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AN EXPLORATORY STUDY OF NEW ZEALAND'S MANAGED SHOPPING CENTRE INDUSTRY

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ABSTRACT

The primary motivation for this study was the fact that very little research has been conducted on the topic of New Zealand's managed shopping centres, since their history began some 30 years ago, in 1963. In the United States and the United Kingdom however, managed shopping centres have been established since World War Two. As a consequence, shopping centres overseas have attracted considerably more attention of researchers, and academics and practitioners have had the opportunity to understand the importance of the role shopping centres have in retailing today.

This research focuses mainly on two specific areas of this topic, namely: what impact shopping centres have had on New Zealand retailing since their inception; and, what policies and procedures govern the management of New Zealand shopping centres.

In order to address these questions, a sample of 16 shopping centre managers and 205 clothing retailers was taken in the lower North Island. Clothing retailers were chosen because of their tendency to locate in centres.

Although the industry is still in its early stages of development, the results show that retailers believe that shopping centres have had a large impact on the patterns of retail trade in New Zealand. Stores in centres also have higher sales than those outside centres. However, retailers outside centres were critical of the way these developments are managed, citing high rents and long hours of trading as reasons why they would not locate in them. Generally, retailers inside centres were critical too, reporting that managers were unsociable, unfriendly and too serious in their disposition toward retailers.

These results suggest that although the centres have enjoyed success in New Zealand until now, managers and retailers need to strive to work together to benefit equally from the relationship they have. Results from overseas studies have shown that a healthy manager/retailer relationship increases the chances of a centre's long term profitability.

The days are gone when the shopping centre manager is simply a landlord. The sooner managers and their tenants realise this fact, and begin to work as a team, the better the prospects for the future of the New Zealand shopping centre.
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