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# CASE STUDY I

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## Innovative and Experiential Retail Propositions



*URBACT is a European exchange and learning programme promoting sustainable urban development. The URBACT Programme enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal changes. URBACT helps cities to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. The URBACT method enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe.*

# PRESENTATION

The stiff competition that traditional retail is facing due to the steady increase of online shopping makes owners of physical shops rethink their role and propose attractive alternatives that complement the virtual experience of shopping.

We have learnt that on the internet, we, as consumers, behave more rationally than in shops, we search and compare prices and features of products that, in the end, we will buy online or on-site. However, when we go to the physical shop we usually look for a more emotional type of experience, and we expect some enjoyment besides purchasing.

This is why shops, and the areas where they are located, struggle to offer new attractions and develop new entertainment alternatives that bring the customer back to the place. They do so with incentives that go beyond the price and even the product itself.

As mentioned in the RetailLink report **1/5 New Retail Trends and Consumer Behaviour** today, in retail, the shop is the product and so, any stratagem aiming at attracting visitors and customers requires offering a nice space with a pleasant feeling beyond what is just the very fact of buying.

Below are examples of innovative retail propositions from RetailLink partners that attempt to enhance the customer shopping experience, thus making him/her want to come back again. We will see how initiatives from individual shops, broad local management bodies or other local agents, public or privately driven, are all looking to bring footfall and revitalise retail and economic activity through experiential retail propositions.

# IGUALADA REC.0

## Outlet stores and Slow Shopping

REC.0 Pop Up Stores (<http://www.rec0.com/en/>) consists of a biannual 4-day experiential shopping event in an old district of Igualada that once was a leather and tannery factory location (the name of Rec stands for irrigation canal, which was used for the leather industry in the Middle Ages). The event combines creative and innovative ephemeral place making proposals with retail, namely outlet shops of big international fashion brands as well as national and local independent designers.

The event includes a cultural and art offer with conferences and concerts and also food and drinks all around the Rec district. The physical arrangement is made of low cost and recycled materials offering an informal but cosy appearance. People come to Igualada from a wide catchment area to attend the event.

The Igualada Slow Shopping (<http://www.rec0.com/en/igualada-slow-shopping/>) is an adjacent project led by the city council that aims at driving visitor flows from the old factory district, where Rec.0 pop up stores take place, to the city centre where the traditional local retailers are located.

The aim of the event promoters is to revitalise an old nearly abandoned quarter by combining temporary business uses of big premises with innovative design and creative proposals to make the location more attractive. In the long term, to breathe life back into the neighbourhood by promoting work and residential uses.

The event takes place twice a year, in spring and autumn editions. Old abandoned warehouses of the tannery district are temporarily refurbished, dressed and decorated. Food trucks, cultural events, concerts and DJ performances complement the offer in the Rec district.

In the city centre, local retailers that participate in the Igualada Slow Shopping Circuit attract footfall to the traditional local retail area by offering discounts and gastronomic events of local food and wine products.



# IGUALADA URBAN RUNNING

## Night running and shopping

Igualada Urban Running ([goo.gl/k6tGrx](https://goo.gl/k6tGrx)) consists of an annual urban night race within the city centre area of Igualada combined with open shops offering special discounts. Local retailers who adhere to the event open their shops on a Saturday until late night offering special prices and leisure activities.

The urban running wants to enliven the city centre of Igualada by organising a sports event addressed to young people and adults, and combine it with retail sales and leisure events.





# SUPER SATURDAY

## High street retail event in Hoogeveen

The Super Saturday ([goo.gl/nnlXwQ](http://goo.gl/nnlXwQ)) initiative consists of a one-day celebration of local thematic events in Hoogeveen's city centre combined with special offers in local shops.

The event wants to reenergise Hoogeveen's city centre by pulling visitors and customers, thus increasing footfall, length of costumers' stay, and eventually, achieving higher figures of retail turnover.



# VADEMERCAT

## Food market event in Igualada

Vademerat ([goo.gl/MJnx1x](https://goo.gl/MJnx1x)) is a night of *tapas* in and around the main fresh food market of Igualada, the Masuca Market. The owners of the market stalls cook the *tapas* themselves and offer them from the stands in the market. The event includes music performances and a *tapas* contest. The awards are decided by a group of professionals from the gastronomic sector: a chef, the director of a cuisine magazine, a sommelier and a representative from the city council.

The project wants to reactivate the food market by enlivening it with activities that value and promote local quality products.



## How, where and when? \_\_\_\_\_



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In May every year since 2011 runners can register for different races with varying distances through and around the city centre. Race categories include: Short (5 km), long (10 km) and half marathon (21 km, night version).

Other family friendly races are the Kid's scooter race (1,6 km), the Parents with strollers race and the last introduced Urban climbing competition.



Super Saturday takes place in the high street pedestrian area of Hoogeveen on a Saturday.

It involves and combines with other existing local activities. 8 Super Saturdays were planned to be celebrated in 2016, each one with a unique theme and a central event.

Activities include catwalk, live music, sales and lifestyle activities: nail polishing, hairstyling, cosmetics, photo shoots... all of which are offered by local retailers.



On a Saturday night, in the month of April, and from 8 pm to 12 am, food, music and theatre for children are the mix of activities that take place in the local covered market. The event is expected to take place several times a year.



## How did the idea come up? \_\_\_\_\_



A group of local creative people who used some of the buildings in the Rec area as studios (painters, designers, architects, etc.) organised a creative event to bring people to the district. They offered retail brands to occupy the premises and sell their stocks. Different views and expectations exist within the group of project initiators: some aim at a successful business model that can be replicated to other cities, while others are focused on enlivening the area to the point that it becomes attractive for people of Igualada to move and live there.



A group of sports business people and local retailers decided to organise an urban race to motivate local people to use the city centre to practice sport and at the same time, to offer retailers an extra time of footfall increase.

They presented the initiative to the city council since it required support for the logistics organisation and security measures.



According to the 2015 report on the city centre purchase flow, Hoogeveen had experienced a 19% reduction in non-food turnover in the previous 5 years. Vacancy levels were of 12% in 2016, and the number of visitors had also been decreasing from 120.500 per week in 2011 to 105.700 per week in 2015.

The city council considered it necessary to redress the situation and passed the proposal onto the City Centre Management Foundation (<http://www.centrum-hoogeveen.nl/>) for its execution.



Because the everyday market activity was decreasing, a local gastronomic non-profit association, Vadefoodies, decided to react and promote the fresh quality product as a driver to bring new customers. The Vademercat is one of the many actions that they use to promote healthy local products.



## Who is involved?



The directly involved agents of the Rec.0 are the project initiators: a group of artists, fashion professionals, architects, etc. who established contacts with the owners of the empty industrial premises to rent them for a limited time. They also negotiated with retail brands and local designers the set up of the pop up stores. They also design and decorate the warehouses. The city council is responsible for the Igualada Slow Shopping circuit and events, in collaboration with local retailers. Finally the small retail and catering businesses within the city centre participate in the Slow Shopping event with sales and discounts.



The group of initial promoters and organisers, the city council with its municipal services to ensure the safe and appropriate development of the event, and finally the local retailers cooperate in the event organisation. More than 200 volunteers and municipal workers for preparing and supervising the Urban Running (i.e. cutting streets, assisting runners, etc.).

The local retailers in the city centre participate by organising some of the leisure activities and opening their shops until 1 or 2 am.



The City Centre Management Foundation implements the project in collaboration with the entrepreneurs (retail, hospitality and food market), the local theatre, the Municipality, the Alfa College of vocational training and the local newspaper.



The Vadefoodies group invites different gastronomic associations from the Anoia county to make them known and raise local people's awareness on the importance of quality food and a healthy diet. The event receives the support from the local government. Besides economic support, the municipality supervises, ensures security measures, assumes waste removal and promotes the event.

Also, about 40 to 50 market stall sellers invited between 40 and 50 usual customers to attend the event, thus obtaining a multiplying effect.

## Who is the target? How is it communicated? \_\_\_\_\_



The target is the population from an enlarged Igualada catchment area. The event has increased the perimeter and reaches now Barcelona. Surveys undertaken during the event have revealed that some people from Barcelona take a day off work to travel the 60 km to attend the Rec.0.

There is a widespread press and media coverage through advertising and, thanks to the number of visitors pulled to the event, it is on the regional news.



Local residents and retail catchment area are the principal event target. A total of 70% of the participants and public attending the event come from outside the city of Igualada, mainly smaller towns of the Anoia county.

There is local and regional media coverage, particularly through specialised sports media channels. The organisation spreads the word through social media.



The project is targeting local residents (50.000), principally families, but also visitors from Hoogeveen catchment area (80.000).

The word is spread through social media, the local newspaper, flyers, give away, word-of-mouth' and advertising.



The Vademercat is addressed to Igualada residents and direct catchment area of 70.000 people.

There is no static publicity, and the event is only advertised through the Internet and at the market site. A total of 14.000 people had watched last edition's online advertisement.

## How much does it cost? Who pays for it? \_\_\_\_\_



The Rec.0 brands setting their pop up stores pay a fee and thanks to the success of the event, an increasing number of commercials and sponsors cover the expenses of the event.



30.000€ is provided by the City Council and the rest is from participants' fees (fees vary according to race difficulty and age).



The expected expenditure of the total of 6 Super Saturdays in 2016 is of 120.000 EUR:

**Activities and events:**

€ 96.000

**Promotion and marketing:**

€ 20.000

**Atmosphere expenses:**

€ 2.500

**Administrative expenses:**

€ 1.500

The City Centre Management Foundation covers 50% of this amount, which is paid through the BID project taxes from local entrepreneurs. The Municipality matches this amount with another 60.000€.



Total cost of the event is about 11.000€.

Tickets for tapas are sold in advance at 1€ to 3€ each.

## Impact and measurement



A study of the Barcelona Regional Government based on data gathered during Fall 2013 and Spring 2014 editions informs that:

- Footfall to the area of ephemeral shops was about 118.000. 34% of visitors from the city of Igualada and the Anoia County and 66% from further away. Remarkable the 14% from Barcelona city.
- Economic impact of the two editions amounts to 6,3 M€, of which 4,3 M€ are direct and more than 2 M€ indirect, the latter including the Igualada Slow Shopping activity around local retail.
- Igualada's improved image is a relevant intangible. Visitors scored Igualada with a 6,2 out of 10 before their visit and a 7,8 afterwards.



There is no regular impact measurement.

During informal conversations with representatives from the municipal council, retailers stated that they sell the equivalent to 3 to 4 months of their annual turnover in that single day.

Also, a total of 25.000 people are considered to be participating in the event, thus meaning a significant footfall increase in one day.



Hoogeveen adopted the Vitality Formula to evaluate the impact:

$$V = (3 \times T) + (2 \times v) + (1 \times P) / 6$$

Where:

**V** = Vitality **T** = Turnover  
**v** = visitors **P** = Parking income **6** = The reference figure for a Saturday

The monitoring is done each Super Saturday in seven different areas along the high street. The figure of the turnover is the result of a combination of retail and hospitality turnover (the second with the highest share). Measurements of the first Super Saturday resulted in 40.000 people coming for the event, when there is 20.000 footfall on a normal Saturday. By origin: Local residents: 65%; Region: 20%; Out of region areas: 15%.



The impact is measured through the number of tickets sold and the visitors' flow.

20.000 tickets were sold in advance.

4.000 tickets were sold on the very same day.

A total of 8 to 10.000 people came for the Vademercat event.



## The future

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There have been attempts to transfer the event to other cities in the Catalan region without as much success as it has had in the original location.

The municipal council has recently issued an idea competition with the objective of obtaining proposals for the Rec district and promote the use of the area for a new mix of functionalities.



The event introduces new incentives and activities every year, i.e. urban climbing.



The project is in its “experimental” mode and comparison of impact as well as RetailLink project learning will advise on adjustment.



Because it was a very successful initiative, it is expected that the organisers will repeat it several times along the year.