



Retail evolution (not revolution)

Innovative retailers prepared to reinvent their business models stand the best chance of remaining relevant in the ever-changing world of shopping, according to a leading academic.

We spoke with **Professor Jonathan Elms**, *pictured*, from Massey University's Centre for Advanced Retail Studies (CARS), to get his insights on what it takes for retailers – and town centres - to survive in 2018 and beyond.

Many BID programme managers will recall Jonathan presenting the headline findings of the 2017 *Big Issues in Retail* survey to last September's networking meetings. SEE [here](#).



The local retail scene has, in recent times, witnessed the arrival of high-street retailers such as David Jones and H+M and the strategic withdrawal of Esprit, Laura Ashley and others.

“These high-end stores serve as anchors in CBDs. They not only drive foot traffic but also drive up rents,” Jonathan says.

“They are liable to lead to the gentrification of some areas, forcing smaller stores to rethink and, in some cases, revise their business models. Some will move away from bricks and mortar, shut up shop or go online. Others will keep a physical presence while building their web-based businesses.”



The Centre for Advanced Retail Studies (CARS) was established in 2015. Led by Director Jonathan Elms, its mission is to be a centre of excellence dedicated to advancing the knowledge base of retailing in New Zealand and internationally.

In an article published on Massey's website, [Amazon has local retailers spooked](#), the English-born professor and The Sir Stephen Tindall Chair in Retail Management says the online retail giant Amazon will have the largest impact on retailers that compete on price.

“If you look at what has happened in overseas markets, shopping malls are struggling and department stores that compete on price have been obliterated.”

He says innovative retailers, with skilled staff capable of spanning the digital divide, can offer unique selling points and in-store experiences capable of competing with anyone in the world.

“We’re seeing big players and small businesses alike thinking long and hard about how they’re trading. The smart ones which have a fully integrated sales platform and a strong grasp of consumer behaviour, are best placed to survive.”

The government’s recent announcement that foreign companies like Amazon will pay GST on goods sold online to Kiwis from October next year, will move towards levelling the playing field for local retailers, he said.

“It will mean that local and domestic retailers are not at an automatic cost advantage compared to Amazon which operates on a grand scale. Amazon can often sell products at a price cheaper than many smaller retailers can source,” he said.

As business associations and local boards are both well aware, vibrant town centres play a critical role in local communities.



Professor Elms says the importance of town centres as community hubs cannot be underestimated.

“Retailers in local town centres help provide the beating heart of a community and cities the world over would do well to reflect this in their placemaking activities.

“I find it troublesome that some planning authorities give the go-ahead for housing developments with little or no consideration for these community hubs. In their absence, neighbourhoods can become sterile with no heart and soul,” he warned.

Massey University courses in retail

The university’s first cohort of retail graduates officially hit the market in April. [READ MORE](#)
For town centre managers keen to study part-time, several options are available, says Jonathan.
“In addition to (the BRBM) on campus or via distance learning, there are certificate and diploma short programmes for those wanting to upskill themselves on modern retailing.”



Visit the [CARS website](#)