Invercargill City Centre RETAIL STRATEGY

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1 Strategy Overview

1.1 Executive Summary - Background

City Centre Dynamics

Successful city centres visibly represent strong communities and typically reflect the social, economic & environmental aspirations of their wider region.

Commercial and social guardianship is a vital element to ensuring cites become destinations people want to visit, invest in and advocate for.

Retail, hospitality and tourism sectors have changed more in recent years than ever before - driven by shifting consumer expectations and increased physical and digital competition. These factors have had a major impact on the appeal, relevance and performance of city centres.

Building resilience and suitability is a further consideration affecting potential for modern shopping or dining operations. Enablement and evolution of these categories is vital in delivering the destination value for retailers' necessary to retain spending and goodwill.

Invercargill City Centre

While other New Zealand cities have transformed over the past decade, Invercargill's building stock, streetscape and commercial performance remains relatively unchanged.

This has caused vulnerability for businesses, as consumers' look elsewhere for the products and experiences expected from a city centre. Property owners have similarly been impacted as the CBD becomes less attractive to locate in.

Lack of reinvestment in CBD properties, competitive developments on the fringe and an environment lacking contemporary amenities or destinations has led to people falling out of love with the City Centre. This is reflected by reduced footfall and static sales growth.

Tellingly, Invercargill has one of New Zealand's highest rates of spending attrition with many locals choosing instead to purchase products when travelling or online.

Spending attrition indicates the City's retail offer misses meeting consumers' needs and expectations. It also demonstrates potential for Invercargill business that can adapt strategically to meet the market.

Invercargill Rejuvenation

Invercargill's leaders and stakeholders have been aware for some time that the City's consumer proposition, experience and commercial performance needs to change dramatically.

A range of past research and insight projects focused on environmental aspects such as streetscapes and destination value through tourism, culture, heritage and business attraction.

Structure for change intensified with SoRDS (Southland Regional Development Strategy) launch in 2016. This defined five transformational projects to help the City thrive by delivering new relevance for locals and visitors.

An arts centre, motorcycle museum, new hotel and anchor retail developments are all pivotal elements of the City's proposed ambitious but realisable regeneration.

These large-scale projects are likely catalysts for wider renewal and investment. It is anticipated more CBD property owners will improve buildings and new businesses would look favourably at locating in Invercargill based on the City's enhanced destination value and appeal.

City Centre Retail Strategy

Invercargill City Council determined need for a retail strategy to support transformational projects, guide upcoming decisions and provide a clear vision for success.

Invercargill must meet and delight its marketplace. While previous work primarily addressed promotion, spaces and destinations, this strategy focuses on developing the city's proposition, commercial requirements and necessary alignment with consumer needs and expectations.

Stakeholder Consultation

This project benefits from past research and ideas spanning over a decade. A retail workshop for Venture Southland in 2016 provided in-depth insight into the unique challenges and opportunities for Invercargill's street-facing businesses.

There is growing expectation & urgency. Stakeholders are anxious for improvement and capable of delivering change.

This was demonstrated during recent meetings with business and property owners, leaders within the retail, hospitality and tourism sectors and through workshops bringing together stakeholders and Invercargill City Council.

Key Pillars

Invercargill's opportunities and challenges were assessed and aligned with pillars that mapped consumer expectations and journeys along with imperatives necessary for commercial success.

1. **Attraction.** The City needs more people to visit and then encourage greater frequency in order to boost commercial opportunities for retailers, food and beverage operators and tourism businesses.

2. **Experience.** Once people reach Invercargill the City's offer must delight and encourage them to spend time and money. Invercargill needs to become a destination of choice and win consumers' advocacy.

3. **Place.** Public expectations and commercial needs have changed. Contemporary streetscapes along with modern shopping and dining environments are vital in delivering the appeal and destination value consumers are drawn to and businesses want to locate in.

4. **Performance.** Invercargill's commercial culture must encourage new concepts to flourish and support growth for existing businesses by interpreting opportunity, driving performance & managing risk.

1.2 Executive Summary – Actions

Attraction

Legacy perspectives have challenged Invercargill from both consumers and the commercial sector. This has hampered the City's efforts to attract people into its centre and encourage new business concepts to locate there.

Identity. The City Centre lacks an assertive brand that inspires confidence and creates pride. Instead others have branded Invercargill – often in a damaging and unfair way.

Developing an aspirational City brand is fundamental to future success and should be an immediate priority.

Profile. While other City Centres have attracted destination demand through promotion, Invercargill's efforts have focused more on driving regional visibility and visitation.

The Centre's unique selling points include an independent retail offer, strong ties to land and sea for the food and beverage sector and world-class tourism destinations. Together they present compelling consumer propositions.

The City Centre must develop its own profile, digital visibility and consumer awareness through a dedicated website, greater use of social media and promotions encouraging consumers to take a fresh look at the City's overall offer.

Champions. Invercargill needs supporters to inspire the community and lead change. Attracting people into the CBD requires motivation - best delivered by trusted peers.

Invercargill must encourage individuals across the social and commercial spectrum as advocates and spokespeople – helping better engage the wider community with its CBD.

Market Centricity Spending attrition occurs when consumers don't find the brands or experiences they want, locally. Invercargill loses revenue to other cities and online because its offer is not optimised to best meet its market,

Encouraging retailers and hospitality operators to develop strategically in Invercargill is critical. Upgrading existing locations and creating contemporary environments in which new entrants can establish is important in leading change.

Relevance. Promoting wider relevance attracts people into the City Centre. Events, arts, culture and amenities all create vital destination value beyond shopping and dining.

Ensuring civic-funded events directly benefit the CBD and prioritising future arts, heritage, SIT and Library locations to better activate the City Centre is fundamental to developing a place for all the community to enjoy and benefit from

Experience

Invercargill CBD must set itself confidently apart from other destinations across every touch point in a visitor's journey. From service through to store environments and offers, the city must excel to secure consumer spending & advocacy.

Ensuring greater consistency and professionalism in customer interactions is important. Invercargill has opportunity to define and share its unique welcome and hospitality through training programmes that unify more CBD businesses in delivering best practice.

Proposition. Consumer expectations are already high. Southlanders travel domestically and internationally, seeing modern shopping and dining environments that are commonplace in other main centres.

Nearby Dunedin's central city provides a good example of how the CBD is developing a more contemporary offer.

Upcoming developments that define new levels of consumer experience should be prioritised and supported. These will stimulate improvement in the City's proposition by iencouraging new retail and hospitaility concepts to the market while driving existing businesses to lift their offer.

Digital Visibility & Wayfinding. Delivering consumer awareness, enhancing discoverability and earning advocacy is a key goal. Visitors should be able to quickly interpret Invercargill's proposition, navigate between destinations with ease, then leave feeling fulfilled and wanting to return.

Combining online information and wayfinding with traditional host culture means consumers will maximise their visit - going beyond just popular or traditional destinations.

Place

Improving buildings, interiors and the streetscape are critical to delivering contemporary environments consumers' expect, want to visit, spend time in and talk positively about.

Precincts. With unique areas already establishing in the CBD, Invercargill can continue encouraging the character and destination value these deliver by developing precincts.

Clusters of like businesses provide compelling alternatives to out of town or online shopping, support commercial resilience and widen appeal beyond traditional audiences.

Creating precinct personality and identity through brand is a future focus as the City develops critical mass of stores or hospitaility businesses within each area.

Occasion. Invercargill CBD needs stronger visual cues & architectural theatrics to greet, delight & engage visitors.

Signifying arrival with physical and notional gateways, enhancing key corners and celebrating unique architecture through improvements and lighting are simple ways to highlight the city's look, feel and proposition.

Council, property owners and building tenants must work collaboratively to improve, activate and celebrate icon locations that will become gateways, attractors or icons for the CBD.

Activations. Previous streetscape projects required major investment and have been impactful on business continuity. Fresh thinking considers dynamic alternatives that can be delivered economically, fast and unobtrusively.

These include pop-up parks, moveable street furniture, markets, catenary lighting, laneways and temporary facilities such as container cafes and campervan parking.

With upcoming regeneration projects and likelihood of wider urban renewal, Invercargill should favour agile and flexible transitional elements to refresh its streetscape.

Walkability. Slowing consumers' down enables better connection with the city's retail and hospitality offer. Enhancing walkability is recognised as commercially transformational, socially responsible and cost effective.

Covered walkways, improved crossing sequences and clear connections to remote retail destinations support pedestrian movement. Enhanced inter-block links through improvement or creation of laneways must also be a priority for the city.

Cycling. Flat, wide streets, a dispersed commercial area and expanding education campus provide potential for cycle share schemes – such as those other cities have adopted.

These programmes can better connect population centres, amenities and tourism destinations through unique and cost effective transport options that are accessible to all.

Invercargill City in partnership with funding sponsors should investigate potential of developing a similar scheme, locally.

Vehicle Friendly. With a predominantly car-based population and a district-wide catchment, the City must ensure and prioritise convenience and welcome for drivers.

Inability to access key CBD routes easily, along with legacy one-way streets are recognised as barriers to visitation and reasons consumers may choose to shop elsewhere.

Improvements for vehicles accessing Esk Street and returning Don Street to a two-way system are a priority.

Parking is an inescapable issue that polarises consumers and business owners. Stakeholders believe availability and cost are primary reasons people stay away from the CBD.

Re-welcoming consumers and changing mind-sets are pivotal in removing real or perceived barriers to visitation.

A dual approach of peak timing metering and improving the user experience through electronic parking systems are likely to provide the best solution for consumers while delivering greatest potential improvement for businesses.

Public Image. Invercargill's street-facing businesses and the presentation of buildings range from exceptional to poor. Variability is affecting the city's look, feel and performance.

Simple owner-effected improvements are able to deliver significant difference to consumer appeal, professionalism and commercial performance. The challenge for local businesses is that specialist advice is not available easily.

On a collaborative basis, the property sector and Council can fund designers to provide high-level ideas that assist building owners and occupiers make changes that will benefit their businesses and support urban renewal.

Performance

Leveraging opportunity, improving profitability, driving growth and managing risk are fundamental elements of the retail strategy. Invercargill's success relies on a sustainable and resilient commercial sector.

Leadership. Invercargill is fortunate to have a range of large, resourced organisations that call the city home. Their culture, leadership and investment are able to initiate and sustain many of the initiatives proposed.

There is need to develop further confidence, collegiality and support for initiatives amongst commercial community.

A bi-partisan programme – regularly bringing together all stakeholder groups with Council representation is the best solution to effecting change and maintaining momentum.

Meeting the Market. Invercargill has potential to be recognised as New Zealand's most customer centric CBD.

Developing greater awareness and response around consumer needs and expectations differentiates and demonstrates a city that listens and deserving of goodwill.

Establishing a cultural shift for businesses and the City, toward need and opportunity-based decisions is vital. More opportunities for consumers' to share feedback and ideas will help Invercargill respond to best meet its market.

Retail Mix. Complementing existing businesses by adding brands and formats most likely to meet Invercargill's market is vital if the City is to deliver a contemporary proposition. This will be a primary driver in arresting spending attrition.

Defining retail and hospitality concepts most likely to achieve success relies on spending analysis, consumer feedback and experience-led perspective on the categories and operators most likely to engage CBD consumers.

City Proposition. Reliance on agents to promote the city's opportunities creates vulnerability. Invercargill can take greater control of profile & potential by developing dedicated resources – including a conduit to commercial opportunities.

This includes retail prospectuses and promotional material along with a dedicated website where future developments are showcased and existing availability of space is listed.

Working collaboratively with the property sector, a dedicated, industry-facing resource should define the City's commercial proposition and openings.

Open for Business Invercargill needs to be known as a 'can do' place that delivers solutions, not barriers. This begins with a Council that demonstrates an open and supportive culture across all levels of the organisation.

Insight into CBD stakeholder needs, commercial imperatives and actionable ways Council can support opportunity within the commercial sector will help effect cultural change.

1.3 Strategy At A Glance

Attraction

Invercargill CBD as a destination of choice

- Brand that defines the CBD's essence and vision
- Proposition consumers identify with and respond to
- Positive advocacy and messaging driving goodwill

Experience

Discovery & delight at every turn

- Unified, heartfelt welcome and appreciation
- A unique mix of retail brands, boutiques and artisans
- Provenance and passion anchoring hospitality

Place

Environments people identify with and return to

- Fresh, contemporary and exciting streetscape
- Celebrating character while embracing modernity
- Active and vibrant - day and night

Performance

Prosperous Commercial Sector

- Sustainability, growth, enjoyment & collegiality
- A City that understands and responds to its market
- Earning the return of spending and loyalty

1.4 Forward

The Retail Strategy provides deep insight into commercial opportunity, performance and risk as Invercargill City Centre positions to better meet its market.

Differentiating from past studies and insights into the CBD, this work focuses entirely on the consumer, spatial, environmental and commercial dynamics necessary for sustainability and growth.

Based on stakeholder feedback, performance data, best practice and expert opinion the strategy develops an integrated approach to effecting and sustaining positive change.

The Invercargill City Council funded project is designed to initiate and acclerate projects across the public realm, align commercial objectives and opportunities and drive.

Strategic Principles

No Barriers	▪ Responsibility. Minimise, prioritise & optimise any investment necessary. ▪ Knowledge. Provision civic & commercial leaders with decision collateral
No Excuses	▪ Partnership. Secure collective support and action of key stakeholders. ▪ Capability. Identify how initiatives can be delivered effectively. ▪ Readiness. Ability & resources to begin immediate implementation. ▪ Capacity. Realistic and achievable timeframes for delivery.
Fundamentals	▪ Guardianship. Support for the CBD ensures both commercial and community success. ▪ Pace. The City must move rapidly to restore faith and goodwill while benefiting from the strong and confident economy. ▪ Resilience. The City and its stakeholders must proactively interpret and mitigate risk.

Invercargill City Centre.

Vision.

A city that celebrates its heritage and future – delivering unique shopping, dining, cultural and tourism experiences people love and want to share.

2 Background

2.1 Project History

Invercargill City Council and City stakeholders have long recognised commercial vulnerability for the Central Business District.

Increased competition, population trends, changes in consumer behaviour and buildings that are less suitable for modern retail or hospitality requirements have contributed to spending attrition and limited growth opportunities.

Challenges have intensified in recent years as online shopping continues to grow, reducing spending locally and impacting the number of people visiting stores across the City.

Whilst the commercial sector faces challenges, potential is also emerging – driven by tourism, education and major development projects that will be catalysts for wider change.

Businesses are also adapting to meet existing and new markets. Many are developing successful e-commerce offers – helping reach and sell beyond traditional trading boundaries.

The City needs to prepare strategically in order to benefit from these opportunities

Insight & Reports

Over the past decade, Council and development agencies have initiated a range of insight projects aimed at understanding and responding to challenges the Invercargill's City Centre faces.

Early focus centred on cultural aspects, infrastructure and high-level economic development concepts. Promotion, business attraction, built environment, parking and public amenity were initiatives that flowed from these consultations.

The Southland Regional Development Strategy's (SoRDS) report developed the strongest vision to date by defining five key major initiatives to transform the City's economy. Designed to prioritise investment the opportunities are achievable through collaboration and would represent a significant turning point in the City's consumer appeal when realised.

City Centre Retail Strategy

This report benefits from previous insights, but focuses entirely on commercial requirements in developing resilience and growth for the retail, hospitality and tourism sectors.

These markets have experienced considerable change in recent years - requiring greater interpretation of consumer needs and expectations - as well as agility and responsiveness in developing Invercargill CBD as a destination of choice.

Initiated by Invercargill City Council, the Invercargill City Centre Retail Strategy considers success factors in attracting people to the CBD and delivering experiences that are memorable through service, environment and proposition.

The Retail Strategy is designed to empower civic and commercial leaders with information that helps shape key decisions around policy and investment.

Year	Initiative	Developers & Collaborators	Outcome
2010	Identifying Invercargill's Points of Difference (Blumsky Report)	Mark Blumsky / Elliot Kirton - CDA	• Family friendly city initiative proposed
2011	Invercargill City Centre Action Plan (Pocock Report)	Craig Pocock / Kobus Mentz / William Watt	• Determination of priority issues
2016	Invercargill City Centre Action Plan (Urbanism Plus Presentation)	Kobus Mentz	• Transformative initiatives prioritised
2016	Southland Regional Development Strategy	SoRDS Vibrant Urban Centres Team / Invercargill CBD Stakeholders	• Five key CBD projects defined
2017	Invercargill City Centre – Retail Strategy	Invercargill CBD Stakeholders / First Retail Group Ltd	• Commercial lens on opportunity and risk • Stakeholder agreement on key strategies • Clear trajectory defined

2.2 Project Pathway

2.2.1 Process

Discovery & Co-Creation	Strategy	Delivery
▪ Analysis of data and past strategy and concepts ▪ Development of up to date stakeholder sentiment ▪ Consumer need & expectation interpretation ▪ Validation & agreement from stakeholders	▪ Determine growth & resilience pillars and goals ▪ Defining strategies and key actions ▪ Defining measures and KPI's ▪ Schedule implementation	▪ Stakeholder engagement & participation ▪ Stakeholder capability development ▪ Strategy advocacy & media management ▪ Rapid wins with enduring benefit
February – March 2017	March – April 2017	May 2017 onward

2.2.2 Project Champion & Partners

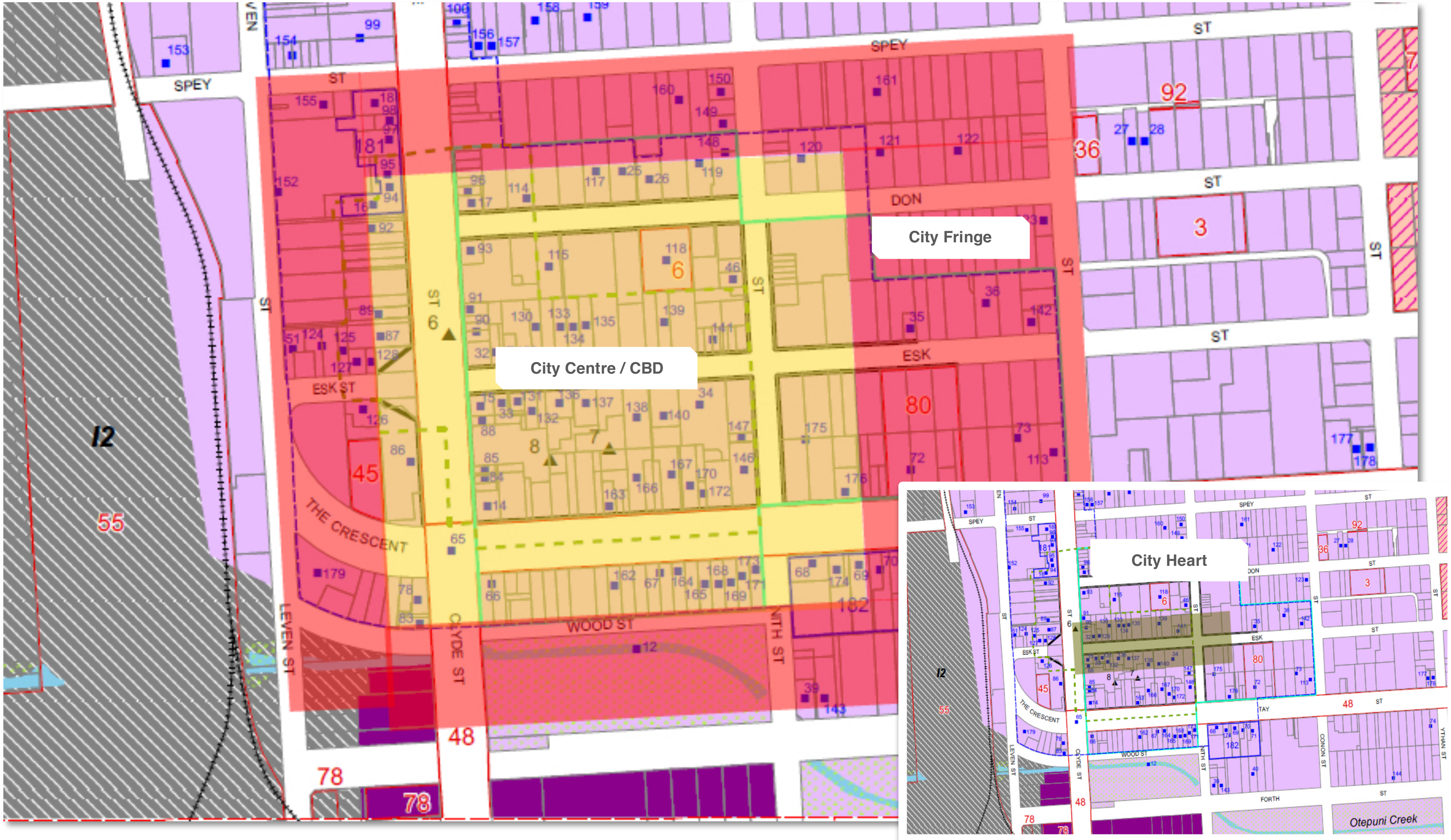
Project Champion & Funder	Local Stakeholder Group Representatives			National Stakeholder Representative Groups
Invercargill City Council	SoRDS	Venture Southland	Chamber of Commerce	Retail NZ, Hospitality NZ, Property Council of NZ
Representing the guardianship of Civic and all stakeholder interests			Membership specific representation	

2.3 Area Definitions

City Centre / CBD: Invercargill's greatest concentration of retail

City Fringe: Predominant large format & destination retail

City Heart: Prime retail strip from H&J Smith to Dee Street



2.4 Key Pillars

Attraction. How does Invercargill attract people into its CBD to spend, socialise and stay?

Experience. How can the CBD maintain consumer engagement, gain advocacy & ensure future visitation?

Place. From streetscapes to retail and hospitality spaces, how can environments help deliver greater success?

Performance. How can Invercargill create and sustain a commercial climate that supports resilience & drives growth?

Resilience & Growth Pillars	Initial Analysis Revealed	Focus Areas	Outcomes Necessary
Attraction	Stakeholders lament the gradual loss of consumers from the City Centre to other destinations along with the lure of online shopping. Invercargill must market itself strategically - developing its brand by leveraging differentiation.	• Theme. Defining the City's unique flavour and message • Relevance. Creating and enhancing reasons to visit the CBD • Profile. Building awareness, interest, aspiration and demand • Visibility. Ensuring the CBD is part of consumers' decision set • Reach. Widening and deepening the City's audience	Unity & pride in the CBD through identity Consumer & community needs delivered Destination value beyond shops & cafes Top of mind positioning for consumers Developing new markets & opportunities
Experience	Consumers are increasingly aware and expectant of contemporary shopping, dining and tourism experiences. Invercargill needs to enhance its overall proposition and delivery to better meet today and tomorrows market.	• Exceeding Expectations. Wowing consumers through service & offer • Proposition. Interpreting an optimal retail & hospitality mix • Enrichment. Developing entertainment, arts & cultural destinations • Familiarity. Enabling consumers to maximise their time in the CBD • Champions. Building advocacy partners and channels	Unifying in delivering great experiences An offer reflecting market needs & wants Arts, culture and heritage cluster Ambassadors & digital resources Positive endorsement and leadership
Place	The City's traditional look and feel is characterful, but hampers consumer and commercial attraction. Better balancing old and new will help Invercargill achieve the right mix of quality retail and hospitality environments and operators'.	• Precincts & Clusters. Co-locations that create destination value • Regeneration. Major projects as catalysts for wider change • Appeal & Presentation. Defining expectation & standards • Activations. Contemporary uses that support and enhance amenity • Reducing Barriers. Improvements for pedestrians & drivers	Successful destinations for consumers More investment in new/improved space An overall lift in the CBD's look and feel New audiences for City businesses Increased visitation and advocacy
Performance	Consumer spending has remained flat, while locals are buying more online or when travelling. There is immediate need to arrest attrition, prioritise Invercargill traders and encourage businesses to reach new markets.	• Culture. Building confidence and commercial community • Consumer Centricity. Interpreting and responding to needs • Endurance. Strategies that continue delivering success • Earned Loyalty. Encouraging the reprioritisation of spending • Resilience. Strengthening stakeholders' through risk management	Leadership, messaging & actions Awareness and agility in response CBD guardianship programmes Deserved goodwill and support Robust risk management planning

2.5 Current Position

Strengths	Challenges
Welcome Culture. Natural warmth and hospitality that typifies Southland	**Spending Attrition.** Consumers buying more online and when travelling
Differentiation. Unique, independent retailers not seen elsewhere	**Retail Offer.** Brands are missing and store environments contrast with other cities
Heritage. A characterful City with engaging architectural and commercial back-story	**Hospitality Offer.** Too few Chef-led food and beverage destinations
Leadership. Commercial and Civic support to achieve and sustain change	**Artisan Sector.** Fewer foodstuff and product creatives
Experience. Capable, resourced and collegial business community	**Variability.** Customer experience lacks necessary continuity
Commitment to Change. Recognition the city must lift its game to compete	**Fragility.** Independent businesses at increasing risk from competition
Capability. Funding channels for major regenerative projects in place	**Seismic Risk.** Building safety and suitability is limiting future use.
Performance. Invercargill businesses often outshine comparators elsewhere	**Trends.** Aging and declining population forecast without significant interventions
Street -Front Strength. No shopping centres drawing consumers or competing for retailers	**Pace of Change.** Progress to date has been slow
Tourism. Visitor destinations welcoming global audiences	**Bulk Retail Area.** Destination locations have attracted some retailers and consumer goodwill
Educational Hub. SIT brings a significant audience and opportunity to Invercargill	**Proximity.** Daytime population centres (employers & campus) on the City fringe
Growth Focus. Unified strategies and actions to bring 10,000 more people to Southland	**Scale of Need.** Significant investment required to fully realise potential
	Convenience. Vehicle access and parking costs can compromise visitation potential

3 Attraction

3.1 Proposition & Differentiation

Successful cities around the world are increasingly using brand and leveraging themes to define proposition and create aspiration around their offer. This is a primary opportunity for Invercargill CBD.

With destination competition increasing and new audiences to engage, a unique selling proposition – delivered through brand, is vital in differentiating and building attraction for the city centre.

3.1.1 City Brand

Consumer perception and sentiment was an issue raised frequently during discussions around Invercargill's City Centre's attraction.

Some stakeholders feel locals have fallen out of love with the CBD as other destinations and online shopping became more compelling options.

Lack of a contemporary, inspiring theme for Invercargill's CBD contrasts with what other progressive New Zealand cities are achieving around creating brand and personality.

Strong city brands engender emotion and deliver promise – inspiring consumers and bringing stakeholders together while often helping define and curate their offers, too.

For Invercargill – a city that is managing legacy perspectives, better defining its proposition for a future audience is vital if Council and commercial stakeholders want to achieve positive consumer advocacy and strengthen commercial performance.

Without strategy, cities effectively become branded by others, – often negatively and unfairly. Perceptions, incorrect assumptions and stereotypical themes manifest and can work against their CBD's – and businesses that operate within them.

Invercargill is entering an exciting phase of evolution. New developments, necessary relocations, potential for cultural destinations and a growing tourism sector demonstrate a City reshaping rapidly now after a long hiatus.

Change in such scale enables the CBD to consider fresh branding that balances appeal and relevance to its existing market – and also those it most wants to attract.

Development of a CBD brand should be a priority for Council and stakeholders. This is a fundamental element of future promotion, digital initiatives & streetscapes.

3.1.2 Precincts

Invercargill is developing unique and characterful areas within the City, represented through business mix, themes or future goals around sectors that will establish there.

These include the designer cluster evolving on Kelvin Street, , the heritage precinct surrounding Motorcycle Mecca and a potential Arts & Culture Precinct where an Arts Centre and City Archive could locate in.

Other possibilities could include an artisan food and drink sector centring around Invercargill Brewery – an area that lends itself to further mixed production and retail uses.

Precinct brands should develop as a subset of the main City identity - evolving as business clusters reach a critical mass to make them a clear, consumer proposition.

3.1.3 Unique Selling Proposition

The increasing 'sameness' of many cities through a proliferation of chain stores has impacted consumer attraction and engagement. Invercargill is fortunate to retain independent traders and businesses consumers don't see elsewhere.

The City's strong mix of local businesses balances with the necessary representation of national and international brands that make up the CBD. Independent stores help set Invercargill apart from other main centres – creating a unique and valuable point of difference.

Identifying themes that leverage this differentiation is a key part of helping reposition the city's attraction. Concepts that resonate successfully with consumers include:

1. **Independent Businesses**. Invercargill's CBD has a higher proportion of owner-operated stores than other cities. Leveraging this differentiation builds attraction.
2. **Celebrating Shopping Heritage.** Many of Invercargill's businesses have served their community for generations with captivating history and strong narratives to share.
3. **Artisans.** Invercargill has a small but growing number of businesses producing and selling bespoke products utilising local materials, skills and labour. Developing collective presence and sharing back-stories helps encourage consumer awareness and builds demand.
4. **Provenance.** Southland's bounty provides a distinct advantage for the food and beverage sector. The development of a restaurant week, celebrating provenance through championing of menu items using local produce and wider recognition of Invercargill's strong ties with the land and ocean, all define an offer unique to the area.

Invercargill must share its individual stories and amplify its wider message of uniqueness - creating intrigue, attraction, connection and demand for the City and it's consumer proposition.

Brand Examples

City/Area	Brand	Theme
Auckland CBD, NZ	The Show Never Stops	Action, Style, Internationalism
Hamilton, NZ	Hamilton Central	Discovery & Eclectic mix.
Dominion Road, NZ	World Within A Street	Cosmopolitan, Something for all
Leeds, UK	Leeds. Love it Live It	Energy, Vitality
Shrewsbury, UK	Shrewsbury. The Original, One Off.	Bespoke, Artisan, Unique

Brand Aligned Icon Event Examples

City/Area	Destination Attraction	Theme
Wellington, NZ	Visa Wellington on a Plate	Food & Beverage Capital
Auckland, NZ	Autumn of the Arts	A World City
Napier, NZ	Art Deco Weekend	Nostalgia

3.2 Drawcards

Invercargill's CBD offer is diluted, tired and at risk of falling out of favour with consumers. By contrast with other main centres the city has not kept pace with contemporary retail or hospitality trends.

Action is needed to restore attraction by developing greater concentration of quality, market-aligned stores, cafes and restaurants that strengthen the CBD's heart, provision for new operators that wish to locate there and improve the presentation and proposition for other businesses. This will support the evolution of a contemporary City Centre destination that consumers' want to visit and support.

Reflecting Expectation

Invercargill consumers' have understandably high expectations from their City's retail offer.

Many locals' visit Queenstown and Dunedin, while others travel nationally and internationally - developing awareness, expectation and appetite for fresh shopping and dining experiences.

A wider range of retail brands, modern store environments and a contemporary café scene often typify these destinations, however this experience contrasts with Invercargill's offer.

Bringing new concepts to the city that will be supported by the marketplace is important in developing diversity, interest and competition – necessary aspects in attracting consumers.

The city needs to be dynamic and responsive in reflecting current and emerging trends in order to be a destination of choice for both locals and visitors.

Critical Mass

Strength in a city's retail attraction comes from experience, convenience, mix and delivery.

Achieving greater concentration of quality stores and hospitality operators in Invercargill's centre and reducing fragmentation from vacancies is vital. Developing a mix of contemporary, market-aligned retail and food offers – coupled with exceptional customer experiences is also fundamental to ensuring an attractive and engaging proposition.

The primary focus should centre on Esk Street from H & J Smith's store through to the junction of Dee Street. This should be known and celebrated as the City's heart and region's premier shopping strip.

Ensuring the Esk Street precinct is home to popular brands, local favourites and anchor retailers will achieve the critical mass necessary delivering destination value for consumers' and increased commercial performance. Strength here will support wider City Centre success.

A quality City Centre experience is vital in developing a defensible consumer proposition over fringe locations, future out of town developments and Internet shopping options.

3.2.1 Precincts & Category Clusters

Aggregating similar categories within a defined area develops consumer confidence around range, availability and affordability. It also helps bricks and mortar retailers compete against online alternatives aggregating outlets to deliver choice, immediacy and convenience.

Invercargill's existing category clusters include Upper Esk Street (Fast fashion) and Kelvin Street (Designer fashion), however others are emerging – or could be developed.

Encouraging businesses to consider and property owners to enable, complementary groupings of like categories supports greater performance and resilience of retail and hospitality sectors.

3.2.2 Anchors

The City's major retail anchors include H & J Smith, Farmers & E. Hayes. These businesses are destinations in their own right, attracting consumers directly to their stores, but also benefiting the wider CBD economy by driving visitation and stimulating further spend.

H & J Smith's store effectively bookends the prime shopping strip of Esk Street while E. Hayes is a destination location on the City fringe. Farmers straddles the city fringe facing Dee Street, but with greater presence and visitation from the Leven Street entrance – away from the CBD.

It is important to encourage current retail anchors to strengthen CBD connections – along with supporting development of new central city spaces. This would enable further large retailers to enter the market - helping attract consumers into Invercargill City's Centre.

The SoRDS strategy advocates for the re-development of the Cambridge Precinct – a proposed retail and hospitality complex located between Tay and Esk Streets. Provisioning for new store formats and larger scale requirements would encourage and enable major brands keen to enter the local market, but hampered by the availability of suitable space.

The Cambridge Place development would be transformational for the City in delivering modern shopping and dining environments - necessary to engage both consumers – and retailers with Invercargill's CBD. Priority should be given to accelerating progress on this project.

3.3 Market Visibility

Invercargill City Centre suffers from a lack of consumer visibility, positive media profiles and advocacy. These elements are vital in attracting consumers' and demonstrating destination value.

Challenges lie in the shared responsibility for messaging between Invercargill City Council and regional development organisation, Venture Southland. A need for greater emphasis from Council on marketing for the CBD, contrasts with Venture Southland's remit of regional promotion.

3.3.1 Integrated Strategy

Invercargill CBD has relied predominantly on traditional media channels in reaching and engaging consumers. While effective in connecting some demographics, this strategy is likely to miss markets most valuable to businesses – such as younger, digitally savvy consumers.

Invercargill has many businesses skilled and active in delivering consumer-facing messages into the community and beyond. Through an integrated approach, Retailers, cafes, restaurants and tourism operators have potential to support the City's goals for visibility and attraction.

Digital Profile & Performance

Around 70% of purchasing decisions are now influenced digitally[1]. Web browsing, social media and email marketing are a part of, or replace many shopping journeys, making online channels vital for cities, retailers or hospitality businesses wanting to be part of consumers' decision set.

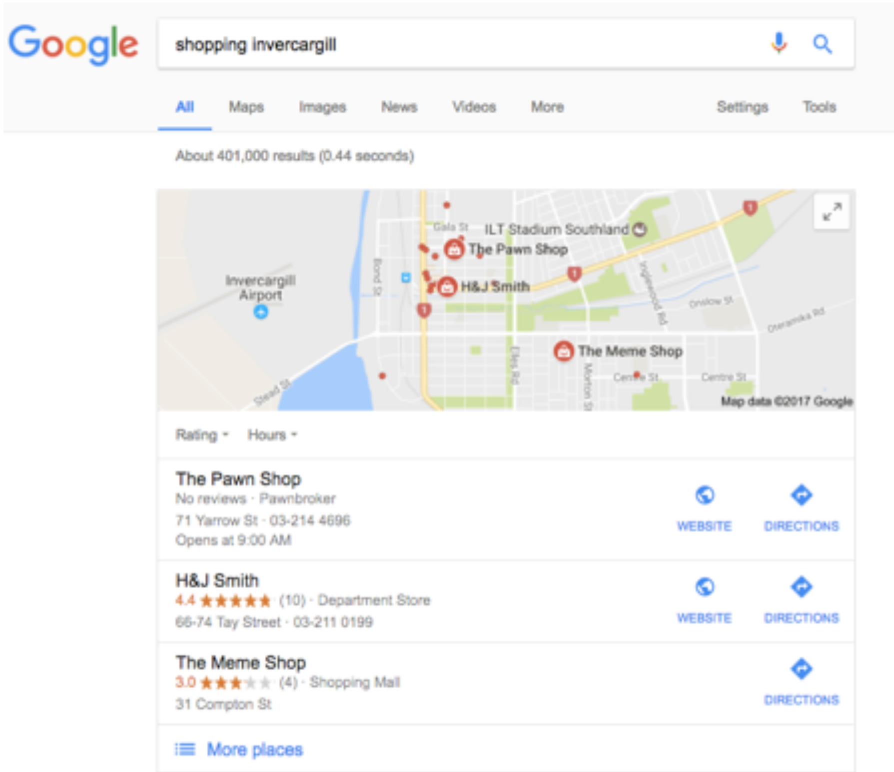
Invercargill's CBD lacks strong digital profile that almost certainly will be compromising attraction and performance. Other commercial communities – such as Hamilton, faced with similar challenges have developed shared visibility through development of e-commerce marketplaces where businesses coalesce.

Developing a collective online presence for the CBD through a shared Marketplace model, then helping businesses develop capability and profile is vital in accelerating performance.

3.3.2 Advocacy

Bloggers, community champions, businesspeople and others could become effective ambassadors for the CBD - supporting initiatives, sharing stories with the marketplace and highlighting civic and commercial initiatives. Engaging and leveraging key influencers has worked successfully in places such as Wellington, Auckland and Queenstown.

Invercargill should develop City Champions to boost profile by growing and supporting independent advocacy across the consumer and commercial realm.



Invercargill's CBD lacks a strong digital profile which almost certainly will be compromising performance for businesses. This is represented well by a search for "shopping Invercargill" that includes only two inner city retailers and one non-operating trader in top ranking results (March 2017)

[1] Navigating the Digital Divide – Deloitte Research 2016
[2] Vibrant Urban Centre's Action Plan Workshop Outcomes
[3] Invercargill Public Art Gallery Survey 2016

3.4 Inclusion

Invercargill's static population delivers a modest audience size by comparison with other New Zealand cities. This means the CBD and its businesses must achieve the broadest attraction and appeal possible. Themes and strategies should engage a range of demographics, while also connecting those the region most want to attract under their goal to welcome 10,000 more people by 2025.

Customer segments the City needs to consider through specific solutions and messaging include younger demographics, value conscious shoppers, families, the aging population and diverse cultures.

3.4.1 Value Proposition

Growth of out-of-town shopping destinations – particularly in the value-priced marketplace has meant some consumer demographics have disengaged from traditional city centre offers.

With a perception of more expensive stores, a costlier food offer and having to pay for parking, cities can lose attraction over the convenience and competitive promise of big-box retailers that increasingly congregate away from CBD's. Declining pedestrian counts and increased spending attrition are a result of these types of competition.

While this shift in attention, spending and goodwill has an immediate effect on businesses, it can also drive a generational impact – affecting customer succession. Pro-actively monitoring attraction and consumer sentiment can mitigate risk by ensuring cities 'meet their market'

It is vital to keep Invercargill's CBD on radar with all consumers by encouraging a diversity of retailers that appeal across different demographics and deliver wider affordability.

Where value-orientated commercial models are unable to fit within the inner city 'heart of retail' precinct, clear physical connections between these retailers' fringe locations and the CBD should be made to encourage seamless customer transition and continued engagement.

3.4.2 Family Centric

Family-focused strategies are recognised by Council as a key differentiator in engaging consumers with the CBD. This proposition is unique to Invercargill City and aligns with the region's wider goals for population growth through a focus on lifestyle.

Since 2011, Invercargill has enabled and championed a range of initiatives designed to attract families through events, commercial collaborations and messaging. Leveraging this strategy by the CBD's retail, hospitality and tourism sector will help maintain connection and relevance, while also supporting goals for customer succession.

Family-centric themes are cornerstones, however the City should balance this by demonstrating continued relevance for young professionals and others looking for a more mature offering. This is a demographic Invercargill must increasingly cater for in order to retain talent and develop a more cosmopolitan proposition.

3.4.3 Accessibility

Invercargill faces an aging population, proportionally higher than other New Zealand cities.

This creates both challenges and opportunities for planners, retailers and property owners in developing a proposition that is attractive and suitable for the elderly – helping them retain connection and relevance with the CBD's offer.

Globally, cities are adapting infrastructure, buildings and future developments to better provision for the older demographic. Retailers and hospitality operators are also evolving their propositions to support this growing market.

Invercargill's level streetscape enables ease of mobility, while the community's culture has long been supportive of the senior sectors.

The City Centre must champion accessibility and support for older or less able people, helping maintain relevance and strengthen consumer goodwill with the CBD.

3.4.4 Cultural Diversity

Invercargill's growth in international residents and longer-term overseas visitors is driven by employment and education opportunities. The region is also eyeing immigration as a key opportunity as part of its population growth targets.

With these areas continuing to develop, the City can look forward to a future customer audience with increasingly diverse needs and expectations. This provides potential for stores and food businesses to cater for new markets that will satisfy more global tastes

Invercargill is already seeing an emerging ethnic cluster of cafes and retail stores that are catering to Invercargill's multi-cultural audience – much driven by the education sector, including Southland Institute of Technology (SIT).

It is important to understand the needs, expectations and opportunities from this dynamic and evolving segment – helping businesses respond and benefit, while delivering the amenity value an international community would expect from a modern city centre.

3.5 Relevance And Frequency

Invercargill CBD was once a frequent and favoured destination for the community. Shopping, dining, entertainment, healthcare and professional services all located in the Central City meaning most residents needed to connect and engage regularly.

Growth in destination shopping, suburban and out-of-town development has all led to a dilution of the City Centres' once strong relevance and attraction. Online shopping has further eroded relevance and neccessity – reducing need for visitation and frequency of connection. Invercargill's upcoming opportunities provide potential to re-prioritise the Central City in decisions for the location of arts and cultural destinations, public amenity spaces, Civic and healthcare facilities and events. These activities support resilience and growth of the retail and hospitality sector.

3.5.1 Arts & Heritage

Arts, culture and heritage is recognised as a major opportunity in revitalising Invercargill's CBD.

Attracting new and diverse audiences, an Arts Centre is seen as one of the missing links in the City's wider proposition and future offer. It will also deliver significant regeneration potential[2] -.

The focus on an Arts Centre reflects success similar projects have delivered to comparable cities, but also helps realise opportunities to integrate SIT courses and activities within the planned multi-functional development. The combined facility would be unique, nationally.

A recent pop-up Gallery in Invercargill's CBD reinforced interest from locals and the commercial community to the value of greater accessibility to the arts and synergies with the neighbouring commercial community. During 2016 a survey[3] of local residents indicated a desire to see Invercargill's 1000 piece art collection located in the City.

Proponents believe a CBD position would attract more visitors, as does the SoRDS's strategy that has made this initiative one of the five key pillars in Central City transformation.

Currently, Invercargill is considering the most appropriate location for a Gallery based on the Vibrant Urban Centre's Action Plan. This report explores sites where an Art Gallery would most benefit the City's economy through attracting visitation and building new audiences.

A mid-block location in Esk Street would site the gallery in the heart of the city's shopping area. While beneficial in revitalising this precinct, non-retail uses can 'break' continuous shopping strips – lessening intensity and critical mass necessary for consumer appeal and convenience.

The second location better supports commercial goals - placing the Gallery on Dee Street at the Southern end of the City's heart. This area has greater benefit to CBD revitalisation as it enables future clustering of cultural destinations – including City Archives - effectively 'bookends' the main commercial area.

3.5.2 Amenity Spaces

Invercargill's goal to position and lead, as a family friendly destination requires greater attention to the development of inner city parks and recreational spaces.

These amenities strengthen destination value, encourage dwell time and are aspirations for many towns and cities . Local authorities in Nelson, Wellington and Porirua have successfully created 'pocket' and 'pop-up' parks as facilities for workers, residents and visitors to enjoy.

The creation of either permanent or temporary amenity spaces in the CBD will add necessary attraction, interest and relevance – supporting social and commercial goals.

3.5.3 Library

Libraries are seeing renewed relevance across New Zealand's cities and towns as they increasingly develop as community hubs – supporting education, social connection and other needs associated with progressive urban areas.

Invercargill's opportunity is unique as Council considers partnering with education provider, Southern Institute of Technology (SIT) to deliver a shared facility for residents and students.

Attracting students into the city centre is recognised as a vital part of improving visitation. SIT has 5000 students on its Invercargill Campus, presenting a significant audience for retail and hospitality businesses that are most reliant on footfall to drive sales conversion.

Central City locations can ably support the necessary balance between community amenity, convenience and educational partnerships as demonstrated in cities such as Hamilton and Wellington.

Future location options for the Library should prioritise it's value to the CBD's regeneration encouraging consumers close to the City's heart and act as a 'stepping stone' between the campus and existing or future facilities – such as the Arts Centre.

[2] Vibrant Urban Centre's Action Plan Workshop Outcomes
[3] Invercargill Public Art Gallery Survey 2016

3.5.4 Farmers' Markets

Events such as Farmers Markets draw shoppers as much for social connection as they do provenance, freshness and value. Consumers embrace the community connections and atmosphere these activities generate – helping realise new relevance for inner city areas.

In Nelson a midweek market has helped reactivate a shopping precinct that was suffering decline in visitation and loss of tenancies. In other areas, weekend markets have generated pedestrian traffic and boost the wider retail and hospitality economy.

3.5.5 Food Truck Friday

Much as Markets encourage regular visits for provisions and connection, weekly food events also develop positive changes in consumer behaviour, attraction and frequency of visit.

Rotorua's Thursday night food market demonstrates how a weekly event can re-engage locals, become a visitor destination and support surrounding businesses. Invercargill's Food Truck Friday has potential to encourage new audiences into the City to stimulate the wider economy.

Council should continue encouraging similar traditional produce and food formats to develop strategically in supporting CBD attraction, visitation, relevance and destination value.

3.5.6 Healthcare Facilities

Typically most cities have lost healthcare facilities to suburban locations as providers look to develop larger 'hub' operations – bringing together a wider range of services under one roof.

Efficiencies and practicalities drive this trend – enabling purpose built spaces and other allied care solutions. Out of town areas usually deliver the scale that enables these requirements.

Heath centres attract considerable visitation and support retail uses such as pharmacy and natural health stores. When providers locate out of a City, these businesses tend to follow.

In Te Awamutu, the town's main medical centre shifted into a new destination retail park alongside banks, supermarkets and home improvement stores. With it went a large pharmacy that had been a favourite local destination for generations. Losing customer visitation from both the health centre and pharmacy had significant commercial impact on the township.

Invercargill has opportunity to realise integrated healthcare facilities in the City. Given potential for these projects to happen in other areas less connected or beneficial to the CBD, Council should support the concept and development of health and wellness precincts.

The Govett Brewster Gallery and Len Lye Centre have attracted people back into the arts and culture quarter of New Plymouth City Centre - supporting localised revival of the shopping and dining precinct nearby. This contrasts with other parts of the City that remain struggling.

Emerging events such as Invercargill's Food Truck Friday have potential to encourage more consumers into the City Centre from their offices – helping stimulate the wider retail and hospitality offer.

3.6 Tourism

The visitor economy continues to develop across Southland buoyed by increased international tourism, growing awareness of the region and new destinations – such as Transport World and Motorcycle Mecca. Leveraging increased visitation is one of the primary commercial opportunities for Invercargill City Centre businesses.

The Motorcycle Museum – opened in November 2016 and a hotel proposed to service higher end tourism and national events were both identified in the SoRDS report as part of the five transformational projects intended to achieve rejuvenation necessary to provide focus and confidence for other businesses to thrive.

3.6.1 Visitor Proposition

With other destinations vying for attention and spend Invercargill CBD must develop a unique and compelling proposition for its shopping, dining and entertainment offer.

Brand and culture play a key part – helping demonstrate an integrated offer consumers identify with and want to be a part of. Other main centres – such as Auckland and Wellington achieve this by focusing on aspirational lifestyle themes – such as food and entertainment.

Invercargill CBD needs to determine then celebrate and promote its unique selling points the consumer demographics it most want to attract, identify with and respond to.

3.6.2 Campervan Friendly

Campervan travellers currently represent one of Southland's largest tourism growth sectors.

With Invercargill a key gateway, free independent travellers' to the nearby Catlin's topped 2000 vehicles daily by the end of summer 2015[4], Around 150,000 people take the Southern Scenic Route through this area annually however many of these miss connecting with the CBD.

Realising commercial benefits for the City Centre requires a strong promotional proposition and development of campervan parking and facilities nearby hospitality businesses and retail.

Other cities have achieved this through dynamic or temporary solutions – such as pop-up campervan parks. In Wellington, a large development site on the waterfront was activated until the CBD property market was ready for more office space.

Invercargill is likely to have similar situations where sites are in development hiatus. Property owners can be encouraged to activate these for temporary campervan parking and facilities.

Invercargill should capitalise on growth from the Campervan sector by developing facilities in or close to the CBD that will directly support nearby retail, hospitality and tourism businesses.

[4] Venture Southland Tourism Report, November 2016

3.6.3 Accommodation

Hotels are a pivotal element in strengthening the City's economy by enabling and supporting greater visitation. Retail, hospitality and tourism sectors benefit economically from leisure travellers, business visitors, conferences and locals attending events.

These activities are anticipated to increase in scale and frequency if improved facilities with greater capacity were available.

The imminent announcement of a new hotel for Invercargill's CBD is welcomed. This will deliver more capacity and improved quality – both important factors in attracting people into the City to stay and spend. It will also mark a demonstrable shift in positioning and proposition.

A fresh, contemporary hotel proposition will support attraction by stimulating competition and compelling other providers to also improve their offer.

Encouraging continued growth and renewal across Invercargill's accommodation sector should be a shared goal for Council, Venture Southland and businesses and a catalyst to attracting more visitors into the City Centre.

3.6.4 Air Travel Connections

By air Invercargill is one of New Zealand's most expensive destinations. High ticket prices mean people often opt instead to travel via Queenstown or Dunedin due to more competitive fares and connections. This contributes to spending attrition that impacts local businesses.

Competition between carriers has helped cities such as New Plymouth and Nelson increase appeal, visitation and performance. Invercargill could look forward to similar economic benefits if air travel was more affordable and convenient.

Focus and efforts from economic development agencies, the hospitality, tourism and corporate sector needs to go into developing competitive travel offers that encourage better connections and visitation.

3.7 Attraction - Recommended Initiatives

<table>
<tr><th>PRIORITY</th><th colspan="2">STRATEGY</th><th>ACTION POINTS – CIVIC INITIATIVES</th><th>ACTION POINTS - COMMERCIAL</th></tr>
<tr><td rowspan="3">1</td><td rowspan="3">Proposition</td><td rowspan="3">Theme and promise that personalises the City & enthuses consumers.</td><td>Clarity. A united brand that resonates with consumers reflecting destination value, uniqueness and aspiration.</td><td>Collaborative development to ensure the CBD’s new brand is contemporary and best reflects current and future audiences.</td></tr>
<tr><td colspan="2">Immersive Messaging. Council and stakeholders in unison adopting and promoting the Central City’s new brand.</td></tr>
<tr><td colspan="2">Developing Champions. Building a collective ‘Friends of he City’ network of consumers, community leaders and business people that will initiate positive conversations, support advocacy and become cheerleaders for Invercargill CBD.</td></tr>
<tr><td>3</td><td>Differentiation</td><td>A unique and compelling offer.</td><td colspan="2">Profile & Reach. Creating appeal and destination value on a local, regional and national stage by accentuating Invercargill’s unique selling features such as heritage, independent retailers, traditional values and service.</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Drawcards</td><td rowspan="2">Complementary retail, hospitality & tourism destinations that will draw consumers to the City.</td><td>Critical Mass. Encourage developments or improvements in the City’s heart to further concentrate the consumer offer.</td><td>Prioritise quality retail & hospitality use for the inner City.</td></tr>
<tr><td>Anchors. Encourage needs alignment, appropriate scale & quality in upcoming developments to attract major stores.</td><td>Seek, secure then provision for larger scale users in existing sites or future developments to strengthen the City’s offer.</td></tr>
<tr><td rowspan="3">4</td><td rowspan="3">Visibility</td><td rowspan="3">Developing awareness and support for the CBD - locally and beyond.</td><td>Strategy. An integrated marketing and digital strategy that positions Invercargill City positively in consumers’ minds.</td><td>Aligning individual business’ key consumer messaging with common themes - demonstrating collective proposition.</td></tr>
<tr><td>Profile. Maximising messaging reach and engagement to develop wider recognition for the City and its offer.</td><td>Businesses leveraging their own expansive networks to take Invercargill’s message beyond local audiences.</td></tr>
<tr><td>Endurance. Ensuring initiatives are built successfully on - continuing to add value for the City & its stakeholders.</td><td>Long-term commitment, participation and alignment with marketing themes – ensuring immersion and continuity.</td></tr>
<tr><td rowspan="4">5</td><td rowspan="4">Inclusion</td><td rowspan="4">A place all demographics enjoy, spend time in & advocate for.</td><td>Value Proposition. Promoting the City as a place for all budgets, needs, reasons and seasons.</td><td>Interpret and respond to gaps in the market, helping reduce spending attrition and increase perceived destination value.</td></tr>
<tr><td>Family Centric. Leveraging Invercargill’s family friendly theme to increase appeal, relevance and engagement.</td><td>Include family friendly strategies as a cornerstone to property, product, service and marketing initiatives.</td></tr>
<tr><td>Accessibility. A city recognised for its welcome and accessibility for the elderly and those less mobile.</td><td>Ensure premises, staff training and messaging reflects the city’s aspirations as an accessible, friendly destination.</td></tr>
<tr><td>Ethnic Offer. Interpreting cultural needs, expectations and commercial opportunities from emerging markets.</td><td>Supporting businesses to develop or enhance their ethnic offers to satisfy opportunities.</td></tr>
</table>

3.8 Attraction - Recommended Initiatives (Continued)

PRIORITY	STRATEGY		ACTION POINTS – CIVIC INITIATIVES	ACTION POINTS - COMMERCIAL
6	Relevance	Civic & cultural destinations that connect & engage people with the City's heart.	Arts & Culture. Encourage cluster development of arts and cultural destinations to build a compelling proposition.	Supporting the location of contemporary cultural, recreational and civic amenity destinations in the City's heart to increase attraction, visitation and relevance.
			Amenity. Developing and celebrating inner city recreational spaces that will complement the retail and hospitality offer.	
			Civic Facilities. Ensure any Library redevelopment or relocation strengthens the City's heart through positioning.	
			Healthcare. Supporting commercial initiatives that aggregate providers and services near the CBD to maintain consumer connection and relevance.	
			Events. Prioritising the City as a location for local events where possible - helping residents maintain connection.	Working in partnership with Council to maximise commercial potential, consumer enjoyment and goodwill from events.
7	Frequency	Create reasons for people to visit the city on a confident & regular basis.	Weekly Activities. Encouraging Farmers' & Artisan Markets in the City to build habitual visitation & consumer advocacy.	Support the provision of space and resources to develop a weekly market connecting consumers regularly with the City.
			Library. A contemporary, shared library format that anchors the community and draws SIT's students into the City's heart	Support and provision for the integration of the library and any future SIT lodging or facilities into the Central City.
8	Tourism	A compelling, integrated offer that includes attractions, accommodation and hospitality	Promotion. Collaboratively explore new digital models of delivering tourism marketing and visitor wayfinding.	
			Campervan Friendly. Becoming recognised as the City that genuinely welcomes and supports campervan travellers.	Support the provision of space and resources to develop city or fringe campervan parking & facilities.
			Accommodation. Supporting the addition of more accommodation capacity, increased quality and greater affordability.	
			Connections. Advocating for competitive travel options and enhanced frequency - helping make Invercargill a more economically competitive destination, while stemming travel and spending attrition to Dunedin and Queenstown.	

3.9 Attraction – Measures Of Success

Priority	Key Indicator	How Will We Achieve This	Measure	2018	2019	2022
1	Increased Visitation	Re-engaging locals, lifting frequency, attracting provincial audiences & increasing tourism.	Visitor Numbers			
2	Brand Adoption & Recognition	Application and use of the City's new brand across the public realm by Council & businesses.	Analysis			
3	Draw cards - Mini Major	New brands opening that meet the needs & expectations of Invercargill's consumers.	Leasings			
4	Draw card - Large	A major retailer locating into the heart of the City Centre.	Developments			
5	Widened Attraction Value	Tourism, cultural and entertainment destinations establishing or strengthening in the City.	Developments			
6	Unique Selling Propositions	Defining key customer-engaging themes businesses' can leverage and develop from	Surveys			
7	Profile	Media strategy that develops key messaging and collateral for Council & businesses to use.	Media Coverage			

QUICK WINS

Brand

A fresh, aspirational brand & theme for Invercargill's City Centre

Advocacy Champions

Community cheerleaders that create and share key CBD messaging

Digital Visibility

Best practice in online profile & capability prioritising local businesses

CBD Specific Promotion

Dedicated City Centre marketing that refocuses consumers on local offers

BIG WINS

Anchors & Attractors

Retail and hospitality brands that deliver attraction & destination value

City Centre Events

Consumers engaging frequently with the CBD through activities & events

Differentiation

Invercargill's unique edge recognised & endorsed by consumers

Arts & Culture Cluster

A unique creative destination that delivers wide appeal & relevance

4 Experience

4.1 City Centre Experience

Experience encompasses all aspects of consumers' interaction with the City Centre, from discovery and visit to purchase and beyond. In an increasingly competitive retail, hospitality and tourism marketplace, delivering exceptional customer experiences across all touch-points will help the CBD differentiate, secure goodwill and generate advocacy.

Invercargill's City Centre and businesses are challenged by local, regional and international competition – drawing consumers and revenue away from the CBD. Spending attrition from local consumers through online sales, or purchases made elsewhere is disproportionately high and continues to grow, while many of the tourists visiting the region don't stop or spend in the City..

The City has potential to win back spending and goodwill through a unified focus on customer experience. This begins with a culture that shapes its offer around the consumer, and then differentiates by providing a CBD shopping, dining and entertainment environment people enjoy being part of, tell others about and return to often.

Invercargill can be New Zealand's most customer-centric City by better understanding demand & opportunity, then aligning to meet the market.

4.1.1 Uniquely Invercargill

Consumer loyalty, spend and advocacy must be earned, not assumed or taken for granted.

Variable service delivery and performance from some businesses have featured in a number of commercial and consumer insights[5]. Inconsistency has potential to compromise goodwill and provide customers valid reasons to shop elsewhere – or online.

Southlander's naturally warm, hospitable personalities provide an ideal foundation to build standards that redefine service and customer experience. Balancing the 'Southland Way" with modern expectations around customer experience requires shared thinking and actions from customer-facing businesses to determine then train for an agreed standard.

Invercargill has potential to celebrate its own unique culture around welcome and service that would define the CBD as a place people enjoy spending time in and endorse. This could include focus on developing greater depth of connection and engagement with customers, 'old fashioned' levels of attention and appreciation that would set the city apart from competitors.

With values linked to the proposed City brand this differentiated delivery should become a recognised and rewarded feature businesses and their teams aspire toward.

Developed collaboratively between Council, Venture Southland & stakeholders, development of a unified customer experience standard that's specific to Invercargill should be a priority.

4.1.2 Consistency Of Hours

Consumers value the convenience and certainty businesses will be open when they are most needed. These include consistent opening and closing times along with weekend uniformity.

The diversity of retailers in Invercargill City Centre results in a range of opening hours that have evolved over time to best suit individual businesses. This has potential to impact confidence and goodwill for the CBD.

Vulnerability

- **Competition.** CBD variability contrasts with the consistency of out-of-town stores.
- **Online.** Consumers readily opt for online shopping if local alternatives are difficult.

Opportunities

- **Assurance.** Consistency enables more confident marketing of the CBD.
- **Re-Welcoming Consumers**. Demonstrating customer-led change builds goodwill.

Encouraging standardisation is important. While unlikely the City Centre will achieve complete uniformity, greater consistency supports goals to improve the customer experience and deliver greater assurance stores will be open when customers most need them.

[5] Southland Business Survey 2016 – Improving Customer Service was the second biggest issue identified by Retailers

4.2 City Ambassadors

Volunteer groups such as Community Patrols provide a valuable role in keeping Invercargill's suburbs safe and functioning well. Similar stakeholder-led guardianship models could support the CBD.

A City Ambassadors programme would enhance visitor experience by delivering information on businesses, local amenities and a friendly face to help personalise Invercargill's CBD.

In a dual function the volunteers' role could also include monitoring issues that could compromise the City's brand and visitor experience – such as cleanliness, maintenance, anti-social behaviour or other risks.

Most large New Zealand cities have funded programmes, however there is a growing trend from smaller cities to develop volunteer-based guardianship roles. A non-commercial model would suit Invercargill's needs that primarily centre on tourism information and supporting the inner city community.

Example. City Hosts Wellington.

The Capital's programme focuses on the welfare of citizens and visitors, by being the eyes and ears of the City. Interactions range from guiding overseas tourists to working with more vulnerable members of the community – such as the homeless,

Operating individually, or in pairs, personnel are ready to help with directions or advice. Staff also monitor infrastructure issues and assist Police with operational tasks when necessary.

Example. City Watch - Auckland.

As ambassadors, Auckland's City Watch team members give advice and directions to locals and out of town visitors. The team also use smart-phone based technology - enabling operatives to log and record maintenance, at-risk individuals/activity or other issues Council or Police need to be aware of.

Invercargill's Opportunity

Developing City Centre volunteer Ambassadors would support day to day activities, tourism, events and community welfare providing a resource that enhances the visitor experience and supports commercial stakeholders.

Leveraging experiences and operational models from other city centres, Invercargill should investigate potential to develop a volunteer Ambassador scheme that supports both community and commercial resilience goals.

4.3 Digital Wayfinding

Visitors are increasingly using smart-phone technology to navigate cities – discovering points of interest along with shopping, food and beverage and entertainment destinations.

This shifts from past reliance on traditional maps and physical visits to iSITE's to immediate and self-managed guiding .

The trend has meant visitors are now more dynamic in spending decisions – prioritising stores and hospitality operators with strong digital visibility and functionality. It also relies on cities having comprehensive online representation – aggregating CBD businesses into categories, providing street location, opening hours and other information supporting destination decisions.

Through a Marketplace[6] model, Invercargill has potential to integrate digital wayfinding functionality into City Centre online portals, delivering ehnanced consumer connection for businesses and lessening reliance on traditional visitor information channels.

4.4 Online Advocacy

Incomplete digital visibility[7] and a general lack of online advocacy through expected channels hampers some Invercargill retailers and hospitality operators. This contrasts with nearby destinations such as Queenstown and Dunedin that srategically leverage social media sites to drive visitation and reputation value.

With consumers' increasingly discovering then determining shopping, dining or entertainment destinations based on recommendations and reviews, local businesses lack a dedicated portal in which to achieve profile, connection and accolades.

Digital wayfinding and links to individaual businesses should be a core component for future Council or Tourism online portals - enhancing visitor experience, demonstrating the City's offer and maximising spending potential

Council and toursim organisations need to work collabortively with City Centre businesses to enhance online presence, develop profiles and lift review performance to develop a more compelling and confident consumer offer.

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[6] Marketplaces enable local businesses to develop shared representation and visibility, coalescing products to help consumers priorities spending locally

[7] 69% of retail businesses in Southland have a website. Venture Southland, Southland Business Survey 2016

4.5 City Offer

4.5.1 Retail & Hospitality Mix

Key Goals	Achieved By
Compelling consumer proposition	Brands and categories in most demand
Differentiation	Supporting independent & artisan sector
Contemporary retail environments	Providing the spaces suitable
Complement existing businesses	Manage impact on incumbents
Realise retail & hospitality synergies	Distribution of quality cafes throughout CBD

What Would Success Look Like?

Destination of Choice	Consumers recognising and responding to an improved offer
Increased Footfall	More people = more commercial opportunities
Increased Spending	Stemming attrition and increasing transaction values
Consumer Advocacy	People talking favourably and inspiring others to the CBD
Destination Value	Delivering more of what consumers expect and need

Key Categories

Fast Fashion Brands

Popular Australasian brands strengthening those chains already established on Esk St

Boutique Fashion

Independents offering curated ranges of apparel, footwear & personal care products

Home & Living

Both quality & value orientated homeware stores and boutiques to develop a cluster

Fashion Stationery/Gift

Brands such as Typo & Smiggle that captivate younger consumers

Cafes

Artisan coffee and food offers that leverage provenance

Chef-Led F&B

Experiential dining using cultural or poplarist themes

Parameters

1. Performance. Retailers operate successfully with a population catchment of 100,000 or less
2. Differentiation. Ranges and store environments that are unique and aspirational
3. Complement Incumbents. Retailers that would enhance and strengthen the existing offer

Demographic Focus & Appeal

Generation X (1965 – 1976)	Millenials (1977 – 1995)	Generation Z (1996 -)
Boutique Fashion, Home & Living, Cafes & Chef-Led F&B	Boutique fashion, Fast fashion, Home & Living, Cafes & Chef-Led F&B	Fast fashion, Fsshion Staionery & Gift

Process

Gap & Opportunity Analysys

- Consumer Surveys & Focus Groups
- Feedback from Incumbents
- Marketview Spending Analysys

Suitability Analysis

Which brands, emerging businesses or concepts best align with Invercargill's needs and opportunities?

Location Analysis

1. Space and profile requirements
2. Optimal synergies with existing traders
3. Area transformation potential
4. Future precinct vision for the categories

Prospect & Secure

- ✓ Proposition development
- ✓ Targetted approach
- ✓ Account managing opportunities

4.5.2 Examples

Fast Fashion	Boutique Fashion	Stationery/Gift/Accessories	Home & Living	Cafes	Chef-led
Dotti	Angel Divine	Typo	Redcurrent	Mojo Coffee	Madam Woo
Supre		Smiggle	Freedom Furniture		Nourish Group
Cotton-on Kids		Kikki-K	Nood		
Witchery		Lovisa	Early Settler		
Bendon			Adairs		
Bras'N'Things					
City Chic					
Barkers					



4.6 Experience – Recommended Initiatives

PRIORITY	STRATEGY		ACTION POINTS – CIVIC LED	ACTION POINTS - COMMERCIAL
1	Welcome	Customer experiences that are consistently positive, memorable and deserving of goodwill.	City Promise. Define and endorse consistent, quality customer experiences that differentiate the city's proposition.	Collaboratively work to champion and deliver Invercargill's aspirational customer experience promise.
			Best Practice. Standards & training, monitoring & consumer-choice awards for the best customer experiences.	Support City-led initiatives by leveraging training resources & participating in activities that celebrate customer experience.
2	Retail Mix	Categories & brands that meet & exceed consumer expectations.	Aspiration. Identifying those businesses Invercargill consumers would most like to see & spend with in the City.	Actively working to secure retailers identified as crucial in delivering Invercargill's ultimate consumer proposition.
			Differentiation. Championing the City's independent retailers and encouraging growth in the artisan sector.	Supporting business incubators and other initiatives that can give emerging operators chances at success.
3	Hospitality	Increasing visitation frequency, length of stay & spend potential by enriching current experiences.	Contemporary Café Scene. Re-doubling efforts to encourage & support culinary influence, diversity & provenance.	New or existing operators fill developing a group of hospitality sector leaders to determine gaps in the market and how these could best.
			Confident Destination. Supporting evolution of a café and restaurant strip bringing a range of quality venues together.	
			Activate After Dark. Encouraging growth and sustainably of Invercargill's nightime economy.	
4	Entertainment	Realising wider business benefits from consumers' drawn by shows & events.	Priority. Strategic support for entertainment destinations such as art house cinemas recognising attraction potential.	Provisioning future developments to include quality entertainment venues that add to the city's offer.
			Return. Ensuring support for major local or regional events results directly in spending increases for City businesses.	Developing bespoke commercial initiatives around major events to enhance visitor experience and spending.
5	Arts & Culture	New audiences and relevance for the Central City.	Cultural Precinct. Support the development of an Arts Centre and other cultural destinations on Dee Street.	
			Consolidate. Explore potential for an arts & culture precinct, realising synergies & creating destination value.	Enablement or release of property to support Civic needs and aspirations.

4.7 Experience – Recommended Initiatives (Continued)

PRIORITY	STRATEGY		ACTION POINTS – CIVIC LED	ACTION POINTS - COMMERCIAL
7	Differentiation	Activities & experiences truly unique to Invercargill.	Attraction Value. Continue evolving unique weekly activities – such as Food Truck Friday, to drive reliable, regular visitation.	
			Provenance. Develop initiatives that celebrate and profile independent businesses, local artisans and produce.	
			Event Incubators. Become the can-do Council that fosters ideas and builds unique events to support its City Centre.	
7	Expectation	Delivering all consumers' expect from a contemporary City Centre.	Consistent Hours. Establishing and encouraging unified, reliable store hours to build consumer confidence.	Contribute to discussions, agreement and delivery plans around standardisation of shop hours where possible.
			Connectivity. Continued enhancement of the free Wi-Fi system to extend reach and speed for users.	Support Council's continued Wi-Fi development programme through utility links, promotion and advocacy.
8	Discoverability	Helping visitors navigate the City Centre confidently.	Way finding. Developing unified physical & digital way finding resources to guide visitors to key destinations & amenities.	
			City Ambassadors. Creation of a volunteer group that can support visitor enquiries and monitor potential safety issues.	
9	Advocacy	Providing a platform and forum that champions the City's offer.	Profile. Website portal and social media channels giving visibility, connection and reach to inner city businesses.	A focus from all businesses around developing strong consumer advocacy on social media, review sites and wider web references.

4.8 Experience – Measures Of Success

PRIORITY	KEY INDICATOR	HOW WILL WE ACHIEVE THIS	MEASURE	2018	2019	2022
1	Customer Experience	Definition of best practice, programme development, adoption and recognition by consumers	Customer Surveys			
2	Meeting The Market	Interpretation and targeted acquisition of brands and offers most likely to add value to the City	Spending Data			
3	Engagement	Leveraging the hospitality sector to improve the City's overall experience as a destination.	Visitation Data			
6	Diversity	Tourism, cultural and entertainment destinations establishing or strengthening in the City.	Developments			
7	Support & Endorsement	Developing channels that demonstrate and champion the City's offer and recognise successful delivery.	Feedback			

QUICK WINS

Customer Experience

Agreed standards, training and execution across the City Centre

Store Hours

Greater consistency and alignment with consumer needs & expectation

Retail Refresh

New retailers opening representing the first stages of regeneration

Discoverability

City Centre & its retailers prioritised in consumers' consideration set

BIG WINS

Enhanced Retail Offer

Stores and retail environments that inspire consumers to visit and spend

Food & Beverage

New and enhanced hospitality offers that create attraction & advocacy

Entertainment

Boutique cinemas & activity that welcomes new audiences to the CBD

Arts & Culture Precinct

Dedicated area that will host the Art Centre & future cultural destinations

5 Place

5.1 Economic & Social Drivers

Invercargill's City Centre's economy and goodwill is fragile[8]. Customer needs and expectations are changing while retail and hospitality environments and streetscapes have not kept pace.

Consumers are visiting the CBD less and spending elsewhere. Reduced visitation, coupled with increasing online competition have been factors impacting commercial performance.

Environmental changes can arrest these trends by creating spaces and places people want to be – delivering a fresh, compelling consumer proposition and new audiences for inner City businesses.

Strengthen The City Centre

Improve the City Centre's overall offer and experience by ensuring modern, contemporary retail and hospitality environments that businesses want to occupy and consumers want to visit.

Expectation. Quality retail stores other cities enjoy

Definition. Concentration and scale of the retail offer

Experience. Big city range & shopping environments

Convenience. Exactly what I need, when I need it

Create Reason & Frequency

Fresh destinations, reliable, regular events and renewed relevance that will bring people out of their homes and workplaces, into City businesses – putting Invercargill's CBD back on consumers' radar.

Occasion. All-weather spaces for markets & events

Social Realm. Places the community meet & gather

Develop Amenity. Arts Centre & Accommodation

Retain & Grow Amenity. Medical Precinct & Library

Populate & Activate

Encourage inner city living, hotel developments, hostels modern offices, educational uses, campervan parking and other initiatives that increase the volume and spending potential of Invercargill CBD's audience.

Accommodation. Hotels, student hostels & apartments

Commercial Campuses. World class office environments

Campervan Facilities. Overnight parking near the CBD

Night Economy. Contemporary hospitality destinations

[8] Marketview Reporting – Changes in Spending at Invercargill Retailers and from Invercargill locals - 2016

5.2 Street Strategy – Prime Retail

Esk Street

Vision. Invercargill's premier shopping strip where a careful balance of popular local, national and international brands sit successfully alongside contemporary cafes – delivering a unique and compelling customer experience.

Currently. Representation of NZ fashion brands, however store environments are dated, vacancies exist and gaps in the offer require curation to meet consumer expectations. A noticeable lack of quality cafes amongst the retail offer.

Ideally. New or significantly improved commercial spaces enabling retail and hospitality businesses to deliver modern shopping and dining experiences that reflect the standards expected by consumers and achieved in other major cities.

Streetscape. Building decoration that enhances the city's historical character and features. Active retail edges that connect seamlessly with streets, increased outdoor seating and associated weather protection. The use of catenary lighting to create canopies, along with architectural lighting to highlight upper-floor building heritage features.

Catalyst. Major development on the Cambridge Arcade site delivering destination value for businesses and consumers.

Kelvin Street

Vision. Invercargill's designer cluster where fashion boutiques, homeware stores and artisan food vendors create a unique shopping, lifestyle and café precinct becoming an aspirational place for both locals and visitors

Currently. The genesis of a designer cluster has begun with unique, independent stores locating in the area, however empty spaces, legacy retail models, a tired streetscape and lack of quality cafes challenge achieving the critical mass necessary for greater success.

Ideally. A day and night destination with a curated mix of authentic businesses having a common theme of design, style, provenance, and differentiated customer experience.

Streetscape. Potential use of shared spaces helping blend both sides of the street to present a more integrated offer. The use of catenary lighting to create canopies - better activating the area at nights or during winter months.

Catalyst. Streetscape improvements to create an urban laneway feel. A curated approach to encouraging cafes and contemporary food vendors that will create habitual visitation and more like businesses establishing there.

Tay Street

Vision. A characterful street filled with theme-aligned mid-format retailers, hospitality and tourism destinations and civic amenities that bring new audiences into this part of the City - re-activating a once busy precinct.

Currently. An area in need of major regeneration, consisting of a mixture of retail, service and hospitality businesses without a clear theme or proposition.

Ideally. A new development would better link Tay and Esk Streets, providing modern retail and hospitality spaces to encourage fresh shopping and food concepts into the City. This may also include office space, bringing a working population back into the area. As a connector, this complex would bring customers through to the differentiated offer Tay Street would deliver.

Streetscape. Improved pedestrian connections would encourage better flow – activating both sides of the street. Greater focus on building presentation would return some of the treasured character and interest.

Catalyst. Major development on the Cambridge Arcade site delivering destination value for businesses and consumers.

5.3 Street Strategy – Edge of Prime

Dee Street

Vision. Invercargill's bohemian & arts and culture precinct where unique and characterful businesses / creatives orientate to, evoking an atmosphere of discovery.

Currently. Confusing and disconnected proposition. An uncomfortable mix of professional retailers and restaurants, part-time traders, night time bars, takeaways and empty stores that break continuity.

Ideally. Greater concentration of quality businesses including artisan retail, restaurants, independent food operators – potentially anchored by an Arts Centre and benefiting from regeneration driven by hotel development.

Streetscape. Economics challenge major regeneration. Instead focus on lifting the street appearance and under-veranda presentation of all businesses in the Precinct to improve appeal, feeling of safety and confidence for those visiting the area. Develop strong pedestrian connections with the proposed Arts Centre, new hotel, bus interchange and nearby retail destinations.

Catalyst. Arts Centre development underway. Professional businesses in a similar genre leasing empty stores to create critical mass of appeal and destination value.

Don Street

Vision. Invercargill's future corporate heart - anchored by new office developments, hospitality operations and proposed hotel - supporting a growing concentration of large businesses - co-locating for strength & vibrancy.

Currently. A mixture of banking and legal organisations, offices, retail and service formats with some hospitality businesses. No clear theme or character to define the area.

Ideally. Current developments are setting a new standard in opportunity and expectation for existing businesses and those considering opening offices in Invercargill. Potential for other icon, locally based businesses to develop their global headquarters' within the commerce precinct, creating environments that grow, secure & retain necessary talent.

Streetscape. Potential use of shared spaces helping blend the both sides of the street to present a more integrated offer. The use of festoon lighting to create atmosphere a notional 'canopy' and better activate the area at nights or during winter.

Catalyst. Current development already underway and proposed hotel provide a benchmark for others to refurbish or consider further new-builds should demand be sufficient.

Cluster Opportunities

Artisan Food & Beverage. Encouraging and enabling continued concentration of locally owned producers that make, sell and celebrate their products.

Arts & Heritage. Supporting the proposed Arts Centre with other culture and heritage destinations nearby – such as City Archives strengthens destination value.

Tourism. Building on the appeal of Motorcycle Mecca & E. Hayes & Son's to encourage further visitor attraction and entertainment destinations within the neighbouring area.

Healthcare. Leveraging current opportunity to develop an integrated healthcare facility near the CBD - strengthening key blocks and maintaining City Centre relevance.

Business & Commerce. Continue momentum driven by the new office development and possible hotel adjacent to Don Street - creating a campus-like commercial centre that businesses aspire to be part of. This could also include entrepreneurial business incubators to encourage growth.

Library Synergies. Leveraging a future library location to better activate the City Centre by acting as a 'stepping stone' between future CBD SIT facilities.

Invercargill CITY COUNCIL

Invercargill City Centre RETAIL STRATEGY

5.4 Potential Precincts

5.5 Urban Design Principles

Define City Gateways

Developing a sense of arrival and occasion by creating physical and notional gateways that signify the CBD's primary entry points. Defining and celebrating gateways contributes toward the 'theatre' necessary to differentiate Invercargill's City Centre experience over other destinations.

Connect Nearby Destinations

- **SIT –** Delineation, weather protection & journey interest
- **Bulk Retail Area –** Encouraging connection with the CBD
- **Kmart Complex** – Early planning to leverage opportunity
- **Tay Street** – Cambridge Arcade redevelopment vital
- **Don Street** – Connecting the commerce hub with CBD

Enabling Activations

Regular events that draw consumers into the CBD on a reliable and habitual basis – such as Farmer's Markets and Food Truck Fridays. Encourage residential development along with campervan parking and other initiatives that change behaviours and create new audiences for CBD businesses.

Develop Character

Leveraging and enhancing unique architectural and heritage themes – prevalent throughout the City, that resonate well with consumers' - through building improvements, exterior decoration and celebrating back-story of the site and its occupants.

Strengthen Key Corners

Determined focus to improve the appeal, anchor qualities, street connection, tenant quality and value that prime corner locations deliver to the wider CBD environment.

Continuity & Active Edges

Encourage store frontages that connect seamlessly with the street, continuity of retail occupation – reducing current vacancy and encouraging a complementary mix of food and beverage outlets within the prime shopping area.

Invercargill CITY COUNCIL

Invercargill City Centre RETAIL STRATEGY

5.6 Infrastructure & Streetscapes

Streetscape	Element	Challenges	Solutions	Priority
Street Furniture	Windstands	Maintenance Damaged, fading paint schemes affecting vibrancy	*Develop a fresh colour palette for the CBD*	High
	Light stands		*Schedule & initiate a comprehensive refurbishment programme*	High
	Bollards		*Integrate future city brand elements where appropriate*	Medium
	Seating	Amenity. Seating is infrequent & doesn't foster longer dwell times	*Improve the design and increase the number of seats*	High
	Bike stands	Amenity. Bike stands are infrequent and cumbersome	*Develop more contemporary solutions – such as bike hoops*	Medium
Weather Protection	Covered Walkways	Comfort. Wet weather affects journeys between the CBD & SIT	*Explore covered walkways from the Campus into the CBD*	Medium
	CBD	Comfort. Exposed CBD blocks require weather protection	*Consideration of pedestrian refuges and veranda extensions*	Medium
Pavement Surfaces	Footpaths	Paving Inconsistency. Mixed formats and materials	*Greater uniformity across the Central City*	Medium
		Maintenance. Undulating pavers present trip hazards	*Responsive and pro-active maintenance*	Critical
		Maintenance. Weeds growing amongst pavers & asphalt	*Enhanced maintenance regime required to improve visitor experience*	Critical
		Maintenance. Gum and stains affecting visual appeal	*Deep clean necessary with on-going efforts to minimise reoccurrence*	Critical
Lighting	Street Lighting	Attraction. The City's nightime appeal is lacking	*Catenary lighting creating 'visual canopies' & building feature lighting*	Medium
Landscaping	Plantings	Appeal. Planting choices are inconsistent & not ideal for CBD	*Strategic planting programme to enhance visual appeal & relevance*	Medium
Traffic	**Element**	**Challenges**	**Solutions**	**Priority**
Vehicle Access	Right Turn To Esk	Barriers. Difficulty accessing shopping streets affects visitation	*Infrastructure changes enabling vehicles to turn right from Dee to Esk*	High
	Two Way Don Street	Legacy. Unnecessary one way street impacts CBD accessibility	*Infrastructure changes returning Don Street to two-way traffic*	High
Amenity	Scooter Parking	Amenity. The City lacks dedicated scooter parking near the CBD	*Develop scooter parks near Esk Street to encourage visitation*	High
Pedestrian Access	Connectors	Synergies. Fringe destinations disconnected from CBD	*Defining & improving pedestrian routes to share customers with CBD*	High
	Four Way Cross	Esk & Kelvin crossing sequences impede pedestrian flow	*A four-way crossing to better activate both street-sides*	High
Laneways	Existing Laneways	Appeal. Current laneways lack attractiveness and interest	*Activate laneways through lighting, wall graphics and street surfaces*	Medium
	Potential Laneways	Connection. Future developments may limit people transition	*Ensuring laneways from new developments connect between blocks*	High

Example Images Clockwise from Bottom 1/ Pop-Up Streetspace, 2/ Shared Space Laneway 3/ Pedestrian Crossing Refuges 4/ Cruise Ship Passenger Covered Walkway – Wellington NZ

5.7 Retail Environments

Invercargill must attract more diverse retailers, while retaining and building the ones it already has, as the City's proposition and experience continues to develop strategically.

National and international brands are represented in the City. These stores are a vital part of the retail mix – helping deliver the range of categories, price points and appeal necessary in engaging the CBD's diverse audience.

Space suitability and building quality has challenged some major retailers considering location in Invercargill. This has resulted in brands exiting; others waiting or pausing re-investment.

Many of the chains have dated store environments. This compromises Invercargill's offer – especially when compared to those consumers find in other New Zealand cities.

Comparative Example - Michael Hill Jeweller – Esk Street

- Store fitout is two generations old
- Narrow frontage lessens street interaction & appeal

Comparison – Michael Hill Jeweller, Hamilton

- Contemporary, modern fitout
- Luxurious shopping experience
- Active edge with the public realm

Potential

- ✓ A modern store reflecting those consumers see elsewhere
- ✓ Invercargill welcoming sister brand Emma & Roe

Comparative Example - Cotton On – Esk Street

- Dated fitout and store layout
- Damaged tiles
- Traditional storefront with low street interaction
- Building fascia in need of cleaning and maintenance

Comparison – Cotton On – Onehunga

- Modern fitout and store fascia
- Strong street interaction

Potential

- ✓ A modern, contemporary store fitout and frontage
- ✓ Welcoming sister brands Typo, Rubi & Cotton On Body

5.8 Design-Led Capability & Experience Building

Invercargill's retail and hospitality environments range from best in class examples, through to legacy formats that no longer reflect modern shopping or dining standards.

Developing professionalism and a more contemporary look across the CBD will help improve customer experiences and better portray Invercargill as a place businesses should locate to or remain in. These are important issues for a City that struggles to attract fresh, new concepts.

Many local businesses have evolved over time, without the benefit of guidance or support in interpreting improvements that could lift street appeal and transform sales performance. .

Similarly, some Property owners will be unaware of simple but transformational changes they could make to improve their buildings' visual appearance, connection with the street and potential.

A collaborative initiative between Council and the property sector should secure the services of a retail and hospitality designer in providing high-level assessments and recommendations. This would enable tenants and landlords to understand opportunity, build self-help capability and develop action plans that would see the street-facing businesses improve both visually and functionally.

Messaging

- **Store Signage** – Saying more with less
- **Street Appeal** – Improved attraction & definition of offer
- **Window Strategies** – Leveraging display potential

Interior Refresh

- **Decoration & Themes** – Enhancing store environments
- **Surface Finishes** – Improvements to floors and walls
- **Lighting** – Improvements for efficiency and effect

General Maintenance

- **First Impressions** – Frontage & doorway presentation
- **Exterior & interior Cleanliness** – Facades & windows
- **Health & Safety** – Managing risk through design

Maximising Performance

- **Merchandising** – Best practice to improve sales
- **Efficiency**– Simple changes to improve functionality
- **Loss Control** – Product placement to reduce theft

Goals

- ✓ **Awareness** improvements improve performance
- ✓ **Motivation** to change environments
- ✓ **Collaboration** – Businesses working together
- ✓ **Professionalism** – Best practice in action

Outcomes

- ✓ **Increased Visitation** – More customers in stores
- ✓ **Sell-Through** – Improved sales conversion
- ✓ **Responsive -** Retail is meeting its market.
- ✓ **Step-Change** – An epic CBD makeover
- ✓ **Unity** – Colliegiality and alignment in purpose

5.9 Parking

The primary goal for Invercargill is to bring more people into the Inner City - driving commercial opportunity for its retail and hospitality sector. This will be achieved by delivering greater convenience while changing legacy consumer perspectives.

Parking has been a perennial issue raised often by retailers and consumers as affecting the experience for those wanting to visit the CBD. The general belief across both groups is that this relates both to cost and availability.

Invercargill is unique among Australasian cities in that public transport is not widely recognised or used. The car culture remains strong and with this comes the expectation that parking should be close to destinations and preferably free.

Achieving a balance between immediacy, length of stay and cost is the best way forward in managing consumer expectations and the value business owners place on parking for their customers.

During 2016, Invercargill City Council designated 90 minute free parking for 22 meters in the CBD. This helped turn around some negative media and social commentary that has focused on City Centre parking. Public perception does however remain that the CBD is an expensive destination.

Other Councils have explored ratepayer funded parking models with contrasting results:

Comparable - Hastings City Centre, NZ

Free parking was trialled during 2016 in Hastings CBD. Similar to Invercargill, this City Centre has been impacted by out of town shopping and spending attrition to nearby cities and online.

A survey of 350 shoppers indicated 99% felt shopping was more convenient when parking is free. During annual plan consultations most who submitted on the issue wanted a return to the user pays system. 680 forms were received with 80% wishing to pay by parking meter.

During the trial period, business owners reported sales increases across almost all retail and hospitality sectors – which was supported by spending data, qualifying performance.

A special rate on ratepayers of $25 or businesses of $75, would be necessary to make the free parking a permanent solution.

Councillors voted to continue the free parking trial until June 2017 when Council will re-evaluate performance and continuity.

Comparable - Lower Hutt City Centre, NZ

From January till April 2016, Hutt City Council trialled time-limited free car parking in its CBD.

Businesses believed free parking in an adjacent shopping mall compromised competitiveness with consumers choosing this destination because of cost advantage and convenience.

The trial was driven by business sentiment and supported by Councillors - despite national and international evidence that free parking alone was not effective in attracting shoppers to cities.

To sustain free parking Council estimated a 1.36% increase (around $17.00 per ratepayer) or CBD businesses shouldering a quarter of the cost with a 4.59% rates increase with other ratepayers contributing a 1.17% increase.

Business owners reported mixed success, with some experiencing improvement, while others suggesting it simply paused a downturn in trade. Statistical data during the trial showed growth during the period was a modest 2.3% however when compared to nearby areas Petone (25.6% growth) and Upper Hutt (8% growth) free parking made little impact.

The trial has not continued. Hutt City Council is now pursuing other strategies to drive growth.

Comparable – Hamilton City Centre, NZ

Parking has long been a contentious issue for Hamilton's retailers and hospitality businesses.

In recent years, many of the city's traditional consumers' have migrated goodwill and spending to The Base – an out-of-town shopping & entertainment centre, This has affected performance for businesses that remain in the CBD, with subsequent impact on property owners.

As part of the Central City Transformation Plan, Hamilton City Council developed a dual approach, using technology and key time charging only for specific areas.

650 car parks have been made free before 9am and after 3pm to better support shoulder periods of the business day. Bringing people into the city from the suburbs or office parks for breakfast meetings and encouraging afternoon shopping and dining are primary goals

Parking sensors will be used to ensure compliance with time limits and improve payment options for consumers during periods when charging applies.

The strategy is a long-term commitment - tied to other CBD economic resilience initiatives.

5.9.1 Forward Parking Solutions

Given free parking at nearby bulk retailers, consumer sentiment and the reliance Invercargill businesses place on vehicular accessibility for customers, fresh thinking and solutions are necessary to help re-engage people with the Central City.

Concepts for Consideration:

1. **Fast & Free.** Strategically located, free 20 minute ‘quick shop’ parks that support ‘buy online, pickup in store’ trends, encouraging customers into town for consumer goods, coffee and food purchases and ensuring the CBD remains a destination for tasks and chores – such as banking.
2. **Strengthen Shoulder Periods.** Free parking till 10am and after 4pm – encouraging people into the CBD early and to stimulate the late afternoon and evening economy.
3. **Remove Late Night Charges.** Friday night parking is a legacy no longer necessary.
4. **Smart Parking.** Implement technology to enhance the user experience by identifying available car parks and updating payment remotely

A combination approach using these elements is likely the most appropriate solution. Council should prioritise its parking strategy review and the implementation of new solutions.

5.9.2 Larger Vehicle Parking

Invercargill continues to draw its audience from a wider rural economy with the City being a destination for farmers and rural servicing businesses from the surrounding hinterland

Many from the rural community drive larger vehicles or tow trailers - making trips into the City more challenging. With out of town and online shopping options the CBD needs to compete.

Developing longer parks on the City fringe to encourage and support regional visitors would demonstrate welcome and enhance destination value for customers from rural areas

5.10 Cycle Friendly

Developing greater amenities for and access to bicycles will encourage more people to prioritise cycling as a way to get around Invercargill.

Basing these resources in the Inner City would increase attraction, drive frequency and deliver a unique visitor experience that would stimulate consumer advocacy.

Invercargill lends itself to a shared cycle programme that further enables connection between the CBD and key population centres – such as SIT, fringe office blocks and visitor and recreational destinations – such as the Gardens or Transport World.

A shared cycle programme would create distinct points of difference and demonstrate a contemporary response to get residents, students, workers and visitors better interacting with the City.

As in other cities where these initiatives have launched, CBD’s benefit commercially and communities realise social goals from activity and healthier lifestyles.

Example – Next Bike Christchurch

Christchurch CBD has adopted European technology and public rental bikes to create a network that supports connectedness within its inner city.

Bike users register their credit card details and pay a one off registration fee. The hired bike comes complete with a helmet and combination lock and rides under half an hour are free. If stations were located at key points across Invercargill almost all rides would fit within this time – delivering a compelling proposition for all demographics.

Invercargill’s Opportunity

Crowd funding and sponsorships have helped drive the relatively modest investment required for bike share schemes in other parts of Australasia.

Major brands such as Spark, Resene and Open Polytechnic have supported intiatives in New Zealand. Similar organisations could be used to underwrite a programme in Invercargill.

A bike share scheme fulfills a range of key economic and social outcomes for Invercargill, but particularly benefits the CBD by connecting people working, studying or visiting from the City fringe with Invercargill’s heart of the City.

Council, SIT and commercial partners should explore potential for a a shared cycle scheme as a unique and transformational amenity for Invercargill’s residents, students and tourists.

5.11 Accessibility & Discoverability

Invercargill's compact footprint, flat terrain, wide streets and natural 'connectedness' make for a city that's easy and enjoyable to traverse by foot or cycle. Celebrating walkability and developing bike-friendly initiatives are a way to further enhance destination value for locals and tourists.

Enabling awareness, familiarity and comfort are other essential elements of Invercargill's future CBD experience. Development of a volunteer host programme, improved digital navigation and profile will help the City stakeholders increase audience and maximise commercial potential.

With a goal to make visitation fun and frequent, enhancing the visitor experience by encouraging new ways of connection would welcome new audiences and re-engage those the City has lost appeal and relevance with.

5.11.1 Walkability

Invercargill is an enjoyable City to walk in. Small blocks, laneway connections and little traffic make transitions between areas fast and relatively seamless.

From a commercial perspective, consumers on foot slow down and connect better with retail and hospitality environments - making them more likely to spend time and money.

There is potential to further enhance walkability – in particular encouraging greater connection within the CBD's prime area, edge-of-prime and fringe.

1. **Improving People Flow.** Enabling four-way crossings on the intersection of Kelvin and Esk Streets will help further activate both sides of the street – helping businesses better leverage the potential audience.

2. **Re-Discover Invercargill Strategy.** Developing shopping, café and historical trails would encourage people to visit areas they've forgotten or don't yet know about.

3. **Invercargill Insider.** Helping visitors navigate Invercargill like a local – lifting the lid on the City's shopping and hospitality gems, along with historical insights.

4. **Defining Thoroughfares.** Defining connections with shopping areas including Farmers, Leven Street and proposed Kmart development will stimulate cross-pollination of customers – maintaining relevance for the City Centre.

Encouraging walkability should be both a social and commercial goal for Invercargill. Developing 'discovery' resources, walking heritage tours and specific promotion that re-engages locals with their City Centre

5.11.2 Laneways

Laneways are critical in connecting population centres with the City's retail and hospitality offer. They also create interest and character necessary in enhancing the unique and frequently untapped, streetscape already existing in Invercargill.

Laneways are also useful for activating inner-block areas – represented well in Don Street where a bar alongside Devil Burger makes effective use of a driveway and rear parking area. With simple improvements, similar areas around Invercargill's CBD could also be activated to create characterful spaces.

City Council should develop a programme that looks specifically at current and potential laneways. With learnings from other New Zealand cities that are enhancing laneway spaces, Invercargill could provide insight and support for property owners to develop these to better support the City's character and culture.

5.12 Urban Design Review

With major regeneration projects under consideration independent perspective on Invercargill's streetscape would be beneficial.

The City will likely see an increase in construction, refurbishment and in some cases demolition as new structures are built and existing buildings are made compliant with earthquake codes and suitable for modern use.

This will result in a dynamic streetscape that will benefit from shorter-term initiatives, such as temporary structures and 'pop-up' amenities – such as parks. These low-cost, high impact initiatives have been successful elsewhere in New Zealand – such as Auckland's waterfront and throughout Wellington City.

Fresh thinking is necessary. Invercargill City Council should engage an independent urban design perspective that can consider contemporary opportunities with perspective that is unencumbered by previous limitations.

5.13 Place – Recommended Initiatives

PRIORITY	STRATEGY		ACTION POINTS – CIVIC INITIATIVES	ACTION POINTS - COMMERCIAL
1	Spatial Identity	Precinct branding consumers relate to and businesses would leverage.	Brand Application. Leverage the CBD brand and themes across City messaging, street furniture and other mediums	Use and celebrate the brand throughout buildings, retail and hospitality environments, marketing material and other customer-facing channels.
			Area Themes. Create sub-brands for each of the City's precincts' - encouraging character, connection & belonging.	
2	Place making	Creating a sense of place and purpose by defining and celebrating specific areas.	Precinct Development. Define & popularise Invercargill's current and emerging 'clusters' of business types.	Actively participate in precinct conversations and decisions. Assist the development and characterisation of areas through architectural elements, tenant selection and support strategies.
			Develop Character. Explore unique urban design elements to anchor each precinct – delivering differentiation.	
			Physical & Notional Gateways. Delineating key vehicular & pedestrian routes into the City to signify & celebrate arrival.	
			Enhancing Connections. Clear thoroughfares connecting the City with shopping, cultural & recreational destinations.	
			Identifiable Centre. Town Square or pocket park to anchor the City – becoming recognised arrival & 'meet points'.	Support or provision for new amenity and identity uses either in short-term transitional sites, or longer term locations
			Campervan Parking & Facilities. Encouraging tourists to visit, stay and spend in the City Centre.	
3	Activations	Re-inventing spaces by enhancing re-purposing the streetscape.	Laneway Culture. Encourage greater use of pedestrian connections by developing & championing laneways and arcades.	Design, development or improvements to buildings to create or enhance contemporary 'laneway' themes.
			Recreational Facilities. Create pop-up parks, inner city exercise areas & other features that add amenity value & interest.	Support or provision for new amenity and identity uses either in short-term transitional sites, or longer term locations
			Markets. Develop, provision and support inner city space for regular Farmers' Market's to draw consumers.	
			Wachner Place. Redevelop the space to support greater use by the community & limit potential for anti-social behaviour.	

5.14 Place - Recommended Initiatives (Continued)

PRIORITY	STRATEGY		ACTION POINTS – CIVIC INITIATIVES	ACTION POINTS - COMMERCIAL
4	Convenience	Removing physical and perceived barriers to visiting the central city.	Pedestrian Priority. Changing street crossing sequences to improve pedestrian connections between blocks.	
			Cycle Friendly. Amenities for cycle users with potential for shared bicycle programmes to stimulate city centre activity.	
			Quick Stop. Designated short-term parks that support trends in online shopping collection and café culture.	
			Car Parking. Where possible, increase the number of available car parks to support further inner city commercial activity.	
			Vehicle Access. Implementing ability for right vehicle turns into Esk from Dee Streets’ and making Don Street two-way.	
			Walkability. Celebrating the city as a compact, easily walk able retail and hospitality destination.	
			Parking. Implementing smart parking technology to improve the user experience and help drive visitation.	Work collaboratively with Council to support and leverage new parking technologies.
5	Definition	Consolidating for strength, defining arrival.	Concentration. Encouraging retail/hospitality density in the city core with other purposes favoured for fringe areas.	Development, use planning and tenant selection with consideration for strengthening the City Core through mix, offer and concentration.
			Gateways. Defining physical and notional gateways that signify arrival in the Central City.	Enhancing and enabling gateways on private property
6	Responsibility	Empowering stakeholders with decisions & leadership over inner city presentation.	Presentation & Maintenance. Stakeholder-led decisions and delivery for inner city maintenance and guardianship.	Consideration of new models of inner city guardianship and maintenance.
			Building Standards. Peer encouragement for property owners around façade maintenance & building presentation.	Stakeholder-driven initiatives to improve property presentation, appeal and use – ensuring attraction and suitability for quality tenancies, valuable to the City.
7	Best Practice	Lifting Invercargill’s CBD presentation	Expert-led Advice. Support the services of a retail and hospitality design expert to guide property owners and businesses in improving their customer-facing offer	Adoption and implementation of recommendations to improve ‘first impressions’ of the CBD

5.15 Place – Measures Of Success

PRIORITY	KEY INDICATOR	HOW WILL WE ACHIEVE THIS	MEASURE	2018	2019	2022
1	Proud Brand	Develop and apply City and Precinct brands to personalise Invercargill's heart.	Application & Recognition			
2	Area Focus	Urban design elements and place making that creates clusters, community and theatre	Consumer Surveys			
3	People-Centred	Infrastructure, activations and connections that better support and enhance the user experience	Consumer Surveys			
4	Concentration	Consolidating the city's heart to define and strengthen offer.	Leasing & Performance			
5	Space Suitability	Commercial spaces that reflect businesses contemporary needs, expectations	New & Retained Leasings			
6	Presentation	Enhanced cityscape through developments and improved maintenance by property owners	City Audits			
7	Convenience	Interpreting and where possible, reducing barriers to visiting the City	Visitation Data			

QUICK WINS

Retail Refresh

Expert-led ideas to support property owner and occupier improvements

Pedestrian Priority

Crossing changes & weather protection to improve footfall

Parking Friendly

Initiatives to better stimulate morning & evening visitation & trade

Defining Gateways

Developing a sense of arrival and occasion to the Central City

BIG WINS

Key Regeneration Projects

Hotel and Cambridge Place developments under way

Campervan Facilities

Overnight City-connected facilities for campervan travellers

Precinct Development

Critical mass of like-businesses co-locating driving destination value

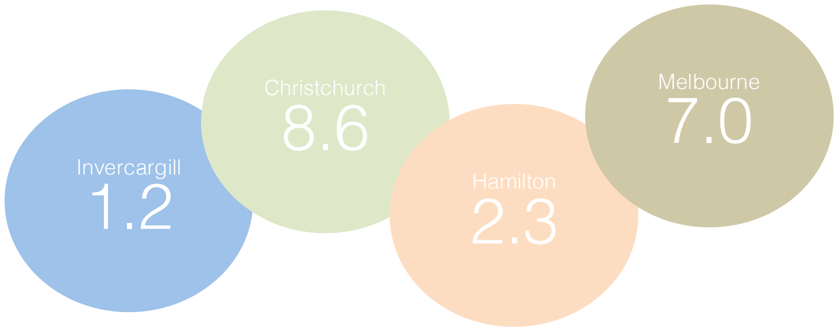
City Activations

Laneway developments, Inner City parks, markets & food events

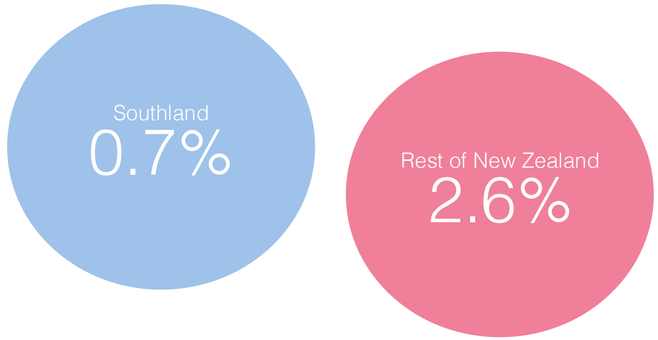
6 Performance

6.1 Snapshot

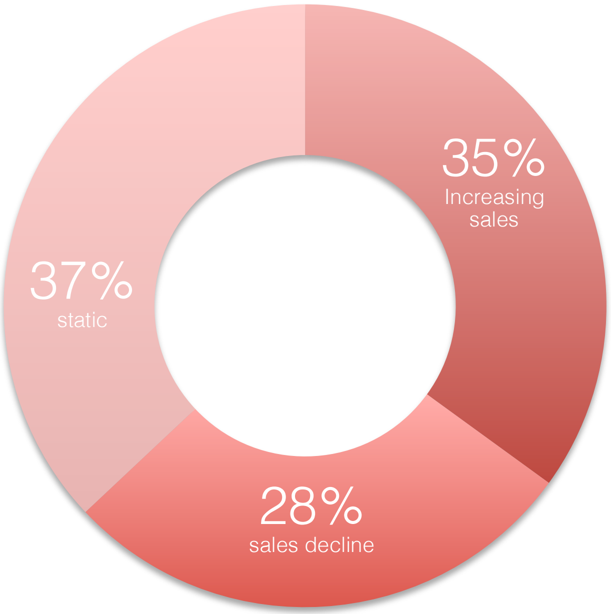
Population per CBD Retail Sqm (GFA m2) - Comparatives



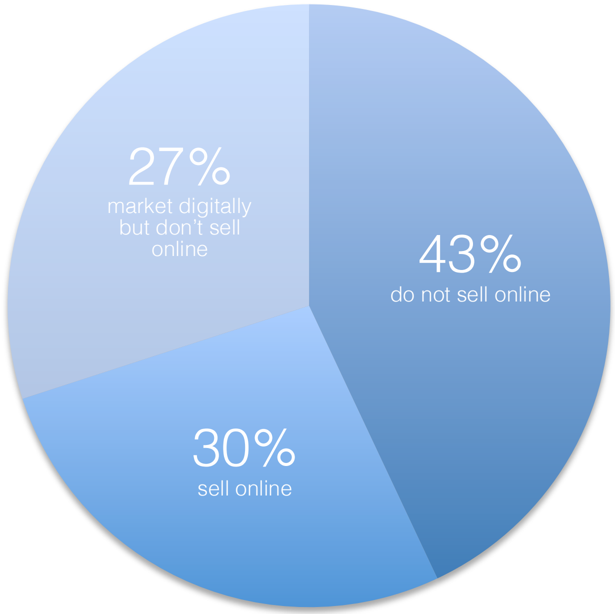
Growth in Card Spending



Retail Sales Performance[9]



Online Capability & Reach

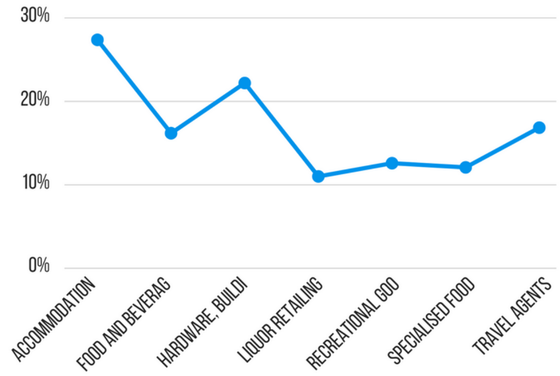


[9] Venture Southland, Southland Business Survey 2016

6.1.1 **Change In Spend From Invercargill Locals -** By Grouped Store Type

	2012	2013	2014	2015	2016
Accommodation	-1.1%	11.7%	12.3%	34.4%	26.8%
Clothing, footwear and softgoods	-0.2%	-0.5%	2.6%	-2.0%	4.7%
Department stores	4.0%	6.2%	1.8%	8.2%	4.8%
Electrical and electronic goods	-1.7%	-9.7%	4.9%	7.5%	-0.6%
Food and beverage services	7.3%	4.5%	10.1%	12.9%	13.4%
Fuel	3.7%	-1.7%	4.7%	-5.0%	-3.6%
Furniture, floor coverings, houseware, textiles	-12.6%	6.4%	3.3%	3.7%	6.6%
Hardware, building and garden supplies	1.9%	6.1%	1.7%	20.0%	20.6%
Liquor retailing	1.8%	4.2%	-0.4%	5.5%	7.2%
Motor vehicle and parts	6.1%	12.6%	11.4%	-1.0%	-2.6%
Pharmaceutical and other store-based retailing	-5.1%	2.8%	4.3%	0.4%	4.7%
Recreational goods	4.6%	7.4%	-1.0%	7.2%	9.1%
Specialised food	-1.7%	10.9%	15.6%	11.9%	8.5%
Supermarket & grocery stores	2.9%	3.5%	5.2%	9.1%	3.3%
Travel agents	-3.0%	0.5%	12.0%	-13.7%	14.2%
Grand Total	2.0%	3.3%	5.2%	6.6%	5.9%

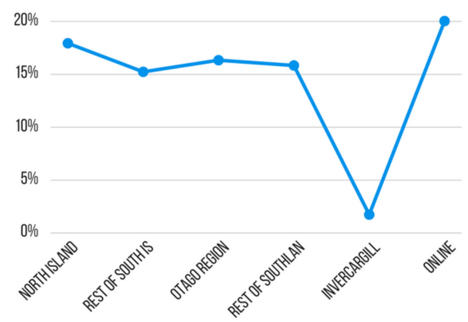
Source: Marketview Ltd © Marketview 2017



Largest growth categories

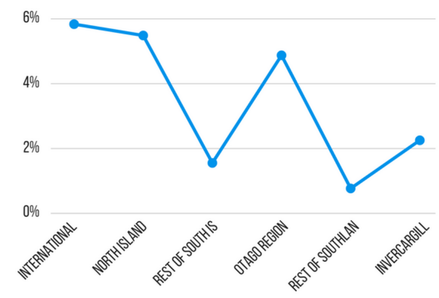
6.1.2 **Change In Spend From Invercargill Locals -** By Location

	2012	2013	2014	2015	2016
North Island	3.6%	-1.7%	32.7%	53.5%	17.9%
Rest of South Island	-4.2%	13.6%	17.2%	23.6%	15.2%
Otago Region	-2.3%	0.5%	9.9%	10.0%	16.3%
Rest of Southland Region	-6.4%	5.0%	10.8%	13.0%	15.8%
Invercargill	2.2%	2.4%	1.7%	2.5%	1.7%
Online	11.7%	11.6%	19.5%	7.8%	20.0%
TOTAL	1.9%	3.1%	5.3%	6.9%	6.2%



6.1.3 **Change In Spend At Invercargill Retailers -** By Origin

	2012	2013	2014	2015	2016
International	-4.4%	5.6%	7.6%	4.8%	5.8%
North Island	6.9%	-4.0%	20.0%	6.4%	5.4%
Rest of South Island	-3.2%	-3.2%	12.1%	4.8%	0.9%
Otago Region	-6.0%	3.4%	1.0%	-3.5%	4.7%
Rest of Southland Region	2.4%	2.5%	-1.2%	-8.2%	-4.6%
Invercargill	2.2%	2.4%	1.7%	2.5%	1.7%
Grand Total	1.8%	2.0%	2.0%	0.0%	0.7%

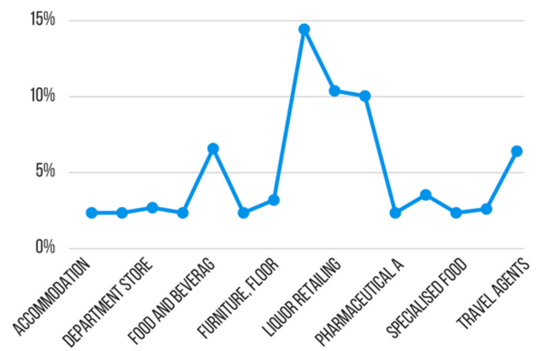


Source: Marketview Ltd © Marketview 2017

6.1.4 **Change In Spend At Invercargill Retailers -** By Grouped Storetype

	2012	2013	2014	2015	2016
Accommodation	1.4%	5.6%	5.0%	11.9%	-1.1%
Clothing, footwear and softgoods	-3.0%	-0.7%	-7.2%	-8.6%	-4.0%
Department stores	0.8%	3.5%	1.7%	0.2%	0.4%
Electrical and electronic goods	-1.7%	-12.3%	-3.7%	-7.1%	-10.2%
Food and beverage services	8.2%	4.0%	6.0%	-0.4%	5.0%
Fuel	3.6%	-2.8%	1.2%	-8.9%	-6.6%
Furniture, floor coverings, houseware, textiles	-6.2%	-4.0%	6.7%	-1.1%	1.0%
Hardware, building and garden supplies	4.4%	4.8%	4.4%	9.9%	14.3%
Liquor retailing	4.1%	3.8%	-3.0%	2.7%	9.5%
Motor vehicle and parts	6.2%	11.8%	11.6%	6.3%	9.1%
Pharmaceutical and other store-based retailing	-2.8%	3.8%	-1.8%	-7.6%	-0.7%
Recreational goods	1.7%	4.9%	0.3%	-1.8%	1.4%
Specialised food	-7.2%	3.0%	10.8%	6.8%	-3.5%
Supermarket & grocery stores	2.2%	2.7%	2.3%	4.9%	0.3%
travel agents	-5.2%	10.9%	9.0%	-19.5%	4.8%
Grand Total	1.8%	2.0%	2.1%	0.1%	0.7%

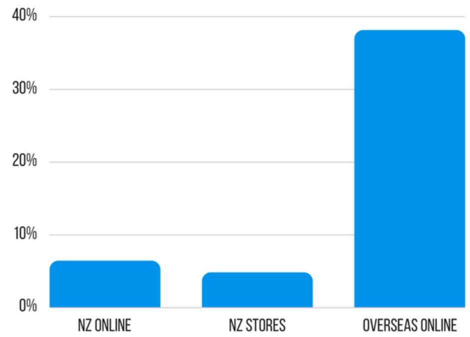
Source: Marketview Ltd © Marketview 2017



6.1.5 Change In Online Spend From Invercargill Locals

	2012	2013	2014	2015	2016
NZ Domestic online	6.3%	6.2%	19.9%	-0.1%	6.4%
NZ Domestic Physical	1.4%	2.7%	4.2%	6.5%	4.8%
International online	23.1%	21.4%	18.9%	20.4%	38.1%
Grand Total	2.0%	3.3%	5.2%	6.6%	5.9%

Source: Marketview Ltd © Marketview 2017



Key Issues	Response
Locals may be spending – but not with Invercargill retailers	Heightening awareness of Invercargill's diverse offer, convenience and immediacy
Locals spending when travelling & online	Repositioning the City's offer through promotion, online profile and improved experience
International online spending by Invercargill locals has lifted considerably	Improved digital presence for local retailers to heighten profile and availability
Fewer sales to customers from the wider Southland Region	Promotions to re-welcome consumers from the wider district
Most categories are experiencing revenue attrition	Improved digital presence for local retailers to heighten profile and availability
Key inner city categories of clothing, footwear, softgoods and pharmacy lost performance	Category-specific promotion, Precinct and category clusters to strengthen offer

Highlights	Commentary
▪ Food and beverage sector sales have grown	Reflects how hospitality sectors are increasingly anchoring traditional retail destinations
▪ Out of town retailers including hardware, auto and liquor all gained.	Representing similar trends in other regions
▪ Marginal spending growth by locals in Invercargill	Likely representing cost-of-goods increases
▪ Growth from international visitors and domestic tourism	Reflects continued increases in visitors to nearby Catlins and local tourism destinations

6.2 Commercial Attraction

Developing the optimal mix of retail categories and brands, cafes and restaurants is vital in creating an offer that attracts consumers, encourages spending and delivers enduring success.

Some leading Australasian retailers are already represented, however many suitable stores and concepts are not. These market–aligned opportunities could add value to existing City businesses and together, create a more compelling consumer proposition.

Invercargill's profile and potential is not often reaching decision makers across the retail and hospitality sector. The City is effectively off-radar for many businesses with the ability and enthusiasm to enter the market.

In contrast with other South Island main centres – such as Dunedin and Christchurch, the property sector has lacked specialist retail representation and advocacy. These factors have been an important part of the shopping and hospitality renaissanace those cities and others throughout New Zealand have experienced over the past decade.

Potential for new developments, coupled with a need to upgrade current building stock to deliver contemporary retail and hospitaility spaces requires a pro-active strategy for seeking and on-boarding the businesses most suitable for the CBD.

6.2.1 Visibility

Ensuring Invercargill is part of the consideration set for prospective tenants is vital. Creating channels, connections and conversations to make this happen requires a collaborative approach from local government and the private sector.

Invercargill City Council and property owners should be working with nationally represented retail property agents - resourcing them with City Centre economic information and availability.

Determining and actively following opportunities is necessary in securing new businesses for Invercargill's CBD.

Connecting with retail chains and hospitality operators at industry events, through direct approaches and from positive media coverage will help accelerate time between enquiry, due diligence and commitment.

Online visibility is pivotal in connecting and engaging prospective tenants beyond the reach of current initiaives.A dedicated web presence should aggregate available properties, upcoming developments and information on the City. This would include success stories and advocacy from businesses already operating – providing greater insight, especially for those making decisions at a distance.

6.2.2 Proposition

Invercargill must better define, package and promote itself to secure the commercial operators it most needs to improve the City's consumer proposition and add value to existing businesses.

Increasingly, Councils are developing collateral and resources that promote their City Centre's as places to prioritise for and locate businesses in. This includes the provision of consumer demographics, area trends, footfall, spending data, future vision and other topline information that help determine suitability and validate decisions around commercial potential.

Invercargill City Council, Venture Southland and the city's property industry, should produce a retail prospectus and promotional material to attract tenants and investment in the City.

6.3 Business Retention

Invercargill City Council has potential to further enhance relationships with existing commercial partners and stakeholders through a pro-active and supportive stance.

Successful businesses are the best advocates, but often overlooked. Efforts and investment in supporting incumbent operators should have equal emphasis to attracting new entrants.

Increasing opportunities to connect, enhancing consultation and ensuring shared decisions around activities that benefit of impact the CBD is important in recognising and strengthening engagement. This should include two-monthly round-table forums that bring together all stakeholder groups, along with representatives from Venture Southland and Senior Managers from Invercargill City Council.

6.3.1 Managing Opportunities

Developing an open for business culture is vital as Invercargill prepares to benefit from major private investments and civic decisions that will further activate the City Centre.

These projects will be catalysts for wider development, refurbishment and lease commitments.

Invercargill City Council should develop an account management model to support tenant prospecting, support new entrants and continue strengthening existing stakeholder relationships. This would include cultural change, process improvements and a pro-active approach including provision of market information, assistance with regulartory requirements, assistance securing the right skills and talent and inclusion in CBD promotional initiatives.

6.4 Capability Building & Succession

Invercargill needs to develop existing businesses and encourage new concepts as the City transforms. Strengthening independent and artisan operators helps maintain the differentiation that makes the City unique and characterful.

While many smaller businesses are successful, there is greater vulnerability amongst these operators. Supporting their development and resilience is strategic as Invercargill's unique point of difference is its independent sector.

6.4.1 Developing Self Help

The success of past capability building events[10] for the retail and hospitality sector have demonstrated stakeholders' appetitie for ideas, resources and support to help themselves meet new markets and improve commercial performance.

Capability building events and business development resources should be an ongoing focus, promoted by Council and delivered by economic growth organisation, Venture Southland.

Venture Southland should continue developing events that assist indpendent retail and hospitality operators. These should include customer experience, digital and social media skills and range/product development building skills. The organisation should encourage local advisory providers to support these sectors through NZTE's Capability Building programme.

Mentorship schemes are further way Council and Venture Southland can support businesses.

Invercargill has experienced retailers and hospitality operators that are willing and able to share ideas and support. Leveraging this knowledge to help emerging or struggling operators fosters colliegiality and a collective culture that's increasingly necessary as these sectors face increasing competition.

The City can also champion the development of precinct or cluster groups, where businesses meet informally to share ideas, build skills and confidence. Supporting traditional values of coliegiality and self-help are fundamental toward a stronger commercial community.

Jointly, Invercargill City Council and Venture Southland should create or leverage existing mentorship programmes with specific focus on these sectors. Council should develop informal cluster group sessions to connect neighbours and develop local networks

6.4.2 Succession

Invercargill's retail and hospitality proposition must keep developing to meet its market. The evolution of businesses to satisfy consumer expectation and encouragement of fresh ideas with a commercial future is vital if the City is to stem spending attrition and develop greater advocacy and support.

Through a collaborative approach, Council and private enterprise need to foster those wanting to add value to the CBD through improving their offer – or bringing new concepts to the City. Differentiation is something that can set Invercargill apart from its competitors and help become a destination of choice.

In comparison with other cities – such as Dunedin or Nelson, Invercargill does not yet have a strong artisan retail or food sector. This is reflected in the lack of coffee roasteries, boutique bakeries, beverage producers or unique food stores that demonstrate provenance.

These themes are highly engaging and have themselves helped define the consumer proposition for successful cities and towns throughout Australasia.

Those that have developed in the artisan market – such as Invercargill Brewery, acknowledge more local producers would only benefit the small number established currently.

Format	Possible Concept
Food & Beverage Incubators	Equipping of a retail unit to provision for professional production and sale of artisan products.
Retail Collectives	Bringing artisan food, clothing, furniture, toys or craft producers together in one, professionally developed and managed space as a stepping stone toward individual storefonts.

As with the wider retail and hospitality sector, development of mentorship groups and niche commercial communities would help emerging producers establish successfully, then flourish.

Development of these initiatives requires external funding and in-kind assistance – such as the provision of space, expertise and advocacy. In Invercargill, this is likely to come from large corporates or the Licencing Trust and educational organisations – both of which could realise mutual synergies. Council, working collaboratively with Venture Southland should develop this toward a minimum viable model.

[10] Venture Southland's Retail Workshop in 2015 saw over 120 businesses attend a daylong event focusing building digital capability.

6.5 Performance - Recommended Initiatives

PRIORITY	STRATEGY		ACTION POINTS – CIVIC INITIATIVES	ACTION POINTS – COMMERCIAL
1	Alignment	Commitment to and evolution of the Retail Strategy.	Empowerment. Ensuring the Retail Strategy is a cornerstone reference in Council's future commercial & social decisions.	Supporting Council initiatives aligned with the strategy to improve performance and potential in the City Centre.
			Relevance. Regularly updating the strategy to align with emerging opportunity, performance and risk.	Contributing to the strategy evolution through sharing data, concepts, ideas and resources
2	Mind-set	Collective recognition for the need and ability to change.	Forward-looking Culture. Collaborative working, open channels and participative decisions to ensure all stakeholders join the journey.	Challenging legacy perspectives to allow fresh thinking and courageous decisions – necessary for achieving changes required in the Central City
3	Consumer Focus	Understand and shape the City's offer around consumer needs & expectations.	Spending Data. Secure and share monthly spending reports to identify opportunity & monitor consumer trends.	Leveraging spending data to interpret & action changes necessary to improve performance & resilience.
			Consumer Insight. Encourage continuous online & in store consumer surveys to interpret needs and expectations.	
			Consumer Advocates. Develop a panel of representative customer demographics to test and refine concepts.	
			Ensuring Appeal. Supporting retail & hospitality sector to respond dynamically to the marketplace.	Develop an agile culture that enables businesses to pivot quickly to leverage opportunity or manage risk.
4	Retail Mix	A compelling selection of stores & hospitality businesses in the Central City	Targets. Maintaining a current list of store and category targets recognised as benefiting existing operators and supporting consumer demand / stemming spending attrition.	Recognising and supporting a strengthened offer that will bring more consumers into the City - encouraging increased local spending and goodwill.
5	Resilience	Pro-actively managing risk for the City and its stakeholders.	Strategy. Developing an integrated plan that will manage economic and social resilience for the Central City.	Ensuring resilience and risk management plans are in place to resist threats or shocks.
6	Sector Support	Civic & commercial collaboration that gives pace to opportunity & performance.	Independents. Develop resources & networks to support stability, development & continuity of local businesses.	Work collaboratively with Council and other businesses to support each other through mentorship groups, collective trading opportunities and other commercial community initiatives.
			Artisan. Develop a group of artisan businesses to lead and foster the growth of unique and differential businesses.	Flexibility and assistance with emerging businesses to help them grow and prosper.
			Majors & Anchors. Develop an account management approach to each relationship ensuring the City is realising opportunities, maximising potential & maintaining goodwill.	

6.6 **Performance - Recommended Initiatives** (Continued)

PRIORITY	STRATEGY		ACTION POINTS – CIVIC INITIATIVES	ACTION POINTS – COMMERCIAL
7	Digital Capability	Digital platforms that bring city businesses together, driving visibility and performance	Capability. Develop resources to help Invercargill businesses improve awareness, skills and delivery of web and social media	Participate in shared initiatives to help Invercargill City develop a critical mass of digitally capable businesses.
			Marketplace. Supporting the development of a single platform that features all City Centre businesses and enables community e-commerce	Populating the Marketplace with individual businesses' information, product assortments and other consumer-facing information.
8	Business Proposition	Develop compelling business cases for retailers & hospitality operators to locate in the City.	Proposition. Working with Economic Development Agencies to create market facing collateral to generate interest and support commercial decisions.	Supporting goals to develop data, advocacy and visionary resources that will provide inspiration and assurance for key business decisions.
9	Regulatory & Relationship	Reducing real or perceived barriers toward improvements and developments	Open for Business Culture. Further improve Invercargill City Council culture, interfaces and processes – Accelerating compliance, consenting and development schedules.	Collaborative development to identify key issues and responses
			Develop an account management model to support major commercial opportunities and large stakeholders	
10	Food & Beverage	Developing greater clarity around independent food and beverage opportunities within the Invercargill Licencing Trust area	Parameters. Clearly interpreted regulatory guidelines outlining commercial opportunities within the existing legislation.	
			Hybrid Commercial Models. Consideration of shared investment and profitability models with chef-driven F&B offers	
			Incubators. Support development of food & beverage incubators to improve and accelerate the City's artisan food offer.	

6.7 Performance – Measures Of Success

PRIORITY	KEY INDICATOR	HOW WILL WE ACHIEVE THIS	MEASURE	2018	2019	2022
1	Participation	Retailers, Hospitality Operators & Property Owners participating in strategy development & enablement.	Customer Surveys			
2	Spending Growth	Shaping the City's proposition around determined consumer needs, expectation and potential.	Spending Data			
3	Reducing Attrition	Re-orientating consumers' spend toward Central City businesses.	Spending Data			
4	Resilience Culture	Business and Property Owners becoming pro-active around managing risk	Participation			
6	Digital Performance	Reach beyond traditional boundaries through increased digital visibility, functionality & sales performance	Performance			
8	Pace To Opportunity	Facilitating improvements and growth by reducing challenges around compliance.	User Surveys			

QUICK WINS

Open For Business Culture

Welcoming & realising opportunity through a collaborative approach

Empowering Information

Real-time business-critical data to help stakeholders leverage potential

Changing Mind-sets

Developing energy, enthusiasm, pride & vision among stakeholders

Collective Participation

A team approach to city-change, improvement & endurance

BIG WINS

Reduced Attrition

Consumers and businesses prioritising spending locally.

Digital Performance

Dominating locally & reaching beyond traditional boundaries

Regulatory Refresh

Pro-active response & support to those investing and improving

Commercial Resilience

Managing risk to strengthen the commercial community

7 Roles & Timetable

7.1 Anticipated Roles

Invercargill City Council	Venture Southland	SoRDS	Chamber of Commerce
Delivery Agents		Support Partners	
Owners & managers of the Retail strategy	Inward investment promotion	Deliverer of activity	Deliverer of activity
City Centre management & co-ordination	Supporting incoming discussions	Activity supporter & co-ordinator	Activity supporter & co-ordinator
City Centre promotion	Provisioning Marketview spending data	Information sharing through SoRDS channels	Information sharing with membership
Brand co-ordination	Capability building programmes		
Online Marketplace co-ordination	Support around CBD prioritisation		
Commercial proposition – collateral and channel co-ordination and development			
Training programme co-ordination, development and delivery			
Property owner conversations	Continuous consumer insight models		
Streetscape review and actions	Commercial insight programme delivery		
Information development & distribution	Supporting incubator models		
Major stakeholder key account management	Information sharing through Venture channels		
	Support around event opportunities		

Retailers, Hospitality Operators and Property Owners

Participative in consultations & key decisions

Other Stakeholders

1. Healthy Families Invercargill – Cycling initiatives
2. New Zealand Transport Agency (NZTA) – Main highway decisions
3. Southland Institute of Technology – SIT – Campus
4. Private Industry

7.2 Anticipated Timetable

	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April
Attraction												
Brand Development												
Brand Implementation												
Marketing Strategy												
Consumer Proposition Development												
Local Area Marketing Initiatives												
Developing City Champions												
City Activity Planning												
City Activity Implementation												
Experience												
Consumer Insight. Needs Interpretation												
Developing Training Programme & Resources												
Training Implementation												
Retail Consultation												
Retail hours alignment												

Place	May	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	March	April
Develop Precinct Strategies												
Develop Precinct Brands												
Place making – Urban design exploration												
Place making – Small portable projects												
City Makeover												
Performance												
Retail Strategy Progress renew & update												
Open governance Development & enablement of a bipartisan representation model												
Council culture & operational change												
Develop Resilience Programme												
Ongoing												
Supporting & resourcing major projects												
Supporting tourism promotion & development												
Supporting major city amenities i.e., the library												
Developing & Sharing City Stories,												
Exploration sites for campervan parking												
Exploration of cycle scheme & walkability												
Data Sharing and Insight												
Digital Performance Development												