Crisis, Retail and City. Changes in Commercial Activity and Consumption in Spain

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INTRODUCTION

The city, as a social space, experiencing the same processes that characterize the economy, expands in good times and shrinks in times of crisis, coming to coining it during these years terms such as "urban decay", "urban decline", or "shrinking cities", in reference to the deterioration of the city resulting from the net loss of inhabitants and economic activity (Martínez , C., et al., 2012; Griñó, a., 2014; Donald, B. et al., 2014).

During the toughest stage of the crisis, it was possible to test their effects by counting the number of stores closed in the main commercial avenues of each city. Today, part of these premises are again active spaces for the urban economy, although in some of them, not only a change of property but also of function has occurred.

We pass from consumption, as an individual activity, to consumerism as an attribute of society, when it becomes central in our lives, when the foundation of economics is the ability to want, desire and yearn repeatedly and incessantly all kinds of products (Campbell, C., 1987; Bauman, Z., 2007). The crisis changed this model. Personal and business credit declined and economic circulation stagnated. For some economists the post-Fordist model had run out of the crisis (Stiglitz, J. E., 2010; Krugman, P., 2012), as the lack of credit reduced global demand.

OBJECTIVES

This paper aims to study the situation of the retailing system in Spain, both at national and local level through detailed study of three cities. The starting hypothesis is that the key factor in the dynamics of change is the increase in online business, in what the current terminology called "multiplatform digital marketplaces". This increase in trade

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through smartphones, tablets and other electronic devices results in a reduction in commercial activity in the traditional physical spaces of commerce,, which affects differently to local shops, galleries, shopping centres or establishments located in the so-called "golden mile", the most important commercial axes of each city.

METHODOLOGY

The statistics used to analyze the period 2008-2016 show the negative evolution of trade in Spain during these years and the changes produced in the modes of consumption, with the progressive rise of electronic commerce and the triumph of cheap as the most outstanding elements.

The Annual Survey of Commerce (INE, 2008-2014) recorded in Spain for 2008 a total of 619,573 stores. This same survey in 2014 reflected the closing of more than 80,000 businesses, registering a total of 537,811 premises, with a reduction of 13.2% in just six years. The closure of commercial companies verified during these years mainly affects the traditional establishments of retail trade, the neighborhood stores, which were left without clients by the reduction of the capacity of expense of broad social sectors. The Spanish living conditions survey shows how the average household income stood at 30,045 euros in 2009, and since then began a negative trend that placed it in 2015 at 26,092 euros, which meant a Loss of 13.1 points of purchasing power. In this last year the population at risk of poverty stood at 22.1% of the total. The negative trend of retail trade was so important during the crisis that it affected all types of commercial establishments. To the neighborhood shops, the commercial chains, the establishments of the emblematic axes and the flamboyant malls that had been inaugurated few years before.

Fundación Telefónica publishes since 2000 the annual report The Information Society in Spain. The report of 2016 indicates that in this country there were 23 million intensive users of the Internet in that year, i.e. people who are connecting every day. Spain, with 22.5 million accesses of optical fiber in household, was the European country with greater connectivity of this type. At that time, Spain was fifth in terms of volume of e-commerce, behind the United Kingdom, France, Germany and Russia with a turnover of more than 20,000 million euros (Fundación Telefónica, 2017).

In addition to the statistics, another way of analyzing the changes in commercial activity is to carry out a detailed study of the characteristics of the most central commercial stores in each city, which are the ones that suppose a greater economic effort for its maintenance by the high price of leases, through the data obtained in the virtual office of the Land Registry. The "catastro" is a source of information that allows us to have data referring to surface intended for commercial uses, average size of establishments in selected urban areas, its internal distribution, age of the buildings where they are

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located and existence of significant reforms in the structural elements. This source is of a fiscal nature but despite some inconsistencies between the information provided and the reality, it is a useful tool to quantify the presence of commercial activity in land uses at a level of detail as accurate as that of the plot.

Three medium-sized cities were selected for the case study: Lugo, with only 90,000 inhabitants, with 130,000 León and Oviedo with 220,000. Within each of these localities proceeded to delimit two axes of different meaning: one of them corresponds to maximum activity and commercial centrality Street, the other corresponds with pericentral axes endowed with equipment of neighborhood.

CONCLUSIONS

Among the results of the local analysis, it should be noted the percentage of commercial uses among the total of premises: in central axes the three quarters of establishments engaged in selling goods; In the pericentral axes this percentage drops substantially, with the exception of the Avenue of A Coruña (Lugo), in such a way that in San Mamés (León) approximately two thirds have this use, and in Pumarín (Oviedo) drops to a scarce 45%. Retail is clearly identified with centrality: those sectors that do not have this attribute lose attraction for traders, as evidenced clearly by the examples taken from Leon and Oviedo.

Another important variable is the percentage of open stores over the total computed by the land registry. Figures obtained from the field work allow us to conclude that, with the exception of San Mamés, the central axes tend to have a higher number of closed establishments. The crisis that began in 2008 was a liquidity problem for many local businesses, as the reduction in demand greatly reduced revenues, condemning many establishments to closure.

The emblematic trade of the center axes is the textile, is the dominant and its presence increases as the centrality of this street increases. Commercial lungs of Lugo and Oviedo are openly specialized in the sale of clothing, footwear and accessories. Ordoño II is the exception, because the striking weight of the optics in this street achieves that the sale of individual consumer goods exceeds the textile and footwear. In pericentral axes the Avenue of A Coruña stands out among all of them, also textile is the most outstanding, although the observation allows us to verify that it is not the same to sell clothes in a neighborhood that in the city center, the qualities are radically different, prices also and the customer profile is equally different. Textile also has some relevance in San Mamés, although the presence of frequent consumer trade is high, which affects the image of this street; Pumarín is a separate case, no sector stands out among the others, there is no remarkable specialization.

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The research carried out has allowed us to verify the starting hypotheses. The crisis has had a severe impact on traditional retail, on the pericentral trade axes that seem to have remained anchored in time, while its owners patiently await the arrival of retirement. The closed premises follow these axes, alternating with totally outdated multi-brand fashion shops, immigrant parlors, food shops and bars. The former centrality has disappeared; the stores remain for the sake of their owners, not because they are profitable businesses. The urban landscape deteriorates. The commercial street of neighborhood, usually a living and dynamic element, becomes a space of difficult transit. It is possible that future developments will mark the closure of more traditional stores and the opening of new establishments for the immigrant population, because in them the clientele is loyal.

Follow the current pace, it is likely that e-commerce will reach in Spain market shares similar to which they presented in United Kingdom, where e-commerce turnover in 2016 180,000 million euros. Both ebay and Amazon are committed to Spain as space of strong future growth and this fact will generate new closures of traditional commercial establishments. It will be interesting to review the results of this work within five or ten years, or compare it with the evolution of other Spanish cities, to develop a field of research on crisis, retail and city that can provide very relevant information to urban knowledge and improve the city planning and management.

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