Using Shopping Mall Attributes to Revitalise Australian Small Town Retailing

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Abstract
As has occurred in many smaller rural communities in America, Europe and Canada much of inland Australia has experienced population decline involving both a net loss of people a disproportionate ageing of the population and low average family incomes. Some Australian country towns have ceased to function as retail and administrative centres while other rural areas are faced with the prospect of losing critically important retail outlets and service providers. Australian rural towns are under threat from residents outshopping at nearby large regional centres leading to the loss of businesses and services in small service towns.

This paper explores the possibility of how and why retailers and service providers in Australian country towns can and should emulate certain attributes of shopping malls in an attempt to stem the rise of outshopping. Using data collected in one small Australian rural community the paper comments on residents’ perceptions of the strengths and weaknesses of retailing and the provision of services in their local community and what respondents thought should be done to diminish retail leakage from their town. Based on their responses it is clear that to remain competitive, retailers in smaller rural towns need to learn from the experience of shopping malls with whom they must now compete to survive. In this paper, it is argued that in certain areas this is not only possible, but essential if retailing is to remain viable in Australian country towns.

Introduction
This paper is based on a research project undertaken by the author in 2002 with funding provided by the New South Wales Department of State and Regional Development and the retailer Coles-Myer to look at outshopping in the Lachlan Shire. As is the case in much of inland regional Australia, retailers and service providers in the Lachlan Shire perceived that the growth of out-shopping was impacting on the future viability of their businesses. In many respects the wheat-sheep Western plains region Central New South Wales has much in common with rural communities in Canada or the Heartland or Midwest of the United States and is representative of many other Australian inland communities. Indeed in its promotional materials Lachlan Shire is referred to as the ‘Heart of New South Wales’ - a reference both to its central location and its traditional rural communities. With a total population of around 7,188, Lachlan Shire has three major population centres — Condobolin (3350), Lake Cargelligo (1250) and Tottenham (450). Each centre has a catchment area of local farming families that adds approximately 35% to the population. Agriculture, the
mainstay of the local economy is based around wool, beef and grain production. The nearest large shopping centre is approximately one hour’s drive away.

Map 1: The Heartland Regions of Australia

The Causes and Consequences of the Growth of Outshopping

Although some early studies tried to define ‘Outshopping’ as a quantifiable number of shopping trips per year (LaForge, Reese, & Stanton 1984) ‘Outshopping’ can more easily be defined as the collective purchases made by individuals outside their local or closest retail area (Polonsky & Jarratt 1992) or as the consumer shopping outside of his or her local community (LaForge, Reese, & Stanton 1984). The reasons for outshopping are varied and have been linked to demographic and psychographic variables (Burns & Warren 1995, Jarratt 2000, Miller & Kean 1997, Sullivan & Savitt 1997) and in the case of remote communities improvements in roads and private transportation have also added to the growth in outshopping (Papadopoulos 1980). Previous studies have identified several reasons for outshopping including the wider range of stores, the perception that larger communities provide cheaper services and products and the fact that many residents from small communities work in nearby larger communities and find shopping there convenient and dissatisfaction with the product/shopping options available locally (Burns & Warren 1995, Jarratt 1998, Sullivan & Savitt 1997). Another reason for outshopping is that it is a secondary activity on trips to larger centres to access entertainment, social and business services (Papadopoulos 1980).

Australian rural communities have good reason to be extremely concerned about the growth of outshopping as more residents shop and access services in nearby regional centres as it diminishes the viability of providing a full range of products and services that locals require. Together with net population loss this trend if ongoing must inevitably lead to the closure and/or relocation of local businesses with a consequent loss of employment /people from the towns concerned. As the range of goods and services available in a particular town decreases, residents have greater incentive to shop and access services elsewhere. If not addressed, increased out shopping threatens the future viability of smaller rural towns (Levantis 2001).

In Australia as in many rural communities in the developed world, some towns have been reduced to little more than a collection of houses, with most shops in the once bustling main street closed and boarded up. In an effort to keep their Main Street vibrant and alive some communities have resorted to forming cooperatives to buy and keep stores open (Nijhuis 2004). Residents of small towns that have lost most of their local stores are now required to shop for all but the most basic items at another town or the nearest Wal-Mart complex.
(Amato & Amato 2000, Forth & Howell 2002). This scenario is common enough in rural Australia, but less dramatically so than in the United States as there is no equivalent of Wal-Marts locating on major highways.

Apart from providing town residents, visitors and local farming families with essential goods and services, the central business district or main street of rural town functions as the centre of social and cultural life for these communities (Daly 2000, Kenyon, Black, Cavaye, Duff, O'Meara, & Palmer 2001, McKenzie 1994, Miller 2001). CBDs and main streets provide locations where local people meet, socialise, discuss events, transact business and generally experience feeling part of their local community. The demise of a town’s retail centre will require local people to spend additional time and money travelling to often quite distant centres where they have little by way of established social networks. Thus, ‘Shop Local’ and other initiatives designed to stem the leakage of wealth and services from country towns are not simply about helping local businesses to remain viable.

The Survey

The survey was designed according to the needs of the Lachlan Shire. Initially the survey utilised a five point Likert type scale designed to test the attitudes of consumers towards their community and local retailing. This design was rejected by the Lachlan shire in favour of a series of statements that required an agree/disagree/don’t know response. The questionnaires were mailed out to households in the Lachlan Shire and 342 useable questionnaires were completed.

Results of the Survey

The results of the survey confirmed that residents within Lachlan Shire still purchase most goods and services locally. Only one in seven residents can be considered as regular outshoppers. As was discovered in earlier studies, higher income earners and community members who work in the nearby large centres are more likely to be outshoppers (Anderson & Kaminsky 1985, Burns & Warren 1995, Jarratt 2000, LaForge, Reese, & Stanton 1984, Miller & Kean 1997).

The reasons for outshopping were varied (see Table 1). Significantly as in others studies (Blackney & Sekely 1994, Guy 1990, Samli & Uhr 1974) there was a widely held perception that there is a better range of goods in larger cities and that all the services and goods that consumers require are not available locally. The results of the survey indicate, as was found by other researchers (Lillis & Hawkins 1974), that price is an important reason for outshopping. One resident, as a response to ‘ridiculous prices’ for bakery products in her town, referred to her practice of ‘stocking up the freezer when I go out of town’. However, research has shown that price is more significant to some segments of consumers than others and often has to be combined with other variables to cause outshopping (Jarratt 2000, LaForge, Reese, & Stanton 1984, Lillis & Hawkins 1974, Miller & Kean 1997).
1. I cannot access all the goods or services in the Lachlan Shire 75
2. Larger shopping centers are more convenient 46
3. There is a greater range of goods 96
4. Goods are significantly cheaper 52
5. The extended shopping hours suit me better 40
6. I combine shopping with other business 78
7. I combine shopping with leisure or entertainment activities 61
8. The quality of service is better 26
9. I treat the shopping trip as a social event 51
10. The amenities and shops are better 48

Table 1: Factors influencing decision to purchase goods or service outside the Lachlan Shire (Source: Western Plains Leakage Survey)

The results of the survey indicated that 78% of respondents combine shopping and business and 61% combine leisure and shopping while outside of the Lachlan Shire. This combining of shopping with recreational, business or entertainment activities is similar to the findings of other research (Anderson & Kaminsky 1985, Jarratt 2000, LaForge, Reese, & Stanton 1984, Lillis & Hawkins 1974, Miller & Kean 1997, Sullivan & Savitt 1997). A number of outshoppers reinforced the ‘recreational’ (Anderson & Kaminsky 1985) aspect of shopping by identifying that shopping in another location could also be seen as ‘a day out’ or ‘getting away from it all’.

The main types of goods purchased outside of the Lachlan Shire were apparel, entertainment/leisure, groceries, and household goods. These findings are similar to findings in the United States where clothing, groceries and household goods are the most common outshopping purchases (Anderson & Kaminsky 1985). The purchase of health services was also a major outshopping item and reflects the ageing community and minimum health services available in the Lachlan shire. In terms of highest expenditure goods such as machinery and farm implements were the most sourced goods from outside of the local area.

Again, the results confirm the view that Shire residents mainly purchase accessible goods and services outside the Shire only after they have travelled to larger regional centres for other reasons. Which goods are purchased in part reflect an individual’s level of satisfaction/dissatisfaction regarding price/range of goods and quality of service provided by local retailers. For others, the reasons for out shopping are more general and have to do with the attraction of better amenities, i.e. entertainment, parking, etc, available in larger centres.

Although some respondents to the survey were clearly dissatisfied with the retail situation in their community, the majority of residents were positive about the community they live in. A significant response was that 92% of respondents shop locally when they can.
Table 2: Responses to questions on living and shopping in the Lachlan Shire (Source: Western Plains Retail Leakage Survey)

A number of respondents expressed overall satisfaction with their community but named particular businesses who ‘charge too much’, or ‘never have items in stock’, or ‘provide bad service’. The dissatisfaction with particular retailers does not appear to affect the general satisfaction with the community and recognition that existing businesses are required to keep the community viable as has also been found in other small communities (Hozier & Stem 1985).

The survey clearly indicated (Table 3) that if more goods and services can be provided along with more competitive pricing more consumers would shop locally. However, this result must be carefully considered in light of the fact that often the outshopping occurs is a secondary activity that occurs in conjunction with activities such entertainment, recreation or business. Improvement in customer service, hours of shopping, entertainment and amenities are also some of the factors identified by consumers as reasons to return to local shopping.

Table 3: Factors influencing decision to shop locally (Source: The Heart of New South Wales Retail Leakage Survey)
What can Small Towns Do?

Lessons from the Mall

The Heart of New South Wales Retail Leakage Survey provides insight into how retailers in country towns might counter the growing tendency of local residents to outshop. It can be argued that in this regard retailers and main street service providers can learn a great deal from the operation of the more successful shopping malls or mega-stores in regional centres. Studies of shopping malls have pointed to four main attributes being listed in relevant literature. These attributes are: Merchandising, Accessibility, Services and Atmospherics (Sit, Merrilees, & Birch 2003). Three other attributes that have been identified by some studies are: Entertainment, Food and Security (Sit, Merrilees, & Birch 2003). These attributes were also identified as being key factors in the decision to shop locally in the Heart of New South Wales Retail Survey (See Table 3).

Shopping Malls and Department Stores have developed marketing strategies to a high level of sophistication and certain attributes found in shopping malls are part of the development of a ‘place’ that is attractive to consumers (Le Hew & Fairhurst 2000, Sit, Merrilees, & Birch 2003). Looking at the attributes of successful shopping malls in conjunction with the results of the survey, many of the practices are occurring but are not ‘marketed’ to the community as a whole.

Merchandising

Merchandising relates to the assortment, quality, pricing and styling of goods available in a retail situation. The results of the retail survey indicate that this aspect of retailing is considered important by residents of the Lachlan Shire. The analysis of the survey indicated that;

- **Prices**—Residents do not expect that local retailers’ prices (with the exception of branches of national retail chains and franchises) should be fully competitive with supermarkets in larger centres with much higher turnovers, etc. However, there was strong resentment by a significant number (75%) of respondents regarding what they perceived as unwarranted overcharging by some businesses, which were usually named on the survey form. Their response is to shop for those goods and services when visiting regional centres for other reasons—‘Some goods are very expensive so, by saving up and buying larger amounts of goods ‘outside’ you save money’. The majority of respondents agreed (75%) that they would shop more in the Lachlan Shire if prices were more competitive.

- **Provision of Goods and Services**—While many requests for additional goods and services were recognised as unrealistic, there are clearly areas where additional goods and services could be provided on a viable basis within the Shire. In terms of shopping locally, 86% of the respondents agreed that they would shop locally if more goods and services were provided.

- **Products**—Provision for customers to order goods not in stock at competitive prices. While some businesses handle such requests efficiently, other customers cited instances of long delays or their request simply not being proceeded with.

- **Farm Machinery**—Farmers requested that increased product range of farm machinery should be kept in stock or orders able to be processed more rapidly than at present.
• **Services**— The possibility of having more medical/paramedical specialists to either locate or visit the Shire was referred to by a number of respondents. The listing of accessing Health Services outside of Lachlan Shire by 166 respondents when linked with the preference to combine business with shopping by 86% of respondents demonstrates a need to carefully look at the provision of additional health services in the Shire.

**Accessibility**

In a shopping mall accessibility relates to the ease of navigation around the mall and the availability of parking. Although many shopping malls have huge car parks that might require a patron to walk up to one thousand metres to enter the mall, residents of Australian small towns expect to be able to park directly in front of the shop they are visiting. The survey results indicated that parking is very much an important factor.

• **Parking**— This is a major issue in Condobolin’s CBD. It was thought that the overall attractiveness of shopping in Condobolin would be improved by addressing the ‘current practice of staff monopolising parking spaces in front of shops’. As another resident pointed out ‘You buy what you can see’ referring to the ‘limited parking outside (local) stores for customers’. Another respondent argued the case to ‘get rid of reverse parking’ as he or she ‘was sick of being side swiped by persons who can’t back into confined spaces’. Others respondents requested the creation of a vehicle-free mall in as a means of enhancing the experience of shopping in Condobolin or, alternatively, more shaded parking spaces.

**Atmospherics**

Atmospherics are an important environmental cue that provides consumers with an indication of the quality of a shopping mall and include items such as ambience, colour, décor, music and layout (Howell & Rogers 1980, Sit, Merrilees, & Birch 2003).

Many respondents to the Leakage survey indicated that the shopping area of the town felt ‘dirty and run down’. Comments regarding the neglect of empty shops and the dirtiness of individual businesses, pavements and the general central business district indicate that atmospherics are important attributes in small rural supply towns and this reflects other research on the need to create the correct ‘ambiance’ (Anderson & Kaminsky 1985).

**Services**

Services consist of personal (the courtesy, behaviour and knowledge of sales and retail staff) and communal services (toilets, signage and ease of ambulance) (Lovelock, Patterson, & Walker 1998, Sit, Merrilees, & Birch 2003).

Services were an important area of response in the retail leakage survey

• **Customer Service**— This area elicited by far the most critical comments from respondents. There is clearly a widespread perception that the overall standard of service offered by local retailers could and should be improved. Various respondents referred to the ‘indifference’, ‘a lack of friendliness’ of retail staff and an urgent need for more staff training. One female customer referred to her experience of having to wait twenty minutes in a Condobolin store listening to one staff member arranging a game of cricket.
over the phone while another discussed her social life with a friend. She consequently walked out. Apart from the need for ‘a more caring attitude and politeness from shop assistants’, a significant number of customers saw the need for proper training for staff and greater knowledge to assist customers. Above all, it was thought important that local retailers should make a greater effort to ‘make customers feel that they are valuable’. Otherwise, the local perception is that: ‘... some businesses and services ... provide poor customer service knowing customers do not have an opportunity to take business elsewhere’. These perceptions reflect other research that found that service in small towns may not necessarily be better than that provided in cities (Papadopoulos 1980). It is interesting that although 50% of respondents said that they would shop more locally if customer service was improved, yet, in a previous question, only 25% of the respondents felt that customer service was better elsewhere.

- **Toilets**—In Condobolin, there is clearly a strong case for constructing a more centrally located toilet block with facilities for parents with infants and young children. As one respondent pointed out, while ‘It doesn’t influence me shopping in Condobolin, it would make life easier. Toddlers can’t be expected to walk to the library before having an accident!’ There is strong support amongst respondents for toilets in the main street that ‘are cleaned regularly’ as current provision regarding toilets is seen as unsatisfactory.

- **Pram/Wheelchair Access** Many of the curbs in the central business district do not allow for easy access for either wheel chairs or prams.

**Entertainment, Food and Security**

Entertainment, food and security are ‘augmented’ attributes that support the core attributes of a shopping mall. To an extent these attributes help fulfil the communal and social aspects of shopping (Bellenger, Robertson, & Greenberg 1977, Sit, Merrilees, & Birch 2003). These attributes were clearly identified in the retail leakage survey.

- **Extended Shopping Hours**— This is clearly an area that requires careful consideration as it currently provides an additional reason or opportunity for out-shopping. There was strong support for the introduction of late night (Thursday) shopping, especially during daylight saving, or having some retail businesses (retail, coffee shops, etc) open on Sunday mornings. One respondent was confident that ‘Sunday shopping would work well’ as ‘you only have to see how many people are at Chamen’s (a Condobolin supermarket) on a Sunday morning’.

**A Role for Local Government and Community Leaders**

Although all of the attributes that have been identified as being important in Shopping Malls are also perceived as important in small rural supply towns there are obvious difficulties with either enhancing or improving the attributes in small rural supply towns.

- Where individual retailers in shopping malls are required to meet standards relating to the attributes as a condition of lease agreements, shop owners in small rural supply towns are free to treat their property as they like and participate or not participate in any town promotions.

- Shopping Malls are purpose built and incorporate the attributes in to their design while small towns have developed in an ad hoc manner.

- Shopping Malls are able careful ensure that the merchandising mix is attractive to consumers while small towns must deal with what ever is available.
A leadership role is required by local government to assist the enhancement of the attributes of small towns. Local government can undertake community consultation to determine what shopping mix is required within a town and actively try to attract small business operators by offering subsidised rent, lower property taxes or relocation assistance. Tactics such as these have been used to attract residents and skilled professionals to rural towns and could also be applied to businesses (Kenyon, Black, Cavaye, Duff, O'Meara, & Palmer 2001, Miles, Marshall, Rolfe, & Noonan 2004). This might be a way to attract young entrepreneurs who are keen to start their own business but do not have the capital required to set up in a larger regional city. Local government in small towns is often cash strapped and unable to fund significant beautification of main streets. Possibilities exist in Australia to access Federal and State funding to enhance public spaces through art installations, landscaping and preservation of heritage buildings. Small towns with closed shop fronts are often likened to a smile with decayed or missing teeth. An opportunity exists to liven up the shop fronts with community information, art installations, and historical displays and to lease some of these shops to provide an internet café or drop in centre for youth (Hudson 1992, Kenyon, Black, Cavaye, Duff, O'Meara, & Palmer 2001, Miles, Marshall, Rolfe, & Noonan 2004, Municipal Association of Victoria 1994, Rees & Fischer 2002, Tonts 2000).

Some other innovative practices that require more time, community involvement and resources to implement but have been successfully implemented in small communities have included the purchasing and running of key stores as a community cooperative as in Powell, Wyoming (Nijhuis 2004). By being able to keep key stores open, other more marginal stores are able to survive. Another interesting approach has been the development of a local currency that is earned by providing other locals with goods or services. This is a sophisticated form of ‘bartering’ and has been successful in Tully, Queensland where the Gold Bunya (named after a local tree) is now widely used within the local community.

Although many enhancements to the attributes of small towns are costly and would take time to implement many small towns in Australia and the United States have successfully undertaken promotional activities to attract and retain shoppers within their communities. Activities have included:

- **Employee of the Month Awards.** Shoppers are able to nominate employees or retailers who provide outstanding customer service. A selection panel chooses a winner who is recognised and rewarded with a plaque and prize such as an all expenses paid holiday. The publicity generated provides incentive for employees and businesses to provide better customer services and also provides local customers with local good news stories.

- **Farmers Markets** are a way to attract local residents as well as residents from nearby regional cities who want to access ‘authentic’ fresh produce and craft items. To some extent the ability to run such days should be seen as an advantage that small towns have over shopping malls. Food stalls set up by local community groups provide a fund raising opportunity as well as creating enticing smells to attract shoppers.

- **Some small towns in Australia have successfully conducted special shopping days where every store in the town offers a 5% to 10% discount on all items. These days increase sales in the short term, attract consumers from nearby towns and mimic a strategy often used by shopping malls.**

- **Use of banners, flags, temporary art installations as well as music provided by local artists and school groups on weekends or during town wide sales promotions add a**
vibrancy and entertainment factor often found in shopping malls but often missing in small towns.

- Strategic alterations to public restrooms, parking and pedestrian mobility eg: street closures to vehicular traffic that enhance the social aspect of shopping in small towns.
- Development of a Place Brand that encapsulates the essence of the communities and can be used to deliver a unified marketing message (Howell & Shaw 2002).

Conclusion

Outshopping is a serious threat to the future viability of small rural supply towns in Australia. Closure of retail outlets can lead to the loss of other outlets as local consumers travel to larger regional cities to access sophisticated goods and services that they are unable to access locally. The loss of a vibrant retail heart can lead to the collapse of communities leading to population loss and decline or the town becoming a dormitory suburb (a place where people still live but all sense of a normal town’s functions such as retail, employment, educational or community involvement cease) of larger regional cities.

It is unrealistic to expect a total reversing of outshopping considering it is often conducted as a secondary activity while on trips to larger centres for business, social or entertainment reasons but the maintenance of status quo or a slight increase in inshopping will help ensure the future viability of small towns. Clearly, given the limited human and financial resources of many small towns in the Australian Heartland, it is important to try to learn from the practices of successful retail outlets such as shopping malls. The major difficulty in replicating shopping mall attributes in small towns lies with ability of owner/retailers being able to opt out of any initiative, unlike shopping malls where contractual arrangements lead to participation and uniformity in presentation and service. The challenge for local government will be to create an environment in which retailers and the community will see the advantages of participation in any initiatives to improve the attributes of small towns.

Bibliography


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