of physical stores. The trend of multi-channelling responds to this combination, which is further elaborated in the next paragraph.

However, the strategy in I10 is an exception, because the respondent thinks that experience on the internet will develop further. Internet is here related to the spheres of ambiance and experience in fashion. Within I10, the following is stated: *"You also get web portals to look what a wonderful world internet is, because this is the world of, what you sometimes hear, Dutch celebrities and style icons who recommend something"*. This respondent believes that many things are possible with the virtual establishment in the near future. Introducing web portals or comparative websites are mentioned as a good example of how retailers are trying to keep internet innovative and more amenable.

In I3, the cooperation with Wehkamp is mentioned, which is an e-tailer who works together with different chain stores that are clustered on their website. This can stir up the emergence of clustering on the internet, which also shows the clustering of retailers at one place, where retailers profit by each other's presence. This indicates that internet is a new location where retailers also cluster together, which is successful in the case of this chain store (I3). This relates to the variety of choice

on this website, because many brands and chain stores are visible at that website. Variants of Wehkamp are, Bol.com and Amazon.com, but Wehkamp is most known within fashion. This new way of clustering creates more entries on the internet for a retailer and also more publicity by consumers. Retailers also emphasize the severe competition on the internet. The virtual establishment can be seen as another place where retailers compete, because more retailers are now present on the internet. So, clustering in the virtual establishment could increase.

Because of the changing demand of the consumer, retailers become more aware of the fact that they must react on e-commerce, because that is the way to gain profit. One respondent mentioned: *"I am seeking, but with me there are many seekers. (...) At this point we do not know it but we are following the market scrupulous"*. Fashion retailers are very busy with news facts or attending presentation about e-commerce, because they do not know which way it is going. In some cases this uncertainty can lead to trial and error; each time a retailer tries something and if that works, the strategy is successful and more retailers will follow. By that, a solution concerning the e-commerce strategy is found.

Retailers of fashion stores are increasingly active on social media websites, such as Facebook. On these websites and often on websites of chain stores they place advertisements on. Also, products can be shared by pictures with friends and through that, many consumers can be informed about the chain store. As seen in the observation, these websites of fashion retailers are very up to date, including sent messages and the newest collections which are posted. By using this social network, retailers can easily reach their target group. It is possible that the consumer who notices this, will go to the web shop, because it is also accessible by internet. This shows that the virtual establishment is sometimes closer to the consumer than the store. It is another tool to attract consumers. Therefore, internet is increasingly used as an additional tool for fashion retailers. I1 added to this: *"And maybe you can increase that by internet. (...) the reputation is there and I expect that it will give it a positive turn"*. The main aim of the use of internet in publicity, is to become well-known as a chain store by consumers. As many consumers have a mobile phone nowadays with social media, sharing through the consumer's network and mobile shopping could be a booming business in the near future. Some retailers are already aware of this trend.

8.2.2 E-commerce in the additional non-daily branch

In this branch, especially toys and electronics show a change in amount of purchases due to the increasing internet use. The articles within the toy branch are more likely to be purchased on internet, because feeling and experience these products are less important for consumers. This is also stated by a property party (I9): *“Toys are also extremely sensitive to the Internet. This is also a type of article, that is actually not renewed and very much tied to brands. Why would you not buy another box of Lego on the internet?”* For electronics, especially CD’s are mentioned to be suitable to purchase on internet. This is because of the high degree of familiarity with the product and its integration in the society. Blokker Holding confirms this: *“Actually, you do not have to see a Senseo device anymore, people know what it is already. It has to do with a level of certainty”*. Retailers present these products increasingly on the internet. Consumers are now more aware of where they can buy something, because internet offers accessibility of information and orientation. This labels the importance of internet as an information channel. Internet in this branch mainly function as a *“reservation program”*(I6), referring to the certainty.

Some retailers claim that internet will saturate in the near future. I9 adds to this: *“We believe that the advance of internet is already beginning with its saturation”*. This means that internet will not have more effect in the near future. However, the time span of when the saturation will happen, is different among retailers. This makes it sometimes hard for retailers to make decisions. For this reason, they are very cautious regarding their virtual establishment. In this sense, these retailers act according to ‘laissez faire’. They rather follow other retailers than to take the risk which can have great consequences for their chain store.

What changed in the past few years is the increase of web shops to promote the physical store, as seen in the observation. A chain store can become more visited when it has a web shop with the aim of attracting consumers. This relates to the perception of the store through internet. Two out of three retailers in the additional non-daily branch already have a web shop and the other will release it this year. The reason for this is the discussion of the implementation regarding the web shop. The web shop is moreover used as an instrument to increase the brand awareness. In I8 it is mentioned: *“Everyone is trying to come forward to consumers as best as possible, in his own way. Whether it is through traditional communication, advertisements or through the digital channel, or newsletters or social media, which now plays an important role”*. At this moment, the additional non-

daily branch in total is not increasingly active concerning social media websites, but social media will possibly be used more in the near future.

8.3 The synergetic establishment

Now the motives behind both the physical and the virtual establishment are known, the following can be said about the combination of those establishments, the synergetic establishment. Most retailers believe in multi-channelling. Namely, the web shop has an unlimited supply to meet consumer's needs and is always available in contrast to the store. Subsequently, the store offers consumers the service to return the product. Certainly in the case of the fashion branch, the physical establishment remains crucial for the service, but also creates experience and attract consumers. Considering the fact that internet functions as additional service for the store, internet increasingly forms an additional part of the physical store. In this case, the physical store forms the basis, cited from I9: *"That becomes the basis"*. This implies the choice of the desired channel, according to the consumer's needs. Because consumer's demand is leading in retailer's choices, they offer these variety of choices to the consumer.

Retailers combine these physical and virtual channels, because it is an opportunity and it contributes to the actual goal of retailers: *"It is a golden opportunity. It's about extending your stay, make sure you tempts as many as people to spend something in your store and they keep coming back, since the internet is a great tool for this"* (I10). In this sense, the web shop is *"an extension of the store"* (I8) and multi-channelling is thus a way to be better connected to the consumers. By that, retailers can meet the needs of their consumers and profit at the same time, it is a win-win situation. It is several times addressed that the physical store is more efficient than internet. It refers to the logistic issues of the transaction through internet, which is often delayed. This corresponds to the fact that retailers do not see internet as a threat, but as an additional channel which strengthens the total sales together with the existing store.

One specific retailer (I1) applies the advantage of internet to the store, namely the good accessibility, by the promotion of "Sunday Shopping". With the aid of extending the opening hours of stores, this retailer wants to imitate internet by providing accessibility. The intention is to attract the consumer to the store and at the same time counterbalance internet. This is an exceptional example of coping with internet, because the absence of a web shop of this chain store stimulates the competition of retailers who do have a web shop.

However, not all respondents agree that this can work out well. In I8 it is stated that *“opening hours cannot be more stretched as it already is, because shopping is already saturated”*. This statement shows that the store, nor the web shop is visited more often by applying this strategy. The internet is additional when it comes to this service of access. So, a relatively low demand of consumers exists, because consumers only spend their money once and they will not spend more on products. Especially the economic crisis hinders the consumer’s demand for shopping and stimulates competition among retailers. For this reason, retailers attach great value to the distinctiveness of their store.

Another retailer (I2), integrates internet within the physical store to offer service, convenience and to a less extent, create experience. Retailers namely think consumers relish the service and ease of multi-channel possibilities. The integration of internet by a computer, where retailers of WE Fashion and C&A in Germany are also dealing with, is applied in more chain stores, according to a property party. According to I10, *“it has a counter in the shop where you can get your stuff on the internet with the aid of an employee”*. In the future plan of the sports retailers (I8), there is also the idea to integrate internet in the store with the same ‘store pillars’. The in-store ordering of the product affects one usual internet service. Namely, the accessibility of internet is bounded to the visiting hours of the physical store. Serving the consumer is most important for these retailers regarding the multi-channel strategy: *“It is especially important to offer convenience to your customer, that is the key”* (I9). When internet is integrated within the store, the internal appearance changes. As the appearance of the store becomes more important, retailers remain to see the physical store as a meaningful establishment.

Another way to use internet in the store is mentioned in I6. The toy stores show a link to the internet: *“On all the shop windows Bartsmit.com is placed”*. This is perceivable by consumers, in order to make a connection with the web shop through the external appearance. In this way, channels are more likely to be used in one buying process. Next to the fact that stores toys and domestic do not integrate internet in their stores, they do not seem to give the same meaning to experience in the store, compared to fashion. The fashion branch also copes more with multi-channel possibilities, because to them, experience and distinction are more important factors to include in their strategy. Surely, the toy branch is most effected by internet because of the possible vacancy due to the shifting retail structure. This can be a sign for the weak implementation of internet. For fashion stores located in the large inner city, the synergetic establishment could be an

opportunity for a new kind of experience. I10 adds to this the following: *“By increasing mobility in recent years, people are just becoming more willing to shop anywhere. And we think that it only becomes stronger when internet increases your range”*. Due to the increasing mobility as well as the virtual establishment, distance is of less importance for consumers. Consumers are more willing to make that effort to the physical establishment, because internet does not offer the same experience as a large city does. Besides, large central places can offer a larger variety of stores, so more experience.

Due to current strategies, the physical establishment will still be important in the near future: *“Apple, Nike, such very strong brands, are on the internet and Facebook, basically anywhere where they can sit where they sit. However, they still open large stores”* (I10). A ‘strong’ brand means a chain store which is being perceived by its appearance in mainly large stores, but also on the internet. The relation with the virtual establishment becomes more important. So, it becomes more likely that the physical and the virtual establishments will be interwoven.

In most cases, internet is an additional channel of the physical store, where the store functions as the basis. I3 suggested that a good combination of ‘clicks en bricks’ is essential. This includes the following: *“I heard that parties are successful when they have a physical store where the collection is bigger than the collection they have on internet”*(I3). It suggests that the strategy of retailers in the fashion branch concerning the combination of the physical and the virtual establishment, is most important. Besides that, the physical establishment is more important to them to generate profit than the virtual establishment. In this line of thought, e-commerce is also mentioned as *“the second store”* (I1) or *“the third store”* (I7), relating to the store in the inner city and the periphery as the first and the second physical establishment. ‘Additional’ also means that retailers have the opportunity to get to know the consumers and respond to their needs in a better way. This becomes easier with the aid of social media, because retailers can reach their target group better. With the aid of information and comparative websites, knowledge about consumers is more transparent.

However, when physical stores are affected by internet the strategy of stores in the electronic and toy branch changes. It means that the virtual establishment is a bigger substitute of the physical establishment in practice. The paradox is, that internet strategies of these retailers are sometimes not implemented fast, which is the fact with electronics and sports. However, they have plans for the near future to implement internet more in their strategy. The virtual establishment for

these retailers will become more important in the near future.

The physical and the virtual establishments are more interwoven in the near future because of the integration of internet. The fashion branch has implemented this earlier than the additional non-daily branch, because they attach more value to experience. Retailers do not see internet as a total replacement of the physical store in the future. Instead of that, one retailer makes a comparison with the development of the video against the existence of cinemas which characterizes the relation between the two establishments: *“In my youth people said cinemas will be gone because everybody will now watch television at home”* (I3).

Chapter 9 Conclusions and reflection

This final chapter will start with the conclusions of this research. The first paragraph contains the answer to the main question of this thesis, addressed according to three subparagraphs. First, the effects of the changed strategies for the virtual establishment and the physical establishment will be highlighted, followed by the synergy between the physical and virtual establishment. After that, consequences for the retail structure will be elaborated together with some recommendations for further scientific research. In the end, the chapter will conclude with a reflection on the process during this research.

9.1 Conclusions

In this paragraph, the answer to the following main question of this thesis will be given: ***To what extent do retailers of chain stores deal with their establishment differently, because of the increasing internet purchases and what are the consequences for the retail structure?***

The answer to this question is based on the gathered data from theoretical and empirical insights. The study was exploratory in nature and the data consists of primary sources, including in-depth interviews and observations. Secondary sources include scientific literature and additional documents. The method used for analysing this data concerned a comparative case study of eight different cases regarding retailers of different chain stores.

This research is conducted because of the observation of a relatively large amount of vacancy of shops in Dutch city centres. As discussed in chapter 1, current debates about retail concern the issue of increasing internet purchases and the impact this has on the retail structure. Namely, the inner city can become less attractive when current retailers have to close their stores. The cause of this scenario is partly the rise of e-commerce, which seemed to replace traditional location strategies of retailers. By this development, it was assumed that retailers will change their strategy. The two researched branches, the fashion branch and the additional non-daily branch, show differences regarding their strategy which results in different effects for their establishments. In general, the physical, virtual and synergetic establishment exist next to each other, because more strategies are used at the same time. The location and store's strategies, similar to the physical establishment and the e-commerce-strategies similar to the virtual establishment, have now made room for multi-channel strategies. The synergetic establishment is emerged due to the synergy of e-commerce, location and store's strategies and will evolve further in the near future. Within the physical

establishment, only location strategies have changed because of the changing demand of stores due to internet, because the virtual establishment is still increasing these days. With this background, the answer to the main question will be elaborated for each establishment in the following paragraphs. First, the effects for the physical and virtual establishment are highlighted. After that, the synergetic establishment is addressed. Finally, consequences for the retail structure will be addressed as a result of the changed physical establishment by internet.

9.1.1 Effects for the virtual establishment and the physical establishment

What can be concluded from the physical establishment, are the shifts of locations by retailers. The most important shift is the focus from medium-sized cities to large cities of retailers, due to the virtual establishment. The changing consumer's demand due to internet is the cause of this shift. The other shift in focus of locations of the store, is the A-location in the inner city. These shifts corresponds to the central place theory which requires a high level of scale. From this it can be concluded that retailers attach more value to a location near the consumer now, because large cities generates a higher amount of passers. One exception on this focus on the central place will be represented by the electronic branch in the near future, because this retailer increasingly focus on peripheral locations due to the increasing internet purchases. The other exception on focusing on the central place is the toy branch, because stores in this branch are moving to the outskirts of the inner city, which does not correspond to the central place.

For the fashion branch and to a less extent for the additional non-daily branch, the increasing e-commerce causes more (re)consideration of and locations. More attention is paid to potential locations and occupied locations of chain stores are sometimes reconsidered with relocation of stores as possible effect. In general, retailers are increasingly cautious with adding new locations which leads to less expansion of chain stores. Retailers now have another perspective on their location strategy as they used to have before internet. They look at the physical establishment in a more critical way, because the virtual establishment is a relatively new phenomenon to them. They are especially critical concerning the profit of the chain store because each store has to be beneficial. Because of this, retailers often consult their feeling and their experience to be sure, next to rational thinking. In some cases, the uncertainty concerning the e-commerce trend leads to trial and error. Retailers try something first and if that works, the strategy is successful and more retailers will follow the same strategy.

In the case of fashion retailers, reconsideration sometimes results in a smaller amount of physical stores and at the same time, larger stores. Due to this trend, fashion stores cluster even more on the central place in the near future. This is expressed by the focus on relocating or refocusing of chain stores to large cities, because the central place and the concept of clustering become both more important for retailers to implement in their strategy. So, the concept of central places and the concept of clustering reinforce each other by internet, because more retailers are clustered in large cities. As a consequence of the changing focus, medium-sized cities are more likely to lose attention from the retailer.

Within the additional non-daily branch, the total amount of purchases through internet is bigger than for the fashion branch. The toy branch is affected most in the physical establishments due to the increasing use of e-commerce. These retailers change their location strategies, because the virtual establishment increasingly replaces the physical stores. By looking at product groups and its characteristics, for example the familiarity of the product, retailers forecast their chances and risks with the physical establishment. They will sell toys and CD's more through their virtual establishment than through their physical establishment, because consumers are familiar with it. As a consequence, toy stores close with sometimes vacancy as a result. However, vacancy of stores will rise in the outskirts of the inner city, especially at C-locations. This paradox is explained by the financial crisis, because rents are lower at C-locations than at A-locations. Besides this, there is still a high demand for A-locations of retailers in the fashion branch. So, vacancy at A-locations will not rise in large cities, because these locations will be occupied with fashion stores.

The physical establishment can give the retailer added value in comparison with the virtual establishment. E-commerce allows that consumers want more experience in the physical store, because experience is the adding value of the store. So, through the virtual establishment experience in the store becomes more important. For the fashion branch, experience is relatively important compared to the additional non-daily branch, because consumers want to fit apparel in the store. Especially fashion retailers respond to experience by increasing in scale which regards the surface of the store itself but also the geographical scale in terms of locating in large cities. The appearance is thus changed in favour of the experience in the store. For the fashion branch, the in-store experience becomes more important to compete with virtual establishments.

However, also the virtual establishment can create added value for the physical store. This is

confirmed by one fashion retailer who initiated 'Sunday Shopping' by stretching the opening hours of physical stores in large cities. This chain store wanted to respond to the infinite accessibility of web shops by offering a comparable service in the physical establishment. Service in the store is accomplished by more retailers, by offering these possibilities.

Next to the physical location which was traditionally used as a tool to attract publicity, the web shop is an increasingly used tool for this purpose within the additional non-daily branch. The reason for this is that retailers want to promote their chain store through another channel, in order to attract more consumers. For the fashion branch, both the web shop as well as social media is used to achieve this goal.

9.1.2 The emerging synergy between the physical and virtual establishment

The service based characteristics of internet, namely the infinite access are more used in the physical store now. This is translated through the increasing consumer orientation by focusing on more channels, on the multi-channel strategy. It will become more important in the near future, because it offers retailers more possibilities to reach the consumer. As mentioned in chapter 3.2, retailers offers the consumer to return, buy or experience the product on his own way. In many cases, the consumer is directed to the store because of its physical appearance which increases contact between the retailer and the consumer. This gives retailers the possibility to know its customer and respond to that, in order to gain profit which in the end is the goal for every retailer.

Most retailers use characteristics of the virtual establishment to apply to the physical establishment, as seen in the previous subparagraph. As mentioned in chapter 9.3, the synergy of the physical and the virtual establishment is literally achieved by the actions of one fashion retailer. Internet is namely integrated in the physical store. A built-in computer with access to the web shop is part of the new concept store which has caused a change in the internal appearance of the store. The integration of internet also includes a 'twitter mirror' in the store where consumers can share outfits through social media. The reason for integration is to outsmart internet by giving extra attention to the physical establishment by offering service and experience. So, a multi-channel strategy puts the focus still on the physical store, since it enhances the appearance of the store. According to the expectation of most respondents, this integration can grow further in the near future for especially the fashion branch, because the fashion branch is focused more on multi-channelling than the

additional non-daily branch. However, the physical store function as basis. From this it can be concluded that the physical establishment is more meaningful to fashion retailers than the virtual establishment. Internet becomes an interwoven part of the store in the case retailers will integrate internet in their store.

In conclusion, experience and service become increasingly important to include in strategies. Web shops and social media are increasingly integrated in the store, which stimulates multi-channel-strategies now and in the near future. When retailers do so, they respond to the opportunities of internet and moreover to the needs of the consumer. In this sense, the physical establishment is treated as the basis and internet is treated as an additional channel by retailers.

9.1.3 Consequences

The retail structure in the near future

As mentioned in 9.1.1, the focus of retailers towards potential locations is changing due to the increasing purchases through internet. Because retailers within the fashion branch and the additional non-daily branch deal with the locations of their stores differently, the consequences on the retail structure for both branches are different too.

To begin with the fashion branch, the A1-location is increasingly important for the physical establishment. Together with the increasing trend of clustering, this means that more concentration occurs within inner cities together with mainly fashion retailers. These retailers are more cautious with adding new stores and with reconsidering of locations which subsequently leads to a decrease in focus on medium-sized cities. These cities become less attractive to locate a chain store. At the same time, large inner cities become even more important. Consumers are increasingly mobile and want to travel further for their shopping experience in the inner city. The shift of locations also moves towards the middle and the west of the Netherlands which has to do with demographic changes, such as depopulation and aging.

For the additional non-daily branch, the outskirts of the city and in a less extent the periphery and still the inner city are the focus of these retailers for their current and new locations. Compared to the fashion branch, more relocation of current stores takes place. More specifically, this leads to less stores within the toy branch in the inner city in the current retail structure and probably to less stores in the electronic branch in inner cities in the near future.

According to these conclusions the current problem concerning vacancy in inner cities is

manageable, in the case retailers respond to current trends in the correct way. Vacancy can rise at B- or C-locations. However, it is more nuanced than the vision that one out of three stores in the near future will be vacant. Surely, A-locations will stay attractive, because of the concentration of fashion retailers. Concerning the changing establishment, many other strategies can emerge in the near future which could change the establishment of the retailer again, with different consequences for the retail structure. In this research it became clear that the virtual and the synergetic establishments are emerged and implemented in only a few years. This proves that the retail property market is very dynamic. Therefore, further research on this subject is favourable.

The following vision for retail in the near future refers to the possibilities retailers foresee due to internet. Considering the fact that fashion concentrates on A1 streets of large inner cities, the store actually becomes the showroom in order to let the consumer see, feel and smell what a store can offer with the aid of its design and ambiance. It is a kind of flagship store that provides an overall experience, together with other, comparable stores. One retailer offers more, but together they can offer even more. The general thought is that the consumer will choose for a variety of choice ~~and fun~~ during their shopping time, where they can 'taste' the experience. Apparently, a shopping trip is mainly undertaken for recreational purposes. From this point of view, it is imaginable that mega leisure centres in future, big cities can emerge that will entertain consumers in more possible ways than just shopping. Products and services could be available that stimulate people's sensory perception.

Also, pick-up points are mentioned which can change the retail structure, in order to benefit from the possibilities of internet and to offer the service of internet. This storage is meant for picking up the products after the transaction through the internet. By combining the showroom idea and the pick-up points, retailers can both be connected with the consumer in the inner city and at the same time offering convenience in a peripheral area. In the most ideal situation, the consumer will plan a shopping day where the visiting of the inner city and the periphery are combined. In that case, all retailers can benefit.

With these options which respond to developments in the current retail structure, there are many other establishments possible in the future retail environment. It is therefore useful to investigate these possibilities in further research.

In this research it has become clear that multi-channel strategies are a new way of dealing with the

establishment of the retailer. This has resulted in the current retail structure, where both physical as well as virtual establishments are present. Physical establishments makes room for the virtual establishment in the new retail environment. The greatest impact is the increase in vacancy of stores in the outskirts of cities and concentration of stores in fewer, though 'leading' cities. Currently, vacancy of stores occurs and is already known in debates about Dutch retail. However, concentration of chain stores in large inner cities together with the decrease of focus on medium-sized cities, are contributions of this research regarding the Dutch retail structure.

The focus on the synergetic establishment does not mean that traditional, location based strategies must be ignored in the future. Multi-channel strategies provide a different lens to examine location theories, because a new virtual place has emerged which can be integrated within the physical world. It proves that the physical establishment needs to stay the basis in order to maintain the pleasure of shopping, which includes an experience. The focus of the retailer will be on larger stores and cities and more concentration to achieve that, which emphasizes the relevance of central place theories as a starting point for economic geographical research. Physical shopping takes more effort than to shop through internet, but the consumer gets more in return. Reason for this is that distinctive store's strategies, such as the store's design and gadgets like the twitter mirror (see 6.2.2), which add a personal way of dealing with the establishment, become more important to trigger the consumer to the physical establishment. In future geographic research, this cultural aspect which looks from the retailer's perspective on street scale must be taken into account more intensively, because the chances individual retailers foresee, are often decisive for a new establishment. It forms the selection criteria of establishments after rational location choices are made.

So, location and store's strategies still proves its usability in current strategies and in future research. However, virtual links in the retail structure are needed too, in order to meet the expectations of current consumers regarding the ease of shopping through multiple channels. Therefore, more virtual and synergetic establishments are favourable to emerge in order to adapt establishments to the current functioning of the retail structure. The dynamic retail structure becomes more concentrated, because less physical stores of chain stores are achieved, but remains intact. The relation between the physical and the virtual world, can no longer be ignored by retailers.

Recommendations

Some additional issues addressed in this thesis, can be useful to reconsider or replenish in future research. First, regarding methodological issues, a focus on additional respondents could be relevant.

The respondents were real estate managers and were mainly occupied with the location policy of their chain store. Within the headquarters of these chain stores, mainly other departments were responsible for implementing e-commerce strategies. Because of the missing responsibility regarding e-commerce of the respondents, statements that were made concerning e-commerce strategies were sometimes formulated with a certain nuance. It may be relevant for further research on this subject to gain more data on e-commerce strategies in order to strengthen the relation between the physical and the virtual establishment.

Second, regarding the retail structure, there are different developments in current society which could be motivators to change the retail structure. The current economic crisis is the most cited development by retailers, which is responsible for the current vacancy. Considering the fact that society is now in an economic transition, shows that the market is very dynamic and statements about changing location policies in the near future can therefore be 'temporal' visions, according to the state of the current market. So, internet is a trend heading towards the future which is actually interrupted by the economic crisis. It is a breakthrough in the trend that was already increasing before the crisis. Future research should be conducted over at least a few years, because the economic situation could be different compared to the current situation. As a result, retailers will probably deal differently with new locations or with the implementation of internet in their strategies.

Some implications for societal practices can be made with this research. The knowledge from this research can be used for improving the attractiveness of retail in Dutch cities. Regarding municipalities, policy could be more focused on the counteracting of vacancy in medium-sized cities. Vacant buildings could be indicated with a different function than a store, to maintain the attractiveness of the city. In large inner cities, space can be created for larger (flagship) stores and other stores must have the opportunity to expand. City planners could gain knowledge from this research, considering the establishment of retailers which is still subject to change. The consequence of that is a structural change in retail structure. This asks for concentration of different establishments and a harmony of different functions at one place, which maintain the experience for consumers.

9.3 Reflection

Looking back upon the research, a reflection can be made based on decisions during this research.

First of all, the orientation process took some time, because in the beginning it was challenging to combine the theoretical knowledge and the practical oriented insights from my internship at DTNP. Scientific relevance within the cultural geographical field did not seem to match immediately with the spatial-economic value for the internship. As it is the intention to contribute to both scientific knowledge as well as practical knowledge, the research has become very broad. I had to gain insights in economic geographical literature as an addition to exclusively cultural geographical based literature. In the beginning, the intention was to concentrate on consumer's behaviour and their shopping experience. This did not seem to work, because from the consumer's point of view, there cannot be reasoned towards a vision for the retail structure. As a result, the retailer is put central in my research because with the retailer's intention, statements about the retail structure can be made in a more reliable way.

As mentioned, this research gives a broad perspective on the subject, due to two research disciplines that are both taken into account, cultural geographical and economic geographical. Besides that, the research question was twofold, because strategies of retailers had to be investigated before statements could be made about the retail structure. By including three types of establishments, namely the physical, virtual and synergetic establishment and relate this with eight different chain stores, it was a challenge to explore all these facets in an in-depth way. As a result, finding a boundary between relevant and not relevant concepts and strategies from retailers, was sometimes difficult to cope with. An example of this consideration is the mentioning of the influence of the economic crisis. This affects retail strategies very much which was mentioned frequently in the interview, but is often not treated in the results because the influence of internet was the core.

Another thing I struggled with, was finding the desired amount of respondents for the empirical part of the research. This had to do with a low response from real estate managers from some well-known chain stores. They could not find the time, despite of the fact that I mentioned the scientific relevance and the relevance for DTNP. Looking back, I am very proud with the respondents I interviewed, because they gave me all the insights needed to conduct my research. However, in the beginning it was quite disappointing of not getting the immediate co-operation I desired with some other real estate managers. As a result, the list of the desired chain stores I had made prior to the contacting of these respondents, had to be adjusted. In this position, I was obligated to seek for

respondents in another profession. With the aid of DTNP, I encountered property parties who are professionalised in renting of properties to retailers and developing Dutch shopping centres. They were of high additional value. Moreover, with this group of respondents I could add value to the domain of my data. Namely, the data gave an overview of developments in the retail structure nowadays and trends regarding location choices of certain comparable chain stores.

Considering the fact that actions in location strategies of retailers are achieved with the aim of generating profit within their physical store, a certain discrepancy must be taken into account between the real changes and the mentioned changes in location policy. Because real estate managers are mainly focused on maximizing profit, they will retain the strength of their chain store in general. When they would do the opposite and hint that the physical stores are in danger, as is suggested in some current debates, they could make false statements which again put the chain store in a bad light. This could be stimulated because they knew in advance that these results were going to be published in a thesis. So, their answers could sometimes be based on their hope instead of the real expectation.

Also, when it comes to the meaning of the store, retailers had a different view of what was mentioned with that concept. The interpretation was different among retailers, by which there cannot be made unambiguous conclusions about the meaning retailers related to the store. It hinders the completeness of the concept of store strategies. As it is a part of the concept appearance, which was more obvious for the respondents, appearance is put central as input for the cultural geographical part. This also solved the problem with the concept of meaning in the theoretical part, because it was mainly the immediate cause for using this concept in this part, but there was missing a consistent theory about the meaning of a store. For this change of focus, the interview guide is adapted during the interviews and the theory is adapted afterwards. Nevertheless, the meaning of the concept appearance is guaranteed in the interview guide, so this change has not influenced the results in a bad way in the end.

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Appendix 1 Interviewguide retailers

- Introductie

Allereerst hartelijk dank dat u mee wilt werken aan dit interview. Ik doe een afstudeeronderzoek naar veranderend vestigingsbeleid door internet. Mijn onderzoeksvraag is: *in welke mate gaan retailers anders om met de vestiging van hun winkels, door het toenemende gebruik van internet?*

Ik zal u vragen stellen met betrekking tot het vestigingsbeleid: de locatiekeuzen (locatie, spreiding en grootte van de winkel) en de betekenis van de winkellocatie (imago van de locatie en marketingstrategieën). Daarbij is onderscheid gemaakt in drie periodes; het pre- internettijdperk, de huidige periode en de toekomst (indicatie: 2008).

Zou u zich eerst voor willen stellen. Wat houdt uw functie precies in?

- Deel 1: Pre- internettijdperk

Vestigingsbeleid

→ Op welke locaties werd gefocust in het vestigingsbeleid en op basis van welke locatie-eisen?

1) Regioniveau (grens inwonersaantal)

2) Stadsniveau → Kunt u een grens noemen (aant. winkels in stad)? Voorbeelden?

3) Locatieniveau (inpassing)

→ In hoeverre hebben de locatiekeuzes te maken gehad met nabij gelegen, andere publiekstrekkers? Om welke publiekstrekkers gaat het?

→ In welke mate werd er hierbij rekening gehouden met de consument? (of bezoekmotieven?)

→ In hoeverre werd er gekeken naar de locatie van de concurrentie bij de locatiekeuze?

→ Hoe groot moest een winkelunit zijn (in m² WVO)?

Betekenis locatie

→ Wat was het beeld van de locaties bij de consumenten?

→ Welke betekenis hadden de locaties waarop het vestigingsbeleid zich richt voor u?

→ In hoeverre heeft de betekenis die de consument heeft van een locatie een rol gespeeld in de vestigingskeuze en hoe speelde u daarop in?

→ Hoe heeft u de winkellocatie aantrekkelijk gemaakt voor de consument?

→ Hield u hier rekening mee in de etalage of met de gevel van uw winkel?

→ Heeft u gebruik gemaakt van promotiemaatregelen en/of marketing?

→ Hoe presenteerde u zich in folders, catalogi etc.?

→ Hoe presenteerde u zich op internet?

→ Zag u internet als een bedreiging voor de betekenis van de winkellocatie?

- Deel 2: Huidige periode

Vestigingsbeleid

- Op welke locaties wordt gefocust in het vestigingsbeleid en waarom?
- Is dit nu anders door het stijgende marktaandeel van internet dan voor het internettijdperk?
- 1) Regioniveau (grens inwonersaantal)
- 2) Stadsniveau → Kunt u een grens noemen (aant. winkels in stad)? Voorbeelden?
- 3) Locatieniveau (inpassing)
- In hoeverre hebben de locatiekeuzes nu te maken met nabij gelegen, andere publiekstrekkers?
- Om welke publiekstrekkers gaat het?
- In welke mate wordt er hierbij rekening gehouden met de consument? (of bezoekmotieven?)
- In hoeverre wordt er gekeken naar de locaties van de concurrentie bij de locatiekeuze?
- Is (een deel van) de fysieke locatie overbodig geworden door internet en zo ja, in hoeverre? (en voor welke locaties heeft dit gevolgen?)

→ Hoe groot moet een winkelunit zijn (in m² WVO)?

- Wat merkt u van het toenemende marktaandeel van internet?
- Wat doet u zelf actief met internet voor het bedrijf?
- Hoe speelt u daarop in met betrekking tot online en offline locaties? Wat is deze verhouding?
- Worden online en offline locaties gecombineerd? (internetsite bedreiging voor fysieke winkel?)

Betekenis locatie

- Wat is het beeld van uw winkellocatie bij de consumenten?
- Welke betekenis hebben de winkellocatie waarop u uw vestigingsbeleid richt voor u?
- In hoeverre speelt de betekenis die de consument heeft van een locatie een rol in de vestigingskeuze en hoe speelt u daarop in?
- Hoe maakt u de winkellocatie aantrekkelijk voor de consument?
- Houdt u hier rekening mee in de etalage of met de gevel van uw winkel?
- Maakt u gebruik van promotiemaatregelen en/of marketing?
- Hoe presenteert u zich in folders, catalogi etc.?
- Hoe presenteert u zich op internet?
- Ziet u internet als een bedreiging voor de betekenis van de winkellocatie?

- Deel 3: Internettijdperk in toekomst (+/- 2020)

Vestigingsbeleid

- Op welke fysieke locaties zal worden gefocust in het vestigingsbeleid en waarom?
- 1) Regioniveau (grens inwonersaantal)
- 2) Stadsniveau → Kunt u een grens noemen (aant. winkels in stad)? Voorbeelden?
- 3) Locatieniveau (inpassing)
- In hoeverre zullen de locatiekeuzes te maken hebben met nabij gelegen, andere publiekstrekkers?
- Om welke publiekstrekkers gaat het?
- In welke mate zal er hierbij rekening gehouden worden met de consument? (of bezoekmotieven?)

→ In hoeverre zal er worden gekeken naar de locatie van de concurrentie bij de locatiekeuze?
→ Zal (een deel van) de fysieke locatie overbodig worden door internet en zo ja, in hoeverre? (en voor welke locaties heeft dit gevolgen?)

→ In hoeverre zult u actiever met internet omgaan?
→ Hoe zult u gaan inspelen op internet met betrekking tot online en offline locaties? Wat zal die verhouding zijn? Worden online en offline locaties gecombineerd?

→ Hoe groot zal een winkelunit moeten zijn (in m² WVO)?

Betekenis locatie

→ Wat zal het beeld van uw winkellocatie zijn bij de consumenten?
→ Welke betekenis zal de locatie waarop het vestigingsbeleid zich richt voor u hebben?
→ In hoeverre speelt de betekenis die de consument heeft van een locatie een rol en hoe speelt u daarop in?
→ Hoe zult u de winkellocatie aantrekkelijk gaan maken voor de consument?
 → Houdt u hier rekening mee in de etalage of met de gevel van uw winkel?
→ Zult u nog gebruik gaan maken van promotiemaatregelen en/of marketing?
 → Hoe zult u zich gaan presenteren in folders, catalogi etc.?
 → Hoe zult u zich gaan presenteren op internet?
→ Ziet u internet als een bedreiging voor de betekenis van de winkellocatie?

→ Welke kansen of bedreigingen ziet u voor binnensteden in de toekomst?
→ Hoe denkt u dat het fysieke winkellandschap eruit komt te zien? Welke locaties denkt u dat belangrijk worden? (voorbeelden)

Hartelijk dank voor dit interview.

Appendix 2 Interviewguide property experts

- Introductie

Allereerst hartelijk dank dat u mee wilt werken aan dit interview. Ik doe een afstudeeronderzoek naar veranderend vestigingsbeleid door internet. Mijn onderzoeksvraag is: *in welke mate gaan retailers anders om met de vestiging van hun winkels, door het toenemende gebruik van internet?*

Ik zal u vragen stellen met betrekking tot het vestigingsbeleid: de locatiekeuzen (locatie, spreiding en grootte van de winkel) en de betekenis van de winkellocatie (imago van de locatie en marketingstrategieën). Daarbij is onderscheid gemaakt in drie periodes; het pre- internettijdperk, de huidige periode en de toekomst (indicatie: 2008).

Zou u zich eerst voor willen stellen. Wat houdt uw functie precies in?

- Deel 1: Pre- internettijdperk

Vestigingsbeleid

→ Op welke locaties werd gefocust en op basis van welke locatie-eisen?

1) Regioniveau (grens inwonersaantal)

2) Stadsniveau → Kunt u een grens noemen (Winkels? Voorbeelden?)

3) Locatieniveau (inpassing)

→ In hoeverre hebben de locatiekeuzes te maken gehad met nabij gelegen publiekstrekkingen? Waren winkelcentra bijvoorbeeld groter of compacter?

→ In welke mate werd er hierbij rekening gehouden met de consument? (welke bezoekmotief was dominant?)

→ In hoeverre werd er gekeken naar de concurrentiepositie van winkels?

→ Hoe groot moest een winkelunit in een winkelcentrum zijn (in m² WVO)?

Betekenis locatie

→ Wat was het beeld van winkellocaties bij de consumenten? In welke mate heeft dat te maken met ketenwinkels?

→ Welke betekenis hadden de winkellocaties voor u?

→ In hoeverre heeft de betekenis die de consument heeft van een winkellocatie een rol gespeeld in de ontwikkeling van winkelcentra en hoe speelde u daarop in?

→ Hoe heeft u de winkellocatie aantrekkelijk gemaakt voor de consument?

→ Hield u hier rekening mee in de uitstraling van de winkellocaties?

→ Heeft u gebruik gemaakt van promotiemaatregelen en/of marketing?

→ Hoe presenteerde u de winkellocatie in folders, catalogi etc.?

→ Hoe presenteerde u de winkellocatie op internet?

→ Zag u internet als een bedreiging voor de betekenis van de winkellocatie?

- Deel 2: Huidige periode

Vestigingsbeleid

- Op welke locaties wordt gefocust en op basis van welke locatie-eisen?
- Is dit nu anders door het stijgende marktaandeel van internet dan voor het internettijdperk?
- 1) Regioniveau (grens inwonersaantal)
- 2) Stadsniveau → Kunt u een grens noemen (winkels)? Voorbeelden?
- 3) Locatieniveau (inpassing)
- In hoeverre hebben de locatiekeuzes nu te maken met nabij gelegen publiekstrekkers? Ziet u winkelcentra bijvoorbeeld groter en compacter worden?
- In welke mate wordt er hierbij rekening gehouden met de consument? (welke bezoekmotieven zijn dominant?)
- In hoeverre wordt er gekeken naar de concurrentiepositie van winkels?

- Hoe groot moet een winkelunit in een winkelcentrum zijn (in m² WVO)?

- Wat merkt u van het toenemende marktaandeel van internet?
- Wat doet u zelf actief met internet in een winkelcentrum?
- Hoe speelt u daarop in met betrekking tot online en offline locaties van winkels? Wat is deze verhouding? Worden online en offline locaties gecombineerd?
- Is (een deel van) de fysieke winkellocatie overbodig geworden door internet en zo ja, in hoeverre? (en voor welke winkels en locaties heeft dit gevolgen?)

Betekenis locatie

- Wat is het beeld van uw winkellocatie bij de consumenten? En in welke mate heeft dat te maken met ketenwinkels?
- Welke betekenis hebben de winkellocaties voor u?
- In hoeverre speelt de betekenis die de consument heeft van een winkellocatie een rol in de ontwikkeling van winkelcentra en hoe speelt u daarop in?
- Hoe maakt u de winkellocatie aantrekkelijk voor de consument?
 - Houdt u hier rekening mee in de uitstraling van de winkellocaties?
- Maakt u gebruik van promotiemaatregelen en/of marketing?
 - Hoe presenteert u de winkellocatie in folders, catalogi etc.?
 - Hoe presenteert u de winkellocatie op internet?
- Ziet u internet als een bedreiging voor de betekenis van de winkellocatie?

- Deel 3: Internettijdperk in toekomst (+/- 2020)

Vestigingsbeleid

- Op welke locaties zal worden gefocust en op basis van welke locatie-eisen?
- 1) Regioniveau (grens inwonersaantal)
- 2) Stadsniveau → Kunt u een grens noemen (winkels)? Voorbeelden?

3) Locatieniveau (inpassing)

→ In hoeverre zullen de locatiekeuzes te maken hebben met nabij gelegen publiekstrekkers? Ziet u winkelcentra in de toekomst bijvoorbeeld groter en compacter worden?

→ In welke mate zal er hierbij rekening gehouden worden met de consument? (welke bezoekmotieven zullen dominant zijn?)

→ In hoeverre zal er worden gekeken naar de concurrentiepositie van winkels?

→ In hoeverre zult u actiever met internet omgaan in een winkelcentrum?

→ Hoe zult u gaan inspelen op internet met betrekking tot online en offline winkellocaties? Wat zal die verhouding zijn? Worden online en offline locaties gecombineerd?

→ Zal (een deel van) de fysieke locatie overbodig worden door internet en zo ja, in hoeverre? (en voor welke winkels en locaties heeft dit gevolgen?)

→ Hoe groot zal een winkelunit in een winkelcentrum moeten zijn (in m² WVO)?

Betekenis locatie

→ Wat zal het beeld van uw winkellocatie zijn bij de consumenten?

→ Welke betekenis zal de winkellocatie voor u hebben?

→ In hoeverre speelt de betekenis die de consument heeft van een winkellocatie een rol in de ontwikkeling van winkelcentra en hoe speelt u daarop in?

→ Hoe zult u de winkellocatie aantrekkelijk gaan maken voor de consument?

→ Houdt u hier rekening mee in de uitstraling van de winkellocaties?

→ Zult u nog gebruik gaan maken van promotiemaatregelen en/of marketing?

→ Hoe zult u de winkellocatie gaan presenteren in folders, catalogi etc.?

→ Hoe zult u de winkellocatie gaan presenteren op internet?

→ Ziet u internet als een bedreiging voor de betekenis van de winkellocatie?

→ Welke kansen of bedreigingen ziet u voor binnensteden in de toekomst?

→ Hoe denkt u dat het fysieke winkellandschap eruit komt te zien? Welke locaties denkt u dat belangrijk worden?

Hartelijk dank voor dit interview.

Appendix 3 List of codes

Main and sub codes	Examples of citations in the interviews
Location of the physical store	<p><i>"Consumers are the main motive to <u>locate</u> somewhere and by changing consumer behaviour, we change along".</i></p> <p><i>"<u>Location</u> policy is always top A1".</i></p>
Clustering	<p><i>"It is of course from Christaller on clear that it adds value when you are with several similar <u>shops side by side</u>. And I think that everyone has learned this in his training, so they will continue to do so".</i></p> <p><i>"People are not making an extra turn for C&A, whereas previously they did. So what we want is make sure we are still <u>close to other fashion chains</u>".</i></p>
Central places	<p><i>"Middenwaard, which in itself is very successful, is eventually not through the selection for our location. The catchment area is probably good enough, but the problem is often that people in the Netherlands draw a <u>catchment around their city</u>. For example, suppose this is a city, and a catchment area here, you also find a city here, so it overlaps each other. That's a bit of a problem in the Netherlands".</i></p>
Appearance of the store	<p><i>"Maybe we add more advertising boards in the future, because the peripheral location is more important and it is important that we remain <u>visible</u>".</i></p> <p><i>"We try to create a special world with our <u>appearance</u>".</i></p>
Image	<p><i>"<u>Image</u> is everything, we like beautiful buildings and eventually, the store is our visiting card".</i></p>
Design of the store	<p><i>"Retailers will not compromise on their <u>design</u> because of the crisis".</i></p>
Size of the store	<p><i>"<u>Small buildings</u> have a disability, you have to go along with the modern time".</i></p>
Publicity	<p><i>"Apple, Nike, such very strong brands, are on the <u>internet and Facebook</u>, basically anywhere where they can sit where they sit.</i></p>

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Internet	<p><i>"You also get web portals to look what a wonderful world <u>internet</u> is, because this is the world of, what you sometimes hear, Dutch celebrities and style icons who recommend something".</i></p> <p><i>"Toys are also extremely sensitive to the <u>internet</u>. This is also a type of article, that is actually not renewed and very much tied to brands. Why would you not buy another box of Lego on the internet?"</i></p>
E-commerce	<p><i>"Sure, they can also <u>buy on the internet</u>, but ultimately you cannot fit, feel, nor smell it".</i></p> <p><i>"Internet will allow that people want more experience because they can simply <u>shop from your couch</u> or behind a desk now".</i></p>
Multi-channel	<p><i>"You must try to access all your consumers and <u>internet is now simply a very important component</u>, so if you do not have Internet, then you count for nothing".</i></p>
Relation internet and physical store	<p><i>"We now rather dare to open a <u>web shop</u> than to open a <u>store</u> in Purmerend or Doetinchem".</i></p> <p><i>"Now we have C&A online next to Wehkamp, so let's say 2 online entries and they are both very successful and we even sell more on <u>Internet</u> than in the <u>largest store</u> we have in Amsterdam".</i></p>
Retail structure	<p><i>"In the Netherlands there is a dense <u>retail structure</u>".</i></p>
Change in retail structure	<p><i>"It is quite a difficult time, so the priority is to optimize the current portfolio and stores that are at a worse place should go <u>back to top A1</u>".</i></p> <p><i>"We are going to be increasingly cautious. I think we still have a few <u>shifts we will do in big cities</u>, although we do it well in most places".</i></p>
Chances and threats	<p><i>"I might call many <u>threats</u> for a medium-sized city and for a large city many <u>opportunities</u>".</i></p> <p><i>"I am convinced that <u>people will always go shopping</u>, because I think it is just number 1 leisure".</i></p>