5. STAKEHOLDER RETAIL PREFERENCES

5.1 GAUGING STAKEHOLDER VIEWS

Hastings shoppers, existing retailers, other businesses and large format retailers were surveyed during the review to identify retailing patterns. The results informed our subsequent evaluation of retail development options for Hastings District.

5.2 SHOPPERS VIEWS

McDermott Miller's household survey of shoppers shows:

CURRENT SHOPPING PATTERNS

- Around 92% of Hastings residents have been to Hastings CBD in the past year; while around 77% of Napier and 75% of Central Hawkes Bay shoppers have been there.
- Of these, 92% had been on shopping trip (non grocery) to Hastings CBD in the previous month (compared to 42% Napier shoppers and 92% Central Hawkes Bay shoppers).
- Main reasons for choosing a supermarket are proximity to home (31%) and low/competitive pricing (31%)
- For around 72% of Hastings resident shoppers, their main shopping centre is Hastings CBD. Some 9% gave The Warehouse as their main store, and 6% Farmers. Around 12% of Napier residents used Hastings CBD as their main shopping centre for clothing and accessories; while for some 14% of Hastings shoppers it is Napier.
- Some 80% of Hastings shoppers use Hastings CBD for their main shopping centre for household goods like furniture, appliances, hardware and homeware. Only 6% of Hastings resident shoppers use Napier, and this is outweighed by the 14% of Napier resident shoppers using Hastings CBD as their main centre for these household goods.
- Around 70% of Hastings shoppers for recreational goods like books, sporting goods and toys used Hastings CBD as their main centre, and 9% use Napier for this purpose. Some 13% of Napier shoppers use Hastings CBD as their main centre for recreational goods.

SHOPPING IN HASTINGS CITY CBD

- Of those shopping in Hastings in the past year, around 42% did "other things" in Hastings CBD on their last shopping trip. Visiting a bank was the most common "other" activity (31%) followed by visiting a café or restaurant (25%) and library (11%).

- Hastings City CBD was rated positively in terms of:
  - Quality of Urban Environment by 62% (40%)
  - Variety of Shops by 56% of Hastings residents (40% of Napier residents)
  - Quality of Shops by 57% (43%)
  - Cafes and Restaurants by 43% (34%)
  - Availability of Car Parking for shoppers by 48% (49%)
  - Amenities for Shoppers by 40% (26%)

- Respondents were asked what in their view was the greatest strength of the Hastings CBD. The most common view is that it is an attractive environment, a "nice" place to be with its flowers and so on. The next most common view is that the CBD's greatest strength is that it is compact and easy to get around. This is followed by the view that the quality and variety of shops are its greatest strength.
- Respondents were asked their views on which aspect of Hastings City CBD, most needs improvement. Two areas frequently suggested for improvement are more parking, and more public toilets. There is also a desire to have a greater variety of shops, to have vacant stores occupied, and for the appearance of shops to be upgraded.

LARGE FORMAT STORES IN HASTINGS

- Some 83% of Hastings residents are familiar or very familiar with large format stores
- There is a strong preference for any new large format retail stores in Hastings to develop as a "megacentre" (41%) instead of a "power strip" (13%) or as scattered large format stores (17%)
- If only one megacentre is built in Hawkes Bay over the next 10 years, and that it is located in Hastings near the edge of the CBD 48% of Hastings residents say it is likely they would shop there. Nearly as many Napier residents (45%) say this also.

MEGACENTRE/POWER STRIP LOCATION PREFERENCES

- Some 16% of shoppers think a megacentre or power strip in Hastings is a good idea wherever it is located, 43% think it is possibly a good idea, but depends on its location, and 38% consider it is a bad idea for Hastings, regardless of location.
- For a majority of 53% of residents preferred location for a Megacentre or Power Strip in Hastings is within the Hastings CBD in the Commercial zone, followed by 22% preferring the edge of the CBD in the commercial zone. Only 11% would prefer a rural site on the edge of Hastings City.
- Respondents were asked to assume that only one Megacentre is built in Hawkes Bay over the next 10 years, and to rate the likelihood of their shopping at it if it were located in Hastings either:
  - near the edge of the CBD, 48% of Hastings District residents say it is likely they would shop there (Napier City residents 45%)
  - on a Greenfield site near the rural fringe of Hastings City, 39% say it is likely they would shop there (Napier residents also 39%)

- on a Greenfield site between Napier and Hastings at around 10 k from either city, 29% say it is likely they would shop there (Napier residents 60%)
- in a Napier site, 24% of Hastings District residents say it is likely they would shop there (Napier residents 63%)

MEGACENTRE SHOPPING AND CROSSOVER CBD VISITS

- 66% of the respondents can see some advantage to themselves as shoppers if a megacentre is built in Hastings (7% don't know and only 27% say they would not). The main perceived advantage is that a better range of goods would be available in the one place (35%), followed by cheaper prices (16%) and variety of shops (11%).
- Some 55% think they would use a megacentre once every three months or more frequently.
- Around 28% of Napier respondents and 25% of Central Hawkes Bay respondents say they think the megacentre would make them visit Hastings City more frequently than they do currently.
- If the megacentre is built on the edge of Hastings CBD in commercial service or industrial zones, 71% of residents say they will visit the CBD the same as now, and those who say they would visit less (11%) are almost exactly offset by those who say they would visit more (12%).

NELSON PARK PROPOSAL

- A large majority (72%) of residents are aware of the proposal for a megacentre on Hastings' Nelson Park. Nearly half (48%) of Napier residents are also aware of it, as are 54% of Central Hawkes Bay residents
- The great majority (89%) of residents say they are familiar with Nelson Park
- Nearly half (49%) say it is likely they would shop at a megacentre located on Nelson Park (43% of Napier residents)
- Of those that say it is likely they would shop at a megacentre on Nelson Park, 40% say it is likely they would go to Hastings CBD as well as a megacentre on Nelson Park, on the same shopping trip
- Of those that say it is likely they would shop at a megacentre on Nelson Park, 63% would travel by motor vehicle between a Nelson Park megacentre and Hastings CBD, and 25% would walk
- Of those that say it is likely they would shop at a megacentre on Nelson Park, 35% say the would be likely to use, and 55% say they would be unlikely to use a shuttle bus or tram if it was provided between and Nelson Park megacentre and the Hastings CBD
- Some 29% of respondents think a megacentre at Nelson Park will have a positive effect on Hastings economy, while 36% believe it will have a negative effect. Another 21% think it will have a neutral effect.

CHARACTERISTICS OF MEGACENTRE OPPONENTS

- Those opposed to the idea of megacentre in Hastings, regardless of location (38% of Hastings residents) are largely in the older age group.
- Some 42% of these are aged 60 or over, compared to 24% of those open to the possibility.
- Reflecting this, a larger proportion of opponents are in one-person households (29% versus 21%), and more are retired (30% versus 17%)
- Opponents also tend to shop less frequently for comparison goods, and favour more the nearest shopping centre to them than other consumers.

SHOPPING PULL OF NAPIER

- Some 42% of Hastings residents shop in Napier at least once a month
- Leading reasons for shopping there include "for a change", a preference for the shops or variety of shops available in Napier, and taking the opportunity to shop in Napier while there for other reasons.
- When asked to compare shopping in the Hastings CBD with shopping in Napier, 29% are more positive about Hastings CBD than they are about Napier, and 36% favour Napier over Hastings.

GENERAL VIEW OF SHOPPERS

In general the Shoppers Survey shows:

- A clear preference by shoppers for a Megacentre form of development for retail in Hastings in the future.
- Their preference also is for any such development to take place near the existing CBD.

5.3 EXISTING RETAILERS AND OTHER BUSINESSES

BUSINESS IN HASTINGS

- Hastings businesses are relatively positive about the past and the future with 49% of all businesses thinking their sales have improved over the past year and 62% thinking their sales will be better in a year's time.
- A further 54% of all businesses think that CBD sales have increased over the past year, and 39% think that CBD sales will be better this time next year.

COMPETITIVENESS OF RETAILING IN HASTINGS

- Some 51% of all businesses which think Hastings citizens will shop in Napier less in the coming year say this will be because Hastings has the big stores (like KMart, Rebel Sport ad Mitre 10) that attract shoppers.
- The atmosphere and appearance of the Hastings CBD is seen as a major strength for retailing in Hastings by 58% of all businesses.
- However, the atmosphere and general shopping environment of Napier is seen as strength for that city by 54% of all surveyed businesses.

IMPACT OF EXISTING LFR IN HASTINGS

- Existing LFR developments have impacted negatively on only a minority of retailers in Hastings with 34% saying they have affected their gross sales turnover and sales margins negatively, and 21% saying they have affected their staffing levels negatively.

FEASIBILITY OF FUTURE LFR IN HASTINGS

- Around 54% of all businesses think that future Large Format Retail (LFR) development should be as it is now, i.e. stand-alone stores within the existing CBD.
- The next most favoured form of LFR development (26%) is a Megacentre.
- The greatest concern of Hastings businesses with regards to LFR development appears to be how close to the existing CBD any new LFR development is placed (see section 5). Hastings businesses want LFR as close, or, even more desirably, within, the existing CBD.

IMPACT OF FUTURE LFR IN HASTINGS

- Many retailers would not make many changes in the event of a new Megacentre, with 41% saying they would do nothing differently. Some 31% say they would adjust their current marketing and advertising spend.
- Only 7% of retailers say they would relocate if faced with a new Megacentre in Hastings.

JOINT COUNCIL AND BUSINESS RESPONSE TO FUTURE RETAILING IN HASTINGS

- Around 76% of survey respondents think that Council "should, in consultation with stakeholders, develop a new growth focused Retail Strategy for the next ten to fifteen years".
- A majority of 77% of all businesses think that future development in the CBD should be managed by "[encouraging] redevelopment of [the] existing CBD through partnerships between retailers, developers and Council".
- The most popular initiative for retailers themselves to improve the competitiveness and attractiveness of Hastings as a retail destination is to improve the look of shops and the general area of the CBD (42% of all businesses).
- Respondents were asked what they consider the three most important initiatives Hastings District Council can take to increase the competitiveness of CBD retailing. The most frequently indicated initiatives were:
  - 46% for the Council to continue or intensify its programme to improve the appearance of the existing CBD, followed by;
  - improvements to parking and roading (33%);
  - and maintaining the compactness of the CBD (27%).

GENERAL VIEW OF RETAIL BUSINESSES

In general the Survey of Businesses shows:

- Existing retailers prefer LFR in stand-alone formats which are adjacent to the existing core CBD zone. Stand alone development has an advantage for existing retailers in that it is likely to be more drawn-out in terms of its impact on them, than a large "single-site" development, thereby allowing them more time to adjust to changed market circumstances.
- Existing retailers rate any megacentre-type of retail development lowest (ie after stand-alone and power-strip forms), but if a megacentre is to be developed, they say it should be located adjacent to the existing core CBD.

5.4 LARGE FORMAT RETAILERS

Our survey of Large Format Retailers (LFRs) shows:

Perceived Development Opportunities

- Most LFRs see their potential sales growth in Hastings over the next three years being above average for their businesses – some as high as 12-15% pa. They see this growth in Hastings coming partly from growth in spending by households through their greater market penetration, faster growth in spending by tourists (domestic and international), but more through gaining increased market share across the Hawkes Bay Region.
- Most LFRs therefore see an opportunity for expanding their presence in Hawkes Bay.
- They prefer neighbourly development alongside each other on the fringe of the existing Hastings Central Commercial Zone.
- Their distant second preference is to develop at Omahu Road, rather than any other "greenfields" site.
- They have indicated a requirement for 21000-30000 square metres of retail floorspace in Hastings by 2008.
- A further 25000-30000 square metres of retail floorspace could be added in Hastings over the 2008-2018 period.
- They wish to move quickly to develop more floorspace in Hastings. Their cumulative indicated target is to add floorspace within two years
- In the current circumstances their requirement to add floorspace is therefore "front end loaded"

General View

- Almost all LFR retailers will follow a two cities strategy. LFR preference is to develop first in Hastings, but if that is not possible within their time imperative then they will look to the best second choice – shifting their priority to developing in Napier.