

# Leading Practice Series 3 Local Town Centres

## Disruptors



Victorian Planning Authority  
26 October 2017

# Disruptors

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Frank Hanson

**Principal Urban Designer**



# Disruptors

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The potential impact of  
**disruptors** in planning and  
design for Local Town Centres



# Disruptors

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## A definition

A **disruptive innovation** is a technologically simple innovation in the form of a product, service, or business model that takes root in a tier of the market that is [often] **unattractive to the established leaders in an industry** [or field]...

DISRUPTOR  
**DISRUPTORS**

# **Disruptors lead to new opportunities...**

**Disruptors are both an**

**Opportunity and a Constraint**

**Our Response must be to create  
Local Town Centres which are flexible  
adaptable and sustainable**

**Innovation not only brings disruption—  
it also brings opportunities for growth  
and new businesses and new ways of  
doing things**



# Disruptors

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**Why** are disruptors important?



**What** can we learn about them?



**How** do we apply this in planning  
& design?

# Disruptors

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## Issue

**Disruptors** are reshaping consumer and other behaviours in the consumption of retail goods and services and even community services. In response, retailers and service providers must step up their game.

**How does this help us plan the LTCs of tomorrow?**



# Disruptors are...

## changing the way we shop





# Disruptors are... changing the way we move around and how we access services



# **Disruptors are...** changing the way we get help and also how we earn a living

## **Freelance marketplaces**

match buyers and sellers of services on line.



# **Disruptors to LTCs may include...**

**The Sharing Economy**

**Access, not ownership**

**The Gig Economy**

**The rise of the Renter Generation**

**Online Retail**

**The Rise of The “Third Place”**

**Food & Beverage as a key anchor**

**Cryptocurrency /Cashless transactions**

**Wireless/Wifi**

**The rise of Public transport – different  
delivery methods**

## Disruptors

# Issue

Is your **Physical Location...**  
no longer a limit?

How does this impact on our LTCs?



## **Physical Location**

technology makes where you are no longer a constraint/relevant

## **Changes to the way we move around**

Autonomous vehicles will allow us to travel further distances with less effort and may reduce the space required

## **Changes to the way we consume**

How we shop has changed – no physical location required – ownership model is changing – sharing/rental model

## **Experience driven consumption**

User experience will differentiate the “physical” (bricks and mortar) from the “virtual” - **experience** is key

# Horizons of Change

Short Term - 5 years

Medium Term - 10 Years

Long Term 10 -Years Plus

Things don't tend to happen  
all at once... there are  
**tipping points**

## Implications of Change

Land Use/Extent

Consumption/Access

Logistics/Distribution/Demand

Privacy/The Data Economy

Others



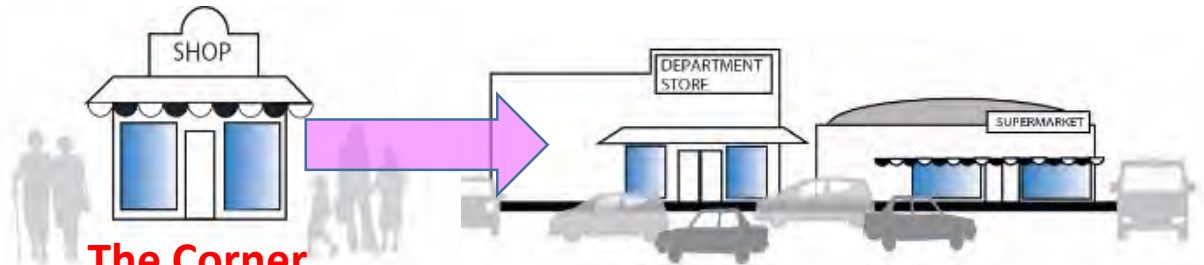
# The Retail E-volution



**The Corner  
Shop 19<sup>th</sup>  
Century**



# The Retail E-volution



**The Corner  
Shop 19<sup>th</sup>  
Century**

**The Department Store & the  
Self Serve Supermarket 1920s**

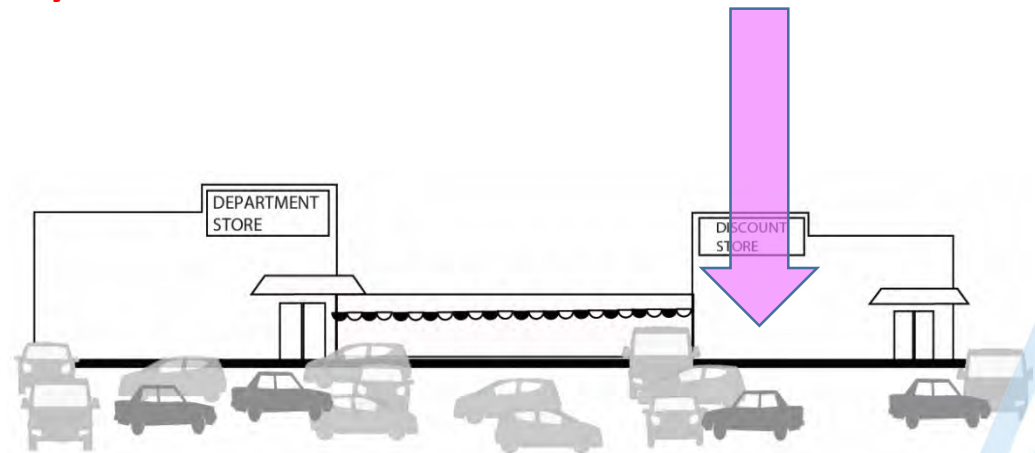
# The Retail E-volution



**The Corner Shop 19<sup>th</sup> Century**

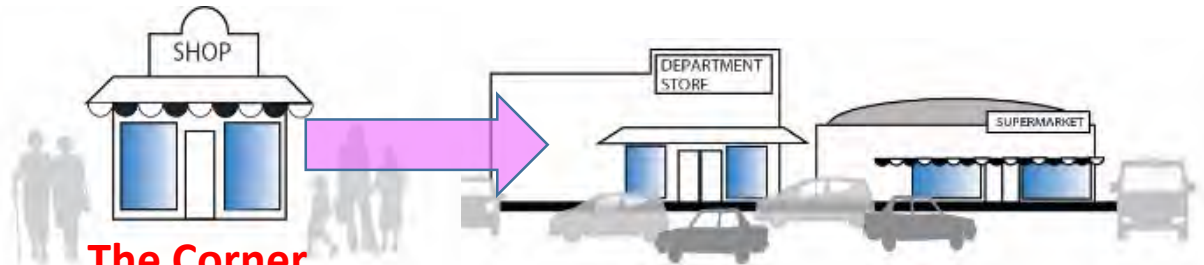


**The Department Store & the Self Serve Supermarket 1920s**



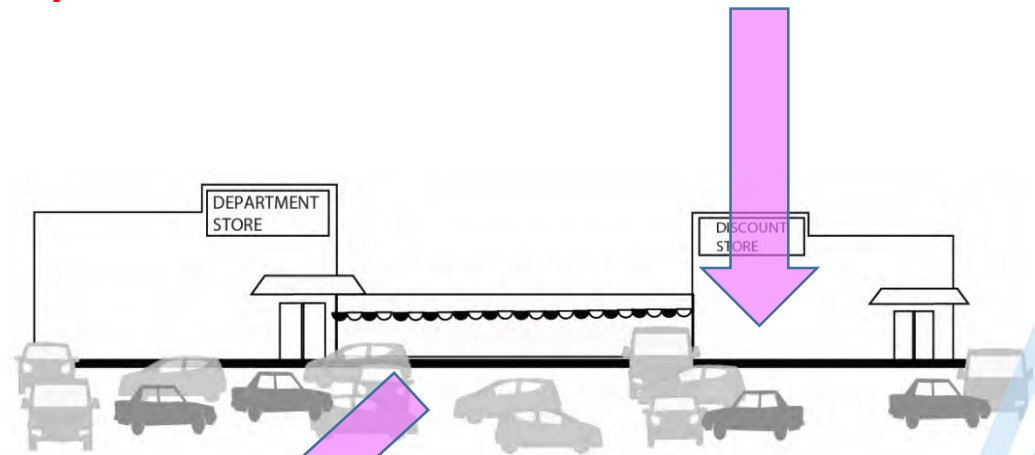
**The Enclosed Shopping Mall post World War 1945+**

# The Retail E-volution

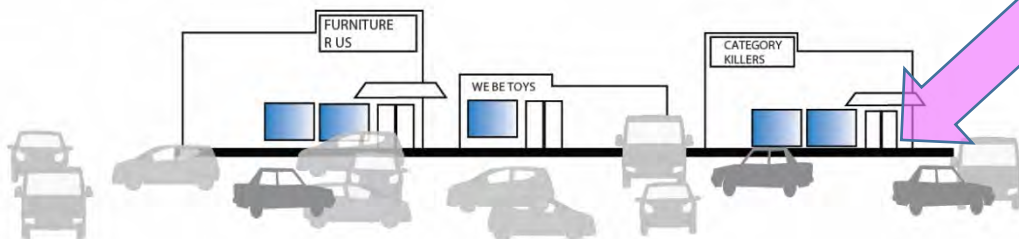


**The Corner Shop 19<sup>th</sup> Century**

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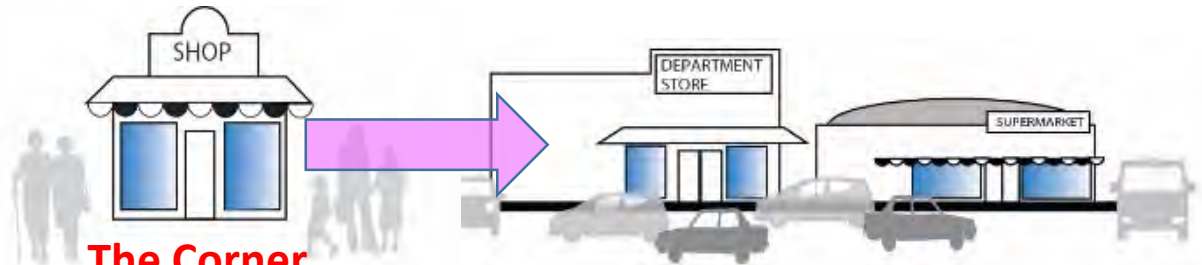


**The Enclosed Shopping Mall post World War 1945+**



**The Big Box Category Killers 1980s +**

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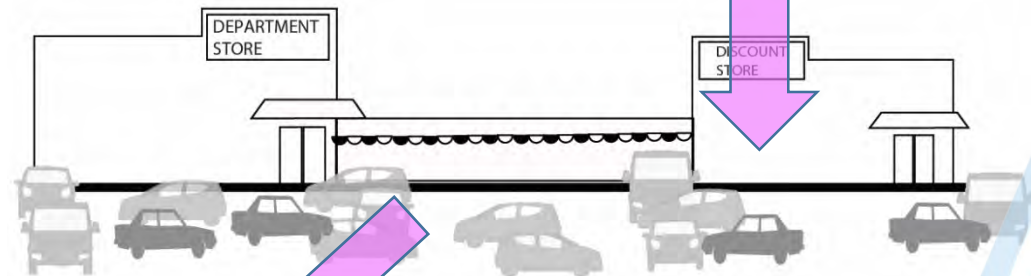


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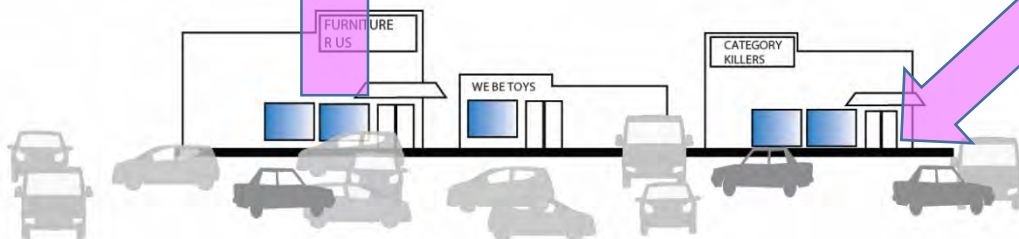
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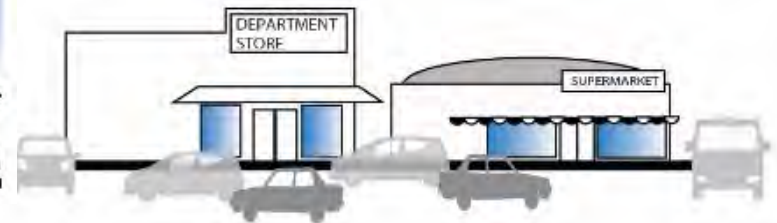
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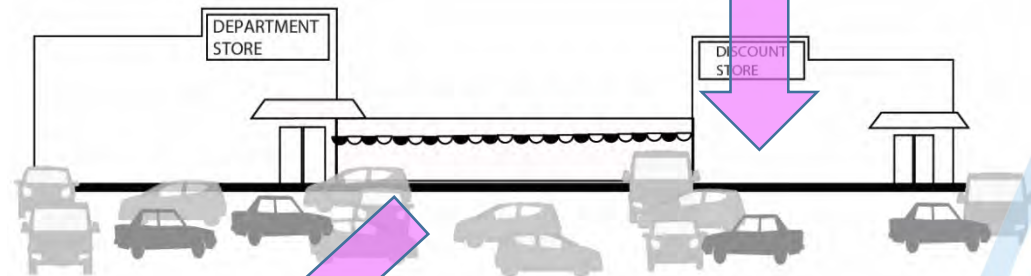
# The Retail E-volution

## The New Local Town Centre 2030+

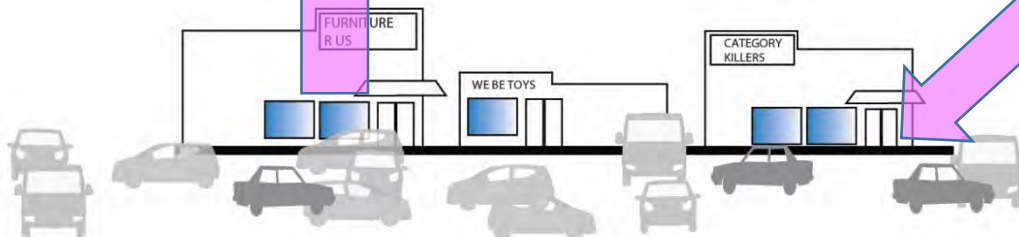


## The Department Store & the Self Serve Supermarket 1920s

## Secure Online Shopping 1994 +



## The Enclosed Shopping Mall post World War 1945+



## The Big Box Category Killers 1980s +

# The Retail E-volution



The New Local Town Centre  
2030+ ?



# Disruptors are not new...

## The private automobile...

"Between 1900 and 1920, Americans went from owning 8,000 cars to owning 8,000,000"

<https://axleaddict.com/auto-industry/Affects-of-the-Automobile-on-Society-and-Changes-Made-by-Generation>

"Registrations of motor cars, trucks and cycles doubled between 1917 and 1922, reaching a total of 44,750." "There are now 4,567,314 registered vehicles in Victoria"

<https://museumsvictoria.com.au/marvellous/powered/car.asp>  
<http://www.abs.gov.au/ausstats/abs@.nsf/lookup/9309.0Media%20Release131%20Jan%202015>

**The automobile has profoundly shaped the form of our cities and new automobile forms are likely to change them again**



# Disruptors are generational...

## AUSTRALIA'S GENERATIONAL PROFILE



Life expectancy at birth

♂ 80.0 ♀ 84.3



Median age of parents (new births)

♂ 33.0 ♀ 30.8



Median age first marriage

♂ 29.9 ♀ 28.3

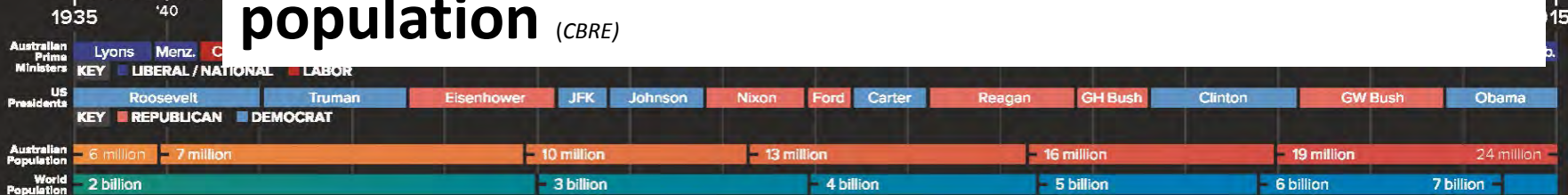


Total fertility rate

Australia: 1.9 OECD: 1.7

**Howe and Strauss define the Millennial cohort as consisting of individuals born between 1982 and 2004** *(Generations: The History of America's Future, 1984 to 2069)*

**By 2020 those born between 1980 and 2000 will make up 50% of the global working population** *(CBRE)*



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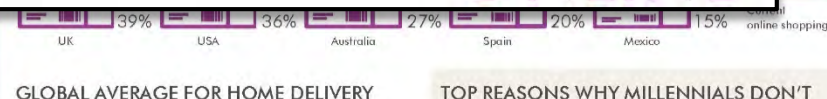
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**16%** GLOBAL AVERAGE  
FOR USING CLICK-  
AND-COLLECT

Few millennials want to order online and pick up purchases at the store.

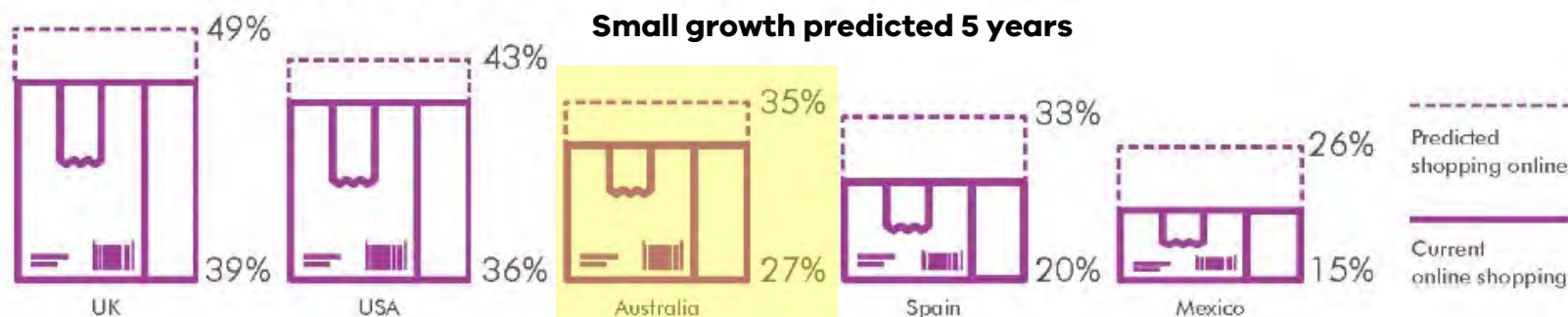
ONLINE



TOP REASONS WHY MILLENNIALS DON'T

## CURRENT AND PREDICTED NON-FOOD ONLINE SHOPPING

**Small growth predicted 5 years**



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# HOW MILLENNIALS PLAY

## MONEY

### INCOME SPENT ON LEISURE



MILLENNIALS SPEND ALMOST

# 50%

OF ALL DISPOSABLE INCOME ON LEISURE – GOING OUT, NON-FOOD SHOPPING AND OTHER NON-ESSENTIAL ITEMS

## TIME

# 10 DAYS

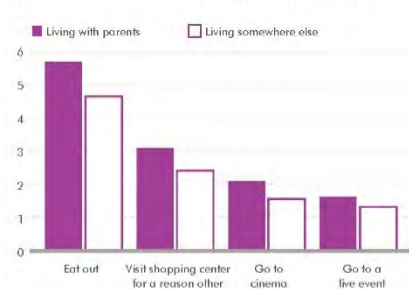


Is the total global average number of days a month spent on 'going out' (going to a live event, eating out, going to the cinema and visiting a shopping center other than to shop).

“MILLENNIALS ARE POSSIBLY BEING FORCED TO LIVE AT HOME, WHICH MEANS BEING ABLE TO AFFORD LUXURIES AND HAVING FEWER RESPONSIBILITIES BUT RELINQUISHING FULL INDEPENDENCE.”

KAREECE, UK

### TIME SPENT ON LEISURE (DAYS/MONTH)



**Small growth predicted 5 years**

## IN STORE



**16%** GLOBAL AVERAGE FOR USING CLICK-AND-COLLECT

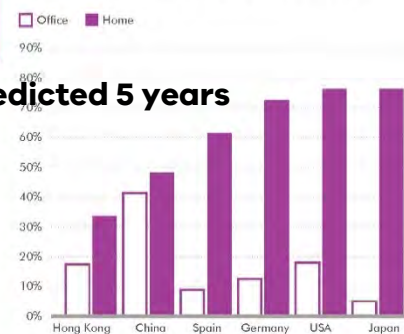
Few millennials want to order online and pick up purchases at the store.

## ONLINE

### CURRENT AND PREDICTED NON-FOOD ONLINE SHOPPING



### GLOBAL AVERAGE FOR HOME DELIVERY



**65%** USE HOME DELIVERY "ALWAYS" OR "VERY OFTEN"

### TOP REASONS WHY MILLENNIALS DON'T DO MORE SHOPPING ONLINE



**We're planning new LTCs for**

**Millennials, Gen Xes, Y's Zeds, Alphas  
...and the rest of us!**

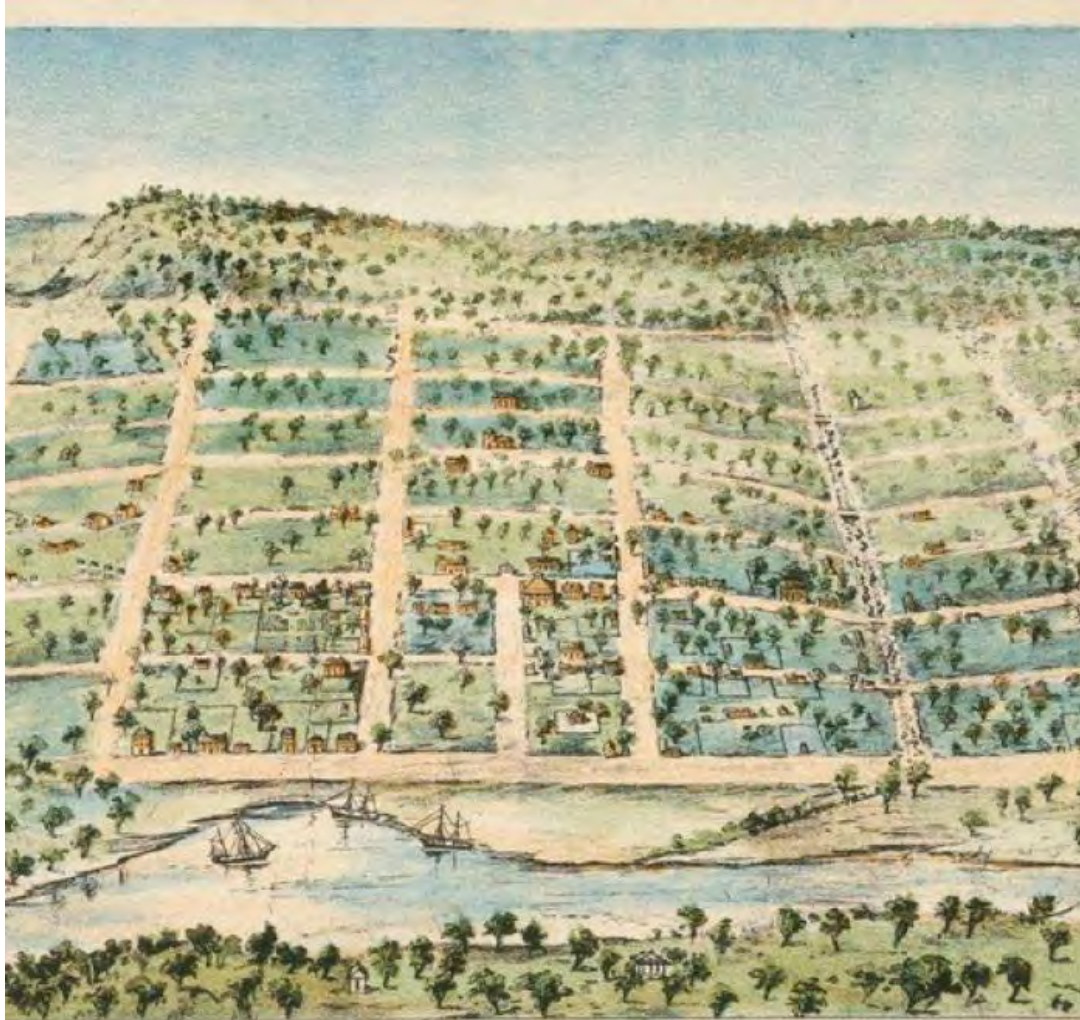
**Place** is important...

**Experience** is **key**...

As are **flexibility** and  
**adaptability**...

***Place and Place consumption  
provide a new challenge for all of us***

# What does this mean for the VPA Local Town Centre Program?



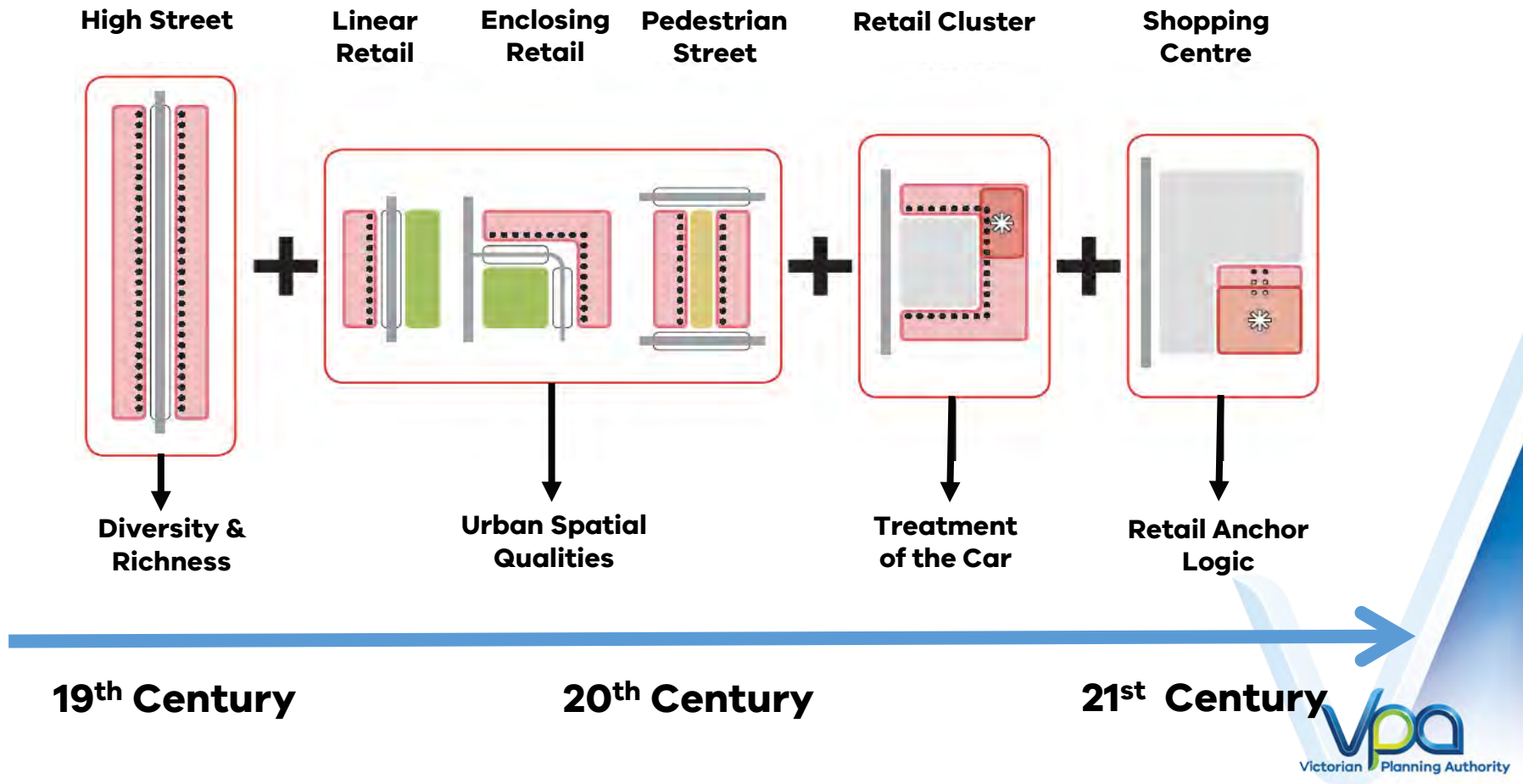
MELBOURNE IN 1838, FROM THE YARRA YARRA.

Melbourne's Hoddle Grid has been in place for 180 years. Buildings come and go but the urban structure has remained. We too are making decisions on land use that will impact on our urban form for many years.

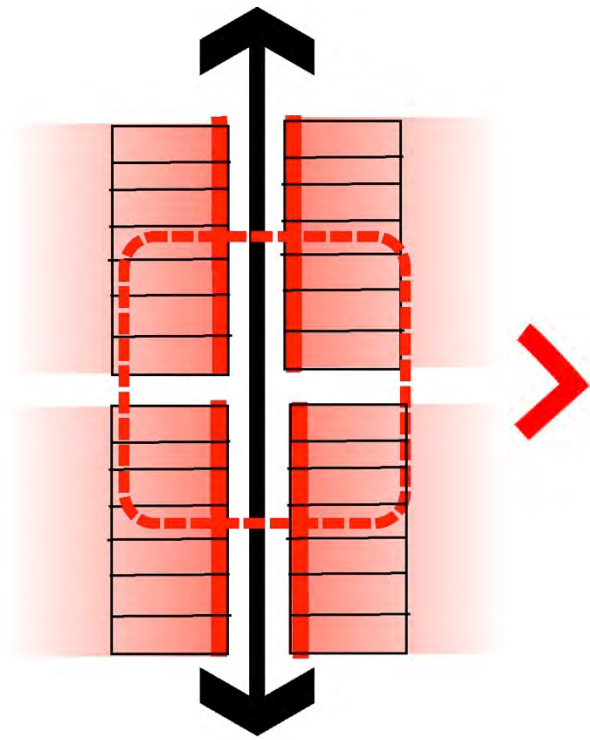


# Learning from the past – adopting and unifying the best outcomes

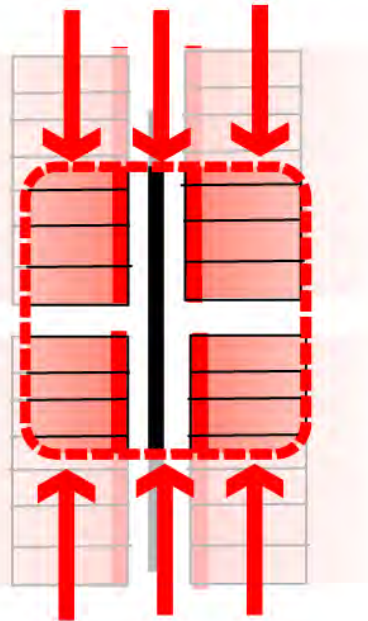
*The VPA has researched the evolution of Local Town Centres which has influenced our design approach*



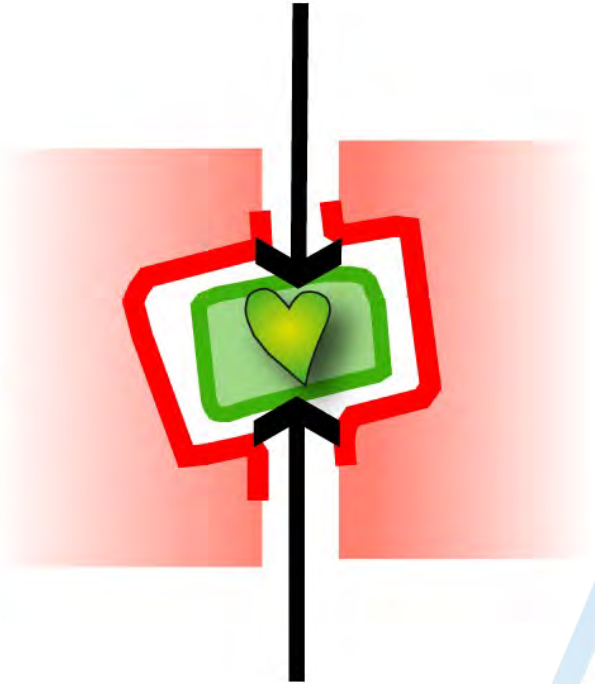
# Local Town Centres – focussing activity



**HIGH STREET  
MODEL**  
extended activity



**COMPACT  
URBAN CORE**



**NEW SPATIAL  
MODEL**  
focussed activity

**A spatial proposition**



# What might a place based Local Town Centre include?



# The Place advantage

Well designed place based

Local Town Centres:

- have strong **community building** attributes;
- impart **financial benefits** to savvy developers;
- **encourage viability** and **local business activity** and
- **enhance user experience** while establishing a lasting **legacy** for their neighbourhoods...



# Leading Practice Series 3

## Local Town Centres



Victorian Planning Authority  
26 October 2017