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REGIONAL ASPECTS OF CREATING THE RETAIL NETWORK AS THE BASIC PART OF TERRITORY PUBLIC FACILITIES

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Abstract: Czech retailing has, in the past, had low amounts of selling area, inconvenient retail structures and the consumer in an inferior role. Privatisation has entirely changed the ownership structure and the retail network has become very fragmented. Now a re-concentration process has been started. These developments go hand in hand with changes in the quality of retail supply, and are supported by the influx of foreign retail chains.

Key words: public facilities, retail, retail network, sales area, space standard

1. INTRODUCTION

In the last months, we can observe intense activity of big retail corporations that construct many large stores in the Czech Republic. It is an aggressive entrance of financially strong multinational chains that significantly change the retail market of the Czech Republic (German, French, Belgian, Britain, Dutch). New large selling spaces are built especially out of the city centres, in frequently visited locations, close to the most important roads of the area. As for the assortment, in most cases, we can find food supermarkets, but often also stores of marked hobby-markets.

As for the dimensions, the most popular at present are hypermarkets, i.e. large-scale retail stores with the sales area of approximately 10 thousand m2 in the average that are becoming the integral part of broader business structures, such as the so-called regional shopping centres. These can be found in the peripheries of cities (Prague, Brno, Plzeň), each with the sales area of some tens thousand m^2 (e.g. Centrum Černý Most in Prague or Shopping Parks in Prague and Brno - 50 thousand m^2 each in the average!). Of course, except for the favourable transportation location, they are equipped with large parking sites for thousands of cars.

Supermarkets and discount stores (alimentary units with an area of several hundreds or thousands m^2 of sales area) are also rapidly developing. They are mostly located in the areas of housing estates of most of Czech towns and in town peripheries they benefit from the favourable connection to transportation system of the territory.

2. ON THE ROAD TO EUROPE

If 1997 is called "the year of discounts" in the Czech trade and 1998 "the year of hypermarkets", the near future must be marked by the ongoing tremendous development with various interacting forms of large-scale retail buildings. The present structures of the retail network of many Czech and Moravian towns will be significantly changed as for the space organisation. Moreover, in close future the Czech retail will most likely respond to Western Europe standards from the point of view of its disposition. What was developing in the Western Europe for tens of years will be considered natural in the Czech Republic in a significantly shorter period of time.

From the point of view of investments, all major towns will be gradually affected depending on the population concentration and the purchase power. The expansion of the retail chains will continue with respect to present insufficient public facilities of many towns and affected areas as far as the shopping chains are considered because countries of Eastern Europe still don not reach the becoming level common in Western Europe. When we consider the space standard indicator (selling area in m^2 per 1000 inhabitants), public facilities of the Czech Republic are estimated on 500 - 600 m^2, which is approximately 50 % of the level in developed countries. Even the tremendous development of enterprising in the 1990s that started a highly competitive environment could not erase differences resulting from different economic systems at the end of 1980s.[1]

Too atomised structure of the retail network and its prevailing unbalanced assortment structure with respect to offered number of goods is also a big handicap (stores with the selling area up to 100 m^2 present 80 - 90 %).[2] Moreover, many Czech towns miss a spatially balanced system of offer to local inhabitants. Instead of that, town

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[1] The capacity of retail offer doubled in many municipalities compared to the end of 1980s (at that time appr. 0,3 m^2 of selling area per 1 inhabitant) and some territories are soon expected to reach the magic value of 1 m^2 per 1 inhabitant. Too courageous plans of some retail chains that reckon with e.g. several tens of proper hypermarkets crush against the barrier of limited purchase power of the nation. Some territories can be already called "over-equipped".

[2] It is only an estimate because the present statistical data are missing. The last count of retail network was carried out in 1989 and up to this year the transformation of the retail structures could be only estimated. The Czech Statistical Office carried out a complete information retrieval (results were not published yet).

centres are still unproportionally overloaded and distant housing estates in the town periphery with a high inhabitant concentration miss the desirable public facilities.

The insufficiency of the retail equipment in the East Europe countries can be found not only in the different basic structure features of retail networks but it differs also in the matter of market concentration. Whereas in Germany, Great Britain or France five major retailers control approximately 60 - 65 % of the market, **the degree of market concentration is very low** in central Europe. Five most important companies in the Czech Republic reached the share over 18 % at the end of 1997, in Slovakia it was almost 10 % and in Poland 8,8 %. The only exception was Hungary where the first five companies carried out more than 40 % of total retail turnover in the country.

3. SPACE RELATED PLANNING FOR RETAIL NETWORKS

Municipalities (especially towns) face a completely new situation that is not always judged positively. Opinions differ. According to the research results, majority of purchasing population got very quickly adapted to new possibilities that is offered by super and hypermarkets and they more often prefer these. Small independent retailers, whose contributions to town treasuries are not inessential, perceive supermarkets as unequal competitors and "unfair rivals". They initiate petitions, call for market protection and its regulation. Unlike those who oppose construction of large markets, majority of both laymen and experts in this field think that "reasonable" construction of super and hypermarkets is necessary for efficient competitive environment.

However, legal means in the sense of predefined principles on construction of large-scale stores in the area are minimal and towns are dealing with the situation in their own way. A kind of guidance for them could be at least a methodical aid, so called "yellow brochure" of the Ministry of Industry and Trade of the Czech Republic that proposes optimum alternatives to arrange retail network in areas of certain size category *("Rozvoj a optimalizace dimenzí maloobchodních sítí v území")*. Instead of that, we keep facing the situation that shows us that **towns and cities are not able to direct the development**. Moreover, they cannot co-ordinate procedures in the decision-making processes in the field of territorial planning and thus the **non - regulated construction of retail complexes is attributed wider regional aspects**. From the perspective of the territorial development concept, development of retail network up to now can be considered as rather accidental than systematic whereas we do not speak of big retail companies but of bodies of public administration that are accountable for harmonisation of territorial development.

Independent towns that recently used to be parts of bigger administrative units are nowadays of special issue because they do not communicate and co-operate properly as partners with their "counterparts" in the territorial development program. In lieu, development of retail networks becomes rather a product guided by visions of investors and "lobbying" groups in the town halls than the work of logical direction. With regard to lower financial resources of smaller towns and some cities, a potential strong investor is mostly viewed positively. His activities play an important role in improving traffic and technical infrastructure of towns (financial contributions to reconstruct sewerage, roads etc.). Frequent pros include new working opportunities and future tax contribution for the town. Out of more examples that were studied can be mentioned following - hypermarket Globus in Ivanovice by Brno, Pronto in Trnice by Ústí nad Labem or the ongoing construction of shopping centre by the village Tvarožná in Brno conurbation etc. Possible negative ramifications concerning the location of shopping facility include primarily the overload of communication network and design of buildings that vary from the built up areas up to now.

4. LIBERALISATION OR REGULATION?

New trends in the Czech retailing reflect not only the need to change the insufficient capacity but also dynamically changing parameters in purchasing behaviour of the population as well as fast increase of its mobility. Even though large-scale stores evidently improve low and average levels of retail capacity of many Czech towns, it should be noted that in terms of the retail functions in the public facilities network, the newly created and in terms of capacity - stores of very high quality - pose a real threat for existing internal and hierarchically arranged retail network. Each construction of this kind does not only threaten the local entrepreneurial sphere but also changes radically the existing "purchasing waves" in towns which makes it co-influence the level of social life - especially in inner town. As the result, population gets systematically regrouped - primarily in peripheries - where the "new" retail store thanks to its capacity (sales area, traffic connections, big parking sites and so on) attracts a substantial number of customers making use of enhanced parameters of consumer comfort.

All knowledge gained up to now point out that the development of retail networks in the area can not be left only to the market non - regulated mechanisms. The idea to attribute the development concrete rules of a game gets more often enforced so that the risks that logically exist in the process were blocked out to the lowest way possible. Experts agree today that non regulated and non co-ordinated development can cause the retail network grow beyond dimensions which would lead to subsequent unbalance of the system and bankruptcy of many, especially retail salesmen. Merciless rules of market economy apply also to the trade area and therefore it is necessary to retain certain proportions. Who else than villages representing the interests of their population should strive for that.

It might be apparent at the first glance that there is nothing to be afraid of that we can follow the rule - the more the better. Experiences of more advanced European Union member states show us it is not like that. Development of the Czech retailing is frequently confronted with the development in the new German Federal countries. Their development of retail capacity in the early 90s led to network of stores beyond dimensions with a whole array of negative effects on public facilities of towns such as

Leipzig, Dresden and other ("dead" town centres, excessive and unbearable cumulating of stores in a certain location etc.). Similar to many foreign examples, also the development in the former GDR proved that it is not possible not to regulate processes with failed market self-regulation as a result of different conditions of social and economic system. In the EU countries, the admissible limits for construction of large units in the region are legally defined, and local as well as regional authorities can veto projects exceeding a certain size. The rules are often very strict. The question of keeping the retail network in town centres becomes prior in the territorial development. Almost all new stores are located in urban estate, in some cases as completion of public facilities of big housing estates, many times directly in town centres. Classic department stores are also built.

5. CONCLUSION

The issue dealing with territorial development of retail network has two different levels. The first and more significant one is the location of the complex itself and the latter one deals with architecture with links to the closest area. In many territorial plans of bigger cities, quite a significant attention is paid to the issue of the location. Big cities have a much higher number of demands from the investors than the space available. Therefore, prior to the selection of a certain location, a series of professional analyses is carried out. They assess the aptness of a location from the point of view of possible connection to road network, availability of public transport means and from the point of view of function and space co-ordination with the surrounding area. In principle, capacity limits of huge stores are recommended in assigned locations of the territorial plan. Implementation rules of the amended construction law no. 83/1998 of the Code are very benevolent as for the interpretation, and thus the accepted solutions are results of a whole array of compromises. Starting with as-a-matter-of-fact arguments by town-planners, geographers, ecologists and other professionals and ending with "pressures" of interest groups that enforce the construction from different reasons.

The example of the Czech retailing shows how the absence of some legal regulative norms for the territorial development supports the existing market marasmus in this industrial field. It is necessary to develop quality legal framework of free competition that would be in accordance with the valid EU legislation while giving the chance to both big and small companies. In the meantime an appropriate solution seems to the **scenario of slow location of large-scale stores in the area according to pre-defined priorities based on the knowledge of the matter** (researches and analyses) in the middle-term period of several future years. This should bring enough time for the local retail network to internal restructuring (3 - 5 years). It is a sufficient time to carry out professional assessments of existing dynamism of retail development and modify it. Bigger attention should be paid to wider territorial relations because each municipality including its public facilities is a system of open communication links.

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Resume

Regionální aspekty utváření obchodní sítě jako základního článku občasné vybavenosti území

Poslední měsíce jsou obdobím zvýšené aktivity velkých obchodních firem, které umísťují do české krajiny jednu velkou obchodní stavbu za druhou. Jde o razantní nástup kapitálově silných nadnárodních řetězců, které zásadním způsobem mění maloobchodní trh v České republice (Němci, Francouzi, Belgičané, Britové, Nizozemci). Nové velkoplošné prodejny vznikají stále častěji v necentrálních lokalitách, v exponovaných polohách v těsné blízkosti klíčových dopravních os území. Sortimentně se nejvíce profilují velkoprodejny potravin, ale vznikají také četné velkoprodejny označované jako hobby-markety či regionální nákupní centra.

Vzniká zcela nová situace, kterou ne všechni hodnotí pozitivně. Názory se rozcházejí. Většina zákaznické populace, jak dokazují výzkumy, se velmi rychle ztotožnila s novými možnostmi, jaké poskytují super- a hypermarkety, a také je stále častěji preferují. Drobní živnostníci, kteří nemalou měrou naplňují obecní pokladny, naopak spatřují ve velkoplošných prodejnách nerovný boj a "nekalou" konkurenci. Iniciují petice, volají po ochraně trhu a jeho regulaci. Na rozdíl od odpůrců výstavby velkoplošných prodejen se většina laiků i odborníků v branži domnívá, že "rozumná" výstavba supermarketů a hypermarketů je v každém případě pro konkurenci v obchodě žádoucí.

Zákonné prostředky ve smyslu předem definovaných pravidel pro stavby velkých prodejen v území jsou však minimální a obce tak řeší vzniklou situaci po svém. Ve výsledku však **obce a města sami nedokáží tento vývoj usměrnit**. Navíc nedovedou koordinovat postupy v rozhodovacích procesech na úseku územního plánování, a tak **neregulovaná výstavba obchodních areálů dostává širší regionální aspekty**. Z hlediska koncepce rozvoje území je dosavadní vývoj maloobchodní sítě v ČR možno označit spíše za nahodilý než systematický, přičemž nejde ani tak o velké obchodní firmy jako o orgány veřejné správy, mající na starost harmonizaci územního rozvoje.