

Is Football All?

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I declare that this thesis presents work carried out by myself and does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university. Nor does it, to the best of my knowledge, contain any materials previously published or written by another person except where due reference is made in the text. All substantive contributions by others to the work presented are clearly acknowledged.

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Research Abstract

Location is one of the defining elements of bricks-and-mortar retailing, playing a significant role in a store's economic success (Ghosh & Craig, 1983; Timmermans, 2004), and fitting in closely within the marketing literature on Physical Availability (Nenycz-Thiel et al., 2016, pp. 145-172). There are many aspects that can make a good retail location – one that is attractive and drives people to pass retail stores. These aspects can range from the size of the retail centre and car parking (Brown, 1994; Wood & Browne, 2007) to public transport terminals (Brown, 1994), and greenery (Foltête & Piombini, 2007). Although multiple factors affect how well a retail location functions, the locations themselves play a key role in attracting people.

The importance of retail location fits within the marketing literature on Physical Availability (Nenycz-Thiel et al., 2016, pp. 145-172).

Bricks-and-mortar retailing requires footfall – otherwise known as 'front traffic' (Lam et al., 2001) – to be viable (Graham et al., 2017; Lam et al., 2001; Timmermans, 2004; Wood & Browne, 2007). Footfall is the number of people who pass a store in a given time frame (Wood & Browne, 2007). A retailer's ability to 'stop' (Sorensen, 2009, p. 101) this footfall and attract people into their store, converting passers-by into shoppers, is a measure of retailing effectiveness, known as the store entry ratio. A retailer's ability to then convert these shoppers into buyers is a measure of sales effectiveness known as conversion (Graham et al., 2017), with the total conversion in a set period known as the conversion ratio.

Both shoppers and buyers are imperative for a retailer to be economically viable; passing footfall is essentially worthless if potential customers are not entering and purchasing. Studies of footfall, store entry, and conversion have looked at how different marketing or external/internal factors influence either

store entry or conversion ratios (Denison, 2005; Lam et al., 2001; Perdikaki et al., 2012; Yiu & Ng, 2010). Broadly, many studies have investigated footfall and how people walk (for example, in groups) (Moussaïd et al., 2010), route choice within a retail area (Borgers & Timmermans, 1986) and within a store (Dodd et al., 1998), and walking patterns within malls (Bitgood & Dukes, 2006). Although these studies have generated important findings for retailers, they do not investigate the direct effects of footfall on store performance beyond essentially 'busier is better'.

This research is a replication and extension of Graham, Kahn, and Illya's (2017) study that directly investigated footfall's effect on retailers within certain categories, creating a generalisable relationship between footfall, shoppers, and buyers. Graham et al. (2017) found a constant relationship between footfall and the number of shoppers — the store entry ratio — within a category, as well as a relationship between shoppers and buyers — the conversion ratio. They also considered brand size, with brands with a higher market share having a higher store entry ratio. The broad objective of this thesis is to replicate and investigate if the patterns found in Graham et al.'s (2017) work are generalisable across other categories, locations, brands, and stores. The research questions are:

Research Question One: How does the relationship between footfall and shoppers (store entry ratio) vary across categories, locations, brands, days of the week, and times of the day?

Research Question Two: How does the relationship between shoppers and buyers (conversion ratio) vary by categories, locations, brands, days of the week, and times of the day?

To address these questions, observational research was conducted across two locations, three categories, 11 brands, and 18 stores, collecting 144 hours of data. These locations are both in Adelaide, South Australia, and are Jetty Road in Glenelg, and the Parade in Norwood. Moreover, the categories studied were

fashion, pharmacy, and café. The data was collected across different days of the weeks and times of the day to test if store entry and conversion ratios change under these conditions.

The findings show:

Key finding one: The store entry ratio was different for each category. Within a category it remained relatively constant across locations, both for the category as a whole and for individual brands.

Key finding two: The brands with higher shopper share/more Australian stores (both used as measures of market share) had a higher store entry ratio, and these were stable for brands across locations. However, this was not consistently reflected in the conversion ratios.

Key finding three: Day of the week had some pattern-like effect on the store entry ratio. For fashion, Monday had the lowest store entry ratio. This increased through the week, with Saturday having the highest. The pharmacy category had the opposite. The day of the week did not have a pattern-like effect on the conversion ratio.

Key finding four: Time of day had no effect on the store entry ratio, yet for conversion, it was higher in the afternoon.

The findings in this thesis demonstrate that Physical Availability plays a significant role in a retail store's economic success. As categories exhibited constant store entry ratios, more footfall led to more shoppers. As well as the role Physical Availability plays, brand size and associated Mental Availability (Sharp, 2010b, p. 191) also influence a brand's store entry and associated conversion, with brands with higher shopper share/more Australian stores consistently having higher store entry ratios.

Throughout the data collection of this thesis, an effort was made to ensure the least number of limitations. Although the case, limitations still arose. Notably, the Coronavirus pandemic (COVID-19) potentially altered how people shopped, how research could be collected, and some opening times which resulted in the omission of some Café data from the results of this thesis. Moreover, time and financial resources limited the categories, locations, and brands covered. Lastly, data from all stores relating to sales and conversion could not be collected – conversion is only reported in the fashion category.

This thesis contributes to marketing theory by extending the retailing literature focused on location planning, footfall, store entry, and conversion. This thesis also extends the concepts of Mental and Physical Availability into more contexts, showing how they affect the way brands and stores not only sell, but attract people inside. This thesis also makes useful contributions to practice. The findings show that store entry is constant within a category, suggesting that a retail manager can estimate expected store entry from footfall counting alone, and thus potentially sales, before a store even opens.