Executive Summary






Prepared for: **5 Town Network**

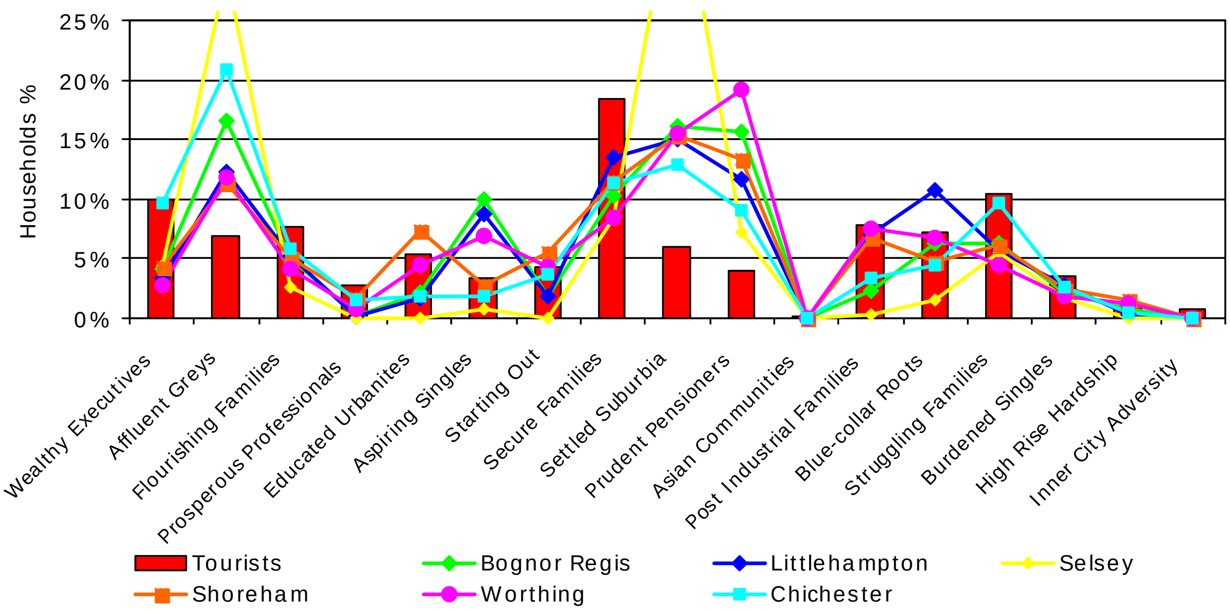
Prepared By: **CACI Property Consulting**

Executive Summary

Project Scope

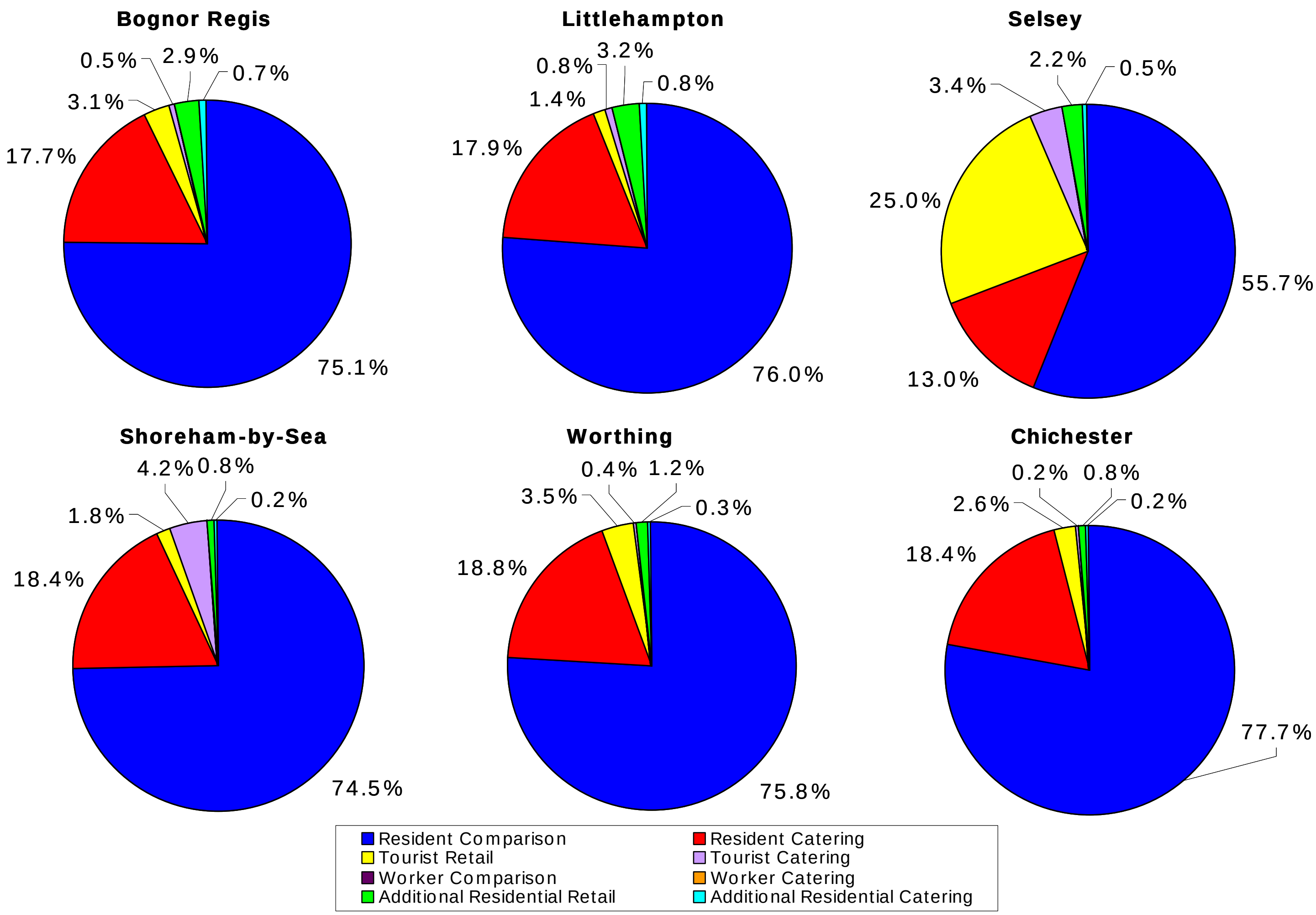
- CACI have been instructed by the 5 Town Network to provide an independent, strategic assessment of the retail potential of each of the 5 Towns – Bognor Regis, Littlehampton, Selsey, Shoreham-by-Sea and Worthing – plus Chichester.
- The 5 Town Network wish to understand who uses the towns, the level of town centre retail, leisure and catering facilities, how well users are satisfied, and what facilities could be added to improve the towns, as part of a co-ordinated approach to their long term regeneration and vitality.
- CACI have assessed in detail each towns' current market position relative to competing centres, incorporating a detailed analysis of spend derived from residents, workers and tourists.
- Each centre has also been benchmarked against similar UK centres and its current retail provision has been analysed. An analysis of occupier suitability has also been undertaken, based on the current market profile for each centre.
- Future development scenarios for both residential and retail development to 2016 have been assessed, enabling a detailed analysis of how developments in competing towns will impact upon the 5 Towns + Chichester.
- A draft local strategy for each town has been recommended, based on the sector profile and occupier suitability analysis for each location. A summary SWOT analysis is provided here. The full local strategies can be found in each town's individual presentation report.

ACORN Profile Summary



- The predominant ACORN lifestyle groups in the 5 Towns + Chichester are older, mid market groups; the Secure Families, Settled Suburbia and Prudent Pensioner groups.
- Wealthier Affluent Greys also make a significant contribution to the profile of most of the towns, particularly Selsey and Chichester, adding to the 'grey' bias of the town's catchments.

Future Market Summaries: Total Spend Profiles*



* Unweighted to retail catchment i.e. reflects total spend within the total catchment area, not just spend captured by the town on the basis of its retail offer.

Retail Development Scenarios 2016

- The table below summarises forecast change in market potential (Comparison Goods spend) in the retail catchment of each town between 2006 and 2016.

Location	Comparison Goods Spend 2006 (£m)	Comparison Goods Spend 2016 (£m)	Change in Spend 2006-2016 (£m)	2016 Spend with Consumer Expenditure & Population Growth (£m)
Bognor Regis	£101.1	£99.2	-£1.9	£148.5
Littlehampton	£53.5	£51.9	-£1.6	£77.7
Selsey	£6.8	£6.6	-£0.2	£9.9
Shoreham-by-Sea	£10.6	£11.9	£1.3	£17.8
Worthing	£247.8	£253.5	£5.7	£379.5
Chichester	£361.7	£360.1	-£1.6	£539.0

- The majority of the 5 Towns + Chichester experience a decline in market potential between 2006 and 2016. In proportional terms the greatest losses are experienced by Littlehampton (-3.0%) and Selsey (-2.9%).
- Bognor Regis, Littlehampton, Selsey and Chichester are all being impacted by larger competing retail schemes coming onstream in surrounding locations (e.g. Portsmouth, Southampton, Guildford), and by the lack of confirmed retail developments included in the development scenarios for most of these towns.
- Shoreham experiences the greatest proportional increase in market potential over the period, a 12.3% increase from £10.6 million in 2006 to £11.9 million in 2016 (at current prices), predominantly as a result of the Ropetackle scheme.

Combined Competition Profile

Centre Name	Market Share (Total Combined Catchment)
Brighton	35.8%
Chichester	16.2%
Hove	4.0%
Brighton - London Road	3.2%
Horsham	2.3%
Guildford	2.3%
Rustington	1.7%
Portsmouth - Gunwharf Quays	1.1%
Brighton Marina Outlet Centre	1.0%
Worthing - Downlands Retail Park	0.9%

- When the retail catchment of all 5 Towns is combined, it is possible to examine which other retail centres the 5 Towns are competing with on an overall basis.
- The combined market potential of the 5 Towns amounts to some £420 million per annum of comparison goods expenditure, representing 21% of total expenditure within the combined catchment.
- The above table shows the top ten centres that the 5 Towns combined are currently competing with. Brighton is the leading competitor to the 5 Towns, capturing 36% of the expenditure potential within the Towns' combined catchment.

- Brighton is followed by Chichester, which captures a 16% market share with the combined catchment area, the two centres combining to dominate shopping patterns in the area.

SWOT Analysis

- SWOT analyses for each town are provided at the end of this summary.

Strategic Conclusions

- The 5 Towns generally have an older mid market shopper profile. Typically these groups tend to spend less on fashion, which is increasingly focused in the UK's largest towns and cities.
- CACI's analysis of occupier demand identifies a lack of interest in the smaller 5 Towns as a result of the particular bias in lifestyle profile for most multiple retailers - except Value retailers.
- The retail offer in the smaller 5 Towns has a strong Value bias. The larger towns are more mid market and Chichester has a strong premium offer. It is important that the decline of Bognor is addressed with a more mid market offer (with a sprinkling of more up scale occupiers) in order to encourage visitors from outside the town.
- Generally speaking, tourists visiting the 5 Towns have a broader and more upscale profile. However the offer presented to visitors is distinctly middle and lower scale. Tourists need improved catering facilities and a variety of opportunities. The smaller towns can build upon their attractive environment and establish a more upscale tourist offer comprising better catering facilities, galleries, craft shops and obvious tourist attractions such as local museums.
- Generally, there is a need to develop a more balanced lifestyle profile in order to improve local trading performance and create year-round opportunities for new occupiers. Shoreham is already attracting young professionals thanks to its rail links and proximity to Brighton.
- However, the other towns in the Network should aim to widen the profile of residents through attracting other groups such as Wealthy Achievers. It is important to ensure that current and future residential developments are appropriate to attract these lifestyles into the area.
- The 5 Town Network has an important role to play in the regeneration of the towns, in terms of marketing the towns appropriately and enabling the towns to act as one town, or one destination.

- The 5 Town Network can help to 'sell' the 5 Towns, to residents, workers and tourists, by promoting the following:
  - Accessibility – promote train links to London and road links between the towns
  - Independent retailers – 'incubator' environment and diversity of retail offer
  - Tourist experience – seaside experience, coastal heritage, galleries & craft shops, café culture
  - Public realm – public spaces as focal points for the towns, and locations for events to invigorate the retail environment year-round

- Leisure facilities - restaurants, bars, cafés

  - children's facilities e.g. play parks, soft play centres; a great family day out

  - leisure facilities for rain or shine e.g. cinema, bowling, play centres, theatre, local museums
- Ease of use & accessibility within the towns – improve connectivity between town centre and beach by using marketing tools (e.g. on parking tickets), signage and wayfinding
- Linked trips – 5 Towns as one; car parking 'smart card' could be used as an incentive (one ticket to be used in all 5 Towns)

SWOT Analysis: Bognor Regis

Strengths	**Weaknesses**
-High index of Affluent Greys -High index of Aspiring Singles -Focus of regeneration activity and residential development -Proximity to Chichester & its tourist visitors - overspill	-'Faded Grandeur' -Poor shops, Value-oriented -Wealthier lifestyle groups attracted to Chichester -Unbalanced tourist profile, skewed towards less affluent visitors
Opportunities	**Threats**
-Development opportunities for in-town shopping park/FOC? -Opportunity to provide what Chichester lacks in shopping terms e.g. large format units -Provide the multiple retailers Littlehampton currently lacks	-Increased competition from Chichester (Shippams Site) -Lack of retailer demand -Further stagnation, reducing viability of planned urban-edge extensions

Retail Vision: In-town shopping park

SWOT Analysis: Littlehampton

Strengths	**Weaknesses**
-Safe, pretty and compact pedestrianised town centre -Successful harbour-side development -Good beach, strong public realm -Swimming pool and Sports Centre -Proximity to Arundel -Easy access from A27 -Good provision of independent cafés & restaurants	-Distance between beach and town centre -Proximity to Worthing -Insufficient car parking in town centre -Custom drawn away by out-of-centre supermarkets
Opportunities	**Threats**
-Promote as a family leisure destination, especially for active sports (watersports) -Attract active sports equipment and clothing retailers to complement leisure offer -Attract more catering multiples, with family appeal (e.g. ASK, Pizza Express) -Independent cinema? -Strengthen link between town centre and beach; tourist tram or boat? -Strengthen accommodation offer to cater for leisure events in the area, e.g. Goodwood	-Catchment 'squeeze' by Bognor Regis and Worthing, drawing shoppers away as retail provision increases

Retail Vision: Family-friendly and sporty

Information CACI Solutions

SWOT Analysis: Selsey

Strengths	Weaknesses
-High index of Affluent Greys -Large number of tourists balance out local lifestyle profile during the season -Nearby caravan park – Comfortably Off tourist visitors -Convenient, traditional, 'chocolate box' high street	-Isolated location, inaccessibility -Skewed lifestyle profile – Affluent Greys & Settled Suburbia -Proximity to Chichester, which dominates local retail provision -Tired shops, Value-oriented independents -Lack of tourist retail/catering provision
Opportunities	**Threats**
-Galleries, antiques and craft shops catering to the tourist market -Locate incubator independent retail units in town, with strong internet-based offer, thereby creating year-round 'cyber community' -Caravan park as an events venue during off-season? -Gastro pubs, cafés and tearooms; strengthen the B&B 'getaway' market -Improve connectivity to beach – bus? -Improve signage to beach	-Chichester's improved retail provision -Lack of multiple retailer demand

Retail Vision: 'Cyber Community' and Gastro Secret

SWOT Analysis: Shoreham-by-Sea

Strengths	Weaknesses
-High index of Educated Urbanite and Starting Out lifestyles -Pretty, attractive environment -Similar accessibility to London as Brighton but without the high property prices -Holmbush Centre provides good multiple units, just not in town centre	-Located between the larger competing centres of Brighton and Worthing -Not enough catering/leisure/retail facilities to capture large tourist population in surrounding area
Opportunities	**Threats**
-Attract overspill tourist spend from Brighton: exploit local 'sea culture' e.g. Whitby -Create evening leisure destination e.g. eat in Shoreham, go out clubbing in Brighton -Cater for Brighton residents wanting to escape when London descends in the summer -Extend café culture from Brighton, encourage independent deli's and top quality restaurants -Renovate buildings -Introduce spa facilities and examine opportunities for boutique hotel	-Churchill Square extension in Brighton (2008) enhancing its pull as primary retail destination in area -Mixed use schemes in Worthing

Retail Vision: 'Relax-by-Sea' and Brighton alternative

SWOT Analysis: Worthing

<table>
<tr><td>Strengths
-Strongest of the 5 Towns in terms of retail provision
-Strong multiple retail comparison goods offer
-Good provision of car parking</td><td>Weaknesses
-Town centre lacks focus - sprawling retail pitch needs a focal point
-Vacant retail space (e.g. Guildbourne)
-Relatively long distance between retail offer and station
-Market on Montague Street reduces ease of access to retail units for shoppers and visibility of fascias</td></tr>
<tr><td>Opportunities
-Increase revenue by increasing current catchment loyalty
-Create open market square, consolidating market around Montague Place
-Support speciality markets e.g. local produce (fish & seafood), organic, french, farmers, Christmas, arts & crafts markets
-Organise seasonal events to invigorate retail all year round, utilising market square as public space
-Create retail/leisure ‘dumbell’ with Teville Gate at Station Gateway</td><td>Threats
-Stagnation
-Reaction from Brighton if aggressive approach taken (BID)</td></tr>
</table>

Retail Vision: Market Focus & ‘Retail Heart’ of the 5 Towns

SWOT Analysis: Chichester

<table>
<tr><td>Strengths
-Large town with retail critical mass
-Attractive, ‘historic market town’ environment
-Significant tourist retail spend
-Strong Premium retail offer</td><td>Weaknesses
-Lack of large-scale, modern retail units</td></tr>
<tr><td>Opportunities
-Below average provision of retailers/ operators in the Personal Care, Mixed Goods and Leisure categories
-Opportunity to fulfil some requirements for large-scale space via Shippams Site development
-Build on strong Mass & Premium-based tenant mix to differentiate the town’s offer</td><td>Threats
-Increased competition from surrounding major towns e.g. Portsmouth, Guildford, Southampton
-Failure to attract new retailers if modern unit requirements cannot be met</td></tr>
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CACI Credentials

CACI has a long history of providing spatial analysis to support site assessment in the UK, dating back to the early 1980s. It has been an integral part of the more general market analysis and geodemographic work that CACI has produced for its clients, and has helped make CACI the market leader in the UK for information solutions. Recent projects have included work with **Wickes, BT, Selfridges, Homebase, Bentalls, WhSmith, Ikea, Mothercare, Bodyshop, Sainsburys, House of Fraser**, **Aldi, Spar and Starbucks.**

CACI's exceptional strength in the field of spatial analysis stems from the fact that:

- CACI was the first to build a national retail centre catchment model using gravity modelling techniques. It is used by over 40 major retailers and provides a good base for bespoke modelling projects, saving both costs and time
- CACI's core business is market analysis in the UK. With a team of over 100 people working in this area, CACI have an unrivalled understanding of the nature and evolution of consumer behaviour and markets in the country
- CACI have access to the widest range of quality data. Good quality data is at the foundation of every modelling exercise. CACI are data integrators, not data collectors and are therefore free to build databases from the highest quality sources available in the UK, taken from a wide range of suppliers
- The quantitative modelling of Market Sizes, their behaviour and evolution has been a particular area of expertise since the early 1980s
- The techniques used have been tested across a wide range of application areas and have evolved over many years

Our areas of expertise include the following:

- Gravity modelling and spatial interaction modelling
- Catchment area definitions
- New outlet sales predictions in location "X"
- Competitive location impacts
- Site assessment
- Micro market modelling
- Outlet performance against measured potential
- Location and territory optimisation modelling
- Entire network restructuring
- Customer behaviour analysis
- Direct mail response analysis
- Advertising effectiveness
- Targeting of direct marketing materials
- Distance and Drivetime decay analysis
- Customer retention models
- Financial services share of wallet models