What Drives German City Centers' Attractiveness? On the Role of Product Categories, Specialization, and Intercity Competition

Vincent Weidenbörner
University of Cologne
Julian Wichmann
University of Cologne
Thomas Scholdra
University of Cologne
Werner Reinartz
University of Cologne

What Drives German City Centers' Attractiveness? On the Role of Product Categories, Specialization, and Intercity Competition

Abstract

City centers are cultural, economic, and infrastructural junctions of urbanized areas (Murphy & Vance 1954) with the stationary retail sector being one of the main sources of attraction for many stakeholders. While city centers are under pressure due to ongoing digital transformation, consumer demand shifts, or the COVID-19 pandemic, little is known about how their appeal can be maintained in such tough times. This paper uses a range of different geospatial data sources to identify 188 German city centers and approximate their attractiveness based on retail revenues and purchasing power. We apply (spatial) modeling techniques to investigate the effect of retail categories and specialization on city centers' appeals. Our results imply that specific categories (e.g., footwear or clothing) particularly contribute to attractiveness. While specializing on one category, however, negatively influences attractiveness, we find no evidence for intercity competition in terms of specialization.

Subject Areas: *Public Policy, Retailing*

Track: Retailing & Omni-Channel Management