



MUIR

Massey University Institutional Repository

Sayers, J., Low, W. & Davenport, E. (2007). The impact of The Warehouse on New Zealand small towns: A discussion paper with specific reference to Maori. Massey University. Department of Management and International Business Research Working Paper Series 8.

Massey Authors:

Sayers, Janet

Low, Will

Davenport, Eileen

<http://hdl.handle.net/10179/553>

Department of
Management
and International
Business

2007, no. 8

Research Working Paper Series

Janet Sayers
Will Low
Eileen Davenport

The impact of The Warehouse on New Zealand small towns: **A discussion paper with specific reference to Maori**

Keywords

Shopping
Big-Box-Retail
Large-Format-Retailing
Ethnic-Marketing

Contact Details

Dr Janet Sayers
Department of Management &
International Business
Massey University (Auckland)
Private Bag 102 904
Auckland, New Zealand
Ph 64 9 443 9799 ex 9215
Email j.q.sayers@massey.ac.nz

Copyright

© 2007 Janet Sayers, Will Low
and Eileen Davenport

ISSN 1177-2611



Massey University

ABSTRACT

This discussion paper is based on empirical material looking at the social impact of The Warehouse (TW) on small town NZ. The results of this research show that Māori have a more positive orientation to The Warehouse than the non-Māori population. This paper provides some explanations of why this could be the case in small town New Zealand. The discussion paper suggests that large-format retail researchers need to be more careful when arguing that large-format retailers negatively affect small towns: the impact of their entry depends on socio-economic factors and the ethnic circumstances of various groups in the community and their outlying areas.

PROLOGUE

Imagine a public meeting in a small historic community: a wooden town hall and many people — young and old, wealthy and poor, and (most importantly) Māori and Pakeha. The meeting has been called to discuss an issue people in many countries could recognize: a proposal to site a large ‘big-box’ retailer in a pretty and historical tourist town in the Northland of New Zealand, Kerikeri. This is the largest public meeting in the town since people gathered to protest the closing of the local post office in the 1980s: over 350 people are attending. The town has been in an uproar over a proposal to site a branch of New Zealand’s largest general merchandise retailer, colloquially called the ‘Big Red Shed’, on the outskirts of their community. The local newspaper, many prominent citizens, and shopkeepers, have expressed their dismay and concern over the negative impact they think this development will have on ‘their’ town. The general manager of the retailer, on the defensive from the attack, has already gone on record as saying that if there was to be a negative impact of the town, “We would rather stay away”.

People from the local town of Kerikeri, a predominantly white and economically privileged enclave, are attending the meeting primarily to protest against the retailer. One woman stands up and says “Kerikeri should be an ‘upmarket’ town!” and goes on to say “If people want to go to The Warehouse, they can drive to Kaikohe!” (which is about 20 kms. away). But, Māori, the local indigenous people who have lived in the area for centuries, but do not tend to live in the town or immediate surrounds, have also attended this meeting in numbers, and they intend to be heard. “We welcome the Red shed” calls out one man, “Where else can we shop? The second-hand shop? We want new stuff too! Why should we have to go to Kaikohe! It is half an hour away if you have a car!” Another woman says, “What about jobs? Fruit picking here gives us \$20 more than being on an unemployment benefit, for a few months a year! The Warehouse will give us jobs. What else is there for us?” People are agitated and shouting at each other and feelings are high. Finally, one elderly Māori woman stands up, bangs with her walking stick on the floor, and says firmly “I welcome The Warehouse and I would like to personally invite you to set up on customary Māori land on Kerikeri Inlet. The water view is great.”

A symbolic vote is taken and the town meeting votes ‘Yes’ to The Big Red Shed. [2]

INTRODUCTION

The research reported in this paper is part of a larger systematic and independent study on the impacts that The Warehouse stores have had on ‘small towns’ in New Zealand (NZ). In particular this paper presents results reporting on the impacts that The Warehouse has had on Māori in Kaitaia, Kerikeri and Motueka. The wider results have been developed through a series of studies undertaken between 2001 and 2006, with the first being a study of the impact of The Warehouse on Dannevirke, and the latest on perceptions of employment opportunities at The Warehouse. The studies, commissioned by The Warehouse Group (TWG), emerged because TWG were concerned about media criticisms of The Warehouse having a negative impact on New Zealand life (O'Rourke, 2003; Rogers, 2001; Sheeran, 2006; Stirling, 2000). Much of these criticisms are similar to attacks against ‘big box’ developments overseas, particularly in the USA (Lichtenstein, 2006; Peled, 2001; Quinn, 2000; Steinhaurer, 1995). In New Zealand the critiques are based largely on anecdote, not research, and parallels are assumed between Wal-Mart, the focus of much criticism internationally, and The Warehouse.

The Warehouse Group (TWG) has grown since 1982 from one store in Auckland, New Zealand's largest city, to 85 stores nationwide. Sales on the official opening day were a mere \$4490.87 while twenty years later daily sales averaged \$4.7 million. An initial investment of \$40,000 by founder Stephen Tindall has grown, by 2002, into the third largest company listed on the New Zealand stock exchange, with a capital value of \$2226 million (Gaynor, 2002).

The Warehouse Group's ‘Red Sheds’ have become familiar landmarks across New Zealand, from Invercargill (on the far south coast) to Kaitaia (the country's most northern town). Other local ‘big-box’ retail chains have limited themselves, to date, to larger urban areas and therefore The Warehouse has borne the brunt of New Zealand's version of the global backlash against big-box retailers: the ‘anti-Wal-Mart’ phenomenon (Cascio, 2006; Fishman, 2006; Peled, 2001). Only the supermarket chains rival TWG in terms of geographic coverage, but supermarkets do not suffer from the same widespread public criticism of their market power as TWG (as revealed in a series of research reports by Davenport & Low, 2004a, 2004b, 2004c). A commercially successful strategy expansion into smaller communities made TWG a darling of the New Zealand stock market for much of the late 1990s and up until 2003 when its investment in Australia was not as successful as hoped or

expected. Over this time, TWG's rapid and aggressive growth strategy led to characterisations of TWG being the "shop that ate New Zealand" (White, 2004).

The majority of existing studies of big box retailing overseas are devoid of analysis by ethnicity, and similarly in NZ, such studies are lacking. In order to start to redress this, TWG agreed that consultation with Māori organisations and individuals is essential to understand the social impacts its stores have on Māori in small towns and rural areas. This report looks specifically at Māori as consumers and, to a more limited extent, as employees of The Warehouse. This paper features Māori views on The Warehouse: how they feel about the Big Red Shed, and what they perceive The Warehouse offers them in terms of shopping and employment opportunities.

METHODS

This results reported in this study are based on the aggregated results reported in three technical reports reporting on the impact of The Warehouse in the three small towns of focus in this paper (Davenport & Low, 2003; Davenport & Low, July 2004a, July 2004b, July 2004c).

Ethnic diversity is higher in Kaitaia and surrounding areas than in most other parts of the country, and so consultation with local Māori was essential to understanding the social impact of The Warehouse. And while ethnic diversity is lower than average in Kerikeri and Motueka, attention to Māori is very important because existing criticism of big-box retailing ignores the impact a big-box retailer may have on different ethnic groups.

This report presents only the results of Māori consultation which involved three main methods:

1. Key informant interviews

Visits to local runanga and iwi organizations were made in each location to interview key members from the Māori community. Five Māori employees were also interviewed: three at the Kaitaia store and two at the Motueka store. Compass Consulting, the independent research group commissioned to undertake the research, conducted interviews with key informants from Māori organizations in all three locations.

2. Focus groups

Focus group discussions were held with Māori trainees, staff, trustees, and residents of Marae.

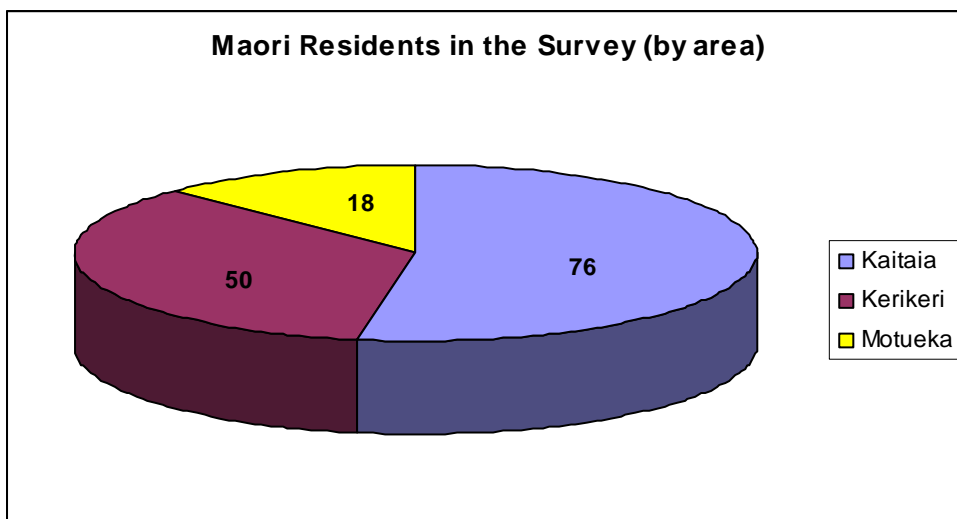
3. A random telephone survey of households, identifying Māori and other respondents (144 people who identified as Māori, or mixed Māori).

RESULTS

The following section reports the results of this consultation and data-gathering. This section includes: a description of the sample; quotes from interviews which help provide some context about what small town shopping was like for Māori before The Warehouse came to town; an analysis of the results showing Māori shopping behaviour; reasons for Māori shopping behaviour; results regarding the perceived employment opportunities for Māori; and finally different views by ethnicity vis-à-vis the impact of The Warehouse on the Central Business District (CBD) in the small towns under review.

Sample

The household survey resulted in 144 respondents who identified as Māori or mixed European/Māori, Asian/Māori and Pacific Islands/Māori ancestry.



Māori made up 23% of the sample of 627 people interviewed, which is a higher proportion than the representation of Māori in the 2001 Census. Sixty-nine percent are European and 7% are “other”, including a number who list New Zealander or Kiwi as their ethnic background.

Ethnic Diversity				
	Kaitaia	Kerikeri	Tasman District	New Zealand
European	61.4%	91.3%	96.2%	80.1%
Māori	52.0%	12.8%	7.0%	14.7%
Pacific Peoples	3.3%	1.2%	0.6%	6.5%
Asian	1.7%	2.0%	0.9%	6.6%
Other	0.4%	0.5%	0.2%	0.7%

Source: Statistics New Zealand 2001 Census

The proportion of Māori households interviewed in each area - 38% in Kaitaia catchment, 22% in the Waipapa catchment, and 9% in the Tasman District, was either higher than, or close to, their representation in the 2001 Census (2001 statistics are used as the study was conducted in this census period).

Life Before The Warehouse Came to Town

A key theme to emerge from consultation with Māori was how different life was for them (and other low income families) before The Warehouse came to town. Comments from people in Kaitaia and Motueka suggest that some Māori used to find the local shops quite expensive and would therefore often go elsewhere to find lower prices and more variety. The view is also strongly held that the Kerikeri CBD does not, in general, cater to lower income people.

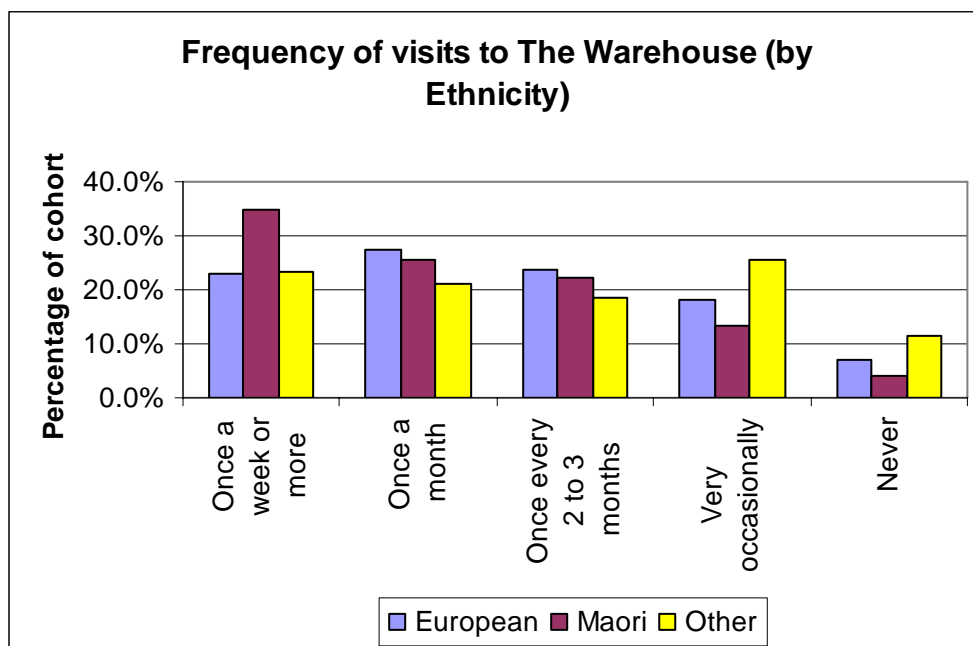
The Warehouse is seen as a place where Māori can afford to buy new goods rather than second-hand goods. Key informants in both Motueka and Kaitaia commented that even second-hand stores are not always cheap and are very hit-and-miss in terms of finding desired items at the right time. One Māori key informant suggested that the main impact of The Warehouse on Māori was that it “Gives lower income people the opportunity to access new stuff at an affordable price.” Another person went so far as to say that before The Warehouse arrived, local retailers “have dicked people for years...shafted the locals through high prices, poor service, etc.”

“Finally things are affordable. Before (The Warehouse) most shops in Motueka were too dear. We would go to Nelson...we would have a day out in Nelson”.

One key informant said “Our [Māori] perspective is that shopping in Kerikeri is priced out of our range. Most families have not had the opportunity to buy brand new clothes, etc. but they can at The Warehouse.” The key informants in Kaeo suggested that “Kerikeri has developed a reputation that it has higher prices...and no doubt local Māori shop at The Warehouse in Kaikohe.”

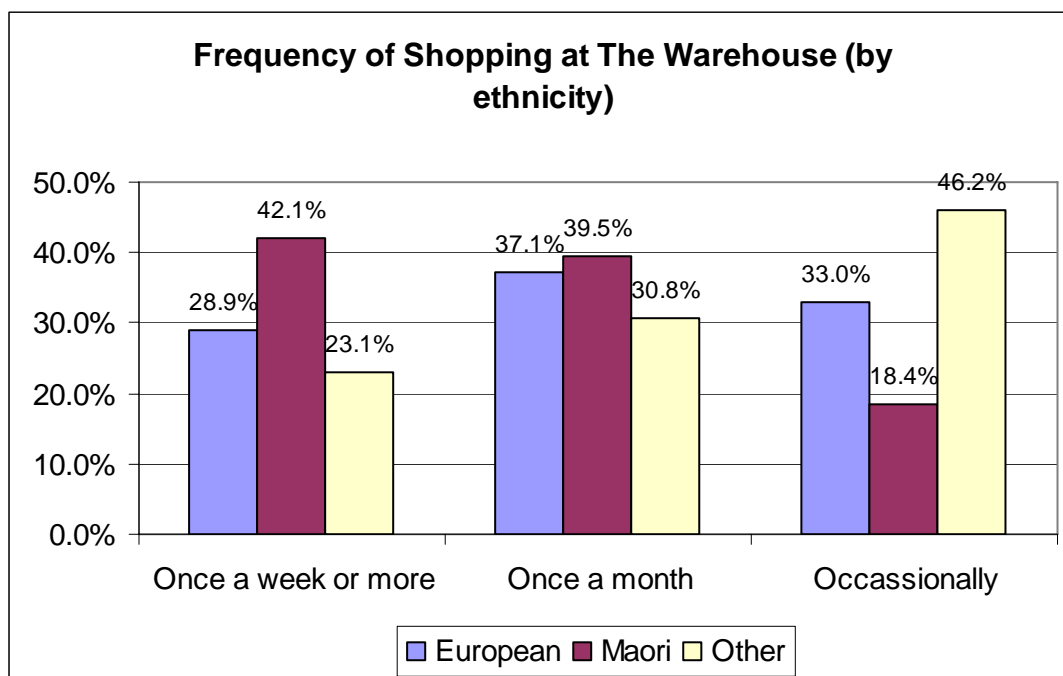
Analysis of Māori as Shoppers

Māori are very keen shoppers at The Warehouse in each of the three sites studied. In this section the data from the household surveys are aggregated to produce a picture of Māori perspectives on shopping at The Warehouse. Over all three sites Māori are more likely to be regular shoppers at The Warehouse than people of other ethnicities. Our surveys show that 35% of the Māori respondents go to The Warehouse on at least a weekly basis, compared to 23% of either Europeans or people of other ethnicities. This is a statistically significant difference based on our sample size (627 respondents). Some Māori interviewed for the research are keen to see The Warehouse expand into groceries on the basis of greater convenience (one stop shopping) and potentially lower prices through greater competition with local supermarkets.



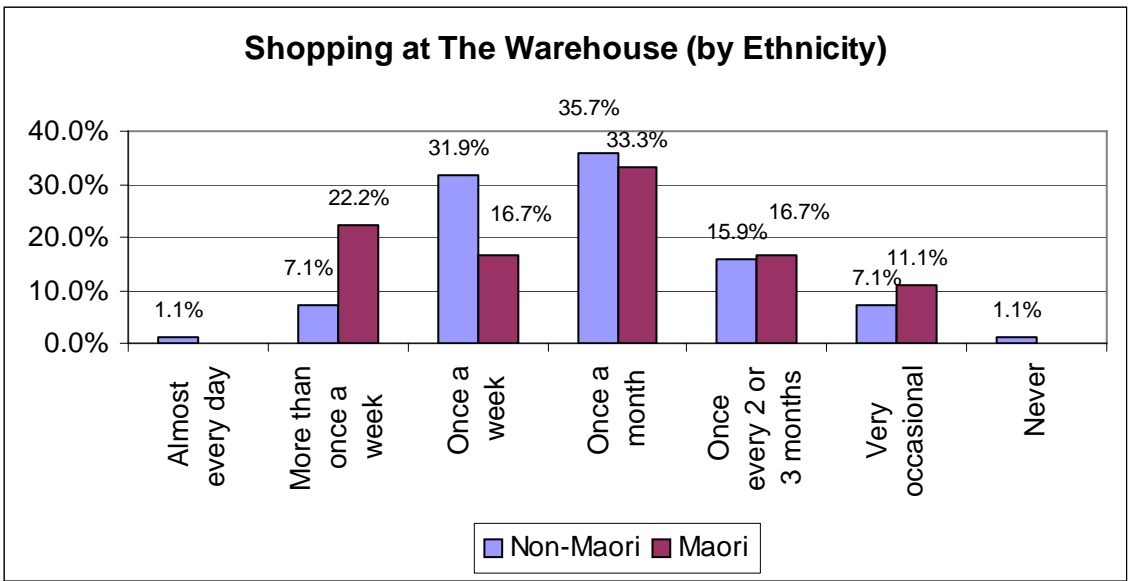
Those people who never shop at The Warehouse almost all live in Kerikeri, Kaeo or Russell, and so have quite a long journey to Kaikohe or Whangarei to shop at The Warehouse. Only six out of 144 Māori respondents (4% of the Māori sub-sample) had not shopped at The Warehouse in the last 12 months, compared to 7% of Europeans and 11% of “Other” ethnicities.

The evidence from the 228 Kerikeri and Kaeo household surveys shows that Māori in the sample (22% of the households interviewed) shop at The Warehouse on a more regular basis than European or “other” residents of the area. Over eighty percent of Māori shop at The Warehouse at least once a month (42% at least once a week and 40% once a month). All Māori in the survey had shopped at The Warehouse at some time in the last 12 months.



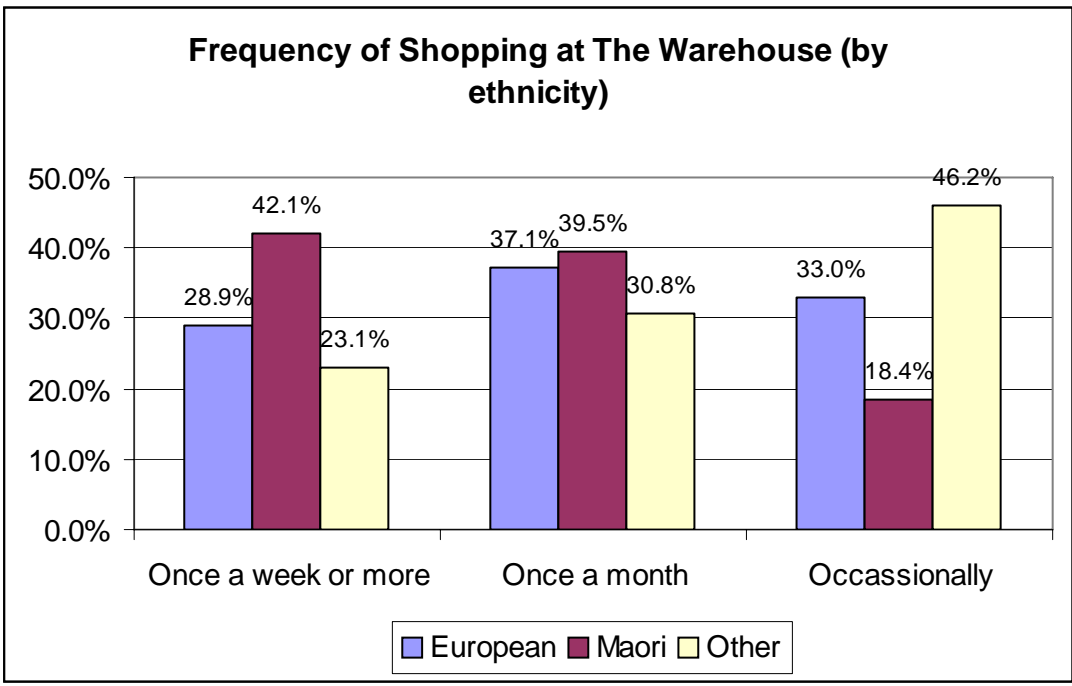
Key informants in Kaeo suggest that most Māori in the area would shop at the Kaikohe Warehouse regularly, even though it is almost an hour’s drive away.

In Motueka the household survey reached 18 people who identify themselves as Māori or part Māori, 8% of the 200 people interviewed in the area. Europeans made up 84% of the sample and “other” ethnicities 8% of the sample. A focus group member said, “Most Māori families would shop at the Warehouse. Many of the local Māori families would be shopping at the Warehouse two to three times per week.” This observation is supported by the household survey which shows Māori respondents were more likely to shop more than once a week at The Warehouse than non-Māori.



On balance, the pattern of shopping at The Warehouse is very similar for Māori and non-Māori once residents who shopped there at least once a week are combined: 39% Māori and 40% non-Māori.

In Kaitiaki Māori responding to the household survey visit The Warehouse more frequently than the other shoppers. Forty-two percent of Māori respondents shop there at least once a week, compared to less than 30% of European respondents. Forty percent of Māori shop at The Warehouse once a month, higher than for European and “other” respondents.



All nine members in the Māori focus group regularly shopped at the Warehouse (on average once a week).

Māori also shop at The Warehouse through their marae and iwi-based organisations. This is a special feature of the relationship between Te Warewhare [2] and Māori in small towns. In Kaitaia at least one Trust Board held an account with The Warehouse which allowed it to place purchase orders. All the rural marae in the Kaitaia catchment, at the time of our research, held accounts with The Warehouse that enabled them to place orders and receive discounts. In Motueka, another Trust was able to get a 5% reduction on business transactions.

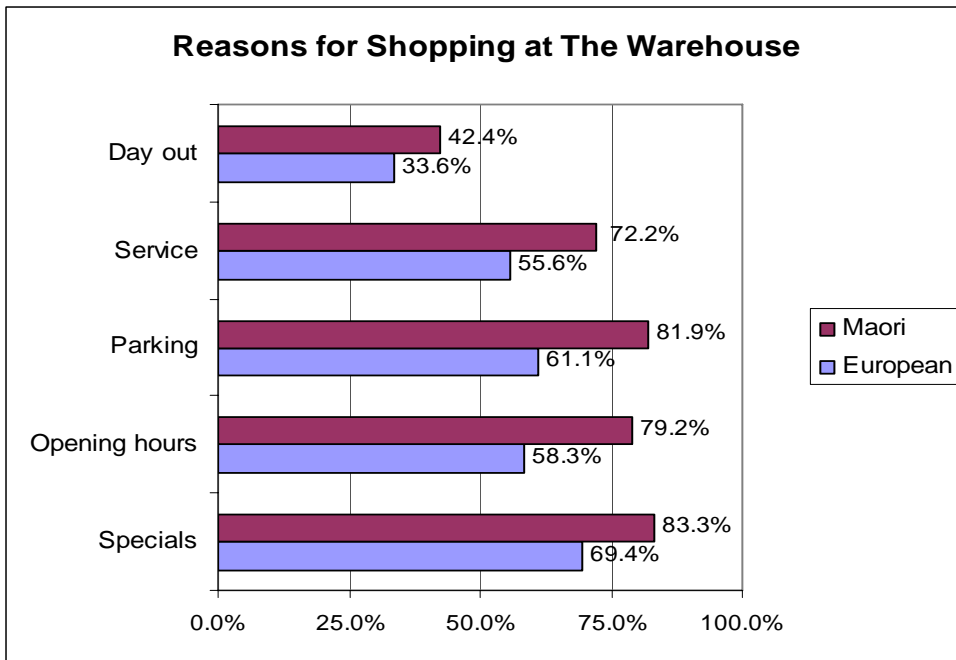
More informal practices also existed alongside more formal account-holding relationships. One Kohanga Reo reported that although they did not have a business account with The Warehouse, they did use The Warehouse regularly in an informal manner for supplies. A representative said during the focus group: “We buy lots of stuff for the Kohanga at the Motueka Warehouse: toys, colouring pens, stationery – anything that helps our Tamariki learning.”

One marae near Kerikeri had just bought all its linen from The Warehouse after negotiating a deal with management, though the transaction was not without problems from the marae’s perspective – the completion and delivery was unnecessarily delayed. Another comment was that before The Warehouse came to Kaikohe, marae in the far North would deal directly with manufacturers and importers in Auckland to get better prices.

Reasons for Shopping at The Warehouse

The household survey asked people to say yes if an item from a list of reasons explained why they shopped at The Warehouse. Shoppers, regardless of ethnicity, overwhelmingly said that low prices were a reason for shopping at The Warehouse. The figure below shows those items where there was a statistically significant difference between Māori respondents and European respondents.

Māori shoppers are more likely to consider the advertised specials as a reason why they shop at The Warehouse. Some key informants commented that culturally Māori may make greater use of specials through bulk-buying for extended family. One key informant interviewed in Motueka suggested that Māori from rural areas were particularly upset that specials were often sold out before they had a chance to drive into town.



Māori also suggest that good customer service at The Warehouse is a reason why they shop there. Comments by a number of key informants and residents suggest that The Warehouse is viewed as a comfortable and welcoming environment. In part this may relate to the presence of Māori staff.

Māori are also more likely to view going to The Warehouse as part of a day out, especially if they have travelled a long distance to get to town (see the figure on the previous page). A recurring theme in both Kaitaia and Motueka was that The Warehouse acts as a social venue and the trip to the store is also an event. Māori are more likely to consider the Warehouse as part of a day out (42%) than Europeans.

Many of those interviewed in Kaitaia say that Māori families from the rural area regularly come into The Warehouse for a day out, combining this with a trip to McDonald’s and Pak N Save, and the flea market on a Saturday. Forty-five percent of Māori (34 of 76) respondents suggest they see a visit to The Warehouse as part of a day out in Kaitaia, compared to 31% of European respondents (30 of 91).

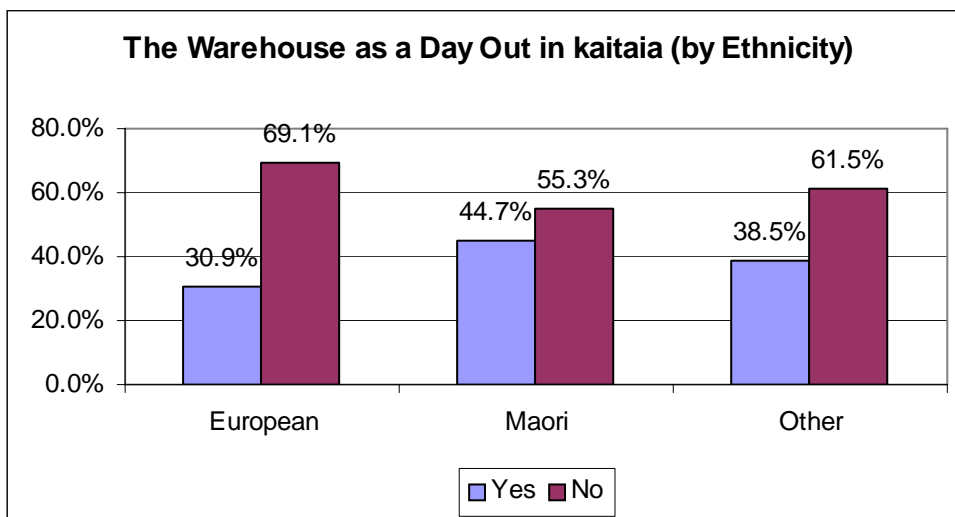
A number of Māori respondents suggested that the informal atmosphere in The Warehouse made Māori feel at home there. One person said, “there are areas where kids can go and be safe while you go off and get things.” Others suggested that they would often run into friends/family at The Warehouse and would even go there to socialise: “The Warehouse is very social, you meet people down every aisle.” The theme that The Warehouse is a social gathering place and a destination for a day out expressed in Kaitaia is echoed in Motueka.

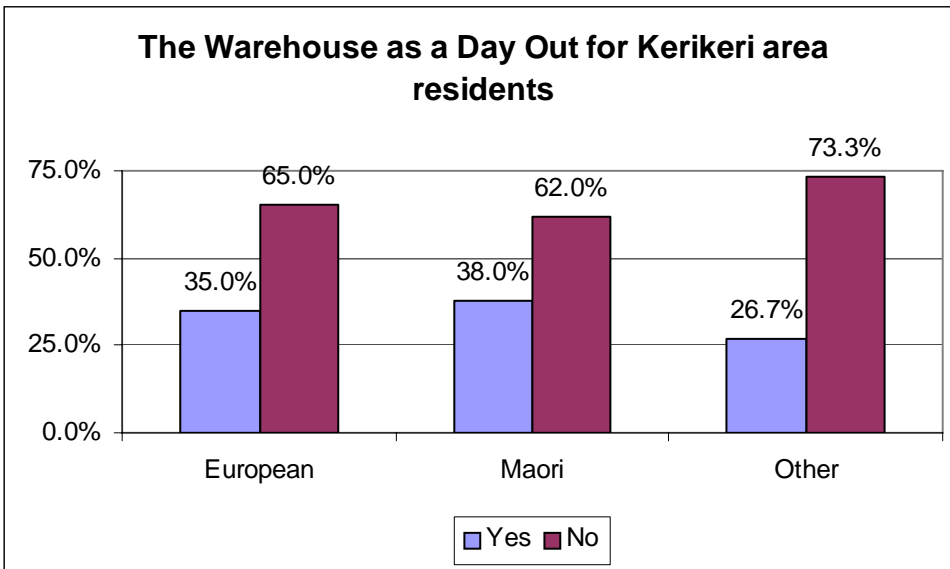
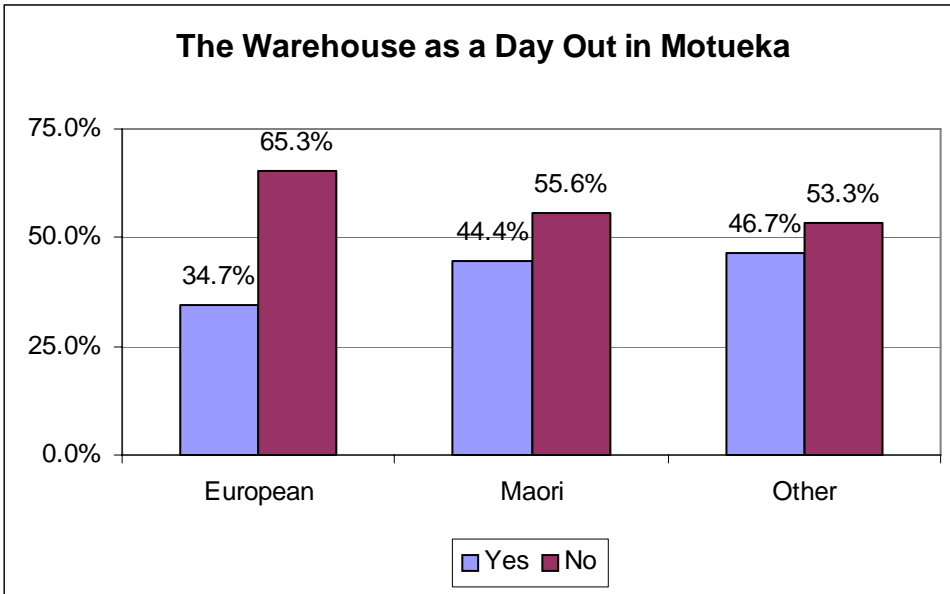
Forty-four percent of the Māori households would make a visit to The Warehouse part of a day out, higher than for European respondents, but slightly lower than for people from “other” ethnicities.

The Warehouse in Motueka is literally and figuratively a Māori place: the building and land are Māori owned, containing Māori carvings specially designed for the site, and it acts as a social focus. The store developed in Kerikeri and featured in the Epilogue and Prologue to this paper also features a Māori carving.

Several people interviewed suggested that Māori families from the rural area come in to Motueka (and the Warehouse) for a day out, especially as The Warehouse is next to KFC. “Motueka goes to the Warehouse”, said one respondent. Another claimed: “It’s a meeting place...[there’s] not much to do on weekends in Motueka – so it’s a social thing.”

Until July 2004, households in the Bay of Islands and north to Kaeo have had to travel some distance to shop at The Warehouse. For some, a trip to Whangerau will have been as attractive as going to Kaikohe. The additional effort is reflected in the lower proportions of people from these areas who say they make a trip to The Warehouse part of a day out. Only 38% of the Māori respondents said yes when asked this question, as did 35% of the European respondents. This is not a statistically significance difference.





People who recorded ethnicities other than Māori or European are even less likely to consider going to The Warehouse as part of a day out.

Employment Opportunities

Many Māori have considered the possibility of attracting The Warehouse as a tenant to anchor the development of Māori-owned land. One key informant in Kaeo said: “When discussions were taking place about a Kerikeri store, Māori were keen to have it in the area, and as close as possible – “it would have been a good investment for Māori people”, said one respondent. In Kaitaia it is not just Māori who want Te Warewhare nearby. A number of the

key informants suggested that they would not want to see The Warehouse move onto the fringe of town and would rather keep it in the CBD.

In Motueka, the NRAIT has made the idea a reality by building and siting the Warehouse on Māori land. They consider this development to have been a good business opportunity. In each of the buildings NRAIT has built, including KFC and Warehouse, the Trust has put a Māori carving. NRAIT would like to see more Māori design around the Warehouse.

The chance of employment at The Warehouse for Māori, and its absence in the traditional retail sector, is also a recurring theme in each of the locations visited. Māori tend not to own small retail businesses in the towns under study. NRAIT believed attracting The Warehouse would give local Māori families would have a chance at local employment, and at least five current staff were Māori. Māori in Kerikeri and Kaeo also look forward to the prospect of jobs in The Warehouse once it opens in Waipapa – Kaikohe is currently too far for most Māori to consider for a job. One key informant in Kerikeri suggested that there are many more Māori employees evident in The Warehouse than in the retail sector generally, and said “compare it to New World.” By this the respondent is referring to a perception that there is a lack of employment opportunities for Māori in the retail sector in small town NZ.

Three Māori employees were interviewed as part of the consultation and other key informants were asked about their knowledge of Māori working at The Warehouse. There was a unanimous opinion that The Warehouse is a better employer than other local large retailers such as than Farmers and Pak N Save. One employee was particularly impressed by the speed at which she was promoted within the system. She also compared her experience there with her job in a national fast food chain: her starting hourly wage at The Warehouse was higher than her pay as a supervisor at the latter.

All the employees interviewed agreed that ethnicity was not a barrier to advancement in The Warehouse, and all looked forward to moving up within the company. Several people, employees and key informants, suggested that friends had moved from Farmers and Pak N Save to The Warehouse, or wanted to do so. Two key informants commented on the internal training available from The Warehouse but suggested that, while it was useful and valuable, it would be better if the training was accredited through New Zealand Qualifications Authority.

Two Māori Warehouse employees were interviewed in Motueka. Both felt that The Warehouse provided opportunities for advancement and that The Warehouse was a good employer. In one case the female employee was currently in a supervisory position (having previously worked in the Nelson store) and was shortly to take up a management position in

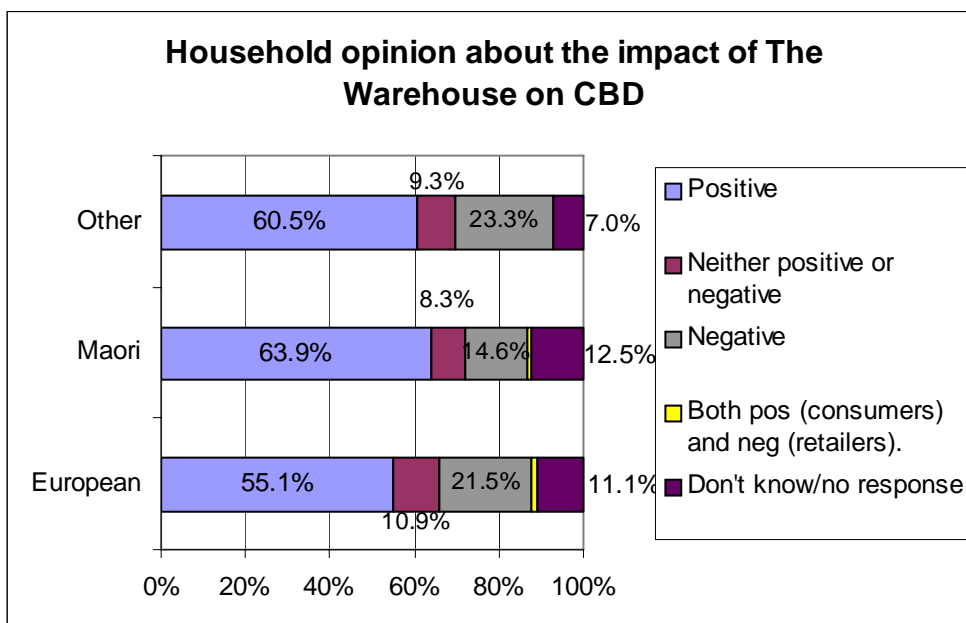
another Warehouse store closer to her family in South Island. She was planning to manage the travel required in her new position with the support of her extended family to assist her with looking after her children. In the other case the female employee was clear that she did not want to move from Motueka and so recognised that further opportunities for advancement were likely to be more limited.

Lack of formal educational achievement in school was not seen as a barrier to advancement at The Warehouse and both employees said that a positive attitude and a “willingness to put your hand up” for further opportunities were the prerequisites to move up in the organisation. Both of the employees were very positive about the “team” culture at The Warehouse and the ability for employees to get involved in decisions, for example, about the charities and causes that the local store supported. Both noted as a positive, that management was accessible and that the working atmosphere was friendly.

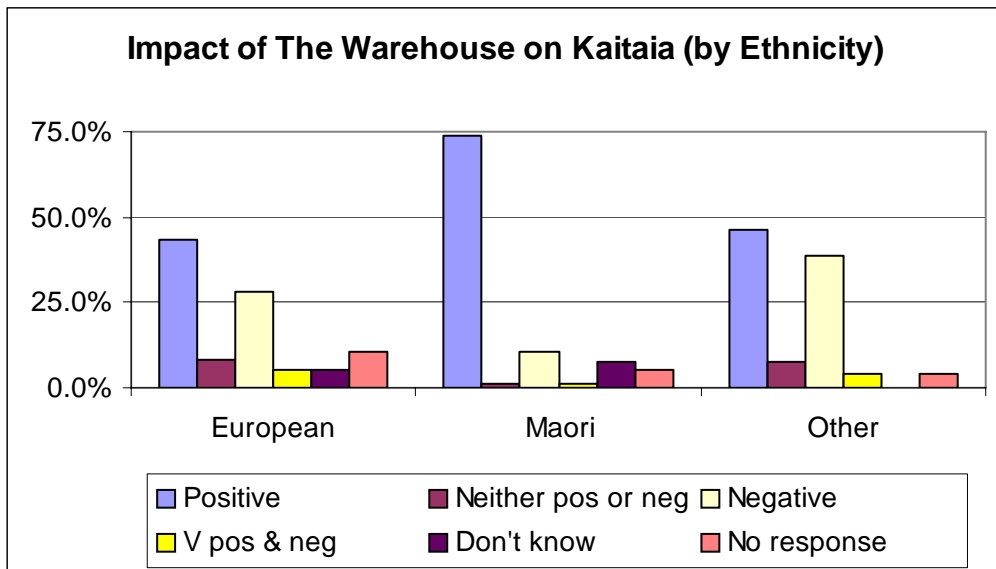
The Impact of The Warehouse on the CBD

The survey asked people what impact The Warehouse has had, or will have in the case of Waipapa, on the local CBD. This is a difficult question to aggregate across: Kaitia has had The Warehouse since 1991, Motueka since 2001, and Kerikeri has had the Kaikohe store at a distance since the mid-1990s. Nonetheless a significant difference by ethnicity is observed.

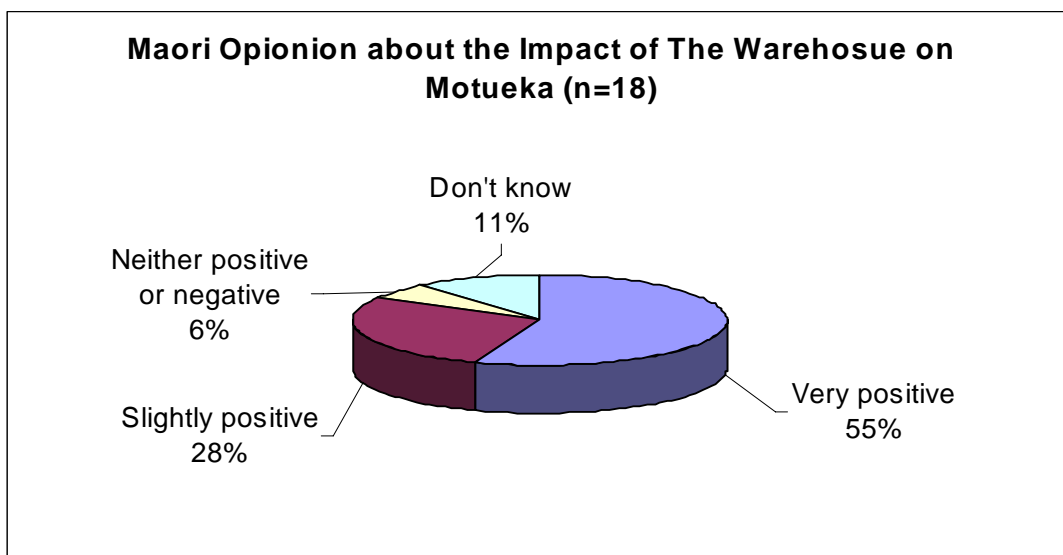
Māori are more likely to view The Warehouse as having a positive impact on the local area: 64% say positive and 15% say negative. In contrast, 55% of European respondents said the impact has been/will be positive, while 22% said negative.



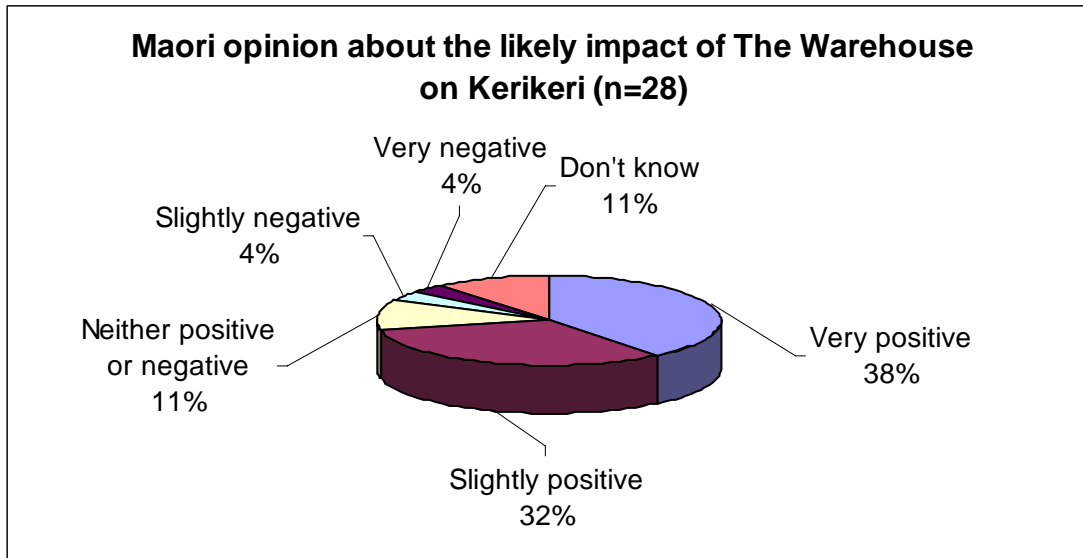
In Kaitaia Māori are clearly much more likely (74%) than people from European (43%) and “Other” (46%) ethnicities to view the impact of The Warehouse on Kaitaia as positive.



Over half the Māori households interviewed in Motueka believe The Warehouse has had a very positive impact on the town. No Māori household responding to the survey believed The Warehouse had had a negative impact on Motueka.



The majority of Māori respondents in the Bay of Islands believe that The Warehouse will have a very positive (11 people out of 28) or slightly positive (9 people) impact on the Kerikeri CBD.



Only one person each said the impact would be slightly negative or very negative.

Māori are much more likely to believe the impact of The Warehouse on Kerikeri will be positive than European respondents.

DISCUSSION AND CONCLUSION

The results reported in this paper strongly support the notion that Māori have a more positive orientation to The Warehouse than other ethnic groups. From this we can infer that they perceive that The Warehouse moving into their towns has provided them with more opportunities than they had previously. Why would this be the perception?

It is very difficult to answer this question based on evidence from New Zealand, because so little research has been conducted and published on small town businesses (one interesting exception is an early study of Littleedene reported in, Somerset, 1974). However, we hypothesise that Māori, for various reasons, have historically been excluded from small town retail consumption and employment opportunities, and this explains their welcoming of The Warehouse into their communities. Part of the reason for this observation is a very common nostalgic view that comes across in discussions of small town life throughout the world. For example, in Micha Peled's documentary, "Store wars: When Wal-Mart comes to town" the controversy over Wal-Mart's proposal to open a store in Ashland, Virginia is the

focus (Peled, 2001). In this documentary, in a telling scene, a local shop-keeper answers her husband's inquiry about a customer's bill and requests that he ask about the customer's family member who has been ill. This folksy touch, contrived or unplanned, survived the editing process to make the point that unlike Big Box retailers, local independent retailers are 'part of the community'.

This image of the caring small town local shop-keeper is allied to a presumption that local merchants provide service rather than just access to goods, and they have extensive product knowledge with which to help customers make choices. Boyd (1997, p. 223) encapsulates this, albeit in the context of fading city centres:

Unfortunately, the rise of the corporate retail superstore has come at least in part at the expense of traditional, local "mom-and-pop" dealers. While shoppers seem to uniformly appreciate the often lower retail prices available at the mass merchandisers, many also rue the loss of personalized customer service previously provided by friendly, local dealers.

The retail environment of the local 'main street' is often seen as being integral to the life of communities. However, this view of small town life is mythologised at least to some extent: although friendly neighbours may conduct much of their public life through shopping in the town's main street, in small towns there are patterns of exclusion and inclusion that are unremarked upon in both the international and New Zealand literature.

Seeing the changing retail landscape through the lens of ethnicity pulls these patterns of exclusion and inclusion into view. We can say with some confidence from the results reported in this paper that the Disneyesque portrayal of small town life which forms the core of opposition to large format retailing overseas is almost certainly not been the reality for New Zealand's indigenous people.

So far we have explained our results by suggesting that they may emerge because of historical contexts of inclusion and exclusion in small towns, and that this may explain the stronger relationship that Māori appear to have to The Warehouse than other ethnic groups in our sample. Another possible explanation for our results may be that Māori have appropriated The Warehouse into their culture in a very interesting way. This way of perceiving the results reported above takes as its antecedent the ethnic community, rather than the company. Usually the international literature about ethnicity and shopping treats ethnic groups as target consumption groups. If we were to adopt this perspective (i.e. a marketing view) then we could see The Warehouse as 'adopting' or assimilating Māori into their 'brand community' (e.g. Berkowitz *et al.*, 2005; e.g. Zikmund, 1977). But, as inferred from the title to this paper 'Te Warewhare', we suggest that rather than seeing the relationship we describe as a result of

a ‘successful’ marketing strategy, or even the result of historical exclusion from high street shopping, the more positive relationship we discuss in this paper is a result of Māori ‘shopping practice’ which uses the material supplied by a retailer to express pre-existing culture (Miller, 1998). This explanation for the positive relationship is at least true to the research participants’ cultural practices. And, it does not become ensnared so much in the ‘big box retail debate’, centred in the USA around WalMart, which is infused with romantic and nostalgic ideas about what constitutes a community.

Of course the most obvious explanation of our results, at least on the surface of them, is that because Māori tend to have less disposable income, they are more likely to be ‘budget’ shoppers. Budget shopping is almost certainly a factor, but our results have also shown that this relationship cannot be only understood as budget shopping. It was very clear during our research, as we talked to participants, that the relationship that Māori have developed with The Warehouse is far more significant than merely an ethnic group budget shopping. This comes across very clearly in the results reported above. What these results show is the value of looking at consumption and employment in relation to practice, power, and historical contexts. In short, no matter the explanation there might be for this relationship, the major implication of these findings is that we should not make universal assumptions about the impact of retail development on communities, particularly where issues of ethnicity is concerned.

However, it must be said that a main implication of the present study is its finding that we actually know very little about the impact of the rapidly changing retail landscape on communities, be they Māori, or non-Māori. Consequently, we conclude our paper by making an appeal for more research in the area of retail development and its impact on our communities. Two suggested future research directions are: first, New Zealand researchers need to pay more attention to the changing retail landscape and how it is effecting the development of our communities; and second, large format retail researchers might want to consider delving a little deeper into the sociological issues underlying large format retailing movement into small towns, something that is currently lacking in research.

In NZ this issue is particularly urgent. There is no current research directly examining the changing face of retail in NZ small towns, or even cities. The aggressive expansion of Wesfield Shoppingtowns, for example, has been entirely ignored by researchers. We just do not know, at this point, how this expansion is affecting traditional high street-style shopping centres in urban areas, or the communities in which they are situated. We urgently advocate

for more research in this area so we can more fully understand the impact of the changing retail landscape on communities.

EPILOGUE

The Warehouse opened on the outskirts of Kerikeri (in a district called Waipapa) with a traditional Māori blessing ceremony. At this event, “The Waipapa business community and the local Māori community expressed support for The Warehouse coming to Waipapa, seeing the development as good for Waipapa, good for those who exist on low incomes and positive in terms of job opportunities”.

A feature of the new store is a carving depicting Ngapuhi history (the local iwi) and featuring Samuel Marsden, an original Christian missionary “who was first to bring a warehouse to Kerikeri” (2004b). That warehouse is the historical Stone Store, the oldest surviving stone building in NZ and a historical and tourist landmark in Kerikeri. The Ngapuhi carving’s intention then is to symbolically bring back together the community that was so divided when The Warehouse first suggested they move into Kerikeri, integrating trade/retail (and there was a vibrant commercial trade between cultures in the early years of NZ colonization) into their representative history.

Endnotes

[1] The Prologue and Epilogue to this paper is based on Radio transcripts of a live meeting, and local newspaper reports (2001, 2003a, 2003b).

[2] In explanation of the term Te Warewhare – this term is often used, in a joking and fond way, to refer to The Warehouse. The expression Te Warewhare can be explained as an inter-cultural vernacular language joke. The expression can be appreciated by almost all New Zealanders, Māori or European-originating. In a joking or playful context placing ‘Te’ before a word signifies an assertion of intentional Māori –ness to what follows. The term ‘whare’ [house] is well integrated into general New Zealand vernacular speech when people are referring to their home and family. ‘Ware’, if pronounced with two syllables ending with a long ‘e’ sound is a nonsense word with no literal Māori translation, but which sounds Māori. The name is used in an affectionate and playful way, and signals that The Warehouse is regarded as ‘sort-of-Māori’.

REFERENCES

- Berkowitz, D., Bao, Y., & Alaway, A. W. (2005). Hispanic consumers, store loyalty and brand performance, *Journal of Targeting, Measurement and Analysis for Marketing*, 14(1), 9-24.
- Boyd, B. W. (1997). 'Mom and Pop' to Wal-Mart: The impact of the Consumer Goods Pricing Act of 1975 on the retail sector in the United States, *Journal of Economic Issues*, 31, 223—232.
- Cascio, W. F. (2006). Decency means more than "Always low prices": A comparison of Costco to Wal-Mart's Sam's Club, *The Academy of Management Perspectives*, 20(3), 26—37.
- Cova, B. (1997). Community and consumption: Towards a definition of the linking value of product or services, *European Journal of Marketing*, 31(Fall/Winter), 297—316.
- Cova, B., & Cova, V. (2002). Tribal marketing: The tribalisation of society and its impact on the conduct of marketing, *European Journal of Marketing*, 36(5/6), 595—620.
- Davenport, E., & Low, W. (2003). *Kaitaia's golden triangle: Community impact study of The Warehouse in Kaitaia: Technical report*. Waiheke Island, New Zealand: Compass Consulting: Social and Community Development.
- Davenport, E., & Low, W. (July 2004a). The future just happened: Community impact report study of The Warehouse in Kerikeri, *Technical Report*. Auckland: Compass Consulting.
- Davenport, E., & Low, W. (July 2004b). Right time, right place: Community impact study of The Warehouse in Motueka, *Technical Report*. Auckland: Compass Consulting.
- Davenport, E., & Low, W. (July 2004c). Te Warewhare: Where everyone gets a bargain. Community consultation with Māori about the impact of The Warehouse on Kaitaia, Kerikeri and Motueka. Auckland: Compass Consulting.
- Fishman, C. (2006). The Wal-Mart effect and a decent society: Who knew shopping was so important? *The Academy of Management Perspectives*, 20(3), 6—25.
- Gaynor, B. (2002, 20 November). \$40k to \$2.2b in 20 years. *Business Herald*, p. E1.
- Lichtenstein, N. (Ed.). (2006). *Wal-Mart: The face of twenty-first century capitalism*. New York: The New Press.
- Miller, D. (1998). *A theory of shopping*. Cambridge: Polity.
- Muniz Jr., A. M., & O Guinn, T. C. (2001). Brand community, *Journal of Consumer Research*, 27(4), 412—432.

- O'Rourke, S. (2003, 12 July). Te Kuiti turmoil over The Warehouse deal. *Waikato Times*, p. 5.
- Peled, M. (Director) (2001). *Store wars: When Wal-Mart comes to town*: Bullfrog Films.
- Quinn, B. (2000). *How Wal-Mart is destroying America and the world and what you can do about it*. Berkeley.: Ten Speed Press.
- Rogers, W. (2001). The rise & rise & stall of Big Red. *North & South, November*, 36—47.
- Sheeran, G. (2006, June 18). Where not everyone gets a bargain. *Sunday Star Times*, p. C7.
- Somerset, H. C. D. (1974). *Littledene, patterns of change*. Wellington: New Zealand Council for Educational Research.
- Steinhaurer, J. (1995, 14 November). Putting the squeeze on the small retailer: Wal Mart and the 'category killers' take a toll on smaller merchants. *The New York Times*, p. C1.
- Stirling, P. (2000, July 22). I see red. *Listener*, 18—22.
- Zikmund, W. G. (1977). A taxonomy of black shopping behavior, *Journal of Retailing*, 53(1), 61—73.

The impact of The Warehouse on New Zealand small towns: A discussion paper with specific reference to Maori

Sayers, Janet

2007

<http://hdl.handle.net/10179/553>

14/03/2024 - Downloaded from MASSEY RESEARCH ONLINE