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Master Thesis

at the Department of Marketing

Institute for Retailing&Data Science

Dr. Cordula Cerha

Finding the suitable retailing mix for small local towns -

The Case of Neulengbach (Lower Austria)

Dominik Mühleder, BSc (WU)

Vienna, 06.08.2023

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Table of contents

List of figures

List of tables

Abstract

This thesis is about finding the suitable retail mix for small local towns focusing on the city of Neulengbach in the Wienerwald Region in lower Austria. Neulengbach faces issues many towns across Austria and even Europe face: growing vacancies in the town center and new developments of retail agglomerations in the form of strip malls (Fachmarktzentren) on the outskirts of the town.

To analyze what needs to be done to counteract this issue, extensive literature research is carried out and connected with the results of interviews. The interviews were conducted with business owners of stores with different merchandising focus in the town center of Neulengbach and consumers. The town's major has also been interviewed to gain insights into the official political viewpoint. The objective is to find out what stores need to be added to the retail mix and what points of attraction and interest are needed for business owners and consumers to enhance the frequency of shoppers in the town center.

However, the right retail mix focuses on the correct type of stores, sectors, and services like gastronomy, healthcare, and education. Moreover, events like seasonally themed markets and open air-theatres are points of interest for the town center. The outcomes of the interviews are details about the retail mix and the needs each group of stakeholders faces in terms of infrastructure. The results are addressed not only to Neulengbach but can also prove viable for other towns struggling with the decline in the town center. However, specific measures are presented aimed at the city officials and business owners of Neulengbach.

Keywords

- Retail Mix
- Retail Agglomeration
- Store Type
- Town Center
- Town Revitalization

1 Introduction

1.1 Problem Statement

Local retail infrastructure is becoming increasingly crucial for towns and cities as there is the risk of an increasing number of vacant shops and a growing number of retail chains replacing local shops leading to a retail infrastructure located on the outskirts of towns, only reachable by car. (Ramani and Bloom, 2021) This thesis aims to address these risks and problems of cities by giving possible solutions and alternatives to city officials and local businesses on how to counteract these problems. There is also an outlook on what the "suitable" retail mix consists of. However, the term "suitable" depends highly on the situation and circumstances and cannot be understood universally.

The effect of more and more retail infrastructure moving out of the city center already existed before Covid-19 and is called the "doughnut-effect". There will be an analysis if and how the pandemic and the current supply-chain crisis influenced this effect and what future trends of the current problems could be regarding the local retail infrastructure. Many consumers altered their shopping behavior and shopped only at a fewer number of retailers, which could be beneficiary for outskirt malls as their retail space is, on average higher than in city centers, and their assortment is wider (Pantano and Willems, 2022)

Another critical topic is the "most suitable" retail mix a city offers to attract customers. There will be a discussion on whether there is a need for consumers for retail chains in light of sustainability being the most critical issue of our time.

Many small and medium-sized cities suffer from three major problems:

- Suburbanization and construction of new shopping malls and stores on the outskirts
- Increasing vacancies among business sites in the city center
- Online shopping as a substitute for city center retail

Suburbanization in the last century after WWII led to a growing population in the suburbs of cities because of better living conditions like affordable single-family houses and better car infrastructure. This change in the living situation has led to a car-focused retail infrastructure located near highway bypasses of the city, in the outskirts, with ample space for parking lots and bigger retail spaces. (Talen and Park, 2021) In countries like the US and the UK, this has led to shopping malls and fast-food stores in these new retail locations. In Austria, the retail mix at these “Fachmarktzentren” merely consists of grocery-, DIY- and fashion stores, as shown in the example of Neulengbach. This trend has adverse effects on the local retailing mix and strategy, as existing retailers in the city centers face declining customers and adverse environmental impacts (dependency on cars as a mode of transport increases with well-known adverse effects on CO2 emissions). (Rao et al., 2017) If this trend is not stopped or reversed, the city center becomes increasingly unpopular as a shopping location with increasing vacancies and high-street stores with high customer volume disappearing, leaving the city center more and more without life. This trend is named the “doughnut effect” in literature as the city center becomes abandoned, and all retailing and residential zones are allocated on the city's outskirts. (Ramani, 2021) There will be an analysis of this problem according to literature but also for the town of Neulengbach as an example of this trend. The city of Neulengbach also faces these problems as many stores already moved from the town center to new locations along a major highway.

Another problem cities face when deciding on the “perfect” retail mix is whether they should focus on standard high-street stores or emphasize local retailing. Most cities' retail mix is dominated by retail chains, which needs to be evaluated if the strategy is suitable. Considering global warming and an increasing trend of sustainability and regional products, focusing only on big retail chains could be wrong. Increasing supply chain constraints and increasing energy costs drive logistics costs higher. In light of these problems, focusing on local retailers (e.g., local farmers selling their produce in stores or local manufacturers of clothes and apparel) may be a promising strategy. (Giampietri et al., 2016) Given high inflation and increasing consumer prices, the suitable retail mix may also need to consider discounts and generally cheaper stores as consumers try to tighten their budgets. (Haas, 2022)

1.2 Objectives & Research Questions

The main research objectives are to find out what is necessary to counteract the trend of retailing in town centers getting replaced by outskirt malls, to find the right retail mix that is needed, what the main drivers are that bring people into the city center to shop there and what is required to decrease vacancies of retail locations. In the end, there will be an overview of what is needed to tackle these problems and implications locally adjusted to the town of Neulengbach, to solve their issues regarding the retail situation in the center. There is an analysis of literature regarding this topic to put it into a central European context, as most literature on this topic is about the retail situation in the United States or the United Kingdom, which is different compared to the one, Austrian cities are facing.

Another part of this research is to analyze what fundamental factors are responsible for people to decide on where to do shopping and how to influence customers regarding this decision. It is shown what the key factors are that come into play when people make up their minds, about where to buy groceries, apparel, etc. and therefore there is an analysis of secondary data, that has already been collected by Neulengbach.

Furthermore, there is a discussion if focusing on retail chains is the way to go for a successful retail mix or if there are better alternatives. In light of the current crises' climate change, supply chain issues, and inflation, analyses are needed on which role local retailers (e.g., local grocery stores) and discount stores play.

The research questions are:

RQ1: What factors are responsible for growing vacancies in the town centers in rural areas (doughnut effect)?

RQ2: What strategies can be implemented in Neulengbach in order to strengthen the local retail infrastructure?

RQ3: What are the factors that come into play when people decide whether to go shopping in town centers compared to other destination?

1.3 Methodology

In order to develop answers and solutions to the research questions asked above, this thesis is divided into two parts. A substantial and in-depth literature review was carried out in the first part. As a result, knowledge, data, and insights about the researched topic have been obtained. The evaluation of peer-reviewed publications and papers on the topic of this master thesis supplied the necessary foundation and expertise for additional research steps in the empirical part. Regarding the empirical part as a second stage of the thesis, a qualitative analysis in the form of interviews has been conducted. The objective of this analysis has been to identify the key aspects that each stakeholder of a small town/city in a rural region needs to be successful at doing business and to increase the quality of life of the citizens. Generally speaking, business owners and municipality officials are looking for high frequency in the stores and the town itself, and consumers are looking for specific factors to fulfill their shopping needs. The objective of the interviews has been to gain insights into these stakeholders, their specific needs, and the issues they face with the current situation.

Firstly, there is a discussion of literature about local retailing, a suitable retail mix for towns, and what problems suburbanization is causing in the retail space in cities. In the second chapter, the methodology will be shown on which the empiric part is based. There have been interviews conducted with local retailers and consumers to see their situation and gain deeper insights into the ongoing local issues. To combine the retailers' problems in the end with a suitable solution to the situation. In the third part, the results of the empirical part are shown, analyzed, and discussed. In the last part, there is an evaluation and presentation of the managerial implications for the project partner, the town of Neulengbach.

The strategy for the methodological approach is to analyze existing data with a focus on new data by conducting interviews with business owners, consumers, and a town official, which is explained in a later chapter, and insights are given into the approach in detail.

1.4 Structure

This thesis is split into ten chapters. The first one gives the reader an overview of what the research is about and provides an introduction into the problem statement, the objectives that will be covered throughout the thesis, and the methodology that will be applied to examine the research objectives.

The second, third, and fourth chapters are the literature review and cover already existing research from the past that covers the relevant areas of focus.

Chapter number two provides the historical background of retailing and the evolution of shopping malls, and what role retailing provides for the local economy. The third chapter focuses on the retail mix the major aspects that come along, such as the tenant mix and what factors are essential to attract consumers to certain retail agglomerations. Chapter four gives an overview of the problems towns are facing like vacancies and a decline in shoppers as well as recent trends like Covid-19, the supply chain crisis, and the current cost-of-living crisis and how they are all interlinked with retail. I will also introduce several good practice examples in the last part of the literature review and will give an overview of which common factors they offer, to show which ideas have proven successful.

In Chapter number five, there is an in-depth analysis of the status quo of the retail infrastructure in Neulengbach with the status quo and the general geographic and demographic factors that the town offers. In addition to that I will give an introduction to a survey that the town conducted in 2017 and already gives some insights into the issues and problems the town faces and faced.

In the sixth chapter, there is an in-depth explanation of the methodology that has been applied during this research. To give the reader an immersive overview, the structure, as well as the objective of the interviews, are explained. Firstly, the sample of the chosen persons in the interviews is described and what factors come along with the decision to choose this sample. Moreover, the guidelines and the background of moderating and in the end analyzing the outcome of the interviews is shown.

After giving the reader an overview of the methodology and how the empirical setup is structured and conducted, the main findings of the interviews are presented and discussed in chapter seven.

The chapter number eight is the conclusion of the findings and connects the literature review and the results of conducting the interviews. In the end there will also be a summary of limitations in the last chapter number nine and the managerial recommendations I will give to the town of Neulengbach. Chapter number nine is about limitations and further research and number ten concludes this thesis.

2 History of Retailing and local economic impact

2.1 Brief history of retailing and the evolution of shopping malls

A brief overview of retailing will be given in the last few decades in the 20th and 21st centuries. This is important to the extent that this shows the changes that the retail landscape had to face and is facing now, and where the origins of these issues lay.

Downtown retailing had a massive boom in the late 19th century and early 20th century until the end of World War I. This boom was driven by the widespread implantation of public transit options like streetcars, and the hubs of these systems in downtown became the hubs of retailing. During this time, general economic activity has massively improved, and the purchasing power of the public also increased. During this time, bigger department stores opened in these areas that are still existing and well-known today (e.g., Macy´s in New York). The increased density of many retail options downtown led to more variety and lower prices, leading to these areas and shops becoming tourist attractions. (Robertson, 1997)

Retailing Downtown peaked in the 1920s but remained the most important retail option until the 1950s. By then, the widespread availability of cars led to a massive decentralization of stores and retail agglomerations. The development of new suburbs and the movement of families from downtown residential areas to newer residential areas in the suburbs, which were only reachable by car, led to the construction of the first suburban shopping centers. This can be seen as the beginning of the decline of downtown retailing. Due to this movement, the new target group of downtown retailing became office workers and tourists, leading to a different retail mix focused on upper-tier and chain stores. A factor that also led to the downturn of downtown retailing is perceived safety. Whereas this factor is not really of any concern in Austria, in the US, many consumers avoid downtown retailing because of safety concerns and prefer the as more safely perceived suburban malls. (Abbott, 1993) However, there have been attempts to make town centers more attractive in terms of retail by constructing urban shopping malls to combine the entire location with the amenities of suburban shopping malls. (Gillette, 1985) These urban malls are found in the centers of metropolitan cities and smaller towns, with examples also found in Austria. (Novak, 2021)

Nowadays, local retailing is competing with online stores, and many issues are coming along with it such as a decline in frequency in town centers. (Talen and Park, 2021) But there cannot be a clear distinction between shoppers doing online shopping or visiting local retailers as many retailers try to use an omnichannel strategy combining virtual/online features with local retail outlets. (Gauri et al., 2021) I will further discuss this issue in a later chapter.

To conclude, the auto mobilization after the second world war and the adaption of the infrastructure to a car-centric society moved many retail outlets outside of the towns. It led to town centers' loose frequency, which, however, is changing with the influx of new technologies like online shopping. (Rao et al., 2017; Talen and Park, 2021)

2.2 Role of Retailing for the local economy

Retailing is an important factor for the national as well as local economy. Retailing (without services like gastronomy) accounted for 12,1% of the Austrian GDP in 2022, and in terms of numbers 49,19 billion Euro gross value added. (Mohr, 2023) In terms of employment, the retail sector has about 380 thousand employees (which amounts to 9% of the working population in Austria). (Kleissner and Voithofer, 2022).

In terms of store numbers, there are 43.317 retail stores in Austria. The largest sector is grocery retailers (3.455 stores), followed by fashion retailers (3.251 stores) and metal goods and building supplies (3.203 stores). (Voithofer et al., 2023) Regarding productivity, the number of stores decreased by 18 percent and the revenue increased by 32 percent in the last decade. (Statista Research Department, 2023) The sectors with the highest increase in revenue in percent in 2022 have been fashion retailers (22,6%), sports goods retailers (17,1%), and shoe stores (14%). (Wirtschaftskammer Österreich, 2023)

Regarding the retail chains with the highest revenue, the three chains ranked by revenue are REWE group (Billa, Penny, Adeg) with 7.68 billion euro (excluding Bipa), Spar with 6.13 billion euros, and Hofer with 4.2 billion euro. This shows that grocery retailers are the biggest retail chains. Regarding other retailers, the XXL group (furniture) (1.2 billion euros), Media Saturn (electronics) (1.15 billion euros), and dm (drug store) (978 million euros) are the ones with the highest revenue. (Handelsverband, 2022b)

The retail landscape in Austria shows a very high density of retail outlets with 1,52 sqm of retail space per inhabitant, one of the highest compared to other European countries. (Wirtschaftskammer Österreich, 2020)

However, online shopping takes a toll on local retailing, as the revenue of online shops accounted for 10,4 billion euro in 2022. (Handelsverband Österreich, 2022a) The online shops with the most revenue in 2021 have been Amazon.com (1,2 billion euros) and Zalando (369 million euros) showing that multinational online shops are more dominant than Austrian ones. (Lohmeier, 2022)

Concerning the size of the biggest chains, Austria has a very strong concentration, especially among grocery stores, drug stores, and sports goods. The combined market shares of the top 3 companies in that sectors are around 80%. On the other hand, fashion stores are very diverse in terms of chains, with the top 3 retailers amounting to 27,4% combined market share. (Salihovic, 2022)

3 Retail Store Mix

3.1 Definition of different types of store formats

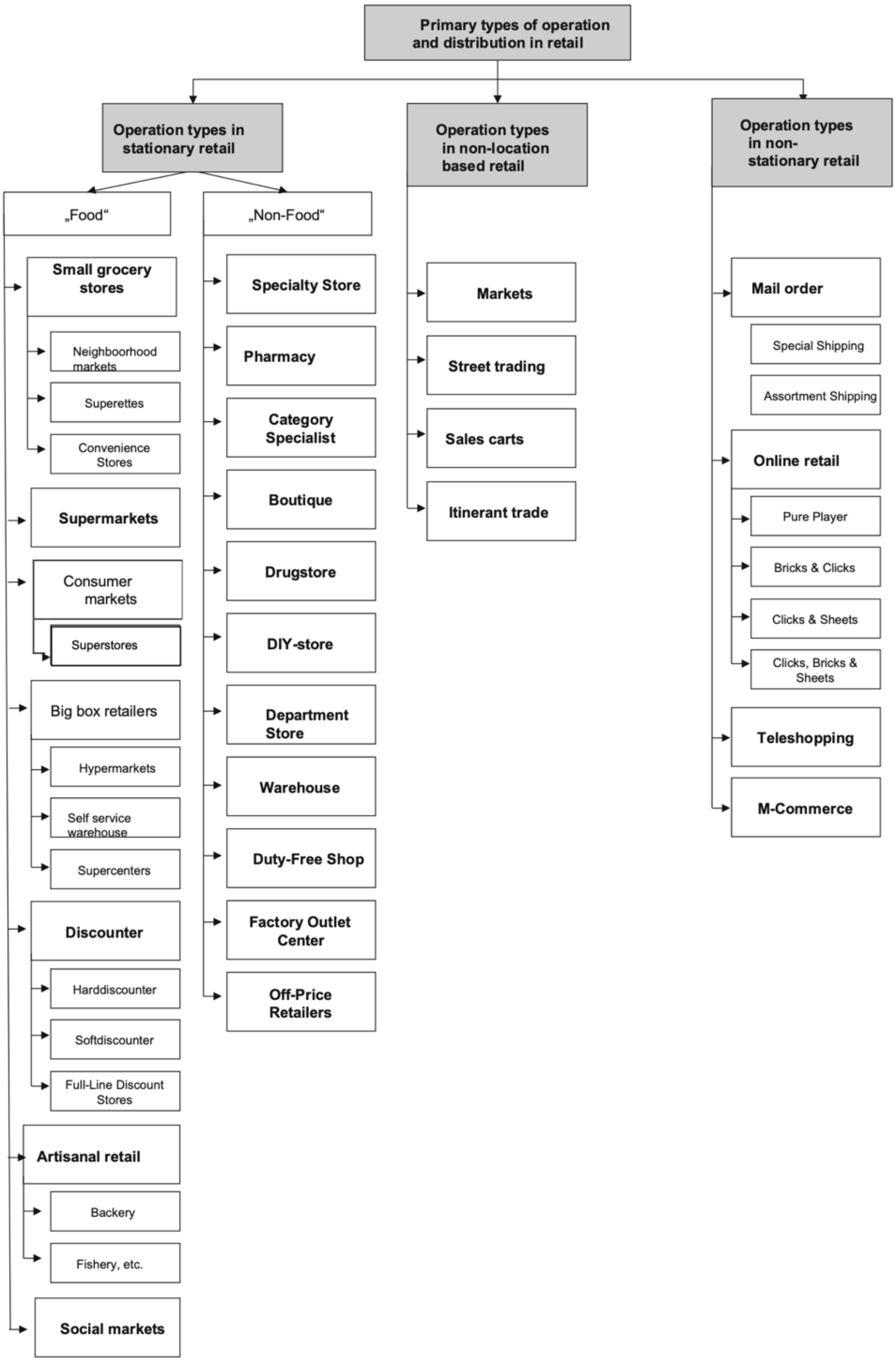

Figure 1: Different store formats, (Gittenberger and Teller, 2009), own illustration

Retail stores can be classified into three main categories: stationary retail, temporary retail, and non-stationary retail. When referring to the retail mix in towns, stationary retail is the category that is in focus using this term. The major split within stationary retail is the differentiation between food and non-food retailing. I will furthermore give a short introduction to the most important store types.

The evolution of store formats has a historical background, as the first stores were small family-owned general stores and evolved to the different store types that represent today's retail landscape. (Gauri et al., 2021)

The different store formats range from smaller, locally owned stores in town centers (with a floor space of under 400 sqm) to hypermarkets outside the center with over 3000 sqm and 9000 sqm. (Gittenberger and Teller, 2012)

To start with the smallest type of store. Smaller, locally owned stores are often the hub of low-populated towns and serve as grocery stores with limited assortment. The size of 400 square meters is defined as the limit for these smaller stores. These stores often serve multiple purposes, from offering food, selling tobacco, and operating as post offices. They are also usually family owned and operate in neighborhoods. (Bonfrer 2022) The recent trend shows that these smaller stores lose market shares to bigger stores (>800 sqm) (Reutterer and Teller, 2009). The next bigger type of store is supermarkets. They are defined with a shopping area of below 1000 square meters (usually between 400 and 800 sqm). The next bigger category is hypermarkets with a floor space above 1000 sqm, which are more common in Western Europe and especially the US. These stores are visited by consumers preferably for major shopping trips with large basket spending (Gittenberger and Teller, 2012)

Regarding Non-Food store types: Department stores, which offer a wide assortment ranging from food, clothing, toys, and electronic appliances. However, many department stores struggled throughout the 1980s and 90s and started focusing on discounts or implementing measures to make shopping a unique experience. And besides department stores, outlet centers are also a major category. (Gittenberger, 2012)

3.2 Introduction to retail agglomerations

3.2.1 Different Types of Retail Agglomerations

A group of stores in a clearly defined geographic region is a retail agglomeration. Agglomeration formats are diverse, but they are frequently described as either the result of a process that was either pre-planned or emerged gradually over time. Shopping malls, galleries, strip centers, and factory outlets are examples of master-planned retail agglomerations. In contrast, town centers, high/shopping streets, retail parks, and similar structures are examples of the latter "evolved" retail agglomerations. (Teller and Reutterer, 2008)

No clear line between a shopping mall and a strip center can be drawn. The main types of planned shopping centers are focused centers (serving nearby communities with a focus on groceries and everyday goods), retail parks (outside of the city center with a focus on stores with a high amount of floor space), shopping malls (over 50 retail units, restaurants and also focus on entertainment like a cinema), regional shopping center (similar to the shopping mall but with more stores and targeting more extensive regions), factory outlet center (focus on selling discounted brand products) and the specialty center (shopping mall in converted old town center shopping spaces) (Guy, 1998; Townsend et al., 1995)

For business owners, retail agglomerations provide synergy effects in terms of infrastructure. For consumers, retail agglomerations provide bundling effects. This implies that consumers save on spending time visiting multiple stores that are further apart than in the retail agglomeration. (Wieland, 2014) Any retail agglomeration aims to optimize the tenant mix, optimize space usage, market itself as one shopping destination, and coordinate tasks of all shareholders. (Teller et al., 2010) Many factors that come into play vary if the retail agglomeration has evolved or if it was preplanned. For the analysis of the retail landscape in Neulengbach, the terms town center and strip center are the most important. However, in general, another type, the shopping mall, is significant.

The significant differences between these three different retail agglomerations are (Teller, 2008):

Concerted Management

Shopping malls and strip centers have a management that organizes every step in the infrastructure, from parking to the retail tenant mix and oversees the retail agglomeration. In town center shopping, there is mostly no management that organizes interdependent infrastructure issues (however, some town centers do have cooperations for shared marketing activities and events)

Retail Tenant mix

In shopping malls and strip centers, the tenant mix is actively managed to ensure a suitable mix to maximize frequency. Town centers, however, need to actively manage which businesses storefronts are leased out to, as different landlords own the store areas.

Infrastructure

Shopping malls and Strip Centers are built from scratch and have their own parking facilities connected to the governmental road infrastructure. Town Center Retailing uses the already existing infrastructure in public places like parking.

A study has been conducted between a town center, a strip center, and a regional mall to examine shoppers' behavior and how it varies when visiting one of the different retail agglomerations. Customers in all three different retail agglomerations show that the retail tenant mix and the atmosphere have been the most influential factors. Factors like accessibility and parking, however, have had no significant influx. Therefore, the management of the shopping location needs to identify a suitable retail tenant mix to create a suitable atmosphere for shoppers. (Teller and Elms, 2010) Furthermore, the size and number of stores in a specific retail agglomeration positively affect the number of shopping trips made there per consumer. (Arentze et al, 2005)

3.2.2 Role of Anchor-stores in Retail Agglomerations

An anchor store is a retail establishment that typically sits in a mall or other retail space and acts as the center of attention for the area. Anchor stores are tenants with a large amount of floor space with long-term contracts and receive much foot traffic. (Shanmugam, 2013) They are called "anchor" stores because they draw in sizable crowds of customers, which then frequent the center's smaller shops and gastronomy like restaurants and cafes. They assist in stabilizing or anchoring the shopping center and acting as the main point of attraction. (Gerbich, 1998) Department stores, supermarkets, and big-box retailers are a few examples of anchor stores (Finn and Louviere, 1996).

The phenomenon of consumers specifically seeking these stores has many reasons. Most importantly, consumers already know about the assortment as these anchor stores are often (inter-)national chains that are well known among consumers. Studies have shown that the preferred anchor tenants in retail spaces range from restaurants, pharmacies, and butchers to clothing outfitters. (Bruwer, 1996) However, as these stores often have a spacious layout, the assortment is wider and economic consumers try to shop there to reduce the number of shopping trips and transportation costs. (Konishi and Sandfort, 2003)

As anchor stores are one of the critical factors that make consumers go shopping in a particular area, the right anchor stores are essential for the success of a shopping destination. They can also shape the brand image of this destination. Studies also reveal that consumers look out for retail brands with high-awareness levels, like nationwide grocery store chains, drug stores, or banks. However, these stores should be high-awareness stores for the target group. (Burnaz and Ilker, 2011)

Anchor stores also need to be balanced and complementary to the rest of the retailers to keep the character of the shopping area. This means that if most shops are high-quality and higher-priced and the target group is relatively wealthy groups of the population, the anchor store cannot be a discount supermarket but instead needs to be a higher-end department store. Especially in town center retailing, higher-priced stores can serve as an anchor and increase visibility (Morandi, 2011). The anchor store provides visibility for the other shops and should therefore be in line with their assortment in terms of prices. (Rasool, 2020) Anchor Stores is also a variable that is more easily changeable than specific building structures in a shopping destination, which makes changing the anchor store a feasible strategy to change the shopping center's character and influence the image. (Finn and Louviere, 1996)

The difference between shopping in the town center and shopping in the suburbs in strip malls shows that the anchor stores differ. In strip malls in the suburbs, discount stores and supermarkets are usually the anchor stores in these retail agglomerations, and other shops complement them. In the town center, anchor stores could also be grocery stores (organic and higher priced), clothing stores, pharmacies, and banks.

However, discount department stores lead to a negative image for the retail agglomeration they are located in, with the value-for-money being the only favorable attribute (Finn and Louviere, 1996)

Losing an anchor store can lead to drastic reductions in frequency. It is crucial to remember that anchor stores can be different in shopping areas that are closely located (e.g., the same supermarket chain in the suburbs and the town center). (Zentes et al., 2013)

3.2.3 Perception of retail agglomeration attractivity for consumers

As it is now defined what retail agglomerations are and what different types of them exist, there is elaborated how consumers perceive certain shopping malls and town centers attractive.

To further discuss attractiveness, it is necessary to distinguish the retail mix of a retail agglomeration and other factors like ambiance and infrastructure. (Burns and Warren, 1995) Center Attractivity is not only focused on retail aspects but is instead part of several factors that decide if a town is attractive for the inhabitants and visitors. (Morandi, 2011) These factors range from tangible factors like the retail tenant mix, design, and layout to non-tangible factors such as the atmosphere of a specific retail environment is showing. (Debek, 2015)

Most consumers try to minimize the number of centers they visit per shopping trip (regardless of suburban retail agglomeration or downtown city center), which makes analyzing the factors that make them decide where to go a vital issue in determining what makes a specific shopping area desirable. (Arentze et al., 2005) It is also necessary to remember that attractivity also means a distinction in terms of being different and standing out, especially compared to the competition of online shops. That means being attractive as a town center means setting itself apart from generic shopping malls and providing features that online shops do not offer. (Hospers, 2017)

These are the factors that are shared by several scientific research regarding enhancing the attractivity of town and retail centers for consumers:

Layout and Orientation

One major factor is the layout and orientation points that enhance consumers' perception. Signs and orientation marks can facilitate consumers' movement. It is essential for town center retailing to keep infrastructure focused on pedestrians and enhance urban elements like squares and fountains to increase attractivity for people to spend time there. (Powe, 2020)

This may only be somewhat adaptable to shopping in a town center. However, consumers must have good orientation, which could be improved by signs and maps at central points in the streets to show consumers where the stores and services are located, and liveliness and positive word-to-mouth are essential to keep the frequency of people visiting high. (Germelmann and Neder, 2006)

Non-retail activities and events

As explained in more detail in the first part of the chapter. A key factor is retail spaces, restaurants, bars, cafes, and residential areas with apartments in the town center. (Kaufmann, 2016) As consumers seek more and more entertainment venues and possibilities, town center retailing can provide consumers with a space where they can spend their whole day shopping, eating, drinking, and being entertained. Events in the city's central squares are another keystone of increasing frequency and attractiveness (Morandi, 2011).

Regarding retail, events by retailers, like specific product demonstrations, can also draw in more consumers (Bonfrer et al., 2022). The town center should act as a complex with many functions and offer retail spaces and non-temporary events. (Morandi, 2011)

Moreover, services like health centers with doctors, sports centers like gyms, and general services that people need throughout their daily lives can increase the frequency in town centers and help add more offers to the town center than only shopping. (Schwab, 2023)

Infrastructure

Town centers also need to be accessible. This means there must be several modes of transport to the destination (car, public transit, bike infrastructure, etc.). (Hospers, 2017) Green spaces, trees, and other elements enhance the attractiveness and, therefore the time consumers spend in a town center. (Källström et al, 2019)

Studies also show that consumers rate places with a high volume of car traffic worse in terms of attractiveness. (Weltevreden et al, 2007) Austrian examples also show that many consumers consider shopping in pedestrian zones without car traffic important. However, this topic needs to be addressed on a regional level because public transit is often scarce in smaller towns (Igler, 2023).

Store Location

Even within town centers, there are different locations where each type of store should ideally be located, as the frequency and amount of people visiting a store are different for some store types. Locations can be characterized from 1A to 1C with additional categories 1D and 1E. A location type 1A is a high street, often a pedestrian mall, with a diversified retail mix of pharmacies, banks, grocery stores, books, and apparel. 1B locations are similar. The critical difference is that these are mainly streets with car traffic and not only stores on ground level. Location type 1C is characterized by lower frequencies and a retail mix comprising specialty stores like local craftsmen, consumer electronics, and furniture stores. Locations 1D and 1E classify strip malls outside of towns with a retail mix that I specify in a later chapter. (Murauer et al., 2019) Specifically, locations not on the main shopping streets of towns and cities face the most issues because of increased competition between shopping malls and online shopping (Morandi, 2011). These location types are also dependent on the overall retail agglomeration. These retail agglomerations serve as a point of interest (POI) for shoppers as they benefit consumers by providing a more comprehensive range of goods than one store could. (Teller et al., 2012) Retail agglomerations also can be challenging to manage in terms of competition or cooperation between stores. Studies prove that competition between stores in a retail agglomeration has a positive effect on the performance of the whole agglomeration. However, collaboration can also increase performance, especially in marketing and communication. (Teller et al., 2016)

There are more factors, and these factors are not divided strictly. Some areas overlap and, of course, interdepend. They are also only applicable to some cities and towns but should act as a guide on the most critical factors to be attractive for visitors and shoppers. (Källström et al, 2019)

3.3 Retail Store Mix

The retail store mix, or tenant mix, refers to the combination of different types of retailers or businesses within a retail agglomeration. It can also be defined by the percentage each type of store (grocery retailer, fashion store, etc.) occupies in a specific shopping area. (Yim Yiu and

Xu, 2012) It is a key retail real estate development aspect and can significantly impact a shopping center's success. (Rasool, 2020) The retail mix refers not only to different store formats but also to the mix of brands (national brands or locally owned stores) and anchor stores. A well-designed store mix includes a balance of different types of retailers, such as anchor stores, specialty stores, and service providers, that appeal to a wide range of shoppers and drive foot traffic to the center. The store mix can also be designed to complement one another and can be adjusted to meet the market's changing needs and consumer demand. (Gerbich, 1998) The combination of different stores and brands near (next to) each other is defined as retail agglomeration (Burnaz, 2011; Teller et al., 2015)

The retail mix is, however, a variable that is subject to change, and competition between local stores, national chains, and online stores is increasing, with currently smaller, locally-owned retailers being the weakest competitor. (Grimmer, 2021) However, to create a suitable retail tenant mix in a specific location, it is also necessary that retailers can operate profitably in a new location which depends on the already existing competitor stores and also other stores of the same chain. (Kirkup and Rafiq, 1994)

As visiting stores is the main reason for many people to visit the city center, the right retail mix is crucial for a thriving retail landscape but also for the livability of the town itself. (Källström et al, 2019) Furthermore, the combination of stores in a specific shopping area, whether in town center retailing or at a shopping mall, is crucial for a thriving location with high frequency and among the factors that rank highest in terms of attractiveness rated by customers. (Teller and Reutterer, 2008) There is further elaboration on what makes specific areas attractive for customers, what stores are needed, what stores are the most essential (anchor stores), and what may be the reasons for not successful shopping areas leading to vacancies. To assess the right retail mix, knowing which group of shoppers is being targeted is essential. Low-income segments have different anchor stores than shoppers with a higher income. (Rasool, 2020)

Furthermore, to give an overview and analyze the current ratio in which the different shop types are distributed in Austria (counted by the absolute number of stores). The most common stores are Everyday goods at 26,3%, clothing stores at 21,9%, and DIY stores with gardening supplies at 16,5%. The least common stores are wellness and health-focused stores (3,9%), services (2,5%), and personal supply (2,2%). (Hoffmann, 2014) The bar chart below shows a generalized overview of the national economy, not a specific retail agglomeration.

Figure 2: Absolute number of shop types by merchandising focus in Austria (Wirtschaftskammer Österreich, 2020b); own illustration)

Furthermore, a scientific model for analyzing the right retail mix for specific shopping areas has yet to be discovered. (Yim Yiu and Xu, 2012)

However, the right retail mix is one of many important characteristics of a thriving and frequent downtown area or city center.)

4 Downturn of Town centers

4.1 Decline of Town Centers and the donut effect

Societal and Structural changes have led to a transformation of the retail landscape. The rise of online shopping, the pandemic, and the demographic shift is affecting retailers heavily. Especially small and medium-sized cities and towns in rural regions are affected. (Grimmer, 2021)

There are numerous reasons why town centers face a decline in the frequency of shoppers and many challenges that come along with this fact. One key factor of this decline is the demographic shift to a society with more older people. (Hoffmann, 2014) As of 2021, 20,8% of the population in the EU is above 65 years, and this figure is expected to rise to 31,3% in 2100 (Janson, 2022). Furthermore, is the rate of people living in cities and moving there increasing, which means that fewer people live in smaller towns, directly causing a decrease in the frequency of shoppers there. For example, the rate of urbanization rose from 29,6% in 1950 to 56,2% in 2020 and is projected to increase to 60,0% in 2030 in Germany. (UN DESA, 2022) The movement into the cities combined with the demographic shift and the fact that younger generations preferably live in cities. Especially outside of the economically advanced regions, many towns are having significant issues with this age shift. (Hospers, 2017) In Austria, the youngest region is Urban Vienna (Mohr, 2022).

The start of the decline of town centers goes back to the 1960s when more and more infrastructure was built, focusing on being perfectly suitable for cars. (Rao et al., 2017) This led to more and more retail spaces being built on the outskirts of the town and was the beginning of retail facilities with a higher amount of floor space possible than in the old historical centers. I further elaborate on this change which is called the *donut effect.*

The donut or doughnut effect is a specific pattern of movement of residents and businesses from the city center to the outskirts of the town. This effect describes that people leave the city center to live in the suburbs for different reasons. Along with the movement of the citizens, businesses, including retailers, follow them, and more and more businesses open new stores/branches in the city's suburbs. (Ramani, 2021) These out-of-town shopping centers can lead to a very strong decrease in frequency in the former historic town centers, as cases show. (Thomas and Bromley, 2003) This trend of businesses moving out of the city center to the suburbs leaves an empty or vacant core of the city, which is the origin of the name “donut effect,” as the center is empty, and the rim/outskirts of the town are filled with residents and businesses. One major factor that led to this phenomenon is car dependency and the widespread construction of suburbs around the city, of people who wanted to live in single-family homes rather than apartments. New infrastructure, such as new highways and streets, also made this possible by reducing travel times by car. (Davenport, 2003)

However, this relocation of more and more residents and businesses to more distant areas around the city leads to many negative side-effects like higher pollution caused by increased car traffic and a decrease in usable farmland. These issues arise because people in the suburbs commute more often with a car instead of using public transit or a bike. (Filion, 2000) The donut effect also led to bigger stores being built because the land outside the cities was less expensive to acquire than inner-city retail locations. This factor is visible in many superstores and big box retailers along major streets and highways in the outskirts (Hospers, 2017)

It is questionable if this trend is worsening because of Covid-19 and increased online shopping. (Powe and Oswell, 2022) One-stop shopping may have led to more people wanting to move to the suburbs. However, it could be that people also want to spend less time commuting and instead enjoy the variety of shopping, dining, and joining events in the city center after abstaining from social events for years because of the pandemic. These trends are further elaborated on in a later chapter.

However, the donut effect is not 100% adaptable to European cities, especially smaller towns like Neulengbach, for various reasons. But smaller towns and cities need help with the problem on a smaller scale. The old center is decreasing in attractivity for shoppers because of multiple causes, and the newer shopping centers on the outskirts are experiencing increasing demand from shoppers.

4.2 Problem of Vacancies

As described in the last chapter, a decline in frequency and several other factors lead to vacant stores.

A vacant commercial space in a shopping center or generally in town center retailing planned for lease or rent to a tenant for commercial purposes is a vacancy in the retail industry. A vacant space may appear because of a lease expiring, a tenant moving, or a business ending its activity.

(Talen and Park, 2021) For shopping centers and malls, vacant spaces can be a concern since they can negatively influence the overall shopping experience and lower foot traffic, which can negatively affect the businesses that are still open. Moreover, the most common causes of vacancies are the following:

- No suitable spaces: Businesses want to expand their stores, but due to historic building standards and protection laws, costly construction is not efficient or affordable. (Murauer et al., 2019)
- Rent prices: Rent is too high and not affordable for smaller retailers, leading them to move to real estate with lower rent on the outskirts of the town. (Talen and Park, 2021)
- No successor: Elderly business owners end their work life, and no one wants to take over the business. (Murauer et al., 2019)
- Rapidly decreasing frequency: Several reasons can lead to this situation:
    - The location, in general, is getting less and less popular, and stores are moving to the suburbs/outskirts of the town.
    - The population in the target area is decreasing (in rural regions with demographic decline)
    - Specific construction leads to new focus areas (new freeway or new train station led to diverging traffic)
    - Historic building protection laws make buildings unsuitable for today’s retail standards. (Murauer et al., 2019)

To analyze vacancies in cities further, the types of vacancies in general need to be distinguished between very short vacancies (up to 3 months) and structural vacancies (more prolonged vacancies with reasons like a decline in frequency). Between these types are many more different types that exist. Furthermore, analysis needs to be done for specific retail agglomerations. To this degree, vacant stores can be rented, as some stores are currently not in a leasable condition due to renovations that need to be done. Generally, a ratio of 10% vacant stores is quite good, which should be the reference for towns and cities. (Murauer et al., 2019)

One major contributor to a decline in frequency which leads to vacancies is the trend to online shopping. I will discuss how Online-Shopping affects local retailing and which stores are especially affected in a later chapter.

Another factor that is highly affecting vacancies is the structural and demographical change, which alters the structure of regions. Many rural regions suffer a decline in population due to people moving to more urban areas and the population staying in the region getting older. This can lead to dramatic economic effects in many former prosperous towns and cities (in Austria, for example, in the Mur Valley). However, this also leads to other towns witnessing an influx of younger people and families moving there and, in a further step increasing the frequency of store locations (this is the case of Neulengbach as many people are moving there). (Kaufmann, 2016)

Vacancies not only directly affect the city center in terms of frequency, but empty retail spaces also lead to other economic drawbacks like higher unemployment. Derelict buildings lead to districts of the town getting run-down and economically disadvantaged. (Powell and Oswell, 2022) This is not in anyone´s interest, as it damages the quality of life for citizens and decreases the value of businesses. (Whysall, 2011) Vacancies also lead to fewer people visiting specific locations, accelerating a downward path, as research shows that the presence of vacant storefronts is a reason not to shop there. (Hospers, 2017)

4.3 Trends that affect town center retailing

Our society is currently facing many crises at once. Starting with Covid-19, that dominated consumers' lives and the shopping experience in the last three years but lost its impact in 2022. (Nilsson and Wilberg, 2022) The war in Ukraine caused spikes in inflation and heavily affected global supply chains, resulting in empty retailers' shelves. And on top, the dominant topic in retailing is Online-Shopping and the discussion of whether it is a threat or a chance for retailers (significantly smaller businesses in town centers). (Igler 2023; Ekström and Jönsson 2022) I elaborate in this chapter on which influences are particularly affecting retailing in small towns and what could be done to take advantage of these side effects.

Online Shopping

One major trend that affects town center retailing is online shopping. With many stores closing down because of high and new competition, online shopping is another competitor for retailers, especially town center retailers. (Morandi, 2011) The advantages of online shops compared to local retailers are numerous: wider assortment, lower prices, and easier returns. One significant downside, however, is the delivery time. However, the possibility for potential customers to try out the products at the store is a major advantage for local retailing (Bonfrer et al, 2022) A study in 2018 also showed this trend, 41% of Austrian shoppers minimized their shopping trips to town centers but only 26% reduced trips to strip malls. (Schwarzwalder-Sailer, 2022) However especially elderly people (the age of people living in small towns is rather higher than people living in cities) prefer local, physical stores. (Schiffling et al, 2015). How strong the impact and competition local stores face against online shopping is also dependent on the category they operate in: Clothing, Shoes and Bags&Accesoires are the categories, online shopping has the strongest share of market whereas DIY&gardening products and hobby supplies have the lowest share of market. (Kunst, 2023)

But online-shopping is also a threat to shopping malls and strip malls, the main competitor of town center retailing since decades. Online-shoppers do not rely on a car to get their orders (besides click&collect). (Weltevreden et al., 2007) Maybe Online-Shopping can be a chance too for town center retailing to stand against strip malls competing. People buy everyday goods online and use the time to spend their time shopping and dining in the city center to enjoy real life rather than using their time to go to strip malls. (Schwarzwalder-Sailer, 2022)

To benefit from online-shopping, brick-and-mortar stores however need to have a successful omni-channel strategy in place to use technology to connect retailers themselves and shoppers better. (Frishammar et al, 2018) Omnichannel retailing is all about integrating the different channels of physical retailing and online-shopping. This can be as simple as an app but also includes technologically advanced stores (e.g., augmented reality in clothing stores). This goes as far as to offer consumers a seamless shopping experience from the digital to the physical world. (Cai and Lo, 2020) Town center retailers can use the new technologies to expand their assortment, offer new services like click&collect, and reach target groups with promotions more efficiently. (Grewal et al., 2021). However, the key to successfully using these features is that business owners know how to use them efficiently.

Sustainability and Local Food

Another major trend that is affecting the retail industry is sustainability. Most consumers are looking for retailers who keep track of sustainable business operations. Most retailers claim to experience an increase in consumer demand for sustainable products (Vadakkepatt et al., 2021). Especially regarding food and produce, consumer demand is rising. (Seyfang, 2008) For example, German consumers tend to prefer local products (Koptyug, 2023). Across Europe, more than every second consumer is looking into information if a brand is putting efforts into sustainability. Especially the fashion industry needs to meet climate goals, with all significant retailers showing issues in reaching climate goals.

Moreover, the high cost of living is preventing most consumers from spending more money on sustainability: 64% of consumers are affected. Upcycling and Repairing are gaining popularity in communities (Statista Research Department, 2022). The trend of sustainability could be a critical factor in helping town centers to optimize their retail tenant mix and to provide stores for consumers which target the problems and issues consumers face.

Not only is locally grown food and produce an essential factor in sustainability but also in more secure supply chains. (Stein and Santini, 2021) Local Produce can be sold at local supermarkets but also farmers' markets. Farmers´ markets are markets where farmers and producers directly sell their produce to consumers without intermediaries. (Giampietri et al., 2016) However, as the term local is hard to define, consumers positively valued the term “locally grown” and were more concerned about the area where the food was produced rather than the method used. (Capelli et al., 2022)

Neulengbach could use these trends by analyzing the potential to fill these gaps. Potential applications could be stores offering click&collect services to make use of consumers' demand for omnichannel solutions. Also, enhancing the assortments of retailers (if possible) to offer more sustainable and regional products can be a viable idea. Primarily the retailers selling could gain new consumers by focusing more on products from nearby farms and promoting this factor to consumers.

4.4 Town Center Revitalization and good practice examples of successful towns

As the donut effect and the phenomenon of city centers with decreasing frequencies is a problem that affects regions around the world, there are towns and cities which could not change the trend and are facing a high number of vacancies in the center, leading to problems like a decrease in safety and a decrease in livability in the end. However, there are also many examples of towns that have applied measures that worked out well in the end, in Austria and other cities around the world. Some good practice examples are introduced that show cities and towns that managed to reverse the negative trend. This is needed to assess which of these measures would be suitable for Neulengbach. I chose these good practice examples because they all shared the same problems: high vacancies and declining frequency.

I chose Eberswalde in Brandenburg, Germany, and Wiener Neustadt, Austria, because of several shared factors between these two cities and similarities to Neulengbach regarding geography, demography, and economy. These good practice examples are structured into status before the revitalization process, the actual process that has taken place, which steps have been taken, and the outcome in the end.

4.4.1 Eberswalde, Germany

Eberswalde, in Brandenburg, Germany, is located around 50km north of Berlin, connected by a regional train that takes around 30min to Berlin central station. The second mode of transport is highway A11 connecting the town to the Berlin ring freeway. In terms of demography, the city had roughly 42.000 inhabitants in 2017 and a positive migration balance, primarily because of people moving there from the center of Berlin.

The town faced an empty center mainly because of historical reasons and retail and business sites on the city's outskirts. The first steps have been to build residential- and commercial buildings on empty lots in the city center. The most important projects were the construction of a small shopping center and a new supermarket. Also, other retail spaces outside the city's actual center in streets with a decline in frequency have been closed down in favor of concentrating retail in the center. Another legal step that has been taken was to establish a zoning law to prevent unstructured developments without planning.

Another measure that has been taken was to connect the stakeholders like real estate owners, business owners, municipality officials, and cultural actors. This collaboration proved to be one of the key factors within this transformational process.

Concerning the result, there has been success following the transformational process (which still needs to be finished). Still, the downside was the loss in frequency in the other retail agglomerations abandoned on purpose in favor of concentration in the city center. The following steps that are in progress are to convert these abandoned former retail sites into residential buildings. However, the competition with retail agglomerations outside the center is still not solved as new developments are planned. (Korzer et al., 2020)

4.4.2 Wiener Neustadt, Austria

Wiener Neustadt is located in the south of Vienna and the state of lower Austria. It is connected to Vienna by trains that take approximately 30 minutes and the highway A2. It has about 40,000 inhabitants and was suffering from shoppers visiting the nearby shopping centers on the outskirts of the town itself. However, the location of Wiener Neustadt is challenging for town center retailing as it is located near several shopping malls and Fachmarktzentrum, among them notably the *Shopping City Süd,* one of the biggest shopping malls, is only a few kilometers away and pulling in frequency. (Schwarzwald-Sailer, 2022)

To address this issue, the town started a project in 2015 to make the center more attractive and applied several measures:

- They are investing in new pedestrian malls and infrastructure to enhance walkability and construct new public transit facilities.
- A new subsidiary of the University for applied sciences
- A daycare facility for children
- Replace vacant storefronts with temporary art installations.
- New and more events like a street art festival, concerts, and street markets

(Murauer et al., 2019)

After this revitalization process, vacancies remain a big issue in the town. Wiener Neustadt plans to subsidize businesses to curb the number of stores closing and attract new stores to the town center. In detail, existing businesses which invest in their store and new businesses moving into the town center can apply for a one-time subsidy of up to 15.000 Euros. (ORF NÖ, 2023)

Wiener Neustadt could serve as a possible role model for Neulengbach, as both towns are located near Vienna, and face the same possibilities and problems that come along with it (purchasing power outflow to the shopping centers in the suburbs like Vösendorf, but also influx of new people who want to move outside of a major city like Vienna).

I will further conclude the factors shared by these best practice examples.

4.4.3 Factors that are shared by the good practice examples

Different aspects and attributes analyze the good practice examples to give an overview of the characteristics shared among them.

Compact Area and storefronts

Consumers demand a diverse retail mix in a small place, which is even more critical in a time of decline. If storefronts become vacant, consumer distances become more prolonged, and the area is no longer compact but scattered. The Netherlands, for example, put a policy in place to make it possible for store owners to easily swap their store into another property in a more popular area to keep the center compact. (Hospers, 2017) City centers can also decrease car traffic and emissions by keeping the retail location as dense as possible. (Albrecht and Kortelainen, 2022) One possible solution to avoid empty storefronts is creating pop-up stores for new business owners to test their products. (Ekström and Jönsson, 2022). Also, using vacant lots in the center for new residential developments is possible, as this also adds new inhabitants to the city center. (Korzer et al., 2020)

Urban Infrastructure

The center needs to adapt to more needs than shopping and set itself apart as a place where people want to spend their time. On the one hand, there needs to be infrastructure such as parking facilities, public transit, and services like a childcare facility provided (Murauer et al., 2019). Still, on the other hand, this also means offering good infrastructure in terms of furniture, such as fountains and benches, and greenery to enhance the time people spend, thereby creating a worthwhile ambiance (Hospers, 2017). Several cities tried to differentiate the city center from a mere retailing area to a place that is livable and provides an atmosphere that increases the time people spend there. (Källström et al., 2019) Shared public spaces are a critical factor in developing urban infrastructure and also make it possible to use the space for events and temporary usage, such as pop-up stores or markets (Albrecht and Kortelainen, 2022) Other offers in terms of infrastructure can include education (daycare, schools), health centers and public administration as well. (Talen and Jeong, 2018)

Marketing a unique profile

Town Centers need to develop a profile that stands apart from standard shopping malls and online shops to be rememberable and distinguishable. This can be done by offering a specific retail mix of curated shops (Mehaffy and Haas, 2019). Shopping at specific shopping malls or town centers that are not the closest ones to the shopper's location are often chosen because they stand out and are different from the competition. (Burns and Warren, 1995) But this can also be accomplished by enhancing services like free parking or events. (Hospers, 2017) But apart from infrastructure, the unique features need to be promoted, and there is the need for marketing the city center. This leads to towns needing to create a brand and find out who the target group is. (Albrecht and Kortelainen, 2022)

Collaboration of stakeholders

What is essential for any town center revitalization is support from the public which often takes place in the form of *Town Center Management (TCM)* initiatives, which means that various stakeholders, such as business owners and municipality officials, work together. (Morandi 2011; Källström et al., 2019) Possible advantages include that TCM initiatives can act as intermediaries or negotiators between stakeholders. (Powe and Oswell, 2022) In the case of Neulengbach, an initiative that tries to enhance the collaboration of the various stakeholders exists and is called the *Aktive Wirtschaft Neulengbach.*

There are more examples of towns that implemented measures to reduce the number of stores and businesses moving outside of the city, to enhance the frequency of shoppers in the town center, and even to attract new stores. These measures range from laws that prohibit new shopping malls and strip malls, which have been implemented in many regions (in all of lower Austria), to investing in businesses through different subsidies to keep them in the center. There have also been attempts to build smaller malls in towns, which did prevent malls in the outskirts and suburbs but also increased vacancies of other businesses in the town center. (Novak, 2021)

5 The Case of Neulengbach

5.1 General Information on the City of Neulengbach

Neulengbach, located in the Wienerwald Region of Lower Austria, has a historical background, economic importance, and strategic location in the surrounding region. The city's history can be traced back to the 12th century when it was established as an economic hub and accommodated the castle of Neulengbach, owned by many prominent families over the centuries and remains a prominent feature of the old city center. In 2000, Neulengbach was officially designated as a city, marking a significant milestone in its development. In the last two decades, investments have been made into new infrastructure like new schools and partially revitalized the main square. (Information Signage on Main Square, 2023)

With a current population of approximately 8,000 residents, Neulengbach has experienced a steady increase in population since 1960, when the population was just 5,000 inhabitants. Notably, the city shows a high percentage of residents with academic degrees, at 22.4%, indicating a well-educated and dynamic population. Additionally, the city´s population exhibits a positive ratio of individuals moving in versus those moving away. (Statistik Austria, 2023)

The Wienerwald has had a significant impact on the landscape of Neulengbach, and the city center is located adjacent to an old castle on a hill. The municipal hall, the church, and many other businesses are close to the old city square, which serves as the city´s focal point. This square is a hub for residents to socialize, shop, and conduct daily activities.

In terms of transportation, Neulengbach is well-served by rail transit, providing two stations in the city, one of which is directly located in the old city center. Commuter and regional trains run frequently to St. Pölten, 20 minutes away, and to Vienna, a mere 30 minutes away. The city is also close to the freeway A1, just 6 kilometers from the city center, and the highways B19 and B44 run directly through the city. Traveling by car, Vienna and St. Pölten are each roughly 25 to 30 minutes away, and Tulln, the third city near Neulengbach, is also 30 minutes away. As a result, many residents commute to other cities for work, particularly to Vienna, where over 1000 commuters travel daily. Notably, more commuters are leaving Neulengbach than arriving, a trend that may reflect the city´s strategic location and economic opportunities in the surrounding region and the short distance to Vienna. (Statistik Austria, 2023)

5.2 Retailing and Business in Neulengbach

Figure 3: Map of Neulengbach (Google, 2023)

As Neulengbach is strategically very good located along routes with a high traffic volume, it has been successful at attracting many businesses in the past years and decades. However, there are two major areas of retailing and doing business in the city.

- The old town center near the castle
- The strip mall/Fachmarktzentrum along the Highway B19

As these two areas are very close to each other, the main issue concerning retailing in Neulengbach is a rivalry between them. Many new stores have been built at the Fachmarktzentrum and some older stores have moved their branches from the city center to the Fachmarktzentrum, including a supermarket and a drug store.

Figure 4: Old Main Square of the city

Figure 5: Old main square with educational and administrative institutions

Figure 4 above shows a photo of the old main square that is the focus of the research. As mentioned on the next page, this area is approximately 250m long, with two one-way lanes on different levels separated by a wall with trees in between. The parking situation is operated as short-term parking. Retailing in the city center is concentrated along this square, with virtually most retailers. Figure 5 shows the northern end of the main square and the administrative and educational facilities in Neulengbach. Behind the trees in the middle is a Kindergarten located next to the county court. As reported during the interviews, these facilities attract many people and draw frequency to the city center.

The city's old center served as a retail hub for many years and even centuries, and therefore the buildings are historic., This, along with many businesses being there for many years, leads to a retail mix consisting of smaller stores owned by citizens from the city /region and fewer chain stores. However, these older buildings drastically limit the space and layout of the shops, leading to smaller shops. Retailing and businesses like cafes, restaurants, and bars are centered around 250m square. The essential stores on the main square, according to local officials, are Modehaus Frank (a fashion boutique store), Supermarkt Brutschy (a small grocery store), Bäckerei Simhofer (a small bakery), a flower store, a smaller consumer electronics store, a bank, a jewelry, and several restaurants and cafés. The anchor stores here can be the bank and the small supermarket defined.

Concerning gastronomy in detail, there are three café, one butchery that also offers lunch menus, a Turkish fast-food restaurant and a Chinese restaurant. Notably there is no offer of Austrian food or *Gasthaus* in the city centre.

There are notably no national chain stores except an office store and a discount apparel store. Parking is offered within the city square, conveniently within walking distance to the stores and in a parking garage next to the train station (400m distance to the old town square). There are 29 stores in the city center (this number is only counting the stores along the main square, as this is the center of retailing in the city).

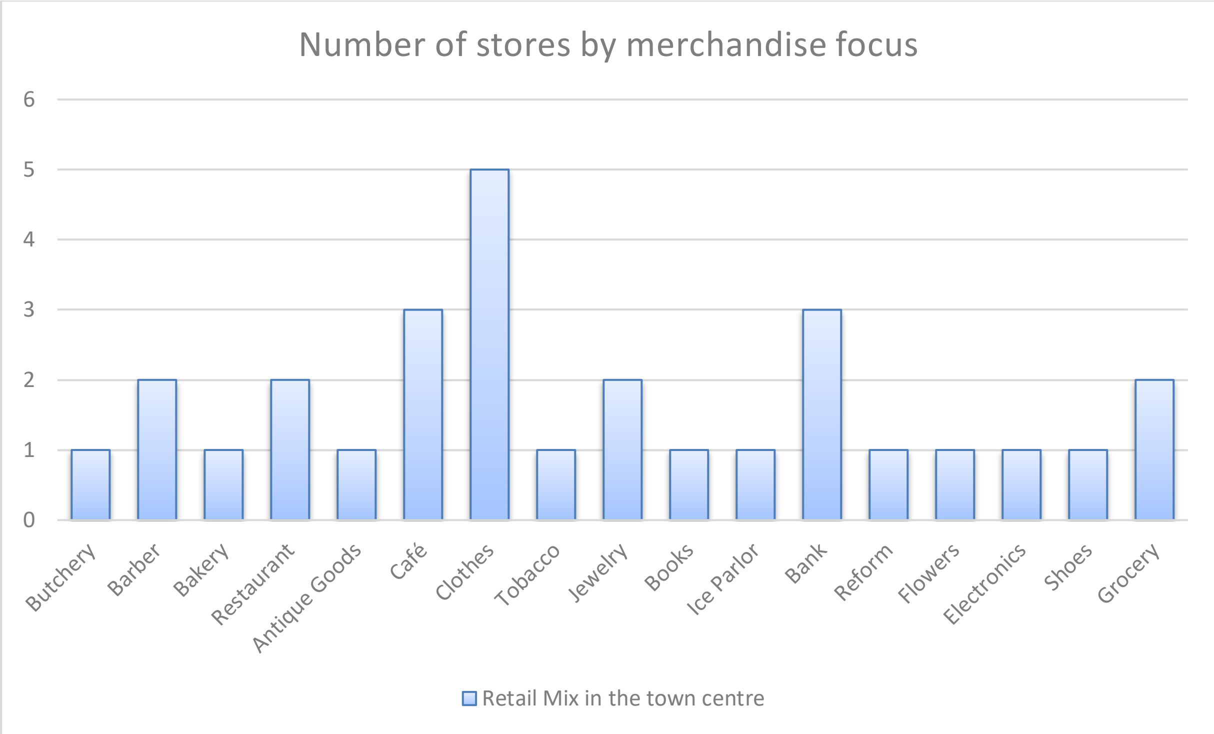

Figure 6: Merchandise focus of stores in the city center in absolute numbers, own observation, own illustration

Figure 6 shows retailers' distribution along the town center's main square counted by the researcher. The city center's most common type of store is clothes stores, with five locations counted.

The business owners of Neulengbach also have a cooperation called *Aktive Wirtschaft Neulengbach* to ensure collaboration. The main goals of this entity are to support local businesses located in the old city center, to ensure regional and locally sourced goods to be sold in Neulengbach, to ensure sustainability, and to secure jobs in the city. But the cooperation also organizes events in the town center, like shopping events and networking events for various stakeholders. (Aktive Wirtschaft Neulengbach, 2023)

Figure 7: Vacancy of a former grocery store

Figure 7 shows an example of the downturn of the city center of Neulengbach. This retail location in the picture used to be a store of a nationwide operating grocery retailer and was closed down because of a relocation of the store to the Fachmarktzentrum, roughly 300m away from the location in the picture and the new location offers a higher amount of retail space and ample parking spots. Another example of this trend is the drug store "Bipa," which also shut down its location in the city center in favor of moving to the Fachmarktzentrum.

Figure 8: The highway B19 along the Fachmarktzentrum

Figure 8 on the previous page shows the highway B19 along the Fachmarktzentrum. The heavy traffic and the focus on cars instead of pedestrians are visible in the narrow sidewalk. On the right side of the picture, the new location of the grocery store described in Figure 7 is visible.

The Fachmarktzentrum is located along Highway B19 and is separated from the old center by a river. It mainly offers national chain stores, like branches of the national grocery retailers Billa, Spar, Hofer, Lidl, and Penny, but also stores like Pagro Diskont, an office supply retailer; OBI, a home improvement retailer; the drug stores dm and Bipa; car dealerships; a consumer electronics retailer; fashion chain stores like Deichmann and Fussl; smaller locally owned stores like carpentry and smaller businesses from local craftsmen; a McDonalds and a few smaller fast food restaurants that offer Pizza and Kebab. Most of these businesses can be characterized by having a high amount of floor space and offering free and available parking spaces served poorly by public transit. To conclude, the retail mix in this area is based on grocery retailers and discount fashion stores, with discount grocery stores serving as anchor stores in this area. The target group is more likely to have a lower-than-average purchasing power. Most of the customers travel to their target stores by car.

5.3 Revitalization efforts in Neulengbach

The cooperation *Aktive Wirtschaft Neulengbach* conducted a survey 2017 about the retailing situation in 2017, and I will give a quick overview of the results. I will also implement this survey's findings in the interview guidelines later. The following responses are only a short part of the survey but are the most relevant for the topic, giving a good overview of the status quo in Neulengbach.

The survey had 64 participants, and most were between 41 and 55, reflecting the median age in the municipality, as roughly 74% have been city residents.

The most common answers to why the participants are getting to Neulengbach have been *Close to my Hometown/ Nähe zu meinem Heimatort; Historic town and good ambience/ Altstadtcharme, schönes Ambiente.* The least responses have been *good dining options /gute Gastronomie; good retail offers / attraktives Shoppingangebot* and *good transit options and connections/ Dank guter Anbindung leicht erreichbar.*

This shows that the retail mix in terms of store mix and dining options needs to be improved.

Asked about what the participants like about the tow center, most responses were: *consultancy/Beratung, local supply/Nahversorgung and retail mix/ Branchenmix*

This shows the opposite of the responses from the previous question, where the respondents needed to give more information about good retail options.

Regarding the things the participants do not like, most of them answered *heavy car traffic/Autoverkehr and the restricted* and *complicated shopping hours/ Unübersichtliche Öffnungszeiten.*

Regarding what the citizens wish for, most answers were headed toward improving the center in terms of livability (pedestrian zone and increase the quality of staying there) and regionality and more regionally produced goods in the assortment of stores.

Regarding retail, most answers focused more on regional products like a farmers' market, houseware, and electronics/computer stores. Some participants also mentioned events like concerts or town festivals to be desired and wished for.

To conclude, these answers already show that consumers are satisfied with some things being done in the town and some services that the city offers, but there is a need for improvements. Especially regarding the retail mix, the participants wished for improvements in more stores of different types, more focus on regional goods and produce, and more entertainment in the town center with various events. Regarding the infrastructure, many participants wish for a better pedestrian infrastructure with a cut back on car traffic and enhancements of the general quality of staying in the town center. This could be done by improving greenery and trees.

Along with the lack of pedestrian infrastructure, the unclear opening hours, vacancies, and a lack of assortment and variety were criticized most, as is visible in the table on the next page. However, there is a dispute between too many cars and too few parking spaces visible which is contradicting actually.

The participants' answers resemble the research on the topic quite strongly. The following figure gives a conclusion of the insights gained in the survey in 2017.

What do you like most about the city center of Neulengbach as a shopping destination?	What do you don´t like about the city center of Neulengbach as a shopping destination?
• the personal touch, the contact, coziness, friendliness • advice • local supply • branch mix • variety • everything within walking distance • different to shopping on the outskirts • specialty stores • everything there • doctors, • library • small stores	• too many cars, too few parking spaces, little free space • unclear opening hours • vacancies • cheap shops • expensive boutiques • bad sidewalks, no accessibility • too little choice/variety

Table 1: Results of the survey conducted in 2017

6 Methodology

6.1 Structure of the empirical study

The thesis is based on a qualitative study examining the factors that come into play when finding the suitable retail mix for small local towns. Qualitative research has been chosen because it will allow for an explanatory approach. Therefore, it will be possible to generate data and insights that are measurable within numbers and figures and thoughts and arguments in the discussion.

There has already been extensive research on what is needed to attract shoppers in towns and cities, and many case studies have been conducted around this topic. Moreover, there needs to be a general model of how a town's suitable retail mix is composed. Many case studies and best practice examples are available, but no scientifically proven model. However, the quantity and quality of research examining European towns, especially Austrian towns and cities, could be higher, as most research is focused on the US, which cannot be transferred back to European cities for various reasons (especially the different layouts of US towns). Furthermore, every town is unique, making it very complex to transfer insights from one town to another. Therefore, there is a need to generate data on specifically small towns in Austria. Especially the characteristics of Neulengbach, as a town that is very close to a major city (Vienna) but also has an abundant retail landscape, need research.

To generate responses and answers to the research questions for this thesis, the methodology needs to be split into several parts.

Therefore, I connect existing empirical data with new findings I achieve through interviews. I chose this method because I can connect the pre-existing numbers and figures with the results from the discussion with all major stakeholders affected by the topic. The city of Neulengbach has already conducted a survey about its retail structure and what can be enhanced. However, I connect these findings with interviews to get a more profound knowledge of what is already being done well, what can be improved, and the key reasons people choose specific retail locations in this town.

6.2 Data Collection

6.2.1 Sample Criteria

There have been interviews conducted with various stakeholders of the retail business in Neulengbach. There have been interviews conducted with several owners of the “key” businesses in town, like a local grocery dealer, clothing store owner, and a jeweler, and also with the mayor to get macroeconomic insights into the local economy. These interviews allowed the researcher to investigate the issues and problems that businesses and the economy in general in Neulengbach are facing. There also have been interviews conducted with private persons, the consumers. The discussions with these people are about their issues and why they shop in the town or do not shop there and go to other shopping destinations. This allowed the researcher to analyze the key issues the consumers are having and what the city could do to attract more consumers and increase frequency. This allowed the researcher to figure out which issues matter the most and what can be addressed to resolve them with the various stakeholders. The structure of the interview guide starts with a short introduction to the topic followed by information about the author of the thesis and the reason behind conducting the interviews. The semi-structures guideline contains 21 questions different for business owners/town officials and consumers and 12 questions for the official from the town. Other interview guidelines are created to adjust the questions to the relevant persons because these stakeholders have different foci. The interview guidelines are visible in the appendix.

The sampling method can be classified as purposeful sampling, as there has been help received from officials from the town of Neulengbach to contact local business owners, consumers, and town officials like the major. Still, people also have been sampled by the researcher on the streets of Neulengbach as well as connections to people who have experience with shopping in the town center of Neulengbach.

Interview Sample Criteria	
Business owner/employee of a business in the town center of Neulengbach	Consumer doing regular shopping trips to the town center of Neulengbach

Table 2: Sample Criteria

The participants were selected on the sample criteria that they are either business owners/employees of a business in Neulengbach, or they regularly make shopping trips to Neulengbach or did in the past.

The objective of conducting the interviews has been reaching the point of data saturation. According to Glaser and Strauss, this term is defined as "Saturation means that no additional data are being found whereby the sociologist can develop properties of the category. As he sees similar instances over and over again, the researcher becomes empirically confident that a category is saturated " (Glaser and Strauss, 1967, p.61). This point of saturation was met after conducting 15 interviews and posed to be the base for the following analysis.

6.2.2 Sample

After defining the sample criteria, the interview participants have been located and interviews conducted. A detailed overview of the persons interviewed is visible in Tables 3 and 4. Five business owners have been interviewed who own stores in various sectors (these stores have been defined as the most important stores in the town by the project partner). There has been an interview with the town's major to gain insights into the political point of view and more historical information. Furthermore, nine consumers were interviewed to learn about the shopper's behavior.

The sampling method has been a purposeful sample conducted among business owners in Neulengbach and consumers shopping in the town. The business owners were interviewed inside their shop premises, and the consumers were interviewed on the central square in the city and in the adjacent park and with online video calls. Therefore, there are also consumers in the sample who do not live in Neulengbach but in neighboring villages or recently moved to other towns but lived in Neulengbach for many years. The major has been interviewed via a video call. More consumers have been acquired through acquaintances and interviewed via video calls.

Each interviewee was informed about their rights, that the interview was voice-recorded, and that the gathered data was used for research purposes for this thesis. The discussions varied in length, as the consumers gave shorter answers than the business owners. However, this can be due to the business owners having vastly more experience and knowledge about retailing in Neulengbach.

Participant	Gender	Role	Business/Municipality	Date
B01	Male	Business Owner	Modehaus Frank	01.06.2023
B02	Male	Business Owner	Reformstube Lazari	01.06.2023
B03	Female	Business Owner	Eva´s Blumengewölbe	02.06.2023
B04	Male	Business Owner	Juwelier Pfeffel	02.06.2023
B05	Male	Business Owner	Greissler Brutschy	02.06.2023
B06	Male	Major of the town	Municipality	09.06.2023

Table 3: Sample of Business Owners and municipality official

Participant	Gender	Role	Date
P01	Male	Consumer	01.06
P02	Female	Consumer	03.06
P03	Female	Consumer	03.06
P04	Female	Consumer	03.06
P05	Female	Consumer	03.06
P06	Male	Consumer	04.06
P07	Female	Consumer	04.06
P08	Male	Consumer	05.06
P09	Male	Consumer	07.06

Table 4: Sample of consumers

6.3 Data Analysis – Qualitative Content Analysis

To analyze the data gained in the interviews, a transcript was first generated out of the spoken discussion.

I will use the qualitative content analysis (QCA) method by Schreier (2013) to fulfill this step. This method allows me to focus on the specific areas of study to answer my research questions and to be able to filter out details that are not necessary for the research purpose. Schreier's qualitative content analysis examines textual material that tries to uncover and analyze patterns and themes. It entails employing a flexible and iterative procedure to code and categorize data systematically. The technique stresses the relevance of context and tries to capture the data's richness and complexity in a way that allows for in-depth analysis and interpretation. This will further help me get an overview of all the data.

Transcribing the dialogues is the basis for analyzing the data. The system of transcribing established by Dresing&Pehl (2018) was utilized for this thesis as most participants will be speaking German with lower Austrian dialect. Using this technique all parts of the dialogues within the interviews are translated into official German.

After transcribing the discussions, a coding frame for the analysis is set up using subcategories according to the already-established interview guidelines. After being adapted to the coding guidelines, the statements collected during the discussions are then categorized within these subcategories. After several repetitions, the code is finished, and the results can be set up for conclusion. To be more efficient at analyzing the data, the software MAXQDA 2022 is being used. The codes used for analyzing the content refer to the knowledge gained in the literature review and to answer the research questions. I chose to use the software MAXQDA to make the process happen faster and to gain more and deeper insights into the interviews conducted.

7 Results

Details on the various study subjects covered in this thesis are provided to the reader in this chapter. First, a summary of the classification and coding scheme created for the data collected is given. The key findings from the interviews are reported in a subsequent phase, and their subsequent coding and analysis are then presented with references to the relevant dialogues. This makes it possible for the reader to acquire a complete overview of the study's findings, insights into the purchasing habits of local consumers in small towns, and the perspectives of company owners. Additionally, this chapter serves as background information and explanation before the subsequent deduced management implications and conclusion.

7.1 Categorization of concluded findings

To find answers and solutions to the research questions, a categorization table has been set up according to findings from the literature review and the interview guideline. The categories are the following, retail store mix for the different types of stores and the sectors located in the town center, atmosphere and infrastructure for the ambiance, infrastructure like car parking and greenery, and different events that add to the atmosphere in town. Furthermore, is the category retail agglomeration to set the town center of Neulengbach into place with nearby competitors and compare the decisions of consumers to shop at these different locations. The last two categories are non-retail/services. This provides insights into other businesses that are not retail, as they are also adding up to the local economy in the town, especially gastronomy. And the last category is the general economy, as the town center is subject to regional, national, and macroeconomic trends. These categories resemble the different aspects of a local retail mix and the various factors that come into play when analyzing the status quo in the town center of Neulengbach.

Table 4 explains these six categories and the key statements stated by the people interviewed, which will be analyzed in-depth and display the key statements expressed within these categories.

Subcategories	Key statements within subcategories
Retail Store Mix	• Consumers mediocre satisfied and said that the store mix is not the issue • Drug Store, Sports Goods and Children´s Clothes&Toy Stores as most missed branches
Atmosphere and Infrastructure	• Historic Center very important • Car Traffic as discussion point • Satisfaction in terms of parks and greenery • Events as point of interest
Retail Agglomeration	• Fachmarktzentrum not as competitive as in literature • St. Pölten, Tulln and Vienna as major competitors
Non-Retail/Services	• Gastronomy as massive pain point • Consumers wish for more offers • Health Services as pillar
General Economy	• Too many unfilled jobs • Business Owners sceptical about successors • Retailing getting disrupted
Vacancies	• Existing with three empty stores • Know ledged by town officials
Frequency	• Peak of retail several decades ago • Decrease in frequency since decades

Table 5: Overview of the subcategories with most important answers

7.2 Retail Store Mix

As described in the literature, the retail store mix consisting of different branches and store types dramatically influences success regarding the frequency of a specific retail agglomeration. (Rasool, 2020).

Interestingly, most business owners and consumers are satisfied with the retail store mix in Neulengbach and only had minor adjustments. (P02: "*There is diversity in terms of different stores" / "Die Vielfalt ist durchaus gegeben")* However, the store owners criticize the retail mix somehow. Stores like a sports goods store, kids' fashion and toys, and especially a drug store are the branches most often said to be missing. (B03: "*Yes a drugstore is definitely missing, so a bit more fashion and so wouldn't be bad either." / "Ja, Drogerie fehlt auf jeden Fall, so ein bisschen mehr Mode und so wäre auch nicht schlecht.")*

Moreover, many consumers sought a big grocery retail chain like Spar in the town center. But many consumers also said they often don´t shop in the town center because some of their favorite stores are missing. Some also said that if they need to shop at one specific store that is not available in the town center, they make their whole shopping trip in another retail agglomeration. However, not the number of stores and the diversity of sectors was criticized but rather the small assortment of the existing stores. Asked why she did not go shopping in the town center, but rather in the Fachmarktzentrum, one consumer noted: (P02: "Because there the offer is *always bigger because of the sales area, in the stores." / "Weil dort das Angebot eigentlich immer größer ist aufgrund der Verkaufsfläche, in den Geschäften*.")

Business owners also share the opinion that the retail store mix could be improved, however they know that it takes more work to attract the right stores. One business owner said that it is hard to fulfill all consumer demands, and if one type of store is not available, they choose a different retail agglomeration. (B01:"*Specifically for our Palmers store: I don't get any underwear in Neulengbach, so I have to leave anyway and then maybe do some shopping at the same time." / "Ganz konkret auf unsere Palmers Filiale: Bekomme, keine Unterwäsche in Neulengbach, also muss ich eh wegfahren und tätige dann vielleicht den oder anderen Einkauf gleich mit."*)

What was very interesting in the light of trends like sustainability and locally sourced products is that many consumers wished for national chain stores explained in the paragraph above. This contradicts the literature because the town center already consists of small local businesses and no retail chains (except one Libro bookstore). The assortment of regional and organic products has often been considered essential for deciding where to shop, which consumers think are unavailable in the town center. Business owners knew this is a pain point. (B02: "*Oh, well, of course for groceries, Billa, Spar. They have a lot of organic products, and Hofer, I think, too." / "Ach so, naja, natürlich für Lebensmittel, Billa, Spar. Die haben viele Bioprodukte, und Hofer, glaube ich auch".*)

The part of the retail mix that was highly criticized by consumers are opening hours. Many consumers actually approve of the store mix and the stores in the town center, but they decide not to go shopping there because of the short opening hours that don´t fit their schedule. (P04: "*Opening hours. I wouldn't mind going to different stores, that's not the issue, but then they're not open when I come" / "Öffnungszeiten. Es würde mich nicht stören in verschiedene Geschäfte zu gehen, das ist nicht das Thema, sondern sie haben dann nicht offen, wenn ich komme"*). At one time of the interviews (Saturday afternoon), there have not been more than a dozen consumers visible throughout the central square. Most shops close around lunchtime on Saturdays and Weekdays at 6 pm, shorter than the Austrian legal limit of store opening hours. (Advantage Austria, 2023)

Another factor is customer service. This point has been addressed in many interviews and is a differentiating factor of the town center of Neulengbach. (P07:" *Yes, very important, so I like to go there and get advice personally." / "Ja sehr wichtig, also ich gehe schon gerne hin und lasse mich beraten persönlich."*) It was mentioned throughout the interviews that service and consultancy proved to be why shoppers specifically visit the stores in the town center. The store owners share this thought as one business owner said, that consumers visit his store because of the sales clerks' assistance.

7.3 Atmosphere and Infrastructure

Regarding Atmosphere, many interviewees, business owners as well as consumers said that they like the historic center and the small-town vibe. *(B01: "That's also very nice, and it's all a bit more small-scale in Neulengbach, but it's also very appealing because of the old structure." / " Das ist auch sehr schön, und das ist alles in Neulengbach ein bisschen kleinräumiger, aber durch die alte Struktur auch sehr ansprechend.")*

Especially Infrastructure has been a highly discussed topic, as there are discussions of converting the town center to a pedestrian area, which business owners highly oppose. The business owners' responses about infrastructure have been quite opposed to an enhancement of pedestrian infrastructure at the cost of car traffic: (B04: "*As said in enough other cities, it has already been seen that a pedestrian zone is the real death of the economy, St. Pölten is the best example." / "Wie gesagt in genug anderen Städten hat man bereits gesehen, dass eine Fußgängerzone der echte Tod der Wirtschaft, St. Pölten ist das beste Beispiel.")* What stands out is that no business owner favored a pedestrian zone. Regarding parking spots, most of them said parking is available, but some noted there could be more parking spots. (B03: "*I don't know if they can stop right in front of the store, but there are parking garages, there is the short-term parking zone, which is free of charge, so I think it's good." / "Ich weiß nicht, ob die direkt vor dem Geschäft stehen bleiben können, aber es gibt Parkgaragen, es gibt ja die Kurzparkzone, die Gebühren frei ist, also ich finde es gut.")*

Consumers exactly stated the opposite, nearly every interviewed person liked to see less traffic in the town center. They also said there were already enough parking spots in the town center and the parking garage next to the train station (park&ride facility). Asked about the situation: (P04: "*Parking spaces are always an issue, because in and of themselves there are enough." / "Parkflächen sind ja immer ein Thema, weil an und für sich gibt es genug"*) The consumers also noted that there are enough green spaces, however the town center could be a bit greener as the big parks like Schlosspark and Stadtpark are a few minutes of walk outside of the actual town center and central square. (P05: "*Green spaces also good as far as possible, we have the city park here, the castle park, in the center directly it could be greener and could be more traffic calming, in my opinion." / "Grünflächen auch gut, soweit möglich, wir haben den Stadtpark hier, den Schloßpark, im Zentrum direkt könnte es grüner sein und könnte mehr Verkehrsberuhigung stattfinden, meines Erachtens."*)

These results in terms of infrastructure show massive discrepancies between business owners and consumers, and the parking infrastructure, especially in terms of pedestrian areas, was by far the most argued upon topic throughout the interviews, with also very political discussions off the record.

Another factor that has been answered is one factor that is a strength of small local towns: walkability: (B03: "*Because you can go there on foot, so to speak, if you wanted" / "Weil man* *zu Fuß quasi hingehen kann, wenn man da wollte.")* which is linked to the historic infrastructure.

Part of the Atmosphere is the liveliness of the town center and the different events taking place. (Morandi, 2011) Neulengbach and the local retail cooperation *Aktive Wirtschaft Neulengbach* are hosting several events throughout the year, like season-specific markets or "shopping nights" to promote the town center and to draw in visitors. (P04: "*I perceive Neulengbach as a young, dynamic city and something is happening there." / "Ich empfinde Neulengbach als junge, dynamische Stadt und da tut sich was")*; (P06: "*Which, where I'm sure that helps is if you do things like the white shopping night, that's also what Active Economy does as far as I know, if you offer something like that more often." / "Was, wo ich mir sicher bin, das hilft, wenn man Dinge wie die weiße Einkaufsnacht das macht auch die Aktive Wirtschaft soweit ich weiß, wenn man so etwas öfter anbietet."*)

7.4 Retail Agglomeration

As already said in the literature review, the town center of Neulengbach is facing competition from several other players. However, different than expected according to the literature (Ramani, 2021), many business owners did not fear competition from other retail agglomerations in Neulengbach, namely the Fachmarktzentrum along Highway B19 too much.

Some business owners accounted this to their different target group (especially elderly people). Asked about the target group of his business, one owner stated: (*B04: "Exactly older people, and just for things where it has to go fast." / "Genau ältere Leute, und eben für Dinge, wo es schnell gehen muss.")*

However, most consumers stated that they went to the direct competitor, the Fachmarktzentrum, in case they did not find the product they needed in the town center. (P08: "*So on the outskirts of Neulengbach there are a lot of shopping centers," / "Also an der Peripherie von Neulengbach gibt es sehr viele Einkaufszentren."*) The two primary reasons for the Fachmarktzentrum have been the availability of ample parking spaces and the location. However, nearly every consumer stated that they went there by car.

Another competitor for both of these retail agglomerations seems to be nearby cities like St. Pölten, Tulln, and Vienna with their offers and broader assortment. (B01: "*Neulengbach is there in these three cities corner of Tulln, St. Pölten and Vienna because it is 25 minutes by car* *there." / "Neulengbach ist ja da in diesem drei Städte, Eck von Tulln, St. Pölten und Wien, weil es 25 Minuten mit dem Auto dorthin ist."*)

According to the research done within the literature review, there is a need for an anchor store to draw in frequency to a specific retail agglomeration. (Gerbich, 1998) According to some statements, these stores need to be included and would be required to draw more consumers to the town center. (Interviewer: "*So frequency bringers, which are missing in the center? And missing supply?*" B01: "*Yes.*" / Interviewer: "*Also quasi wirklich Frequenzbringer, die fehlen im Zentrum? Und fehlendes Angebot?*" B01:"*Ja.*") However, some interviewees also stated that this anchor store does not need to be a big chain store but could also be a new café or restaurant. But a store or service that acts like an anchor has been criticized as missing in Neulengbach and posed as a weakness.

Regarding the means of transport to get to the specific retail agglomeration, it needs to be said that every interviewed consumer chooses a car to get to the Fachmarktzentrum. Still, many consumers who shop in the city center also use their bikes or walk. This poses the question of whether the trend to sustainability continues and whether more people will visit the town center compared to other retail agglomerations because they avoid taking the car for environmental reasons.

7.5 Non-Retail/Services

Non-Retail/Services is a cluster of services ranging from gastronomy to health services.

Somehow, there seems to be a disequilibrium: Many barbers and hairdressers offer their services (the fact that Neulengbach offers five different barber stores has been counted in many interviews). Along with services like education, administration (city hall and court), and healthcare that is available in Neulengbach, business owners and consumers are very happy about this fact. (B01: "*Conversely, we do have relatively many health care providers and doctors and dentists." / "Umgekehrt wir haben doch relativ viele Gesundheitsdienstleister und Ärzte und Zahnärzte."*)

On the other hand, services like gastronomy (cafés and restaurants) are few and with many restrictions. Asked about gastronomy, most interviewees, business owners, and consumers stated that the condition right now is terrible, and they are very unhappy about several characteristics. Neulengbach currently does not have a typical Austrian restaurant (Gasthaus) that serves dinner (one only does serve lunch in menu style but is a butcher), and the opening hours of the cafés are limited. Two quotes from interviewees show this fact: (P06: "*Very dissatisfied, to disaster, gastronomy disaster." / "Sehr unzufrieden, bis Katastrophe, Gastronomie Katastrophe.")* and (P04: "*An inn. An inn is missing, namely in the town. " / "Ein Gasthaus. Es fehlt ein Gasthaus, im Ort nämlich."*) The major also agreed on this topic and stated that there need to be actions to improve gastronomy in the town.

7.6 General Economy

As already analyzed in the literature review, the general economic condition is hindered by many crises: inflation, labor shortage, and the war in Ukraine. Therefore, it is not unexpected that the interviewees, namely the business owners, cite these reasons as problems for their businesses.

A very big issue, that did not come up analyzing the literature, is the problem of elderly business owners approaching retirement but no successor coming up. (B05: "*That's clear that some of the businesses that are eliminated, those that quit, just aren't being backfilled. " / "Das ist klar, dass die Betriebe teilweise die wegfallen, die aufhören, einfach nicht nachbesetzt werden.*")

Another issue is that business owners of these small businesses (the town center of Neulengbach does nearly only have smaller, locally owned businesses) face a disruption in the retail industry caused by the competition of online stores. (B01: "*Technology and online trading are causing a huge upheaval. I don't know what retail will look like in five years." / "Durch die Technisierung und Online Handel passiert ja ein großer Umbruch. Ich weiß nicht, wie der Handel in fünf Jahre aussieht.*") Therefore, they pointed out that customer service acts as a differentiating point.

7.7 Vacancies

As already looked into in the literature review, vacancies result from declining shoppers and visitors in a retail agglomeration. They can also be responsible for a downturn as they decrease real estate value and increase crime. (Powell and Oswell, 2022)

Neulengbach is currently facing several vacant storefronts, responsible for these are businesses that closed down to move to a new location in the Fachmarktzentrum, like a supermarket and a drugstore. Business Owners and consumers know these vacancies and accept them, which is not helpful for the town center. (B03: "*Well, that can't be good if business premises are empty." / " Naja, das kann nicht gut sein wenn Geschäftslokale leer stehen"*).

However, in general, the interviewees accepted that these vacancies exist. Still, they did not explicitly state them when asked about things that need to be done in Neulengbach or list them as weaknesses.

7.8 Frequency

Frequency determines how many shoppers/visitors are coming to the retail agglomeration. A negative trend is visible asked about how the frequency has developed in recent years. (*B01 "The overall frequency has certainly decreased" / " Die Frequenz insgesamt ist sicher gesunken"*); (B06:" *It was definitely better in the past, the market, let's say the center, was much busier." / "Früher war er definitiv besser, da war der Markt, sage ich mal das Zentrum, viel belebter.")*

However, One business owner agreed that frequency is an issue and declined in the past years, but he is not too worried about it as the sales value per customer has increased. (B04: *"The frequency has been less, but the product value sold has increased." / "Die Frequenz ist weniger worden, dafür ist aber der Produktwert gestiegen.)* This leads in the direction of quality, and the city center is increasingly focusing on higher-priced goods and not mass products.

As already explained, customer service is one of the aspects of why consumers come to shop in the town center, and one business owner also explained that his business does not focus on customers passing by. Still, shoppers are explicitly coming to the store that they planned to go to in advance. (B01: *"So, I can only speak about our business now. We are sought after because we offer advice, and our employees have a very personal approach to customers." / „Also, ich kann jetzt nur von unserem Haus sprechen. Wir werden gesucht, weil wir die Beratung bieten und unsere Mitarbeiter einen sehr persönlichen Zugang zu den Kunden haben.")*

Customers stated during the interviews that customer service is a crucial aspect of shopping specifically in the city center, compared to other shopping agglomerations. Asked about customer service, one interviewee stated: (P09:" *Very important, simply the, now that it's not an overly large place, I think customer service is already very important." / " Sehr wichtig, einfach den, nachdem es jetzt kein übertrieben großer Ort ist, ist Kundenservice meiner Meinung nach schon sehr wichtig.*")

8 Discussion and Implications

8.1 Discussion of the Results

This chapter analyses and discusses the results gained from the collected data. There is a comparison of existing literature analyzed in the first part of the thesis with the data acquired from the interviews in the empirical part. Moreover, this chapter tries to answer the research questions asked at the beginning of the chapter.

RQ1: What factors are responsible for growing vacancies in the town centers in rural areas (doughnut effect)?

RQ2: What strategies can be implemented in Neulengbach in order to strengthen the local retail infrastructure?

RQ3: What are the factors that come into play when people decide whether to go shopping in town centers compared to other destination?

Collecting data by interviewing people with detailed insight into the various issues small local towns face allows the researcher to dive deep into the problems the multiple stakeholders face. As the interviews were conducted with business owners, who know what their economic difficulties and issues are, that they are facing and interviewing consumers who have different reasons they base their decision on the desired retail agglomeration on. Furthermore, also the major of Neulengbach has been solicited to gain insights from a political and macroeconomic point of view. Overall, many statements and answers from the various stakeholders matched the ones acquired by analyzing pre-existing literature in the first part of this thesis.

Starting with the problem that many small local towns are currently facing: vacancies and a decrease in the frequency of shoppers and visitors in the city. Neulengbach is facing these problems heavily, and several reasons for this development can be pointed out. Furthermore, many interviewees also mentioned that the frequency in the town center declined over the last few years, especially during covid. Still, the decline started earlier, as the major said that around 30 years ago was the peak period of the town center with the most shoppers. Another reason is the historic building structure of the town center that hinders the development for shops and limits possible floor area. And as a macroeconomic issue, many locally owned shops are family operated or by single entrepreneurs close to retiring. Therefore, in this case, many business owners in the center do not have successors to take over the business and close down their shops. These points are similar to those presented in literature: decreasing frequency, inadequate store real estate, and no successors for smaller businesses. (Murauer et al., 2019)

Firstly, a second retail agglomeration besides the town center has been developed over several years. Many stores moved from the town center there because of several advantages a Fachmarktzentrum proposes for shops in terms of assortment. (Teller and Reutterer, 2008) Reasons, why shoppers go there that have been counted during the interviews are: wider assortment, readily available parking, closer location, more shops, and longer and more flexible opening hours. Concerning opening hours of stores, is the labor shortage a huge issue? Many stores and services need more employees, shortening their opening hours. (Szigetvari, 2023)

Along the very close competition from the nearby Fachmarktzentrum comes the proximity to nearby cities like St. Pölten, Tulln, and Vienna. All these cities are located within roughly a 30-minute drive or slightly longer train ride from Neulengbach and therefore attract shoppers in the same region.

Moreover, many shop owners cited online shopping as a threat to their business and remarked that a transition in retail is happening. So, there is already awareness among retailers that there is a need for change to face competition.

Many parts of retailing in small local towns are interconnected, as many stakeholders are involved. Learned from the empirical research of this thesis is that the retail mix depends not only on the different store types but also on the assortment in the stores, the different services the town offers, and which restaurants and bars are available.

Some consumers mentioned that they want to buy locally sourced and organic products. However, the most sought-after retail businesses have been chain stores. Especially grocery chain retailers and a drug chain like Bipa or dm have been stated to be very important for many consumers.

However, not only is the store mix responsible for drawing consumers into the town center, but also the general atmosphere (Källström et al., 2019) and availability of services like education and health care. Neulengbach offers many schools, educational institutes, and a wide range of health services like general practitioners and dentists. Along with these services, it has often been noted that many governmental structures are in the town center, like the city hall and the county court. Therefore, these various infrastructures also act as anchors for people to visit the town center and maybe shop in the stores.

Besides these governmental and administrative services, one sector has been mentioned the most to be essential for the town center: gastronomy. Many consumers, as well as business owners, noted that there needs something to be done with the existing cafés and restaurants as the offers are highly unappealing. The opening hours are minimal (there is no dining opportunity and no bar), no hotel for visitors to stay, and no Austrian "Gasthaus" besides the butcher offering lunch menus on workdays. Especially for the younger target group is virtually no offer available to meet in the evening or go out.

In general, it needs to be said that it came up within the interviews that retail owners see elderly people and people that already finished their work life as the most critical group of customers. There have been suggestions that there need to be more stores dedicated to elderly people with a focus on health problems, like an orthopedic or a store that offers hearing aids. This needs to be kept in mind but should be thought through by the business owners as this target group will grow in the following years and poses a significant consumer group. (Janson, 2022)

Many people also noted that the significant differentiation factor between the town center and the Fachmarktzentrum on the outskirts is the atmosphere and the vibe. (Morandi, 2011) As Neulengbach offers a historic building structure on top of a hill along with a medieval castle, this structure is highly different from the big box retailers along the major highways on the outskirts of the town. This factor leads to people not only coming to town for shopping specific goods but also visiting the center because of the sightseeing factor as well as coming to town to meet other people and for the social aspect. This point of differentiation is highly needed to stand out from other retail agglomerations. (Burns and Warren, 1995)

8.2 SWOT-Analysis

To give an overview of what is already being done successfully in Neulengbach considering retailing and what possible weaknesses and threats need to be addressed, I summarize this information in a SWOT analysis I have conducted, according to Sarsby, 2016.

I will start by analyzing the external factors, Strengths, and Weaknesses, then the Internal ones, Opportunities, and Threats. Then I will convert the factors to find possible strategies to use the strengths and opportunities.

Strengths

Neulengbach is showing strengths in terms of infrastructure. The town is well connected to the local and regional road network and has available parking capacity. It also offers frequent public transit options with two railway stations in the town, and the town center is easily reachable by bus and train. The town center is also very well kept up, and the infrastructure includes sidewalks, trees, and fountains. There is already an initiative called *Akive Wirtschaft Neulengbach* that actively promotes shopping in the town center and organizes events and meetings among all stakeholders in town to ease business problems. Neulengbach is also a town with new real estate developments attracting new residents. Furthermore, there is already a process for a town center revitalization to address issues which shows that the stakeholders agree that there needs to be action.

The retail mix is not suitable, but there are several stores in the town center, the most important: a small grocery store, a clothes store, a shoe store, a jeweler, a butcher serving lunch, and two smaller cafés.

Moreover, Neulengbach has a wide offer of health services with several doctors and a wide array of educational infrastructure and is home to the city hall and court. These buildings generate frequency in the town center.

Weaknesses

The Weaknesses Neulengbach possesses merely caused by the historic building structures that hinder retailers regarding floor space and assortment. Also, accessibility is an issue for many consumers, even though there is free parking directly on the town square and a parking garage nearby. The major weakness leading to a decline in frequency is the unsuitable retail mix that needs an anchor store for the town center, such as a national chain supermarket or a drugstore. In general, chains have been stated many times during the interviews.

Moreover, the status quo of gastronomy with only two cafés, a Chinese restaurant, and a Turkish restaurant, is weak in the eyes of the interviewed consumers. A typical Austrian "Gasthaus" is missing, and the opening hours are minimal, with no service in the evening.

Another area for improvement is the infrastructure currently. None of the stakeholders is satisfied with the status quo. Business owners would like more parking spaces, and consumers would like to see decreased car traffic in the center.

According to local retailers and the major, frequency also shows a negative trend. This is another weakness, as increasing vacancies can lead to a vicious circle of fewer shoppers visiting the town.

Opportunities

Regarding the opportunities, the major trend of sustainability, the desire of people to enjoy events and shop in real life after the pandemic, and in general, Neulengbach as a place where people move to are the greatest assets. Neulengbach could turn the trends of sustainability and regionality into implementing these aspects into their retail mix, e.g., arrange the assortments in the stores to feature more locally sourced products, emphasized in advertisements on the locally owned stores (contrary to the corporation-owned stores in the Fachmarktzentrum.

Furthermore, the post-pandemic induced desire for events and real-life can also be a chance to appeal to shoppers and increase the frequency in the old town. Many interviewees stated that they like the urban character of the town center and the historic ambiance there. This could be a USP compared to other retail agglomerations.

Another major opportunity is the ongoing revitalization process in terms of infrastructure that is in progress. This revitalization progress is also funded by the lower Austrian government and could prove vital in revitalizing the town´s infrastructure.

It is a fact that the general population is aging. (Janson, 2022) Some business owners already stated that elderly consumers, especially people who already finished their work life, are a key target group. This poses an opportunity to assess the retail mix, if this target group is satisfied, and if not, what measures could be taken.

Threats

The threats, however, are also numerous. In the current economic conditions, a recession could hit consumers' purchasing power which Neulengbach cannot avert. There is already high competition from the Fachmarktzentrum, and even more new stores are being developed on the outskirts, which could even increase pressure on the remaining stores in the old town center. High competition is also between St. Pölten, Tulln, and Vienna, each located roughly 30 minutes away from Neulengbach (by car) and having numerous shopping offers.

The retail mix in the old town also needs to be carefully redeveloped to target the younger audience and make sure to reach this target group. Many business owners stated that their target group comprises elderly people and pensioners. This factor looks like a strength initially but poses a threat as this is no sustainable business model to miss out on younger consumers. Still, the town center is located on a hill, making it less accessible than competition (e.g., the Fachmarktzentrum).

How Neulengbach can use these Strengths, Weaknesses, and opportunities will be elaborated within the managerial implications given in the next chapter. The different types of conversion strategies are elaborated and discussed on how it can be possible to use strengths to use opportunities, how to overcome weaknesses by using strengths, how to use strengths to avoid weaknesses, and how to reduce weaknesses to avoid threats.

Strengths:	Weaknesses:
• Well-connected town (car, public transit) • Good Infrastructure (Parking garage, modern town square) • Active cooperation of stakeholders • Investments into real estate (new apartments) • Health, Education, and Administration hub for the region	• Historic Town Center with strict protective laws • Small stores with limited floor space • Decline in number of stores in recent years. • Accessibility of old town center • Gastronomy with low standard
Opportunities: • USP of an urban center • Desire of people for events and shopping • People moving to Neulengbach • Demographic shift • Revitalization Process in progress	Threats: • Decrease in purchasing power. • High level of competition • Missing targeting of younger consumers • No successors of business owners

Table 6: SWOT analysis of the status quo

Conversion Strategies

Growth Strategies (Strength X Opportunity)

A significant growth strategy can be the easily accessible location Neulengbach offers with good public transit connections and located in the middle of the three cities Vienna, St. Pölten, and Tulln. The city can use this to market itself as a location for day trips from these cities (especially for people from Vienna). Combined with the historic center, the city should use this as its USP to set itself apart from the competition.

Furthermore, as the city shows growth in real estate and people moving there, this increases the number of people living close to the city center and could be used as a new frequency if targeted successfully.

Neulengbach can also make use of the existing successful events, that are popular among consumers. To reach new target groups, these events could be expanded and also incorporate the younger audience more.

As Neulengbach already has an existing cooperation that focuses on connecting the stakeholders, the *Aktive Wirtschaft*, they are in line with the literature regarding successful revitalization processes. Because there is the willingness to adapt and to collaborate this can further enhance growth.

Internal development strategies (Weakness X Opportunity)

One central area for improvement in the city center of Neulengbach is the historic building structure that hinders the construction of shops with a high amount of floor area. But this weakness can be turned into a strength. Many interview participants said that the city's historic center is a critical point of differentiation. Neulengbach can make use of its historic structure by emphasizing it in external communications and promotions and needs to be very careful to conserve it and even put more architectural focus on it in future revitalization processes.

The second central area for improvement is the status quo of the infrastructure, which only satisfies some of the stakeholders according to the results of the interviews. This is a chance for the city to adapt to the ongoing revitalization process. According to the literature, cities with high levels of car traffic are rated lower in terms of attractivity (Weltevreden et a., 2007) Neulengbach could take these findings and therefore reduce car traffic in the city center by converting the current situation of a central square on two levels with the one lane of car traffic on each level, to just a one-way street and a pedestrian zone on the other level, as business owners heavily criticized a pure pedestrian-only area. Overcoming this weakness also in terms of accessibility (cobble-stoned streets with steep inclines) could be possible thanks to the ongoing revitalization progress and this factor should be calculated in. Especially in light of an aging population accessibility is a crucial factor.

According to the interviews, another major weakness is the situation of restaurants, cafés, and bars in the center. The offers do not match the people's interests, with virtually no offer for dining and entertainment in the evening like bars. However, this can be changed by addressing the issue and maybe adding a new restaurant to attract visitors and increase the frequency in the center.

External development strategies (Strengths X Threats)

The current economic conditions are characterized by high inflation and a highly pessimistic expectation of consumers for purchases. (European Commission, 2023) This environment, however, could be turned into an opportunity for Neulengbach as the city center is more easily reachable by public transit, bike, and walking. There are areas for visitors to sit down and gather without needing consumption at a store or cafe.

Another threat to the city center retail in Neulengbach is that many businesses are run by people approaching the end of their work-life in several years but have yet to have a successor and fear being forced to close down their business at some point because of this issue. Moreover, this can be an opportunity for the younger generation to enter entrepreneurship, give the businesses new, more youthful input, and, therefore, better address the younger target group. This step, however, is critical and vital for many businesses to continue operating. As I spoke to business owners, this is a very critical issue.

Survival strategies (Weaknesses X Threats)

The high level of competition combined with the weaknesses Neulengbach is facing, like the historic center limiting construction of stores with a higher amount of floor space, as well as a decline in the number of stores and coming along a decrease in frequency in recent years, must be addressed carefully.

The issues could be confronted by setting the center apart from the competition of the Fachmarktzentren by emphasizing in communication that the center is different and offers a historical and urban atmosphere. It does not only provide just stores to shop but restaurants and cafés as well but also promotes the family-owned and smaller businesses that operate in the center compared to the chain stores outside of it.

	Strengths	**Weaknesses**
	• Well-connected town (car, public transit) • Good Infrastructure (Parking garage, modern town square) • Active cooperation of stakeholders • Investments into real estate (new apartments) • Health, Education and Administration hub for the region	• Historic Town Center with strict protective laws • Small stores with limited floor space • Decline in number of stores in recent years. • Accessibility of old town center • Gastronomy with low standard
Opportunities • USP of urban center • Desire of people for events and shopping • Positive migration balance	**S x O** • Promote Neulengbach as attraction to visitors • Target new inhabitants effectively	**W x O** • Market historic structure as USP • Improve Pedestrian Infrastructure • Attract new gastronomy
Threats • Decrease in purchasing power. • High level of competition • Missing targeting of younger consumers • No successors of business owners	**S x T** • Main square as social meeting point • New spirit of young entrepreneurs taking over existing businesses	**W x T** • Try to take the weakness of a historic center as USP against competition

Table 7: SWOT analysis with conversion strategies

8.3 Managerial Implications

After analyzing a wide range of literature and connecting it with the results of interviewing a wide range of stakeholders, there will now be several implications for small towns facing problems like vacancies and declining consumers in the town center, primarily focusing on the example of Neulengbach.

Retail Store Mix

The retail store mix is a key element of a lively town center, and the right mix of stores is highly relevant. (Källström et al, 2019) Regarding the example of Neulengbach, there seems to be an availability of different store types: clothes, jewelry, and books from a grocery store. But after analyzing the interviews, there can be observed that if one specific product is not available in the town center, consumers choose to go to a different retail agglomeration where that product is available, in the case of Neulengbach namely (drugstore products, children's clothes and toys, sports goods and building material). This implies that existing stores need to offer a broader arrangement to fulfill more consumers´ needs. However, what is also missing in the town center is an anchor. This has been obvious in the interviews that no actual anchor store exists to draw in frequency. (Gerbich, 1998)

However, the number of consumers wishing for a drug store and a national grocery chain (Billa and Spar, most often named) in the center is high. It must be said that the last drug store in the town center (Bipa) closed down not even two years ago, so there may be a reason of too little frequency for the big retail corporations to open stores there.

Gastronomy

Another factor that comes into play is gastronomy as a major puzzle piece for the town center. (Howard, 2007) There is currently no wide range of cafés, restaurants and bars and no hotel. The existing cafés also do not offer dining in the evening or general nightlife, which further decreases the frequency in the town center in the afternoon and evening. This issue needs to be addressed as soon as possible, and the various actors (operators, landlords and the municipality) need to find solutions.

Events as a point of interest

Regular events like the white shopping night or several season-specific markets have already been done very well. These events are popular among consumers and business owners because they attract potential consumers. However, the association of retailers (Aktive Wirtschaft) needs to promote further and carry out these events with adequate promotion in the region. One thing that could be enhanced regarding events is to promote local stores instead of focusing on merchants coming to town and selling their goods. Some business owners have said this issue, that felt that these events do not convert too many visitors to actual shoppers in the existing stores.

Infrastructure

Regarding the infrastructure, the discussion for and against more pedestrian space is highly political and should be addressed with all stakeholders. However, studies show that prioritizing car traffic is actually worse for frequency in local businesses, so there should be a compromise between a pedestrian zone and only dedicating specific parts of the town center for parking spots. (Weltevreden et al, 2007)

Customer Service

Regarding competition, the businesses in the town center are facing it from online shops, the Fachmarktzentrum on the outskirts of the town, and nearby cities like St. Pölten, Tulln, and Vienna. There is one major USP that can be taken to Neulengbach´s advantage, and that is customer service. Excellent customer service can act as a significant differential factor to the big retailers on the outskirts and the Internet, providing advice and employees who are good at consulting clients. Returning or exchanging malfunctioning goods without too much hassle and with goodwill is an essential factor.

To conclude, many “hard” facts like assortment, variety of shops, prices (there is no discount store in the town center), parking availability, and accessibility are arguing for the Fachmarktzentrum, however, the “soft” facts like customer service, ambiance, non-retail offers (gastronomy, education, health) argue for the town center.

9 Limitations and Future Research

Regarding the interpretation and generalizability of the gathered data, the current thesis demonstrates various limits that must be considered. The perception of qualitative research, in general, is that it is susceptible to a subjective bias, as was discussed at the beginning of chapter 4. This is because the researcher analyzing the data will give subjective definitions of specific terms and phrases based on his or her sociocultural background. Since the qualitative interviews were evaluated using Margrit Schreier's qualitative content analysis (2013), there will inevitably be some subjectivity in the interpretation.

Moreover, the sample of the participants can be classified as a convenience sample, which can be susceptible to bias, according to Sousa et al. (2004). As the participants of the interviews have been voluntarily participating, this group may be more interested in the topic and more critical than people who have not been willing to be interviewed, especially regarding consumers. However, the number of available participants was highly restrictive, as there are only a certain number of businesses in the town center of Neulengbach, which all have been contacted to interview them, but only a tiny number were willing to be interviewed. Also, the number of consumers was minimal as the number of people being present in the town center on the days of the interviews was decent and understandable, given the size of the local population. Also, the willingness to be interviewed could have been much higher among the people. Additionally, while doing research, several interviewees often mentioned that the currently ongoing revitalization process of the town is disputed and highly political.

As already stated in the literature review, there is no suitable retail mix, as it depends highly on specifics of the retail agglomeration, like demographics, geography, and structural background. There are many good practice examples of towns in countries around the world that cannot be transferred to one another to a certain degree. Moreover, the retail mix is also highly interconnected with politics and the economy. Even though analyzing the as-of-now status, this analysis might be only sometimes valid in several years.

Moreover, regarding the recommendations, it needs to be said that the retail mix is a topic that is highly interconnected between local, regional, and national stakeholders (in regards of economy, store chains, zoning, and location laws), and there is not one actor that can change it in one go. Many store owners and consumers also stated that they would wish for change, but it is difficult since there can´t be a specific business to be “forced” to open a store in the town center instead the result of demand and supply.

Regarding future research, it needs to be said that there needs to be evaluated how these assumptions of the suitable retail mix change for different towns. As noted before the retail mix is highly specific for a particular location and generalizations that include other locations are highly difficult. In future research, it needs to be discussed and analyzed what the situation looks like for different places, and regions as this thesis focuses on the empirical part only about Neulengbach, however in the literature review are more examples presented. For future research, it would also be helpful to analyze the changes in the status of Neulengbach (if changes are happening), and it then could be analyzed in more depth if the issues are resolved and what the most successful parts of the presented managerial implications have been.

10 Conclusion

This master thesis encompasses finding a suitable retail mix for small local towns. The measures to find answers to the research questions started by reviewing literature that is already existing about this topic. The study topics have been general insights into the importance of retailing for the local economy, problems of towns like vacancies and empty town centers, and general trends that shape retailing, like online shopping and sustainability.

Concluding the literature review, there are insights into good practice examples that tried to turn around a decline in town center retailing and how they managed to reach this target. The cities of Wiener Neustadt in the south of Vienna, Austria, and the city of Eberswalde in Germany, north of Berlin, have been examined because these cities show similarities to Neulengbach in terms of geography (location close to more extensive metropolitan areas) and demography and tried to revitalize their city center and enhance the city center as competitive retail agglomeration.

After reviewing the topic's literature, an analysis of the current retail landscape in Neulengbach, lower Austria, has been conducted. Neulengbach is the project partner of this thesis and was the point of study because it acts as a symbol for the problems many towns face in Austria, like a decline in frequency in the town center. And to get more insights into this issue, qualitative interviews with the various stakeholders of the town, business owners, major, and consumers have been conducted.

The research has revealed the issues towns face, the reasons for vacancies and a decline in town centers, and their historical background. Often, they are linked with a general economic downturn, but also because of new competing retail agglomerations like shopping malls on the outskirts. There has been an in-depth analysis about what sectors of stores a retail mix should consist of, and this is very hard to answer because this depends on the location and target demographic. There can be no generally spoken suitable retail mix.

However, in the case of Neulengbach, the answer is quite clear, and it can be said that a bigger grocery retailer and a drug store from a nationwide chain are missed most by consumers. Still, retailers that sell supplies for children are also sought after. However, the assortment has been criticized, but many people are also satisfied with the status quo, which means that this is a point where improvement is needed but there are more urgent issues. What is contradictory compared to research is that sustainability and locally sourced produce are topics (organic food especially), but most consumers missed chain stores. In that context, it needs to be said that the major grocery retailer in town, *"Brutschy,"* is a family-operated business.

The competition from the nearby Fachmarktzentrum should be taken seriously concerning retail agglomerations. Still, the proximity to other cities like St. Pölten, Tulln, and Vienna also hinders consumers from shopping in the town center. These cities offer a similar historical and urban atmosphere and a broader arrangement of shops. Therefore, consumers should be reminded via marketing campaigns that Neulengbach has this historic ambiance and that there is no need to go to another city for everyday shopping.

Adding to the retail mix are services, and by interviewing the stakeholders, it became apparent that this factor is underrated in terms of retailing in the literature. Gastronomy can be a crucial factor and an anchor to get people to visit the town and shop there. Many interview participants stated that the status quo of gastronomy is a significant issue. By taking advantage of this factor, the town center gains possible shoppers to other locations where a more suitable mix of retail and entertainment is provided. What, however, comes along in this step is the atmosphere. The historic atmosphere in the town center proved to be a major USP against the competitors and different events are another ingredient in making the center more attractive.

Regarding the atmosphere, it must be said that infrastructure and parking is a highly disputed topic and is visible like a sharp line between the stakeholders. There cannot be posed a solution here, as the arguments between business owners and consumers are on the other end of the spectrum respectively. As the major stated, the solution in terms of car-free zones in town centers may not be pedestrian zones but rather decreased traffic and limited parking of cars.

Another critical aspect that has been noted during the interviews is events in the city. People are aware that the town and especially the cooperation Aktive Wirtschaft organizes a range of events, from a white shopping night to shopping events at traditional festivities. However, while consumers are satisfied with the range of events, retailers are hesitant about how successful they are and how much they benefit local retailers. Therefore, the events should be adapted to engage more with the local retailers and not only act as temporary markets with other retailers setting up temporary stands.

To conclude, this thesis gives insights into small towns in Austria and how they should compose their retail mix and infrastructure in the city. However, it cannot be said enough that there is no suitable retail mix in general, and all these suggestions that have been given need to be discussed among all stakeholders and cannot be changed by more than one party. Revitalization processes do need to involve all stakeholders affected and there needs to be an evaluation of solutions that fit the demands of all stakeholders to solve issues together.

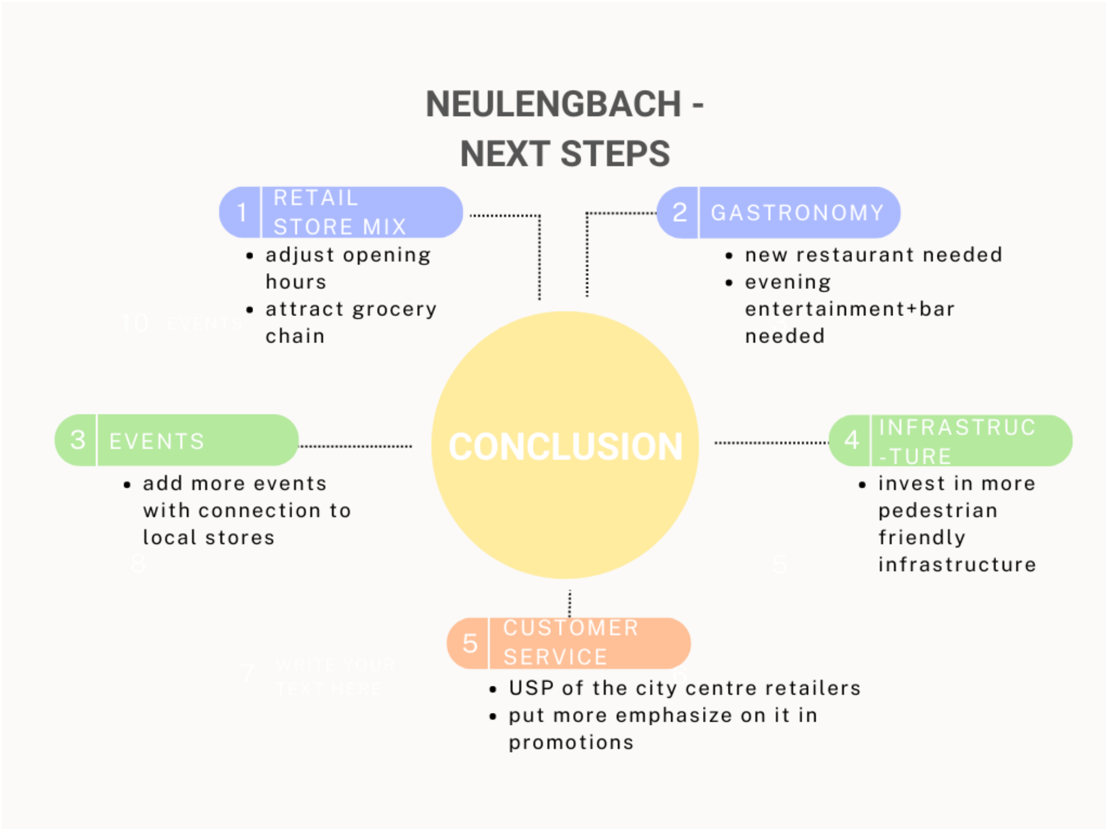

Figure 9: Conclusion of the managerial implications

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12 Appendix

Interview Guideline (German)

Inhaber von Unternehmen

Hallo, mein Name ist Dominik Mühleder. Ich studiere derzeit im Masterstudium Marketing an der Wirtschaftsuniversität Wien und durch die Teilnahme an diesem Interview helfen Sie mir bei meiner Masterarbeit. Zunächst einmal vielen Dank für Ihre Zeit und den Beitrag zu meiner Studie. Das Thema der nächsten Minuten wird sein, was für Sie in Bezug auf den Einzelhandel in Ihrer Stadt (Neulengbach) wichtig ist.

Bevor wir beginnen, möchte ich Sie fragen, ob es für Sie in Ordnung wäre, wenn ich dieses Interview zu Forschungszwecken aufzeichnen würde?

Könnten Sie sich bitte kurz vorstellen?

Ich möchte mit der ersten Frage beginnen:

1. Welche Branche oder Art von Unternehmen betreiben Sie in Neulengbach?
2. Wie lange sind Sie bereits Geschäftsinhaber in Neulengbach?
3. Wie haben sich Handel und Geschäftsleben in Neulengbach in den letzten Jahren verändert?
4. Wie hat sich Ihrer Meinung nach die Frequenz von KundInnen entwickelt im Laufe der Jahre?

Branchenmix:

5. Wie würden Sie den derzeitigen Branchenmix in Neulengbach beschreiben bezüglich Ausgewogenheit?
    a. Welche Branchen sind Ihrer Meinung nach in Neulengbach besonders stark vertreten? Warum?
    b. Gibt es Branchen oder Arten von Unternehmen, die Ihrer Meinung nach in Neulengbach unterrepräsentiert sind? Wenn ja, welche wären das und warum?
6. Welche Auswirkungen hat der aktuelle Branchenmix auf die Attraktivität von Neulengbach als Einkaufsziel?
7. Werden dadurch ausreichend Kunden angezogen?

Handels-Infrastruktur:

8. Wie bewerten Sie die aktuelle Einzelhandels-Infrastruktur in Neulengbach?
9. Gibt es ausreichend Geschäfte, um die Bedürfnisse der Einwohner und Besucher zu erfüllen?
10. Welche Art von Geschäften/Dienstleistern fehlen Ihrer Meinung nach in Neulengbach? Warum?
11. Wie wichtig ist eine moderne und ansprechende Gestaltung der Einzelhandelsbereiche, um die Attraktivität von Neulengbach zu steigern?
    a. Was denken Sie über die Infrastruktur generell im Stadtzentrum? (Parkplätze, Grünflächen etc.)
12. Inwiefern sind Sie mit den derzeitigen Standortbedingungen für Ihr Unternehmen in Neulengbach zufrieden?
    a. Wenn nein, was könnte verbessert werden?
    b. Wenn ja, was gelingt gut in Neulengbach?
13. Wie sehen Sie die Rolle der Gemeindeverwaltung oder anderer Organisationen bei der Förderung eines ausgewogenen Branchenmix und der Weiterentwicklung der Handels-Infrastruktur in Neulengbach?
14. Was denken Sie sind die Gründe, warum KonsumentInnen im Stadtzentrum einkaufen, gehen?
15. Was denken Sie sind die Gründe, warum KonsumentInnen NICHT im Stadtzentrum einkaufen, gehen?
16. Wie sehr denken Sie ist Leerstand ein Thema in Neulengbach?
17. Was denken Sie sind die Hauptmitbewerber für Ihr Geschäft?
18. Was denken Sie sind die Hauptmitbewerber für das Stadtzentrum Neulengbach?

Abschließende Fragen:

19. Was denken Sie sind die Stärken und Schwächen von Neulengbach?
20. Gibt es sonst noch etwas, das Sie zum Thema Branchenmix und Handels-Infrastruktur in Neulengbach sagen möchten?
21. Haben Sie konkrete Vorschläge oder Ideen, wie die Attraktivität von Neulengbach als Einkaufsziel gesteigert werden könnte.

Vielen Dank, dass Sie an diesem Interview teilgenommen haben. Ihre Antworten werden dazu beitragen, ein umfassenderes Bild von der Situation in Neulengbach zu erhalten.

KonsumentInnen

Hallo, mein Name ist Dominik Mühleder. Ich studiere gerade im Masterstudium in Marketing an der Wirtschaftsuniversität Wien und durch die Teilnahme an diesem Interview helfen Sie mir bei meiner Masterarbeit. Zunächst einmal vielen Dank für Ihre Zeit und den Beitrag zu meiner Studie. Das Thema der nächsten Minuten wird sein, was Ihnen beim Einkaufen in Ihrer Stadt (Neulengbach) wichtig ist.

Bevor wir beginnen, möchte ich Sie fragen, ob es für Sie in Ordnung wäre, wenn ich dieses Interview zu Forschungszwecken aufzeichnen würde?

Ich möchte mit der ersten Frage beginnen:

1. **Allgemeine Fragen zum Einkaufsverhalten:**
   a. Wie groß ist ihr Haushalt?
   b. Wo ist Ihr Wohnort? (Stadtzentrum, außerhalb vom Zentrum, nicht in Neulengbach)?
   c. Wie oft gehen Sie durchschnittlich pro Woche einkaufen? (Lebensmittel und andere Käufe getrennt)
   d. Welche Kriterien beeinflussen Ihre Entscheidung, wo Sie Ihre Einkäufe erledigen? (z. B. Preise, Auswahl, Qualität, Kundenservice)
   e. Welche Faktoren sind Ihnen bei der Auswahl eines Einkaufsortes besonders wichtig?
   f. Wo kaufen Sie normalerweise ein? (Stadtzentrum, Fachmarktzentrum, anderer Ort)
   Wenn nicht Stadtzentrum, warum? Wie erreichen Sie den Ort, an dem Sie einkaufen normalerweise? (Verkehrsmittel)

2. **Aktueller Branchenmix in Neulengbach:**
   a. Wie würden Sie den aktuellen Branchenmix in Neulengbach beschreiben? Wie zufrieden sind Sie mit der Vielfalt an Geschäften und Branchen?
   b. Welche Branchen oder Arten von Geschäften sind Ihrer Meinung nach in Neulengbach besonders gut vertreten?
   c. Gibt es Branchen oder Geschäftstypen, die Ihrer Meinung nach in Neulengbach fehlen oder unterrepräsentiert sind? Wenn ja, welche?
3. **Einfluss der Handels-Infrastruktur:**
   a. Wie zufrieden sind Sie mit der vorhandenen Handels-Infrastruktur in Neulengbach? (z. B. Ladengeschäfte, Fachmarktzentren)
   b. Gibt es ausreichend Einkaufsmöglichkeiten, um Ihre Bedürfnisse als Konsument zu erfüllen?
   c. Wie wichtig ist es Ihnen, dass Neulengbach über moderne und ansprechend gestaltete Einzelhandelsbereiche verfügt?
   d. Wie beurteilen Sie die aktuell vorhandene Infrastruktur im Stadtzentrum? (Parkplätze, Grünflächen etc.)

4. **Attraktivität von Neulengbach als Einkaufsziel:**
    a. Welchen Einfluss hat der Branchenmix in Neulengbach auf Ihre Entscheidung, dort einzukaufen?
    b. Wie wichtig ist Ihnen die Vielfalt an Produkten und Dienstleistungen bei der Wahl eines Einkaufsortes? Wie gut ist diese Auswahl Ihrer Meinung nach in Neulengbach
    c. Wie sehr sind sie mit der Auswahl an Dienstleistern in Neulengbach zufrieden? (Gastronomie)
    d. Welche Maßnahmen könnten Ihrer Meinung nach ergriffen werden, um Neulengbach als attraktives Einkaufsziel zu stärken?
5. **Einkaufserlebnis und Kundenservice:**
    a. Wie bewerten Sie das allgemeine Einkaufserlebnis in Neulengbach? (z. B. Sauberkeit, Atmosphäre, Bequemlichkeit)
    b. Wie wichtig ist Ihnen guter Kundenservice bei Ihren Einkäufen in Neulengbach?
    c. Gibt es Verbesserungen oder Änderungen im Einzelhandelsumfeld, die aus Ihrer Sicht vorgenommen werden könnten, um Ihr Einkaufserlebnis in Neulengbach zu verbessern?

Vielen Dank für Ihre Teilnahme an dieser Befragung. Ihre Antworten werden helfen, ein besseres Verständnis für die Bedürfnisse und Wünsche der Konsumenten in Neulengbach zu gewinnen.

Bürgermeister

Hallo, mein Name ist Dominik Mühleder. Ich studiere gerade im Masterstudium in Marketing an der Wirtschaftsuniversität Wien und durch die Teilnahme an diesem Interview helfen Sie mir bei meiner Masterarbeit. Zunächst einmal vielen Dank für Ihre Zeit und den Beitrag zu meiner Studie. Das Thema der nächsten Minuten wird sein, was Ihnen beim Einkaufen in Ihrer Stadt (Neulengbach) wichtig ist.

Bevor wir beginnen, möchte ich Sie fragen, ob es für Sie in Ordnung wäre, wenn ich dieses Interview zu Forschungszwecken aufzeichnen würde?

Ich möchte mit der ersten Frage beginnen:

1. Wie würden Sie den derzeitigen Branchenmix in Neulengbach bewerten? Sind Sie mit der Vielfalt und Verteilung der verschiedenen Branchen zufrieden?

2. Welche Branchen oder Arten von Unternehmen sind in Neulengbach besonders stark vertreten? Wie haben sich diese Branchen entwickelt und welchen Beitrag leisten sie zur Wirtschaft der Stadt?
3. Gibt es Ihrer Meinung nach Branchen oder Arten von Unternehmen, die in Neulengbach unterrepräsentiert sind?
4. Wenn ja, welche wären das und wie könnten sie die Wirtschaft und Attraktivität der Stadt bereichern?
5. Wie beurteilen Sie die aktuelle Einzelhandels-Infrastruktur in Neulengbach? Gibt es ausreichend Ladengeschäfte, Einkaufszentren oder Märkte, um die Bedürfnisse der Einwohner und Besucher zu erfüllen?
6. Welche Maßnahmen wurden bisher ergriffen, um den Branchenmix in Neulengbach zu fördern und die Einzelhandels-Infrastruktur zu verbessern?
7. Wie sehen Sie die Rolle der Gemeindeverwaltung bei der Unterstützung eines ausgewogenen Branchenmixes und der Entwicklung einer starken Einzelhandels-Infrastruktur in Neulengbach?
8. Welche Herausforderungen bestehen aus Ihrer Sicht bei der Förderung eines vielfältigen Branchenmixes und einer robusten Einzelhandels -Infrastruktur in Neulengbach?
9. Welche konkreten Pläne oder Initiativen haben Sie, um die Attraktivität von Neulengbach als Einkaufsziel zu steigern und die Wirtschaft weiter anzukurbeln?
10. Wie wichtig ist es Ihnen, die Zusammenarbeit mit Unternehmern und lokalen Geschäftsinhabern zu stärken, um den Branchenmix und die Einzelhandels - Infrastruktur in Neulengbach zu verbessern?
11. Wie würden Sie die derzeitige Infrastruktur des Ortszentrums von Neulengbach bewerten? Gibt es ausreichende Einrichtungen und Annehmlichkeiten, um die Bedürfnisse der Einwohner und Besucher zu erfüllen?
12. Welche spezifischen Maßnahmen wurden ergriffen, um die Infrastruktur des Ortszentrums von Neulengbach zu verbessern und es zu einem attraktiven und lebendigen Ort zu machen?

Vielen Dank für Ihre Teilnahme an diesem Interview. Die Antworten des Bürgermeisters werden dazu beitragen, ein besseres Verständnis für den Branchenmix, die Retail-Infrastruktur und die Infrastruktur des Ortszentrums von Neulengbach zu erhalten sowie mögliche Initiativen zur Verbesserung zu identifizieren.

Interview Guideline (English)

Business Owners

Hello, my name is Dominik Mühleder. I am currently studying for a master's degree in marketing at the Vienna University of Economics and Business and by participating in this interview you will help me with my master's thesis. First of all, thank you for your time and contribution to my study. The topic of the next few minutes will be what is important to you in terms of retail in your city (Neulengbach).

Before we begin, I would like to ask if you would be okay with me recording this interview for research purposes?

Could you please introduce yourself?

I would like to start with the first question:

1. What industry or type of business do you operate in Neulengbach?
2. How long have you been a business owner in Neulengbach?
3. How did trade and business life in Neulengbach change in the changed in recent years?
4. In your opinion, how has the frequency of customers developed? through the years?

Retail Mix:

5. How would you describe the current branch mix in Neulengbach in terms of balance?
    a. In your opinion, which sectors are particularly well represented in Neulengbach? Why?
    b. Are there any sectors or types of companies that you think are underrepresented in Neulengbach? If so, which ones would they be and why?
6. What effects does the current branch mix have on the attractiveness of Neulengbach as a shopping destination?
7. Will this attract enough customers?

Retail Infrastructure:

8. How do you rate the current retail infrastructure in Neulengbach?
9. Are there sufficient shops to meet the needs of residents and to meet visitors?
10. What kind of shops/services do you think are missing in Neulengbach? Why?
11. How important is a modern and attractive design of the
    Retail areas to increase the attractiveness of Neulengbach?
    What do you think about the infrastructure in general in the city center? (Parking lots, green spaces, etc.)
12. To what extent are you satisfied with the current site conditions for your company in Neulengbach? If not, what could be improved? If so, what works well in Neulengbach?
13. How do you see the role of local government or others
    organizations in promoting a balanced mix of industries and the further development of the retail infrastructure in Neulengbach?

14. What do you think are the reasons why consumers in the downtown shopping, going?
15. What do you think are the reasons why consumers do NOT shop downtown?
16. How much do you think vacancy is an issue in Neulengbach?
17. What do you think are the main competitors for your business?
18. What do you think are the main competitors for Neulengbach town centre?

Closing questions:

19. What do you think are the strengths and weaknesses of Neulengbach?
20. Is there anything else you would like to say about the mix of industries and retail infrastructure in Neulengbach?
21. Do you have specific suggestions or ideas on how to increase the attractiveness of Neulengbach as a shopping destination?

Thank you for taking part in this interview. Your answers will help to get a fuller picture of the situation in Neulengbach.

Consumers

Hello, my name is Dominik Mühleder. I am currently studying for a master's degree in marketing at the Vienna University of Economics and Business and by participating in this interview you will help me with my master's thesis. First of all, thank you for your time and contribution to my study. The topic of the next few minutes will be what is important to you when shopping in your city (Neulengbach).

Before we begin, I would like to ask if you would be okay with me recording this interview for research purposes?

I would like to start with the first question:

1. General questions about purchasing behavior:

a. How big is the size of your household?
b. Where is your place of residence? (city center, outside of the center, not in Neulengbach)?
c. On average, how often do you go shopping per week? (groceries and other purchases separately)
d. What criteria influence your decision where to place your do shopping? (e.g., prices, selection, quality, customer service)
e. What factors are important to you when choosing a place to shop particularly important?
f. Where do you usually shop? (city center, retail park, other location)
If not city center, why?
g. How do you usually reach the place where you shop? (Means of transport)

2. Current retail mix in Neulengbach

a. How would you describe the current retail mix in Neulengbach? How satisfied are you with the variety of shops and industries
b. In your opinion, which sectors or types of businesses are particularly well represented

in Neulengbach?
c. Are there any sectors or business types that you think are missing or underrepresented in Neulengbach? If yes, which?

3. Influence of retailing infrastructure:

a. How satisfied are you with the existing retail infrastructure in Neulengbach? (e.g., shops, retail parks)
b. How important is the variety of products and services when choosing a place to shop?
c. How important is it to you that Neulengbach has modern and attractively designed retail areas?
d. How do you rate the current infrastructure in the city center? (Parking lots, green spaces, etc.)

4. Attractiveness of Neulengbach as shopping destination

a. What influence does the retail mix have on your decision to shop there?
b. How important is the variety of products and services when choosing a place to shop? In your opinion how good is this selection in Neulengbach
c. How satisfied are you with the choice of services? (gastronomy)
d. What action do you think could be taken to strengthen Neulengbach as attractive shopping destination?

5. Shopping experience and customer service

a. How do you rate the overall shopping experience in Neulengbach (cleanliness, atmosphere convenience)?
b. How important is good customer service to you when shopping in Neulengbach?
c. Are there any improvements or changes in the retail environment that you think could be made to improve your shopping experience in Neulengbach?

Mayor

Hello, my name is Dominik Mühleder. I am currently studying for a master's degree in marketing at the Vienna University of Economics and Business and by participating in this interview you will help me with my master's thesis. First of all, thank you for your time and contribution to my study. The topic of the next few minutes will be what is important to you when shopping in your city (Neulengbach).

Before we begin, I would like to ask if you would be okay with me recording this interview for research purposes?

I would like to start with the first question:

1. How would you rate the current branch mix in Neulengbach?
Are you satisfied with the variety and distribution of the different branches?

2. Which sectors or types of companies are particularly well represented in Neulengbach? How have these industries developed and what contribution do they make to the city's economy?

3. In your opinion, are there any industries or types of companies that are underrepresented in Neulengbach?

4. If so, what would they be and how might they affect the economy and enhance the attractiveness of the city?

5. How do you rate the current retail infrastructure in Neulengbach? Are there enough stores, malls, or markets to meet the needs of residents and visitors?

6. What measures have been taken so far to promote the branch mix in Neulengbach and to improve the retail infrastructure?

7.How do you see the role of the local government in supporting a balanced mix of branches and the development of a strong retail infrastructure in Neulengbach?

8. What challenges do you see in promoting a diverse mix of industries and a robust retail infrastructure in Neulengbach?

9. What specific plans or initiatives do you have to increase the attractiveness of Neulengbach as a shopping destination and to further stimulate the economy?

10. How important is it to you to strengthen collaboration with entrepreneurs and local business owners to improve the branch mix and retail infrastructure in Neulengbach?

11. How would you rate the current infrastructure in the center of Neulengbach? Are there sufficient facilities and amenities to meet the needs of residents and visitors?

12. What specific measures have been taken to improve the infrastructure of Neulengbach town center and make it an attractive and lively place?

Thank you for participating in this interview. The mayor’s responses will help gain a better understanding of the branch mix, retail infrastructure and town center infrastructure of Neulengbach, as well as identify potential initiatives for improvement.