

Developing Station Commercial Facilities to Increase Line Section Value

Ayako Tsuji

West Japan Railway Company (JR West) restructured its in-station retail companies in 2001. In doing so, we created a system where in-station business matches the individual characteristics of stations. In the Keihanshin (Kyoto/Osaka/Kobe) region, we developed a 'three-company model' for Kiosk/convenience store, fashion, and food businesses. In other regions, we developed an area-specific system. We also adopted a 'sales of goods and food services company' model. Currently, we are looking to build a new model for in-station business to increase overall convenience and achieve shop space with greater added value.

Introduction

JR West is working to raise the value of 'line sections' in order to raise attractiveness and convenience and achieve sustained growth. The company is doing this by cooperating with local governments and local residents to meet community needs in line-section units that include areas around stations.

As a part of these efforts, we are working with group companies to increase the added value of the town by creating high-function stations acting as the town 'face' or 'gateway.'

This article describes some in-station commercial facilities that are particularly important in terms of station passenger services. It introduces efforts to date, such as development planning and implemented items, and post-launch operational status with two examples of recent projects. Finally, the future outlook is mentioned briefly.

In-Station Business Situation

Before introducing some specific in-station commercial facilities, we need some simple background about the JR West station business system.

Retail business in JR West stations was originally run by four companies; two (West Japan Kiosk, JR West Retex) sold non-food goods and two (JR West Japan Restaurant, JR West Japan Foods) sold food services. However, the decreasing number of railway passengers caused intensified competition between group companies to secure shop

space, which caused shop placement to diverge from customers' needs. The lag in development in regional areas with poor profitability compared to the urban Keihanshin area also became an issue. In addition, the inefficient system where multiple group companies ran similar business operations was in dire need of improvement from the group management standpoint.

To meet these challenges, we undertook radical restructuring of in-station retail companies in 2001, resulting in a three-company shop/convenience store, fashion, and food business model for the Keihanshin area. An area-specific model was adopted for Kanazawa, Okayama, Yonago, Hiroshima, and Fukuoka. Furthermore, we established West Japan Railway Daily Service Net Company (DSN) as a business overseeing the Keihanshin area with each shop and convenience store positioned as an affiliate. By introducing a 'sales of goods and food services company system,' we created a system for matching in-station business to each station's unique characteristics.

Background to In-Station Business

The progress in development of in-station shops decreased the number of areas that could be developed further. Consequently, we switched to developments requiring high investment, such as construction of over-the-track malls and full overhaul of entire stations.

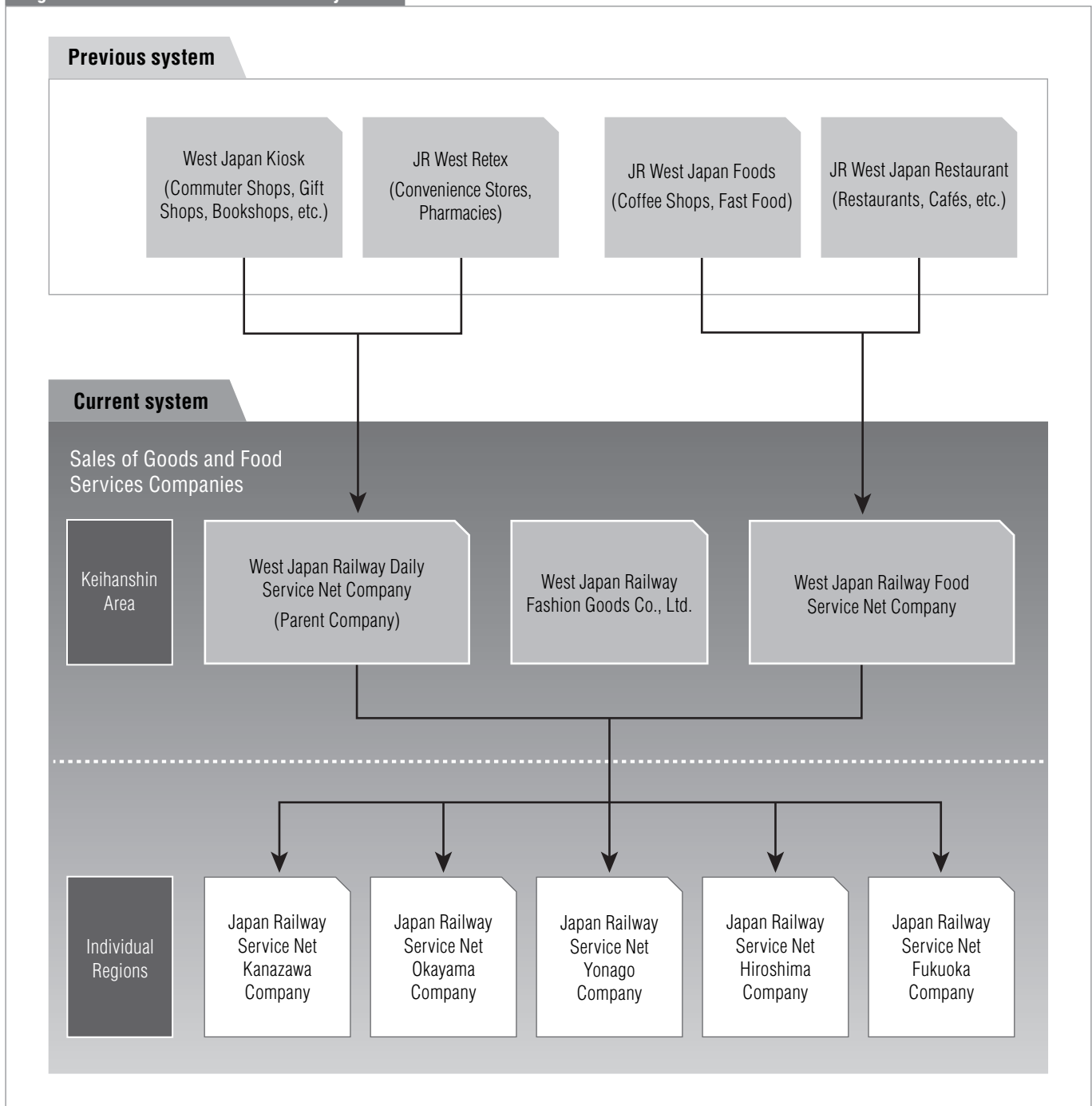
We are looking at a new in-station business model for development schemes requiring a long time before there is any return on investment. The conventional model has been to establish individual shops in empty space, but the new model involves renovation of station facilities and optimum placement of shops to increase overall convenience for passengers. We are also creating new shop space with higher added value by improving commercial space and conducting entire-zone management measures based on a unified shop zoning concept.

Recent Developments

Shin-Kobe Station (opened 12 October 2007)

The reconstruction of Shin-Kobe Station on the San'yō

Figure 1 JR West Station Business System



Shinkansen resulted in extensive rearrangement of the station and commercial facilities. Before renovation, the station faced the following issues:

- Many passengers felt the station was 'dark,' 'inorganic,' and 'drab.'
- The long distance between ticket wickets and ticket office and the disorganized placement of ticket vending machines slowed down passengers.
- Shop arrangement inside the station was disordered, and lines and facades lacked unity.
- Shop space was small, leading to a poor product range.

- Aisles were narrow and shops were difficult to move in, causing serious overcrowding at peak periods.
- There was an inadequate number of food and beverage shops and a lack of seats in existing shops.

We redeveloped the entire in-station area to create a shinkansen station functioning as the gateway to Kobe and overcome the above problems. To build an efficient sales system that does not keep passengers waiting, the ticket office was moved near the ticket gates and the ticket vending machines were concentrated in one area.

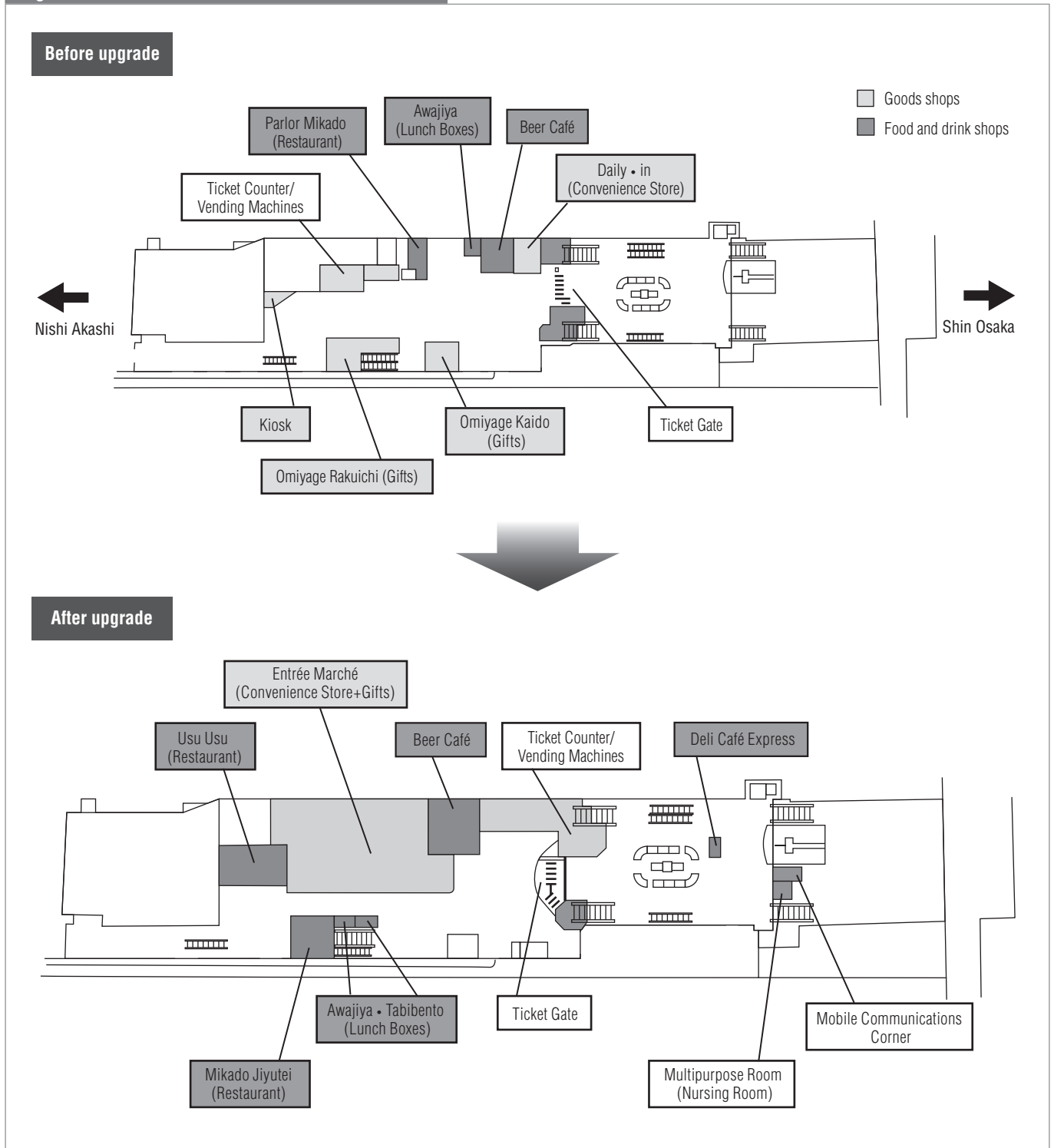
We also remodelled the concourse roof and columns to provide a comfortable station space, and created new facilities, such as mobile communications corners and a multi-purpose room with nursing space to enhance functionality. We further worked to improve services for passengers by air conditioning the whole concourse and providing more and cleaner toilets.

In the shopping zone, we raised the overall presence

and impact of shops by locating them in one zone with a specific sense of unity. We aimed to make the zone a unified public environment and to create a space that had a feeling of unity with the station facilities by using a 'settlement' motif representing Kobe.

This motif came from Kobe's post-feudal development when the port was opened up to foreign trade. The British civil engineer J. W. Hart (1870–1900) designed the

Figure 2 Shin-Kobe Station ticketed area facilities





Shin-Kobe Entrée Marché convenient one-stop shop

(JR West)

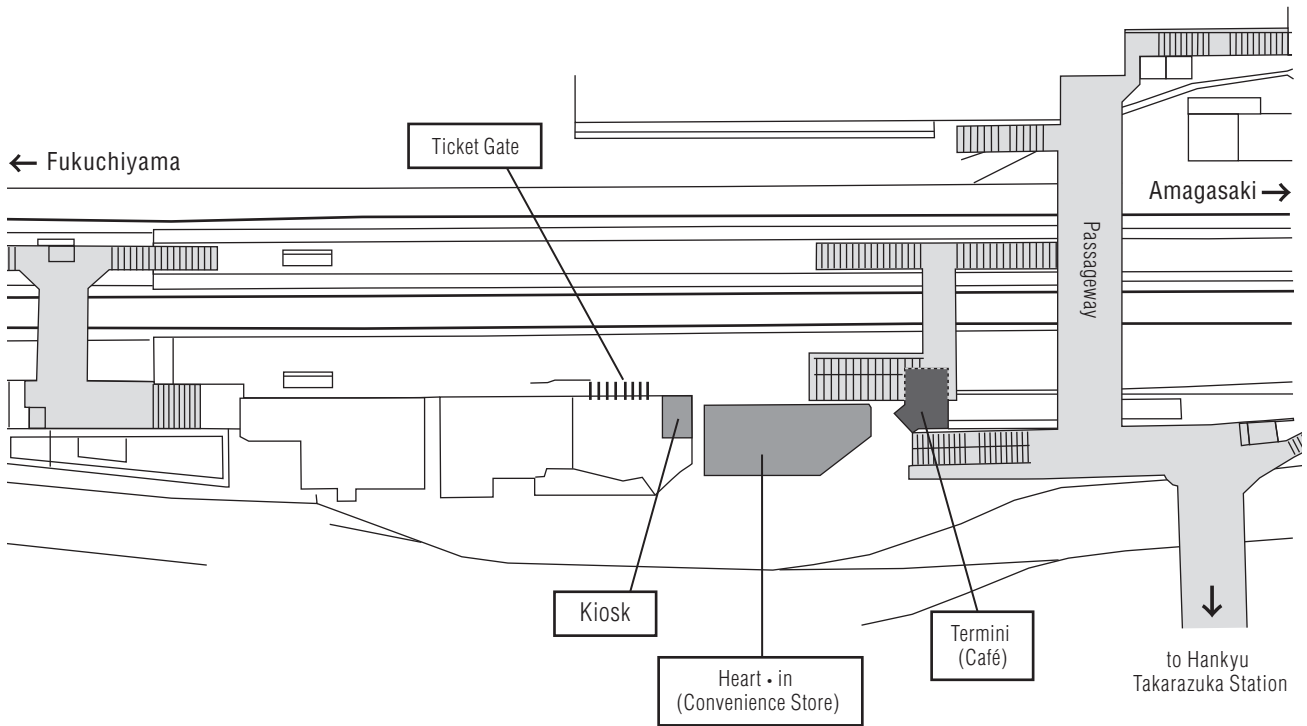


Usu Usu Japanese restaurant serving local dishes and delicacies

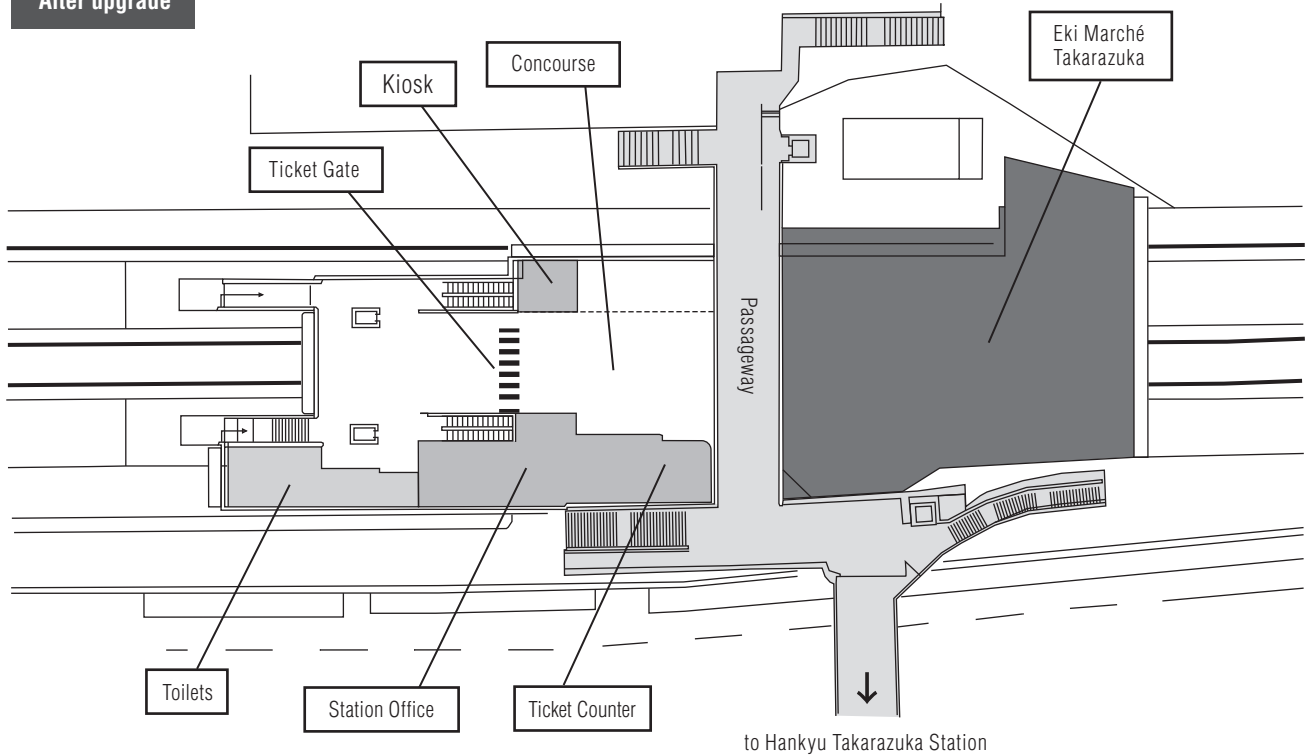
(JR West)

Figure 3 Takarazuka Station ticketed area facilities

Before upgrade



After upgrade



foreigners' settlement in the Hyogo Port area based on modern European city planning concepts and the area still features fashionable buildings and offices that make use of modern western architecture.

Shin-Kobe Entrée Marché—the core shop of the commercial zone—is a convenient one-stop shop that meets convenience and gift store needs under one roof and now features a book corner in response to customers' requests. The name was created from the French words *entrée*, (entrance) as befitting the gateway to Kobe and *marché* (market) to evoke the image of a lively location with a wide array of products. Sufficient aisle space was secured in the shop to improve mobility for passengers with luggage, enabling them to move through easily.

Products strongly evoke the image of Kobe with shops like *Igrekplus* and *Bon Nouvelle* selling local confectionaries. The number of food and beverage shops was increased from two to four, with more seating. A Kobe 'feel' was achieved by locating the Japanese restaurant *Usu Usu*, which uses local ingredients from the Kobe area, and the Western restaurant *Mikado Jiyutei*, which features a retro Kobe image, in the station. Cafés were also located near the ticket sales area and ticket wickets and in the waiting area

between the wickets and platforms for use by passengers with a few minutes to spare before their trains and for friends seeing off passengers.

Development at Takarazuka Station (opened 8 March 2010)

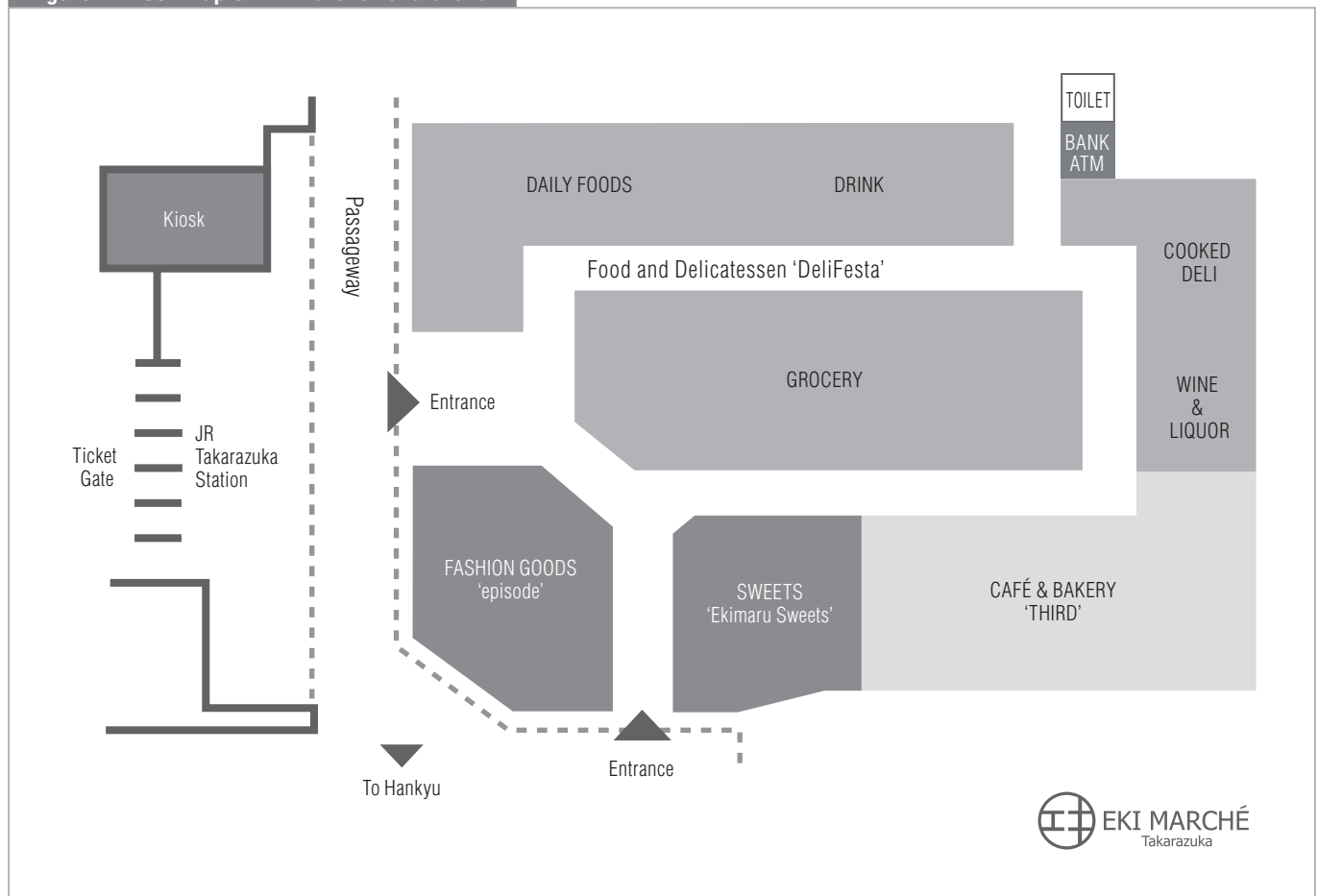
Takarazuka Station was redeveloped with a station square project promoted by Takarazuka City. The station was elevated and a new commercial facility called *Eki Marché Takarazuka* opened over the tracks.

The exterior concept was to give a unified design to the station and commercial zone as a whole. To blend with the town, the station design is elegant and glamorous and gives a feel for Takarazuka's history.

In the commercial zone, we analyzed and integrated customer needs identified from market surveys, allowing us to develop the station based on our customer model and 'Transit Terrace: Another space and time to enjoy as you like' concept. This aims to give passengers a 'bit of happiness in day-to-day life' by providing an abundant range of goods and services in a place that people visit 'because it is a station' and is comfortable 'although it is a station.'

The *Eki Marché* name expresses the *ekinaka* (in-station) commercial facility as a lively market providing services in

Figure 4 Floor Map of *Eki Marché Takarazuka*





DeliFesta food and goods shop, developed jointly with *Ikari Supermarket*

(JR West)

the station (*eki*). It also implies other meanings as a play on Japanese words.

In terms of management, we are working to employ a 'developer system' and to enhance directly managed businesses with the aim of creating a new in-station business model. With a developer system, approval given previously by JR West to individual companies running the shops is now given collectively to DSN, which subcontracts to the shops. This type of system increases the attractiveness of commercial zones; facility concepts become clearer, attractive environments are established with a sense of unity, integrated shops are created on an open sales floor, and retail facilities are operated cohesively.

With enhancement of directly managed businesses, we are taking on the challenge of deploying food and goods shops meeting high added-value needs on top of the day-to-day needs met by conventional kiosks and convenience stores. DSN is responsible for managing the shops and has tied up with *Ikari Supermarket* to develop the *DeliFesta* food shop. *Ikari* has a record of deploying luxury supermarkets in the Keihanshin area centred on Kobe, including one inside Osaka Station. *DeliFesta* promotes products with an eye for deliciousness under the concepts of 'before one's eyes,' 'fun in choosing,' and 'leisure.' The DSN merchandizing framework meets *ekinaka* customer needs by selling original

Ikari products and receiving know-how on meals prepared in-store. At the same time, discussions with *Ikari* have been used to create a shop that meets customers' day-to-day needs with individual meals from breakfast to lunch, and family meals from lunch to dinner.

To meet the challenge of providing variation on the sales floor, we are developing new businesses such as the time-limited sweet shop *Ekimaru Sweets* that changes brands periodically, and the bakery café *THIRD* providing fresh-baked bread matching the time of day. Fashion accessory shop *episode* also sells seasonal items and shows original fashion.

In terms of the business situation, Shin-Kobe Station was adversely affected by the H1N1 influenza outbreak in 2009, but business is now stable 2 years after opening, with the needs of shinkansen passengers being met. The newer Takarazuka Station is still in the trial phase. At Takarazuka, we are aiming to deploy shops that match the community. We worked to strengthen local ties from the development stage; in the post-development stage, we are actively participating in community events and working to coexist in the local area. We have also established the *Eki Marché Takarazuka* website (<http://www.ekimaru.com>) and published *Eki Marché Times* to disseminate information.



episode fashion accessory shop selling seasonal items

(JR West)

Future Outlook

JR West sees station and commercial facilities as a whole, and works to increase convenience and added value by optimizing station lay-outs. In addition to the Shin-Kobe and Takarazuka stations described here, we are working actively on development of large-scale, in-station zones in conjunction with track elevation and other renovation schemes.

Our goal is to enhance station and town functions by creating convenient line sections that are conducive to comfortable living, so people will want to use and live near JR West lines. ■

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