Analysis of factors that optimise the commercial offering in heritage cities through open shopping centres: an exploratory study

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Abstract

This study describes the importance of commercial clusters as a modality: Open Shopping Centres (OSCs), as an element that can increase and boost the attractiveness for tourists of urban destinations, thanks to optimising commercial products available in the local environment. Given the current scarcity of literature on this subject, this paper presents an exploratory analysis based on the study of a sample of cities in Spain with major tourist attraction - World Heritage Sites - as well as the results obtained from applying a model that measures the level of the OSCs in terms of supply, demand, management and environment. The work then summaries the positive externalities derived from this form of commercial organisation. Finally, the study proposes a series of management applications aimed at creating synergies between local public bodies and commercial groups, and suggests setting up the so-called Business Initiatives Promotion Areas (APIEs in their Spanish acronym), aimed at enhancing the tourist attractiveness of urban centres.

Keywords: commercial town planning, Open Shopping Centre, Urban Tourism, Retail, Heritage Cities.

JEL codes: F13, L81, L83, O18.

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Introduction: general approach to the research

Tourism has become a factor of global economic importance. Between January and September 2016 there were 956 million travellers around the world (Unwto, 2016); (IPK International, 2017). In the case of Spain, the spectacular growth in tourism in the last decades has succeeded in consolidating the sector as a key industry for the country’s economy, both in terms of wealth and job creation (Vizcaíno Ponferrada, 2015); (General Sub-directorate of knowledge and tourism studies, 2016).

The phenomenon of Urban Tourism

The above data reflect the impact of the tourist phenomenon without distinguishing its typology. Spain has always had a great tradition of “sun and beach tourism”; however, the rise of so-called urban tourism (Nova, 2006) (1) is a relatively recent

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(P) Provisional estimate, (A) Forward estimate.

Source: National Institute of Statistics (INE).

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(1) There are several definitions of the term “Urban Tourism”: Nova (2006), with a desire to summarise and in an attempt to define the term, states that “it is tourism in areas occupied by cities, whether due to their strategic location, their development or economic, financial, historical or socio-cultural wealth, due to the availability of an attractive brand name that acts as a symbol.” Or
phenomenon, since it was not until the 1970s, and especially since the 1980s, when cities implemented strategic planning activities in general, and specific measures to attract tourists (Judd, 1995). Indeed, in the last decade of the twentieth century, and now within the framework of the twenty-first century, urban tourism in Europe has been particularly reinforced by the phenomenon of globalisation and cheaper rates and prices for transport, among other factors (Correyero & Balandron, 2008). This has led to competition between cities, multiplying significantly, with the consequent local implementation of concrete initiatives and measures aimed at building successful models with a clearly competitive approach, designed to attract visitors, the local population, and businesses (Cerdá, 2008); (Rovira, El comercio nuestro de cada día: un sector estratégico que hace ciudad, 2016: [Our daily trade: a strategic sector that makes a city, 2016]).

In that sense, urban tourism can now be considered as an enhancer that, as Archer, Cooper and Ruhanen (2005) point out, gives rise to a series of very positive economic externalities at the local level: it increases income; generates jobs directly and indirectly; it promotes businesses; and through its growth and development, provides extra tax revenue to municipal governments. So, the creation and production of knowledge that capitalises on the synergies between tourism and other activities within the urban environment, has the potential to create a significant number of opportunities and generate competitive advantages at the social, cultural and economic level (Cardoso, 2014).

Thus, when considering Urban Tourism, it is important to understand that each city or centre competes with a specific and already existing tourist offering based, among other factors, on the richness of its own historical, social and cultural heritage (Nova, 2006). In this sense, Spain has a notable advantage in that it is a country that has a very rich, extensive and internationally recognised history and cultural heritage (Unesco, 2016), which constitutes an undoubted tourist attraction contributing to the capture of a large number of visitors each year (Unwto, 2016).

The commercial offering as a determinant of metropolitan tourism

Within the context of urban tourism, Cases y Marchena (1999) propose the use of the term “metropolitan tourism”, which, as a concept, aims to go beyond the

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(2) In fact, Spain comes second in the world as the country with most cities qualified as World Heritage Site by UNESCO (United Nations Educational, Scientific and Cultural Organisation). At the time of writing this paper, Spain had fifteen cities whose historical sites have been declared World Heritage Site.

(3) Spain is the third country in the international ranking of countries as regards number of tourist arrivals, foreign exchange income from tourism and expenditure on international tourism, according to the World Tourism Organisation (UNWTO, 2016).
previous levels that characterised conventional urban tourism – heritage appeal and cultural and gastronomic attraction (Nova, 2006) - adding new additional elements that would imply the design of new management models for the tourism and leisure sector. These authors include elements such as shopping and commercial offering, trade fairs, conventions and conferences, play areas and theme parks, major arts and cultural events, research and science, all of which bring greater appeal to “urban-metropolitan” tourism (Cases & Marchena, 1999). It is clear that urban tourism has specific characteristics that makes it difficult to analyse in comparison with other segments, mainly because of the many different motivations associated with this type of travel, which often lead people to visit a city for more than one reason (Garín, 2004); (Correyero and Baladrón, 2008). In fact, Garín (2004) argues that the attraction of urban tourist destinations depends more on the total number and variety of services provided - leisure, fun, business, meetings, personal matters, shopping - than their individual components. On this point and within the framework of the twenty-first century, we should not forget the technological components associated with efficient provision of public services and urban intelligence, which is linked to the recent development of the concept of “Smart Cities” (Hollands, 2008), as an additional element; (Giffinger, 2007).

Open Shopping Centres (OSCs)

For all of the above reasons, it is interesting to identify organisations, companies and enterprises that can promote, enhance and increase the attractiveness of urban-metropolitan tourist destinations for the visitor, through sales-orientated action (Cases & Marchena, 1999); (Nova, 2006). In this respect, there is a certain consensus in the academic literature, where there are basically two factors which affect the possibility of interaction in the tourism/visitor success binomial: easy access to these cities (infrastructures, transportation services) and provision in terms of accommodation (availability of hotel and alternative types of accommodation) (Castresana, 1997); (Molinillo S., 2000). However, this paper raises the question of the key role that retailers’ associations could play - as representatives of the commercial offering available - by introducing organisational formulas to increase the attractiveness for tourists of urban destinations. In this direction, the application of a spatial grouping formula for traditional retail trade, around the so-called Open Shopping Centres (OSCs) or Shopping Centres in the Urban Area (Cerdá Institute, 2007) is becoming increasingly common. Thus, an OSC is formed by a group of independent businesses, based around a normally already-consolidated urban area that operates through a brand name, either formally or informally. The fact is that they have a varied offering of products and services, together with leisure and

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(4) The author is grateful to one of the anonymous reviewers of the work for the inclusion of this aspect, which is relevant to the analysis of Urban/Metropolitan Tourism.
entertainment facilities, coordinated under a single management, with the idea of creating synergies. Thus, one single management takes charge of common marketing planning to increase the value of the whole.

OSCs have become a very popular shopping management model at both the national and international level (Berruezo, 2003); (Cerdá, 2008); (Flórez-Parra, 2011). At the time writing (June 2017), Spain has about 200 initiatives that respond to the Open Shopping Centre model. Virtually all of these initiatives have been taken in city centres, and stem from retail trade organisations (Spanish Chambers of Commerce, 2017). Thus, the key issue would be for tourists (considered in a “broad sense”: of diverse origin and different lengths of stay) to find the available shopping facilities attractive enough to opt for these outlets for their occasional purchases, also that this layout should contribute to increasing the attractiveness of the local tourist destination considered. Contributing to the development of the OSCs are the experience and lessons learned from a successful shopping style that has proven its worth in its almost fifty years of life, when compared with Planned Shopping Centres or Closed Shopping Centres (Spanish Association of Shopping Centres, 2016). In spite of the paradox of this commercial format for direct competitors of retail businesses as a whole, this paper posits that it could become a benchmark when taking into account elements of management that could be applicable to OSCs, to optimise their economic profit (Molinillo, 2000); (Cerdá, 2008).

At urban planning level, the commercial complexes that make up OSCs respond, in terms of their creation, growth and development, to a common pattern (Calle Vaquero, 1998); (Unesco, 2013). All have been developed more or less spontaneously, as a result of their own urban development, located near cultural or social centres with great capacity for attracting shoppers. (Hugony, 2008). Thus, OSCs are located in central and strategic locations in cities, in areas where there is often a time-honoured tradition of shopping, associated with the location of traditional markets (Rebollo, 2003). Therefore, the grouped nature of OSCs is almost always directly related to urban development itself (Chambers of Commerce of Spain, 2016), which is really a strategic model of shared site self-management. In this way, the OSC model has been used by retailers to work together in managing and developing shopping areas, especially aspects in common, such as the consolidation of a common/unit-based image: shop windows; awnings; aspects related to the marketing area; advertising; promotion; common brand image management; and finally, shared services such as security, cleaning, accessibility planning, etc. (Castresana, 1997); (Molinillo, 2002); (Rovira Lara, 2007); (Cerdá, 2008); (Ministry of Tourism, Trade and Sport, 2010).

Thus, the main objective of this paper is to find theoretical and empirical evidence, using a descriptive approach that demonstrates that optimal management of retail goods on sale in these OSCs can contribute synergistically to increasing and giving impetus to the tourist attraction of their cities (Ministry of Economy and Competitiveness, 2014). The work, which is exploratory and a pioneer in this field, is a preliminary approach to the management model that conditions the creation
and development of the OSCs as a strategic tool. It is also a tool to energise and empower cities, given the changes in the structure of the urban landscape over the second half of the twentieth century, and the first years of the twenty-first (Molinillo, 2000); (Regional Government of Aragon, 2005); (Rovira, 2007); (Cerdá, 2008); (Díaz Pacheco, 2010). Finally, it is intended to provide a series of suggestions and recommendations that could be useful in defining the current position and implementation of new strategies to lead to more effective planning for current and future OSCs. It should be noted that the author is aware of possible limitations in the sense that these recommendations limit their scope to cities with a similar operating model. The aim here is to achieve greater cohesiveness between public authorities, the representatives of each OSC, and their own surrounding environment, in order to increase their competitiveness, as well as the number of visitors.

With this aim in view, the work is structured around several sections. Firstly we present the research methodology - a case study - applying a model that assesses a series of key aspects of OSCs in terms of a group of Spanish world heritage cities. The results are then presented, with a review and comments on the most relevant aspects. Next, the conclusions section details the positive externalities derived from the joint management of the urban retail fabric through Open Shopping Centres, and finally, describes a series of practical applications for the study, as well as their limitations and future lines of research.

Research methodology: case study

In order to achieve the above-mentioned objectives, this paper proposes an exploratory study at national level to obtain empirical evidence from OSCs functioning as associations of retailers in cities with significant tourist attraction. For this purpose, a procedure for analysis has been designed, based on the application of a solid Assessment Model to a series of case studies.

Model for assessment of the degree of development in Open Shopping Centres

Firstly, the assessment model proposed by the Cerdá Institute (2007) attempts to estimate the degree of development in each OSC, based on the weighted assessment of a series of indicators. The model analyses how effective the operation of each OSC is, by measuring a series of parameters that affect supply, demand, management and environment (Instituto Cerdá, 2007), as well as the specific variables to be considered which affect OSC retailers, and contribute, through their analysis, to outlining the main guidelines when applying urban strategies related to selling (Commanaday, 1997); (Oppewal, 1997); (Lewison, 1999); (Molinillo, 2000). This model is robust, precise and sufficiently contrasted by what has been considered appropriate for OSC analysis and assessment (Cerdá, 2007).

To apply the model (Figure 2), data was firstly gathered in two phases, developed in parallel: a first qualitative phase that covered the more theoretical aspects of OSCs, such as the city council/commercial outlet relationship; the analysis of
experiences of collaboration; and the assessment of participation, etc. In a second phase, data of a qualitative nature was gathered to provide a basis for the results obtained. Once the data had been collected and applied to the model, following a criterion of weighted numerical assessment, different indicators were extracted and grouped together to form the four basic indicators given here: Supply, Demand, Management and Environment.

The interpretation of these indicators made it possible to characterise and quantify the spatial nature of each OSC; its degree of sales specialisation; the attractiveness for visitors; the spatial impact depending on its characteristics, and its suitability index, as compared to the mean. Finally, from the interpretation of the indicators, it was also possible to assess factors such as the degree of interaction between the city and its traders and, therefore, the level of involvement of the organisations involved. In summary, these results provided a detailed and precise assessment of each OSC, by comparing each particular case study with the overall results taken from the data obtained from the other OSCs analysed. This comparison contributes to a preliminary description of the key aspects which determine the success of OSCs and which are the basis of its possible advantage in the context of action to boost tourism in the cities.

Figure 2. How the Assessment Model functions

![Diagram showing the assessment model with input parameters, indicators, values, and group weightings leading to an overall suitability level.](source: Instituto Cerdá, 2007)
Results obtained from the application of the model

Following on from the above description of the Assessment Model, the four broad categories were: Supply, Demand, Management and Environment, analysed from the assessment and weighted assessment of a series of predetermined indicators. These parameters correspond to objective data for each of the OSCs analysed, and provide comparable and contrastable results for each of the four broad categories.

Firstly, Demand was defined using an isochronous curve and potential demand. These parameters determine the area of influence of the OSC. As for Offering, secondly, this was defined by a series of parameters which mainly referred to the number of outlets, sales area, the existence of store chains and anchor stores, empty premises and discontinuing operations, to determine the degree of diversity and density of outlets, as compared with the municipality. Thirdly, the parameters selected to determine Management enabled us to identify and assess several aspects. Firstly, the presence of a management body, secondly, customer services, promotional sales campaigns; revitalisation of the shopping area, and finally, existing agreements with public and private bodies.

The last variable of the four is the Environment, defined by parameters corresponding to the added value of the urban landscape, the image projected by the OSCs and associated mobility, both public and private.

The calculation of the Overall Suitability Level (Figure 3) was obtained from the set of indicators, designed from the input parameters.

- Parameters: Objective data referring to the OSCs analysed (number of outlets, square metres, etc.).
- Indicator: Value that measures a certain concept that to be evaluated in terms of the OSC.

Figure 3. Obtaining the Variables that determine the Overall Appropriateness Level after entering the parameters
Selection of case studies analysed

For the application of the above model, a case study was used as the research methodology (Yin, 1994). This methodology, far from any statistical generalisation, using a design based on replication logic, seeks to achieve an analytical generalisation of the results achieved (Yin, 1994). To do this, the sample of cases chosen must have a set of common characteristics and pose a series of conditions that must be met by all the cases analysed.

1. All the cases analysed should correspond to cities with a high level of tourist attraction, whose shopping area takes up the historical centre, or the area of tourist interest, where goods of interest to tourists or of cultural interest are to be found. Consequently, tourist routes blend in with shopping tours.
2. The sample should include the widest possible diversity of related cases, analysing cities with a similar urban structure and number of inhabitants.
3. The shopping area must be formally or informally set up within a retailer’s association, following the OSCs commercial grouping scheme. In addition, primary and secondary sources of information must be available to be able to apply the model of analysis previously presented (Instituto Cerdá, 2007).

These initial requirements proposed in the research correspond to a group of Spanish Cities that share the qualification of “Unesco World Heritage Cities”. Of the total universe, made up of 15 localities, the research comprises 8 case studies corresponding to OSCs with sufficient contrasted data to be able to apply the Assessment Model (Instituto Cerdá, 2007) (Table 1). These are: Alcalá de Henares, Ávila, Baeza, Córdoba, Ibiza, Santiago de Compostela, Segovia and Úbeda (Figure 4). The sample of cases analysed considers different geographical and commercial settings and observes to what extent their OSCs correspond to the characteristic patterns of this commercial format.

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(5) World Heritage Site is the title conferred by Unesco to specific sites on the planet that have been proposed and confirmed for inclusion in the World Heritage Programme’s list. This is managed by the World Heritage Committee and composed of 21 member states, elected by their General Assembly for a specified period. The aim of the programme is to catalogue, preserve and publicise sites of exceptional cultural or natural importance, in aid of the common heritage of humanity (Unesco, 2013).
Figure 4. Location of Heritage Cities (cases analysed: in blue).

Source: Heritage Cities.
Table 1. Justification for case study selection

<table>
<thead>
<tr>
<th>Nº</th>
<th>CASES</th>
<th>YEAR OSC WAS SET UP</th>
<th>AVAIL. OF PRIMARY SOURCES</th>
<th>AVAIL. OF SECONDARY SOURCES</th>
<th>Population</th>
<th>TOTAL INCOME</th>
<th>TOTAL EXPENDITURE</th>
<th>PER CAPITA INCOME</th>
<th>PER CAPITA EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caso 1 Alcalá de Henares</td>
<td>Centro Comercial Abierto Zona Centro</td>
<td>2016</td>
<td>YES</td>
<td>YES</td>
<td>198.750</td>
<td>164.720.000</td>
<td>164.720.000</td>
<td>829</td>
<td>829</td>
</tr>
<tr>
<td>Caso 2 Ávila</td>
<td>Centro Comercial Abierto Ávila Centro</td>
<td>2010</td>
<td>YES</td>
<td>YES</td>
<td>58.358</td>
<td>53.759.219</td>
<td>53.759.219</td>
<td>921</td>
<td>921</td>
</tr>
<tr>
<td>Caso 3 Baeza</td>
<td>CCA BAEZA (Centro Comercial Abierto Baeza)</td>
<td>2000</td>
<td>YES</td>
<td>YES</td>
<td>16.163</td>
<td>15.800.363</td>
<td>15.800.363</td>
<td>978</td>
<td>978</td>
</tr>
<tr>
<td>Caso 4 Córdoba</td>
<td>Centro Comercial Abierto Centro Córdoba</td>
<td>2001</td>
<td>YES</td>
<td>YES</td>
<td>327.362</td>
<td>298.852.805</td>
<td>298.852.805</td>
<td>913</td>
<td>913</td>
</tr>
<tr>
<td>Caso 5 Ibiza</td>
<td>La Marina Puerto de Ibiza, Zona Comercial Abierta</td>
<td>2014</td>
<td>YES</td>
<td>YES</td>
<td>49.975</td>
<td>55.555.001</td>
<td>55.555.001</td>
<td>1.112</td>
<td>1.112</td>
</tr>
<tr>
<td>Caso 6 Santiago de Compostela</td>
<td>Santiago Centro, Área Comercial</td>
<td>2004</td>
<td>YES</td>
<td>YES</td>
<td>95.612</td>
<td>102.611.066</td>
<td>102.611.066</td>
<td>1.073</td>
<td>1.073</td>
</tr>
<tr>
<td>Caso 7 Segovia</td>
<td>CCA DECALLES Área Comercial de Segovia</td>
<td>2005</td>
<td>YES</td>
<td>YES</td>
<td>52.728</td>
<td>66.959.542</td>
<td>66.959.542</td>
<td>1.270</td>
<td>1.270</td>
</tr>
<tr>
<td>Caso 8 Úbeda</td>
<td>ALCISER CCA de Úbeda</td>
<td>2011</td>
<td>YES</td>
<td>YES</td>
<td>34.930</td>
<td>30.391.020</td>
<td>30.391.020</td>
<td>870</td>
<td>870</td>
</tr>
<tr>
<td>Cáceres</td>
<td>Centro Comercial Abierto de Cáceres</td>
<td>2007</td>
<td>YES</td>
<td>NO</td>
<td>95.617</td>
<td>67.676.830</td>
<td>66.093.720</td>
<td>708</td>
<td>691</td>
</tr>
<tr>
<td>Cuenca</td>
<td>-</td>
<td>-</td>
<td>NO</td>
<td>NO</td>
<td>55.428</td>
<td>45.394.872</td>
<td>45.394.872</td>
<td>819</td>
<td>819</td>
</tr>
<tr>
<td>Mérida</td>
<td>Centro Comercial Abierto de Mérida</td>
<td>2012</td>
<td>YES</td>
<td>NO</td>
<td>58.971</td>
<td>45.223.647</td>
<td>44.341.305</td>
<td>767</td>
<td>752</td>
</tr>
<tr>
<td>Salamanca</td>
<td>Centro Comercial Abierto de Salamanca AIE</td>
<td>2002</td>
<td>YES</td>
<td>NO</td>
<td>146.438</td>
<td>143.067.566</td>
<td>143.067.566</td>
<td>977</td>
<td>977</td>
</tr>
<tr>
<td>San Cristobal de la Laguna</td>
<td>Zona Comercial Abierta La Laguna Centro</td>
<td>2000</td>
<td>YES</td>
<td>NO</td>
<td>152.843</td>
<td>148.197.582</td>
<td>147.101.564</td>
<td>970</td>
<td>962</td>
</tr>
<tr>
<td>Tarragona</td>
<td>Vía T Tarragona-Shopping</td>
<td>2003</td>
<td>YES</td>
<td>NO</td>
<td>131.255</td>
<td>159.214.112</td>
<td>159.214.112</td>
<td>1.213</td>
<td>1.213</td>
</tr>
<tr>
<td>Toledo</td>
<td>-</td>
<td>-</td>
<td>NO</td>
<td>NO</td>
<td>83.226</td>
<td>84.650.000</td>
<td>84.650.000</td>
<td>1.017</td>
<td>1.017</td>
</tr>
<tr>
<td>TOTAL or AVERAGE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.557.656</td>
<td>98.804.908</td>
<td>98.567.477</td>
<td>962</td>
<td>960</td>
</tr>
</tbody>
</table>

Source: Authors.
Results: application of the assessment model to case studies

The application of the assessment model (Figure 5) to shopping areas in the chosen cities yields a series of results as follows: the overall OSC score and partial scores for each of the four categories analysed: supply, demand, management and environment (Instituto Cerdá, 2007).

Figure 5. Steps to obtain Overall Suitability Levels

```
Insert input parameters
Calculate indicators
Determine indicator scores
Obtain partial and total score
```


The first aspect to highlight from the analysis is that the average score of the OSCs studied is over 50% (Figure 6), with the exception of the Alcalá de Henares OSC, which is consistent with the fact that it has not yet been formally set up as an OSC, although it does function as such. These results accord with the study model that considers a minimum or threshold score to qualify as an OSC.

By applying the study model and the results obtained, we can identify the potential weaknesses detected from the parameters analysed. Next, in the table below (Table 2), we present a summary of partial scores that reveal the weaknesses existing in each OSCs analysed, making it easier to interpret the data. The values below a threshold are presented on a red background. From the analysis, it is evident that the variables with lower scores are those related to the scope of the offering. This is due to the fact that many OSCs develop without a sufficient level of representation in their area of business, largely due to the low level of non-sectoral business associations (in Spain this is around 20%). In other cases, there is not enough awareness of the importance of improving the business environment and, therefore, retailers are not willing to collaborate financially in joint projects and action. Consequently,

(6) (Spanish Association for the Management of Urban Centres (“Agecu” in its Spanish acronym), 2016).
this attitude is a stumbling block to increasing the number of associated outlets and directly affects the OSC’s scope for action.

Figure 6. Summary of Scores obtained from applying the OSC model to the Heritage City Assessment Model

In general terms, it can be stated that from the application of the model, the expected results have been obtained, concurring with the circumstances in which the OSCs have developed, since the variations produced over a period of only 17 years (the first OSC, set up in 2000, is Baeza (Table 1)), cannot be compared with the result of a long process of coordination in the urban system. Even so, the study of the Assessment Model provides interesting information, as we will see in the following sections, in contrast to retail trade and demand.
Table 2. Score Summary: Heritage City Assessment Model

<table>
<thead>
<tr>
<th></th>
<th>Case 1 Alcalá de Henares</th>
<th>Case 2 Ávila</th>
<th>Case 3 Baeza</th>
<th>Case 4 Córdoba</th>
<th>Case 5 Ibiza</th>
<th>Case 6 Santiago de Compostela</th>
<th>Case 7 Segovia</th>
<th>Case 8 Úbeda</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEMAND VALUE</td>
<td>0,00</td>
<td>10,00</td>
<td>10,00</td>
<td>10,00</td>
<td>10,00</td>
<td>10,00</td>
<td>10,00</td>
<td>10,00</td>
</tr>
<tr>
<td>SUPPLY VALUE</td>
<td>1,84</td>
<td>6,32</td>
<td>6,32</td>
<td>9,47</td>
<td>9,47</td>
<td>7,89</td>
<td>7,89</td>
<td>4,74</td>
</tr>
<tr>
<td>MANAGEMENT VALUE</td>
<td>3,53</td>
<td>19,41</td>
<td>22,94</td>
<td>22,94</td>
<td>24,71</td>
<td>21,18</td>
<td>22,94</td>
<td>22,94</td>
</tr>
<tr>
<td>ENVIRONMENT VALUE</td>
<td>17,86</td>
<td>19,29</td>
<td>19,29</td>
<td>21,43</td>
<td>21,43</td>
<td>19,29</td>
<td>21,43</td>
<td>23,57</td>
</tr>
<tr>
<td>TOTAL OSC SCORE</td>
<td>23,23</td>
<td>55,02</td>
<td>58,55</td>
<td>63,84</td>
<td>65,61</td>
<td>58,36</td>
<td>62,26</td>
<td>61,25</td>
</tr>
</tbody>
</table>

Source: Authors.
Analysis and interpretation of the results

OSCs constitute a modern and now viable formula for small retailers to improve their competitive capacity, by providing strength to the tourist city they are located in. However, as seen in the literature (Molinillo, 2000); (Berruezo, 2003); (Rovira, 2007); (Flórez-Parra, 2011), and as is clear from the interpretation of the results obtained, they fail to respond to some key aspects. In fact, based on this approach, difficulties and threats have been identified which hamper their progress and development, as well as their consolidation as a commercial structure.

It should be considered that the dynamics of the OSCs format is based on the co-responsibility and collaboration of public and private players, as well as establishing a common and professionalised management and approach. This co-responsibility and transfer of autonomy is not always well accepted by many retailers in the area. This is accentuated by the fact of the high average age of retailers, with a slower pace of adaptation to new management styles and formulas.

It has thus been found that some of the OSCs selected share the same problems and limitations as the local retailer associations they came from: above all, a financing system based on individual will, insufficient and often too dependent on public contributions.

At this point, it is important to recall the OSCs funding model, which is based on fundraising through three sources: voluntary contributions from associated entrepreneurs, obtaining public grants and subsidies, and obtaining income from the provision of services. To a lesser extent, financing is obtained by offering services to consumers, sponsorship events or patronage, organising events, the sale of merchandising or managing infrastructure, such as car parks (Spanish Association for the Management of City Centres (Agecu)). Thus, the worst scores obtained in management variables are due to insufficient self-financing, even taking into account that, due to the limitations of information, the quota and budget values had to be adjusted to the national average.

This deficiency in self-financing, in most cases, is due to the insufficient level of representation on site. This is mainly because of the low level of non-sectoral business partnerships and the lack of awareness of the importance of this in improving the business environment, in addition to the competitive advantages resulting from joint agreements. None of the cases studied reaches the average of the minimum affordable value of 30% of associates, as against the number of outlets in the shopping centre. The precariousness of associations goes even further, since even if the quota is increased to the highest affordable value under 40€, assuming 30-40% of the budget, this does not solve what according to Agecu (s.f.) is one of greatest headaches of OSCs managers: the phenomenon of free-riders.7 In particular, combatting

(7) The term free-rider refers to retailers and entrepreneurs who do not want to be part of the project i.e. they do not contribute economically to it but they do benefit from action in the area of
this individualistic and irresponsible attitude of companies is very difficult. Therefore, the constant need to obtain financing by collecting voluntary contributions involves an effort that does not always bring satisfactory results. Many associations do not have sufficient resources for this, bearing in mind that, in the medium and long term, this leads to discomfort and exhaustion in organisations often managed thanks to the voluntary effort of their managers.

The main tension detected in the relationship between open shopping centres and demand is related to the constant comparison with privately-planned shopping centres (CCCs). The possibility of action by the management in this case does not have the legal limitations, and the negotiations between diverse players, sometimes with conflicting interests that can affect OSCs. OSCs, as they are located in the public area, have certain limitations and obligations that involve negotiation and confrontation between different social partners that demand some priorities of use.

On this point, it is important to emphasize once again the effect of some retailers’ lack of commitment to the group. This reduces the strength of the group as a whole, reducing the representativeness of the OSC and motivating tourists to choose the more complete, harmonious and uniform offering of a CCC, made up not only of retail outlets but also a range of additional services such as: day care centres, cinemas, shows, etc. - or the possibility of recreation or simply viewing the great variety of products. Cases such as Baeza and Úbeda also suffer from the drift of demand towards larger cities like Linares and Jaén, while Avila, Alcalá de Henares and Segovia, because of their proximity to the capital of Spain, suffer from the fact that local consumers prefer the greater variety and quality offered by shops in Madrid (Avila City Council, 2010). The exception to this situation is Santiago de Compostela, which, as the capital of the self-governing region of Galicia, has more stable demand, also Ibiza, which has a more consolidated tradition as tourist centre due to being an island.

Beyond all this, we also come up against the problem of accessibility. The historical centres, due to their urban layout, represent a challenge for the mobility of elderly people, children and those with reduced mobility. On this point, it is assumed that town councils should come up with a response, promoting the general interests of the city. However, improvement projects in this regard are being postponed, and these are factors that continue to be limitations for tourists.

Another important aspect is the dehumanisation of historical city centres, which is progressively due to the aging population, and many moving to peripheral areas in search of better daily services. This further weakens the physical appearance of public areas. In cases such as Santiago de Compostela, two main causes are given: the decline of traditional businesses in the food sector and the proliferation of the hotel and services sector, creating a vicious circle of depression in all OSCs areas. From the OSCs themselves, the effects of this “dehumanisation” have been mitigated communication, promotion and improvement of the environment that is financed with quotas paid by members.
by introducing cultural and gastronomic trade fairs, and promoting special events on designated dates, among other projects, this being an important part of revitalising trade there. However, there is also the need for recognition that the responsibility for this control of areas is municipal and works with the mechanisms and pace of government administration: the involvement of municipal authorities in implementing urban improvements (parks, squares, pedestrianisation, etc.) is praiseworthy.

To end this section, a clear advantage that must be fully exploited is traditional products in Heritage Cities. This is a value that must be further promoted and strengthened, since there is a tendency to promote entrepreneurship in the hotel industry, to the detriment of traditional trade and typical products from the region. This is a practice that deserves special attention by management bodies and municipalities, as it contributes to the loss of vitality and the suppression of traditional trade.

The table below (Table 3) summarises the basic weaknesses found in the OSCs’ organisational format in the case studies analysed.

### Table 3. Summary of OSC weaknesses

| Demand | • Unfavourable comparison with CCC  
|        | • Preference of customers for other commercial formats / urban environments for their purchases |
| Offering | • Unfavourable situation compared with major capitals  
|         | • Lack of commitment of some OSC retailers  
|         | • Encourage businesses that contribute to the economic development of traditional local commerce |
| Management | • Difficulty of giving up independence for retailers belonging to the OSC  
|           | • Underfunded and government aid-dependent funding system  
|           | • Free-riders (benefit from the OSC but do not contribute to its financing) |
| Environment | • Accessibility issues  
|            | • Dehumanisation of historical centres: aging population and moving out to the periphery |

Source: the Authors, from the results obtained by applying the model.

**Conclusions**

After defining the limits of the OSC concept, by applying a precise, robust and contrasted Assessment Model, we have assessed its positioning in terms of a series of quantifiable variables, as well as reaching a preliminary diagnosis of the current position of retail trade in the World Heritage Cities in Spain, overall. In this direction, during the analysis process, it has been fundamental to consider the key importance of the symbiotic and two-way relations of cooperation between companies,
businesses and associations that make up the OSCs, and between them and public bodies.

This exploratory approach, going from the general to the particular, has brought to light a series of indications that, to a limited degree, explain the causes that justify the current situation and the challenges faced by OSCs in Heritage Cities. At the same time, a framework and suitable context have been created, revealing the need to introduce a new management formula. This should serve to promote better use of existing resources and assets that make up cultural heritage, through tourism promotion plans. These plans will finally materialise and optimise the positive externalities between local commerce and tourism.

In this context, and in view of the preliminary exploratory results obtained, the following conclusions are presented: in the first place, due to their specific layout and conditions, the World Heritage Cities reveal a growing trend towards outsourcing in terms of business. This is not only due to the emergence of activities linked to administrative and educational services (particularly in the area of higher/university education) but also thanks to their capacity and attractiveness for tourists. Here there is a predominance of the service sector, where retail business is notably present.

In fact, all the municipalities studied, with the exception of the locality of Baeza, reveal the service sector to be their main area of business. From observing this trend, it can be seen that trade, fundamentally the retail business, has a direct and very decisive influence when interpreting business indicators in the area. Thus, the OSCs within each of the municipalities studied are of significant economic importance and therefore represent a clear source of value creation that must be preserved, planned, energised and developed in order to ensure optimal functioning, while at the same time adapting to different economic scenarios.

Secondly, it can be concluded from the analysis that the retail trade in Heritage Cities, characterised by its traditional nature, has a clear focus towards proximity, among other features. This constitutes a valuable resource to be made full use of, due to the major advantages of that proximity and its role in social integration, urban planning, and the personal treatment offered to the customer. These aspects are key, since they serve to strengthen bonds with consumers, and create value and economic wealth for the local population.

In contrast, however, a certain trend has been noted as regards the lack of updating of either the goods and services on offer, or the outlets themselves in some OSCs analysed. These shops are often associated with a long-standing tradition, often linked to the family, and generally with a small number of employees. Due to their appearance, set-up and service provided, these outlets are sometimes perceived as unattractive by potential customers. Two particularly common traits stand out here,

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(8) According to the 2015 Retail Trade Report published by the Ministry of Economy, Industry and Competitiveness’ Dept. of Trade, “The number of retail outlets stands at 583,796, which accounts for 16.2% of total businesses. A total of 1,905,000 people worked in retail trade in the fourth quarter of 2015.” This figure indicates slightly more than three people, on average, per outlet.
namely, a high average age for both shop assistants and entrepreneurs themselves and, on the other hand, low profitability in some outlets.

From the results of the study, it has been possible to verify that despite implementing this model of joint management since the first decade of the twenty-first century, there are still shortfalls, shortcomings and deficiencies at the level of supply and management, related mainly to the lack of involvement of some retailers. This circumstance causes low representation for the model and, consequently, poor economic capacity to sustain and develop certain strategic projects independently, with their own resources. Thus, the low participation and personal involvement of a large number of OSC entrepreneurs diminishes the representativeness of their management and running, affecting the entire management structure and weakening their strategies and plans of action; action that could contribute to and further ensure the survival, economic viability and permanence of commerce over time. The consequences of this situation extend even further, affecting aspects such as: promotion, revitalisation and joint marketing actions; putting in jeopardy legitimate claims arising from agreements with public and private bodies and, finally, training and financing plans.

In this sphere, the OSCs analysed generally reveal heavy economic dependence on public aid. Thus, their development and future are largely dependent upon the pace and volatile decisions of public administrations - and the partisan political interests concealed behind these - as well as by the indirect effects of the recent economic crisis on their budgets, and the notable decrease in public spending, all inextricably linked to the fall in business.

Based on the arguments set out on this point, it is important to emphasise that, in general, the impulse to create Open Shopping Centres in these Heritage Cities emerges from the awareness and commitment of a number of entrepreneurs, as regards the recognition of the strength and importance of energising actions. These derive from the fact of grouping together, as a factor that enables them to cope with all the challenges faced by proximity-based retail trade in the historical centres of Heritage Cities. Moreover, there are clear benefits, synergies and common advantages brought about by this joint effort.

On this point, it is clear how the recent economic crisis from 2008 has definitively affected the progress and consolidation of these OSCs, bringing with it a significant change in consumption habits. At the same time, this situation has led, in some cases, to the imminent need to form associations, as one of the possible solutions that can contribute significantly to their survival.

In terms of demand, the main tension detected is related to the constant comparison between open commercial centres and privately planned ones (CCC). A

(9) The first OSC identified from all the cases studied was Baeza, which came into being in the year 2000. The last one opened, to date, was in Ibiza in 2014.
(10) Referring to the significant reduction in demand, as a result of loss in purchasing power, this in turn brought a reduction in family spending on leisure and tourism, which affected the tourist business that all these cities depend on.
significant proportion of the public prefer to spend their leisure time in areas that offer additional advantages to merely shopping to satisfy their basic needs. CCCs provide variety of offering and formats; the presence of day care centres; cinemas, shows and exhibitions, etc.; or the mere opportunity offered by these large hypermarkets to provide recreation, simply by contemplating the great variety of products available. This circumstance is aggravated by the slow and progressive trend towards dehumanising museums and art galleries, and the desertion of historical centres, as mentioned above, mainly affected by the disproportionate growth of hotel services and the fact that their communities are aging increasingly. This is usually a sector of population affected by a growing trend towards the move to peripheral areas and dormitory towns, in search of better daily services, as well as better and more modern amenities and greater convenience.

Main applications of the study, limitations and future lines of research

In contrast, from the city councils and public corporations, there is a growing concern about progressively increasing the support and assistance provided to the retail sector in Open Shopping Centres within World Heritage Cities. The reasons - aligned with the positive externalities mentioned above - are concentrated within the following spheres:

- In the economic sphere, the fact of being one of the main sources of tax revenue, as well as local job creation.
- In the sociodemographic context, due to the lurking threat of depopulation and the conspicuous aging of the population, leading to an increasing drift away from urban areas. In this type of city, this is linked to the processes of urban desertification in some historical centres.
- In the area of land use and urban planning, in order to provide guidelines and instructions for compliance with the strict regulatory framework on construction work to adapt and harmonise the city landscape, its mobility and its accessibility within the context of the historical centre.

Consequently, the participation and action of local and public authorities is aimed at halting the growing spiral of deterioration, as well as promoting initiatives and actions that will contribute to improving the environment.

It may be concluded, however, that this public provision, albeit positive and necessary, when analysed from a critical perspective, has contributed to favouring the OSCs’ growing economic dependence on public money (Consejería de Turismo, Comercio y Deporte, 2010- Regional Dept. for Tourism, Trade and Sport), despite this help being considered by most retailers’ associations as insufficient. On the other hand, much of this action and municipal aid is more often directed towards implementing new projects and initiatives with greater weight and media impact,
than on consolidation. This sometimes causes ongoing projects not to be completed. All of the above is another disrupting factor which contributes to weakening OSCs as a formula.

Agecu (2016) confirms in the document “Conclusions of the Expert Group on Areas for the Promotion of Business Initiatives (APIE)”, that the result is that a large majority of OSCs are under-capitalised (73% have budgets below €200,000 per year and 35% - less than €100,000), with a level of manoeuvrability (costs and investments) - of around €700 per associate per year. As a consequence of the above, there is a risk that the actions and services provided will be offered in a conventional manner with low management costs; focussed on a day-to-day management style, without the ability to propose more strategic projects.

Based on all the previously mentioned aspects, and the fact that urban shopping areas should be dynamic and vital spaces, they should be managed following a unified, all-encompassing and integrating strategy that combines both public and private interests with a long-term view. A possible alternative for the development of the OSC formula would be the creation of what AGECU11 (2008) terms: “Areas for promoting business initiatives (APIE in its Spanish acronym)”.

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(11) AGECU is the acronym for the Spanish Association for the Management of City Centres, an association whose aim is to boost city centres through a new professional profile, that of City Centre Manager.


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