

# The Pattern of Retailing in Dublin

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## Introduction

This article looks at the history of city centres and the role of town centres today. It also looks at the changes in retailing and particularly those that have occurred in Dublin on Grafton Street and South Great George's Street. The pattern of retailing is constantly changing – due to social, economic and planning factors. These factors determine the character of retailing and the demand for it. They also affect the way retailing is organised to meet that demand.

The performance of retail property, in terms of rents and capital values is strongly linked with the economic environment. Consumers must have disposable income to purchase goods; therefore the amount of disposable income available to consumers influences the level of retail profits and hence the rents and capital values.

## History of City Centres

There are five main urban planning traditions in Western Europe. These have been characterised as 'authoritarian', 'organic', 'romantic', 'technocratic utopian' and 'utopian'. The earliest tradition of urban planning was the authoritarian tradition of the first century A.D. The gridiron layout and radial pattern were examples of this tradition. It can still be seen in town centres dating from Roman times.

The utilitarian tradition developed in the nineteenth century as a result of laissez-faire economics. Urban developments were primarily functional. Suburban housing spread along the routes into the city. London and Paris are good examples of 'utilitarian' urban planning.

The 'utopian tradition' is strongly linked with Ebenezer Howard, a famous pioneer of town planning. This tradition started in the late nineteenth century. Examples of planning in the utopian tradition are mainly in Western Europe. Howard famously created the 'garden city', which was to be a combination of rural and urban living. Eight new towns were created around London in Howard's tradition.

The 'romantic tradition' resulted from the impact of the industrial revolution in the late nineteenth century. Camillo Sitte, an Austrian architect and planner tried to identify the fundamental role of space in cities and was particularly interested in a city's aesthetic appeal. Sitte's influence was greatest in Austria and Germany and some cities of the old Austro-Hungarian Empire.

The 'technocratic utopian' tradition began at the start of the twentieth century. It is a tradition based on the utopian plans of the eighteenth and nineteenth centuries. The 'gridiron' city became one of leisure and production. Transport technologies such as tram systems were included in technocratic plans.

'Organic' planning was also established in the early twentieth century. Its emphasis was on creating cities, which were more orderly than earlier ones, and it tried to combine all the positive aspects from previous traditions.

## Role of Modern Town Centres

Until the 1830's towns were quiet places except on market days. Streets have slowly changed. The introduction of electricity and advertising has created the High Street as we know it today.

Most towns have what is known as a 'Central Business District (CBD)', which is defined by the values of its property, retail turnover, pedestrian flows, spatial concentration of floor space and size of the urban area.

For town centres to have a successful future there are three basic needs. First, the economy has to be diversified. Second, town and city centres need to remain the focus of public events, street markets and meetings. Third, public and private investors should share a common interest in ensuring town and city centres' survival. Continual capital investment is essential. How a town centre prospers depends on its size, the economy, consumer behaviour, its amenities and accessibility and availability of land.

The type of economic activity in European cities now is very different to that of the post-war period. The location of economic activities has shifted. This has put pressure on transport networks and disrupted the traditional relationships between places of work, home and shopping. The rapidly changing face of retailing, shifts in consumer behaviour and the legacy of inconsistent and narrow retail policies pose challenges to authorities governing town centres.

Town centres are facing increased competition from out-of-town locations and the internet. If they are to survive as centres of activity, they will need a wider range of uses and activities in the future. Reductions in the use of town centres by shops and offices will mean that some sites and buildings will become available for redevelopment. If town centres are to remain as places of economic and leisure activity there will have to be a greater emphasis on the quality of life for workers and residents.

## The Theory of Retail Location

The theory of retail location is built on evidence relating to retailers' motives and the reasons for their choice of location. Brown<sup>1</sup> identifies three main neoclassical theories of urban structure as 'central place theory', 'bid rent theory' and 'the principle of minimum differentiation'.

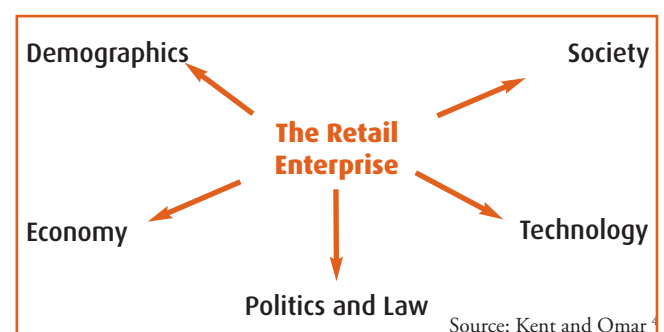
The 'central place theory' was developed by Christaller.<sup>2</sup> It relies on the concept of economic demand. It predicts that as a result of the increasing cost of transport, the quantity of any goods purchased decreases, other things being equal, as the distance increases from the source of its supply. Goods which consumers purchase infrequently have higher 'thresholds' than goods that are purchased daily, which are 'lower threshold' goods. This concept is widely recognised and accepted by planners as a model of retail organisation.

'Bid rent theory' is based on the observation that the disposition of land uses is determined by the user's ability to pay rent. Some users place more importance than others upon centrality and accessibility. The theory postulates that greater accessibility to the city centre is associated with higher land values. As a result, rental prices decline with distance from the city centre. Retailers and office users who require greater accessibility therefore bid up the price of land and property in the most central locations.

The 'principle of minimum differentiation' is based on the idea that consumers will be attracted to an area where they may easily buy complementary products. This reduces the 'search costs' of the consumer. This principle was developed by the economist Hotelling<sup>3</sup> and works best when there are more than two sellers involved in selling identical products at the same prices from fixed locations. It explains why similar stores are usually clustered together.

External factors greatly affect the retail industry. Figure 1 indicates which factors of the 'external environment' affect retail enterprises. The factors are often abbreviated to political, economic, social and technological (PEST) as outlined in Figure 1.

**Figure 1: 'Macro' factors affecting retailing.**



Brown<sup>1</sup> has summarised conventional thinking about retail location in three stages. Firstly, the decision whether to operate in a particular geographical region. Secondly, the decision as to whether or not to operate in a particular shopping centre or retail area. Lastly, the decision relating to particular locations and premises.

## Development in the Retail Sector

Retailing changes quickly. Retail changes include the location and changes in the size, type, external appearance and internal layout of shops. Existing town centre retailing faces challenges from new retail facilities in out-of-town locations.

Particular retailers of very similar appearance often dominate the high street, therefore smaller businesses have come under pressure and have located to less central locations. The retail high street has been and is being transformed. On the basis of consumers' shopping habits, there has been a demand for larger retail units. This in turn has to lead to more and larger redevelopment schemes with anchor stores. This was a result of strong economic growth and increased consumer spending. However this pressure will be reduced as a result of the current economic downturn.

## The Pattern of Retailing in Ireland

In medieval times selling was done mostly through local markets. This gradually changed in the middle of the eighteenth century to selling via shops, which could be divided into fashion, furnishing and luxury items. In the nineteenth century the department store came into being.

Variety stores came about in the twentieth century where consumers could see items on display. After the Second World War, retailers started expanding their national networks and opened in foreign markets. Shopping centres were built in town centres in the 1960's and soon afterwards were also in out-of-town locations.

Retailing is a sector of the economy that the public can see. It is also a sector that can change the character of a city. Changes in retailing include the changes in ownership patterns where large international retailers have overtaken small and local retailers. Changes also included a shift in location from the city centre to the suburbs and the introduction of self-service.

## Irish Planning System

The present Irish planning system is based on the 1963 Local

Government (Planning and Development) Act. Local Authorities have to adopt a development plan which must be reviewed every five years. Retail planning is included in the overall planning system.

## Pattern of Retailing in Dublin City Centre

Grafton Street and Henry Street are the main retail streets in Dublin city centre. They are both pedestrianised. During the period 1998 to 2008 Henry Street changed from a retail area characterised by a high concentration of national retailers to a street with a strong presence of UK and international firms. The Henry Street area includes Mary Street and the Jervis Shopping Centre. The gap between rents on Henry Street and Grafton Street, the other main retail street, in Dublin has narrowed.

As rents began to increase on Grafton Street and Henry Street, retailers started locating on secondary streets. O'Callaghan et al.<sup>5</sup>

The International Journal of Retail and Distribution Management in 2003 studied the changes which have taken place in Dublin's tertiary city centre shopping streets from 1972-2002 and suggested that these developments benefited the primary and secondary streets while other locations in the city centre suffered.

It is evident that the retail mix reflects a changed society in Dublin. Some retail categories that are in decline are banks and travel agencies. Others that have emerged include mobile 'phone shops, fast food outlets and sports stores. The tenant mix on secondary streets has also changed. Previously there would have been grocery stores and butchers but fashion shops, restaurants and cafes have replaced these.

## Pattern of Retailing on Grafton Street

The Dawson's who were one of Dublin's wealthiest families, (who also have a street named after them), established Grafton Street in 1708. Of the shops familiar to today's shoppers, Switzers & Co. opened in 1838 and was followed eleven years later in 1849 by Brown Thomas. Weir's jewellers opened in 1869. In the nineteenth and twentieth centuries the number of shops selling women's clothing was far larger than the number selling men's. The same pattern continues today. Grafton Street had and has a number of cafes and restaurants including Bewley's, which opened in 1927.



Source: Brady and Simms<sup>6</sup>

Grafton Street was pedestrianised in 1981. This improved its convenience for shoppers and thus increased its 'footfall.' As a result of this, Grafton Street became the leading high street in Dublin ahead of Henry Street. In the early 1990's Switzer's was bought by Brown Thomas. Brown Thomas moved to the former Switzer's store and Marks and Spencer moved into the old Brown Thomas store at the corner of Grafton Street and Duke Street. The St. Stephens's Green shopping centre was constructed in 1989 and this brought more customers to Grafton Street. The opening of the Luas tram line at St. Stephen's Green in 2004 increased the accessibility of Grafton Street.

By 2008 Grafton Street was a retail street with a tenant mix which was very dependent on the fashion trade. The retail mix has changed considerably since the late 1990's. The adjoining South Anne Street and South King Street have also been re-developed. In the late 1990's Dublin City Council became concerned about the deterioration of the physical character of Grafton Street. It believed there was an imbalance in the mix of

shops and that an increasing number of mobile phone shops, fast food outlets and financial institutions were locating there. As a consequence, on 3<sup>rd</sup> July 2006, Dublin City Council designated Grafton Street as an Architectural Conservation Area.

## Pattern of Retailing on South Great George's Street

South Great George's Street is not considered a major shopping street today. It is recognized more for its restaurants. Between the period of 1980 and 1990 more offices moved into the area and as a result there were increasing levels of food outlets. There were five restaurants on the street in 1990 compared to fourteen today.

The pattern of retailing on South Great George's Street in the early nineteenth hundreds was more fashion based than today. Stores included Messrs. Holmes and Rowan and Kellett's. Pims Brothers was a department store and was the main shop on the street. The south city markets were located on the street and lead into Drury Street. This market area exists today although it is not a food market the way it once was.

South Great George's Street is not zoned in terms of retail rents as Grafton Street is. Vacancy levels are much higher than on Grafton Street. There is a poor mix of uses on the street and a high number of specialised shops. Retailing on South Great George's Street is much more serviced based than on Grafton Street, which is pedestrianised and aimed specifically at shoppers. When Grafton Street was pedestrianised in 1981 there was a decline in fashion stores on South Great George's Street.

The opening of the St. Stephen's Green Shopping Centre caused further decline. Shopping shifted from South Great George's Street to Grafton Street.

## Retail Land Use

A survey was carried out in summer 2008 to establish the retail land use on Grafton Street and South Great George's Street. The findings are outlined in the following pie charts, (Figures 2 and 3). The classification of goods used to compile the charts is given in Table 1.



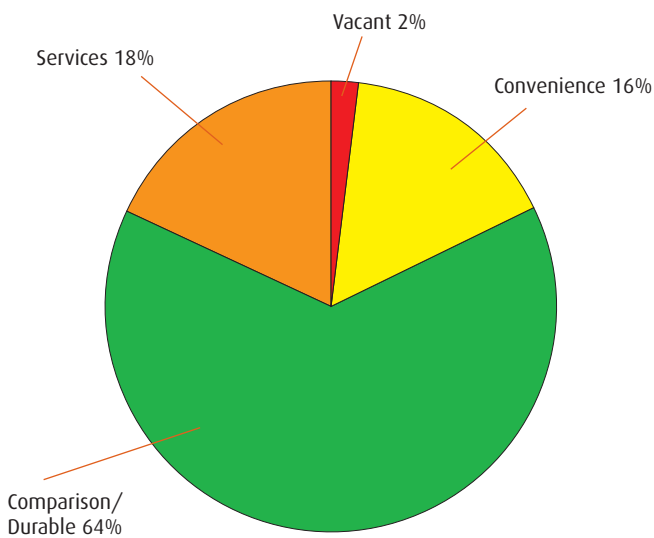
Source: Brady and Simms<sup>6</sup>

**Table 1: Classification of Goods**

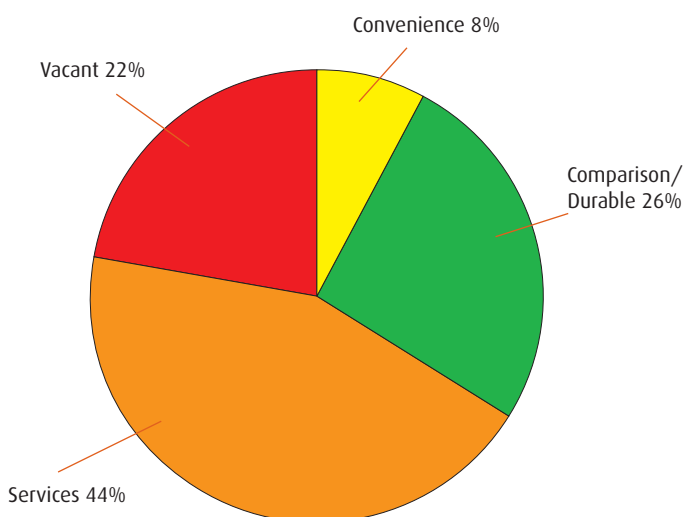
Convenience Goods	Comparison/Durable Goods	Services
Supermarket	Electrical Goods	Restaurant
Grocery	Hardware	Take-away food
Greengrocer	Shoes	Bank
Butcher	Clothing	Post Office
Fish and Poultry	Footwear	Hair Salon
Cakes and Bakery	Sports Equipment	Dry Cleaners
Chemist	Car Accessories	Credit Union
Florist	DIY	Building Society
Delicatessen	Furniture	Bookmakers
Newsagent and Sweets	Books/Stationery	Travel Agents
	Carpets	Shoe Repairs
	Jeweller	Off-Licence
	Household Equipment	
	Medical Products	
	Toys	

Source: Dublin City Council Planning Department<sup>7</sup>

**Grafton Street Land Usage 2008**



**South Gt. George's Street Land Usage 2008**



**Conclusion**

Economic, social and planning factors determine the success of retailing and have had an impact on the success of Grafton Street and South Great George's Street as retailing locations.

The proximity of complementary retail is important. The pattern of retail occurs in a city as a result of the varying rents. High rents indicate the areas most desirable for retailers.

The sizes of stores have increased, as have the sizes of shopping centres. The larger multinational retailers dominate the high street and have pushed the local retailers to more peripheral locations and in many instances out of business.

Consumer behaviour changes over time due to social and economic circumstances and this in turn affects the pattern of retailing. According to the survey carried out in 2008, consumer spending on Grafton Street and South Great George's Street has decreased as a result of the economic downturn.

Economic factors have an impact on the success of Grafton Street and South Great George's Street. Consumers must have disposable income to purchase goods; therefore the amount of disposable income available to consumers influences the level of rent that is paid for properties. If consumer spending decreases then the income on the street also decreases. If the income decreases on the street it will lead to a decline of the street as a preferred retail location. This is what happened with South Great George's Street.

In Dublin, the pattern of retailing has changed as a result of the economy over the last decade. High costs have altered the pattern as has consumer behaviour. The changed pattern of retailing in South Great George's Street is the result of market and social forces. The changed pattern in Grafton Street is the result of market forces constrained by planning rules relating to the physical structure of the street and its mix of shops.

There are a number of unresolved questions in relation to the future scale and character of Dublin city centre. These include whether land and other constraints in Dublin encourage the development of new kinds of retailing. ■

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