Retail Centre Health Scoring

Jessica Swain[1], Luke Burns[1] and Dominic Durkin[2]
[1]University of Leeds, [2]Experian Ltd

Project Background

The retail sector is currently under immense pressure to adapt to a modern, technology led environment. Given the media scrutiny of retail decline, now is the time to truly understand how healthy our retail environments are. It is important for decision makers in the retail sector to be able to understand which factors are hindering the potential of an environment and which boost the success of an environment. To benefit this knowledge and understanding this research developed a detailed approach to analysing several important variables of a retail environment.

This research analyses 1,280 shopping environments across England and Wales and develops an understanding of their 'health' through data analysis of the primary catchment populations as well as the retail supply to a retail centre. Health understanding is derived from the potential of both supply and demand in the retail environment and the relationship between these is also considered. This research has been able to make use of various datasets to develop a detailed score. The final health scoring focuses on eighteen individual elements and has been developed on a 1-5 scale. The spatial presentation of the score was then compared to other classifications relating to retail to understand the accuracy of this research.

Data and Methods

This research used a large number of datasets from Experian. These included Goad data, demographics, Mosaic classification, income data (both household averages and regional averages) and shop classification data including vacancy rate change.

With copious amounts of data this research attempted to use several different methods for analysis, all of which were quantitative. Initially the K-Means clustering was the method in use but due to inaccuracy of the clustering other calculations were developed. These include comparisons to regional and current averages and slope calculations. Once the data has been appropriately analysed and placed in hierarchical order then clustering with natural jenks for appropriate scoring was completed.
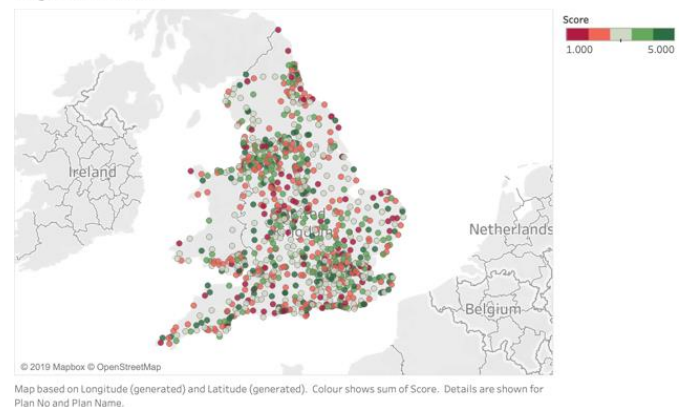
Summing for the end score was weighted based on the importance of each variable. After this final calculation these scores were placed in hierarchical order and given a final score on a range of 1-5. One indicates an unhealthy environment that is in need of investment and change and five indicates the most healthiest retail environments where both the retail supply is strong and successful and the demand presents large opportunity also.

Key Findings

Most importantly, this research has produced an understanding that the retail sector is not in dismal decline as currently presented by the media. Instead, across England and Wales, there is a variety of potential and certainly our retail environments are healthier than we expect.

The Final Weighted Score for Presenting Retail Health Across England and Wales

Map based on Longitude (generated) and Latitude (generated). Colour shows sum of Score. Details are shown for Plan No and Plan Name.

There is a wide mixture of final health scores throughout England and Wales showing geographically retail health is mixed. The spatial representation of the final score shows a large density of positive health scores and even analysing individual variables indicated a large amount of positivity and success in the sector currently. This research interpreted the results to mean the traditional retail environments of England and Wales are performing comfortably and present good supply and demand relationships. Scoring efforts ultimately show evidence of our physical retail environments adapting to current consumer demands. Although this research did not focus too much on comparing physical retail to online retail this research indicates plausibility in believing traditional shopping environments (such as high streets and shopping centres) can present the same potential and success which online retailing is perceived to have and throughout England and Wales there are many examples of physical retail triumphing current negative perceptions.