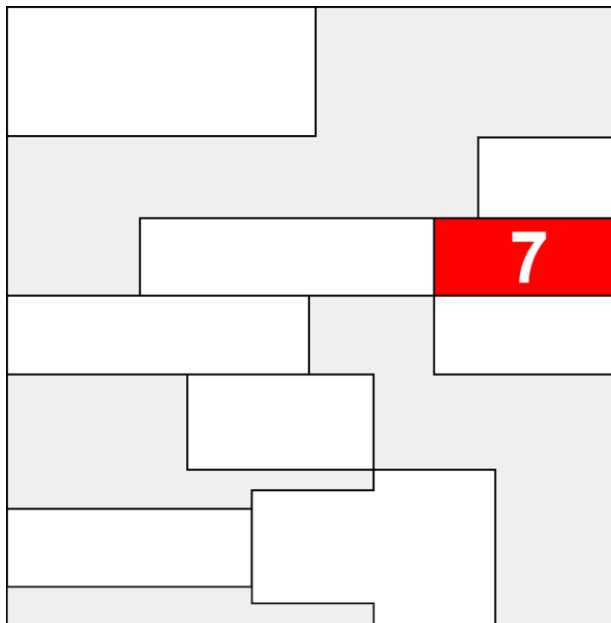


Segment 7: Retail chain stores

Segmentation of demand in the retail property market




7.1 Retail chain stores: Introduction

Around 5 % of all Swiss businesses operating in the retail property market are retail chain stores accounting for 8 % of those employed in the sector. This segment comprises exclusively retail chains that favour prime locations in medium to large centres and shopping centres. They sell clothes, shoes, cosmetics, eyewear and jewellery/watches. Typical examples are cosmetics stores, clothing branches and branches of opticians. As customer magnets they are important to retail centres, increase the quality of the visit, may generate impulse buys and are generally a feature of traditional shopping streets.



These businesses, which are frequently international, require small to medium-sized sales areas. As their products are often bought with other related retail goods, they require not only high visibility and a location with the right image to attract high turnover from passing trade, but also a high concentration of shops in the immediate vicinity. This segment has above-average requirements of the site, renting mainly in mixed-use buildings and shopping centres and selling products on one or two floors. Their level of fittings ranges from average to refined. Their sales area profitability ranges from average to the highest gross yield per square metre of floor space of all market players. Turnover is generated either through a high volume of sales or high sales margins. Willingness to pay more in rent is normally very high, not least on the grounds of reputation. There are few demands regarding access and deliveries. Accessibility by public transport and on foot is more important than access with individualised transport and dedicated parking.

7.2 Who are the Retail chain stores?

Characteristic	Typical features
Profitability per unit area (gross profit per m2 in CHF)	<div style="display: flex; justify-content: space-between; align-items: center;"> Low  High </div>
Typical businesses	Shoe shop branch, women's and men's clothing branch, opticians branch, jewellers branch, cosmetics branch
Business type	Retail chain store
New relevant formats / concepts	Pop-up-store, click&collect (stations), shop in shop

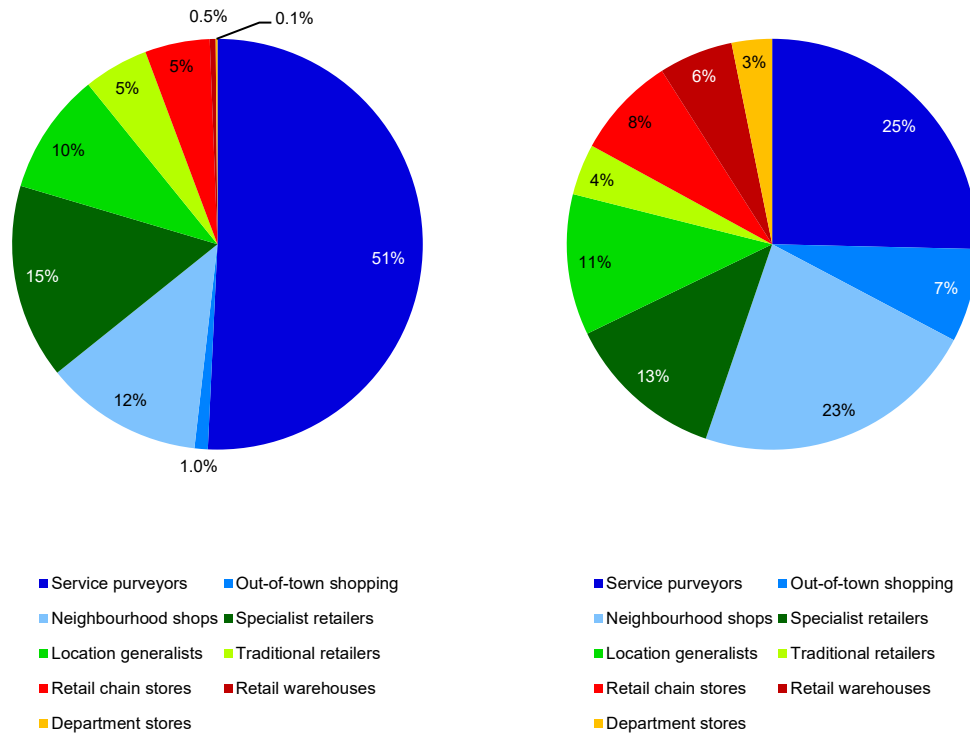
Which types of goods are mainly sold by Retail chain stores ?

Food and beverages	<input type="checkbox"/>
Health and body care	<input checked="" type="checkbox"/>
Clothing/shoes	<input checked="" type="checkbox"/>
Department stores/non-specialised stores	<input type="checkbox"/>
Optics/photography	<input checked="" type="checkbox"/>
Watches/jewellery	<input checked="" type="checkbox"/>
Books/stationery	<input type="checkbox"/>
Sport	<input type="checkbox"/>
Toys	<input type="checkbox"/>
Consumer electronics	<input type="checkbox"/>
DIY and garden supplies	<input type="checkbox"/>
Furniture and furnishings	<input type="checkbox"/>
Other goods and services	<input type="checkbox"/>

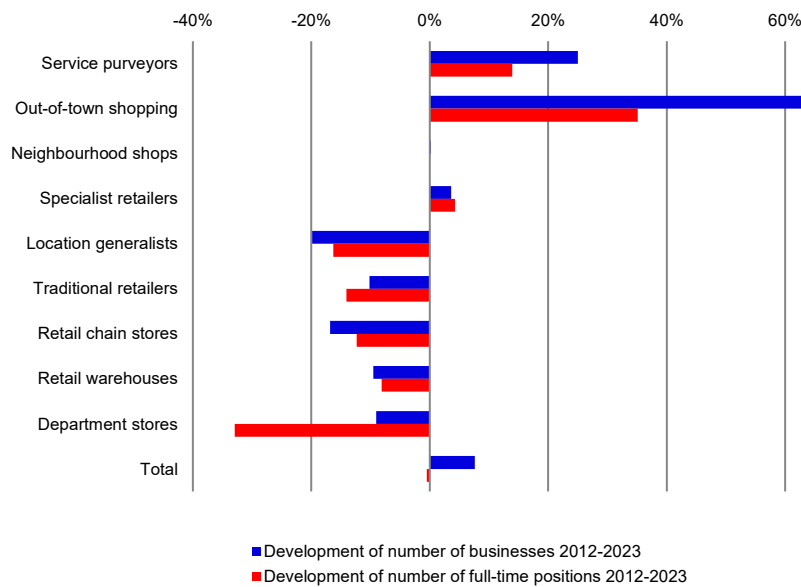
Characteristic	Typical features						
Average number of employees per business (2023)	4.6 Full-time equivalents <div data-bbox="837 302 1380 548" data-label="Figure"> <table border="1"> <thead> <tr> <th>Category</th> <th>Average number of employees per business (2023)</th> </tr> </thead> <tbody> <tr> <td>Retail chain stores</td> <td>4.6</td> </tr> <tr> <td>Total</td> <td>3.0</td> </tr> </tbody> </table> </div>	Category	Average number of employees per business (2023)	Retail chain stores	4.6	Total	3.0
Category	Average number of employees per business (2023)						
Retail chain stores	4.6						
Total	3.0						
Required surface area	50 - 800 m ²						
Catchment area	Fairly large						
Concentration of chain stores (2023)	100% <div data-bbox="829 1008 1380 1243" data-label="Figure"> <table border="1"> <thead> <tr> <th>Category</th> <th>Concentration of chain stores (2023)</th> </tr> </thead> <tbody> <tr> <td>Retail chain stores</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>20%</td> </tr> </tbody> </table> </div>	Category	Concentration of chain stores (2023)	Retail chain stores	100%	Total	20%
Category	Concentration of chain stores (2023)						
Retail chain stores	100%						
Total	20%						

7.3 Retail chain stores: Distribution

Distribution of Swiss businesses (left) and full-time positions (right) in the retail property market (2023)



Development of number of businesses and of full-time positions 2012-2023 (Switzerland)



7.4 How do the Retail chain stores sell?

Characteristic	Typical features
Retail location	Inner cities, all larger localities, shopping streets, pedestrian zones, shopping centres, railway stations



Surface area layout	Grid layout or rectangular
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Building/plot	Without own plot
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Type of property	Mixed-use building or shopping centre
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Number of storeys	Occupying one or two floors (including basement)
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Architecture	Modern, classic, historical building
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Access/connections	Access and deliveries fairly easy
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Retail space flexibility	Fairly unimportant
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Standard of fittings	Basic to superior
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Requirements of property for sale	Deliveries are fairly easy, storage rooms needed
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7.5 Characteristics of goods and services

Characteristic	Typical features	
Type of goods	Basic and non-essentials	
Spontaneous purchase/planned purchase	Generally	<p>Planned Spontaneous</p>
Product selection (width)	Fairly narrow	<p>Narrow Wide</p>
Product range (breadth)	Fairly deep	<p>Flat Deep</p>
Potential for linked purchases	High	<p>Low High</p>
Duration of consumption	Generally shorter-term	<p>Short-term Long-term</p>
Pricing	Low to high price	

7.6 Retail chain stores: Point of sale

The search for retail space is influenced by the preferences and restrictions affecting demand. The following details relate to the final results of the process.

Characteristic	Typical features			
Retail trade function	Not relevant for centres	Appropriate for neighbourhood	Relevant for centres	Centre generating
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Accessibility by individual transport (incl. by foot)	Fairly unimportant	Less important Important		
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Accessibility by public transport (incl. parking)	Fairly important	Less important Important		
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Agglomeration benefit	Important	Less important Important		
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Passing trade	Very important	Less important Important		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Visibility	Very important	Less important Important		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Image of sales location	Fairly important	Less important Important		
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>