FROM HYPERMARKETS TO SHOPPING CENTRES - THE PERIPHERAL POLES COMING TO LIGHT

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Previously, in two occasions, we have given a description of the new forms of peripheral retail distribution: supermarkets, superstores, discount food stores, hypermarkets, specialized department stores and shopping centres. We also have compared the different national evolutions in Europe and have tried to define the spatial and commercial consequences of these changes (MERENNE-SCHOUMAKER, 1978; 1983). As these observations referred to data of 1976 and 1981, it seemed interesting for us to study recent developments of retail in the periphery. All this took place within the context of stronger retail competition and stronger regulations on new establishments.

This study is more *qualitative* than quantitative, because few data are available. We will try to define new trends through some case studies, focussing on large peripheral commercial centres of 15,000 sqm or more.

1. Main Patterns of Change in Consumer Characteristics During the Last 30 Years

In general, nowadays the *consumers*:

- are richer (despite of the recession from 1975 to 1985 and despite of entire groups, excluded from consuming altogether);
- are more urbanized (even if there was often a decrease of population in the urban centres);
- have more transportation means available and, consequently, are more mobile;
- are more educated and better trained;
- are better protected, mainly by consumer associations;
- are more aware of their time budget, particularly regarding time spent on purchasing necessities;
- are more indivdualistic, etc.

Consequently, some important changes in the way of buying, *in the motivations, and in trade habits* (tab. 1) have occured. These changes are highly significant for the retail trade in the periphery.

Tab. 1: Main Changes in Trade 1960-1990

1960 - 1975	AFTER 1975, MAINLY ABOUT 1980
Purchasing Power	Purchasing Power
Mass consumption	Bipolarization of needs: People save in basic consumption in order to maintain their life style
Success of all retail forms, especially of supermarkets with broad offers in prices and assortment.	Success of discount stores, luxury stores, great trademark names, and of all shops with competitive advantages (opening hours, car parks, assortment, services etc.)
* * *	* * *
Consumer types typical for each socio-economic class	Many consumer types, defined by life styles
Little market differentiation	High market segmentation
Few general retail types in limited retailing zones	Numerous retail types and different zones of retail areas
Limited competition between retail types and retail areas	Very strong competition between retail types and retail areas
Period of socio-economic marketing	Period of socio-cultural marketing
"What can I afford?"	"What would I like to buy?"

Source: MERENNE-SCHOUMAKER, 1991

2. A Diversified European Space

On the basis of the data collected during the annual European Conference of the "International Council of Shopping Centres" which took place in Nice from march 7-11, 1991 (FEVRE/GERMAIN/CHADUTEAU, 1991), and on the basis of other data collected for a table of comparison (tab. 2), it is possible to say, that the formula "shopping centre" differs markedly from one country to another.

In reality, the main criteria of diversification seem to be the individual historical backgrounds (the opening date of the first centre, the expansion period, the actual importance of plans), the size of the centres and the personal characteristics of the centre promoter.

Thus, on the basis of a *historical background* analysis, three major groups of countries can be defined: firstly, the "pioneer" countries (United Kingdom, Eire and Scandinavia), where first developments had appeared in the fifties and the major expansion occured between 1960 and 1965; secondly, the "intermediate" countries (Germany, France, Belgium, Luxembourg, Netherlands) where the movement began after 1965 and has remained intensive until 1975; and finally the "new" countries (Spain, Italy, Portugal) where the centres appeared after 1980. Nevertheless, whatever the date of the beginning of the process was, most of the countries have experienced a growth of their centres after 1985. However, this growth was slowed down in countries where the legislation and/or the pressure groups are very strong (United Kingdom, Eire, Germany, Belgium). Concerning the recorded projects, future shopping centre projects will surely develop in the South, making up the late start of these nations. In the North, there are of course some projects, as well, but they are mainly renewal and/or city-centre based projects. Moreover, the high activity in the South is due to the land prices prevailing there: one square meter is generally negotiated at about 2000 FF at the mediterranean coast, at 3000 FF in France or in Germany, and at 5000 to 6000 FF in the UK and Ireland.

It is also possible to distinguish these countries by the **size** of their centres and even more by the size of the biggest ones. Even though three countries have some centres of over 100,000 sqm (France, Spain, UK), the majority of the large centres is located in France. Elsewhere the big centres vary between 40,000 and 60,000 sqm. Some of the differences in size can be explained by the environment (importance of the country, size of the biggest agglomeration), but they are also due to legislation and the pressure raised by local retailers. Thus, in spite of the size and the importance of its big agglomerations and the high mean level of disposable income, Germany has got only a few big shopping centres. Similarly, Italy - even in its northern part - has few big centres which have been opened later than in the rest of central and western Europe.

Finally, the origin and the importance of the *promoters* differ from country to country. In general, the main developers are of local origin, except in Spain and Portugal and, to a lesser extent, in Italy and Belgium. But the profile of the local promoters can vary. In Germany, the activities of these promoters are not very structured and quite decentralized, unlike in France, the UK and the Netherlands where the promoters are less numerous but very dynamic. As a result, the sales form "shopping centre" is quite

Table 2. - The shopping centres in Europe : main criteria of differenciation

	United Kingdom	Scandinavia	Germany	France	Belgium Luxembourg	Netherlands	Spain	Italy	Portugal
Review of the movement									
. Opening year of the first centre	1954	1954	1965	1969	1968	1963	1980	1985	1985
Name, size and location of the centre	Billingham 13,000 m^2	Vällingby 16,000 m^2 Stockholm	Main Taunus Center 42,000 m^2 Frankfurt	Parly 2 85,000 m^2 Paris	SC Genk 17,000 m^2 Genk	In den Bogaard 40,000 m^2 Den Haag	Baricentro 42,000 m^2 Barcelona	Bonola 23,000 m^2 Milano	Amoureiras 43,000 m^2 Lisboa
. Strong expansion period	sixties	→ 1975 after 1985	sixties	→ 1975 after 1985	→ 1975	→ 1975 after 1985	since 1980	since 1985	since 1985
. Actual projects	23 A lot of renewal projects and city-based ones	12	8 A lot of renewal projects	± 10 In the city centre and in periphery	2 One in Belgium Wijnegen (Antwerpen) and one in Luxembourg	3	20	more than 20	3
Size of the centres Biggest centre	Meadowhall 140,000 m^2 Sheffield	City 2 55,500 m^2 DK	Main-Taunus-Zentrum 68,120 m^2 Frankfurt	La Part Dieu 110,000 m^2 Lyon	Woluwe SC 42,000 m^2 Bruxelles	Hoog-Catherijne 63,500 m^2 Utrecht	Madrid 2 102,000 m^2	Euromercato 43,600 m^2	Amoreiras 43,000 m^2 Lisboa
Centres of more than 100,000 square metres (GLA)	3	-	-	3	-	-	1	-	-
Actual promoters - Regulations	. Regulation of the peripheral centres		. A few promoters . Very decentralized and not much structurated local promotion	. Great national promoters which are dynamic . Royer law (1974)	. Belgian and foreign promoters . Law of 1974	. Dynamic national promoters . Centres which are integrated into the urban fabric	. English and french promoters which are very dynamic	. Italian and foreign promoters . Law of 1971	. Brasilian and french promoters which are very dynamic

Source : B. MERENNE-SCHOUMAKER, 1991 based on Sites Commerciaux n° 6, 1991 and different personal data.

diverse, which makes it difficult to define some general trends. However, in spite of the differences, we believe that there is a convergence of certain facts, at least in the "pioneer" and "intermediate" countries.

3. A Recent Evolution which Reinforces the Best Peripheral Poles

In the years of important growth, until 1975 to be precise, hypermarkets and the shopping centres have been located at the best sites which gave them oportunities to attract a maximum of customers. In this context, one has to remember that the *trading area* of an hypermarket must include 50,000 to 100,000 inhabitants within a car travelling distance of 10 to 15 minutes. For a centre larger than 20,000 these numbers rise to more than 100,000 inhabitants and even more than 200,000 for the biggest centres, within a car travelling distance of 15 to 20 minutes.

These thresholds certainly limit the number of hypermarkets and/or shopping centres located within an agglomeration. So, even given a not very dynamic trading framework, it is difficult to exceed the number of 7 to 8 hypermarkets and 2 to 3 shopping centres in an agglomeration of 500,000 inhabitants.

Furthermore, it is not very surprising that the first hypermarkets and/or shopping centres have chosen sites alongside highways or major roads, close to important junctions and often in a position which lets them intercept the flows coming in and out of the town. This is due to the fact that the expansion of the trading area is strongly determined by the accessibility of the site which depends on the road system and even more so on the highway network. However, the best sites have already been taken up. Thus, the new projects that came into life after 1980 and more so after 1985 have to take into account the existing hypermarkets and shopping centres.

Two *major strategy types* have bee distinguished:

- Firstly, to choose a location which is more urban, or even to settle down in the city centre, or,
- secondly, to choose a location near the existing poles.

We will not analyse the first case because it is based on developments in the city centre. However, it should be noticed that these projects almost always lie within urban renewal zones, strongly supported by the state which is trying to create a new urban dynamism. The aim of the second strategy is, indeed, to share a reinforced polarity. It leads automatically to a reinforcement of the best poles by reorganizing and/or completing them. Thus, this is an attempt to defend some "secure incomes" against other smaller secondary poles which would have located within the same trading area. In general, this strengthening of the best poles is largely supported by the existing distributors and by the state. For the authorities, this is a possibility to control a certain anarchy of the increase in number and distribution of discount stores and/or supermarkets.

Nevertheless, this strengthening of peripheral poles only concerns the best or most dynamic poles. This creates an absolute suburban commercial diversification (METTON, 1988).

4. From Peripheral Poles to a More Complete Trade Structure

The first peripheral poles were principally focussing on the usual purchases and bulky items (furniture, houshold electrical aplliances, car etc.). Their assortment was wider than thorough. The target customers were of the working and middle class with transportation means at their disposal. Even the regional shopping centres - despite of more luxurious developments and more diversified shops - were unable to satify all customers' demands. In fact, these centres were considered as complementary to the city centre which is considered the location for luxury goods and complete assortments. This could well be observed at the department store branch level, really not being more than "junior department stores". Progressively, at least the bigger peripheral poles *have completed their offer* in the *range* of products and services supplied and, at the same time, in the *quality* of this range.

Thus, hypermarkets which until 1970 used to stand alone, later developed with small shopping arcades of 10 to 20 shops, after 1980 sometimes with 60 to 80 shops. Some big international retail enterprises and/or extensions of local specialists have opened in these high quality shopping arcades. Equally, a lot of specialized superstores have frequently joined the hypermarkets. Consequently, in some areas entire "trade parks" have developed.

Similarly, shopping centres also have changed since 1975. They often include some specialized superstores and an hypermarket replacing the traditional department stores which frequently faced financial difficulties in the pre-existing centres.

These processes observed have brought the two sales forms closer to each other within less than 20 years. This has occured mainly by expansion or remodelling, perfection of the existing poles by completion and diversification, thus responding to the changed customer demand.

5. Some Commercial Poles Include Progressively More Entertainment

For some years now, the promoters have felt the necessity to include some services in the big shopping centres in order to transform the centres into *centres for social life* (PAZOUMIAN, 1988). At first, the promoters would add some public services (medical centres, post offices), some entertainment facilities (bowling alleys, cinemas, discos) and in a few cases some sporting or cultural facilicties (museum) or even cult places to the traditional "trade square meters". This trend has continued, creating sometimes entire new entertainment areas, like in the commercial centre of Ulis in the region of Paris (2000 sqm).

The most recent trend is, however, to construct new complexes which include retail and entertainment functions to equal parts in all respects (architecture, circulation, merchandising, operation etc.), like West Edmonton Mall (Edmonton, Canada) or the Santispark (Saint Gallen, Switzerland). Indisputably, these centres try to adopt themselves to the new customers' needs: hedonism, anti-conformity, health etc. In the context of a saturated retail scene, though, the main goal is to increase the trading areas which have become narrower in most of the traditional centres, and then to keep the clients for some hours, or even some days. But the financing of such projects is difficult because the profitability of recreational facilities is lower than that of retail. So, how can such a project be successful without passing on some of the costs to the retail sector or the state?

Even if both of the examples above are still exceptions, the recent evolution implies a strong change. It means a progressive transformation of *"selling boxes"* into *livable spaces*, the mutuation of *monofunctional commercial poles into multifunctional poles*. In other words, all the managers' skills are expressed in turning the dull task of purchasing into a kind of party where the pleasure of consumption and the pleasure of "going out" reign simultaneously. This is also expressed when speaking about the freedom that has been given back to the customer and which was impossible to find in the city centres. I am talking about the freedom to move carelessly, without danger for the customers and their children, to browse, to touch, to judge independently, knowing that if they need help they would always find it asking the staff (DELFANTE, 1988).

6. Some Complexes are Progressively More Concerned with the Architecture, Integration and their Public Image

While the first peripheral hypermarkets in appearance were not different from some warehouses or factories, and the first shopping centres often really looked like intraverted bunkers with walls which would not allow daylight to enter, surrounded by asphalt, the new centres are continously more concerned with their *architecture*, which nowadays has become something like the centres' shop-windows.

Consequently, some new centres have appeared with more daring architecture and paying as much attention to their outside appearance - which is what will be seen and how the people identify the centre - as to the inside development. This has lead to some developments with artistical contributions, using more diversified materials, and at times edification inspired by the local popular architecture. The "soap box" era has passed. Architecture intends to integrate at best three basic requirements: the functional nature of the place, its aesthetics and its costs (FEVRE/CLECH/GONTHIER/BOUTIGNY, 1991).

This concern for a better architecture, as well as for a better *integration* into the urban or rural fabrics is everywhere largely supported by the public representatives which, differently than in the sixties, nowadays are quite dynamic. The commercial centre no

longer is perceived as a financial power which promises new jobs, but it is also seen as part of the fundamental process of urbanization and part of the prospect of towns.

As goods become more ubiquitous and homogenous in sales and assortment, commercial centres tend to look alike. At this extreme of competition a necessity has arisen to distinguish oneself by content and to join forces with local institutions (pre-existing stores, green-field sites, heritage). Centres try to build up a public image consisting of quality as much as of quantity.

7. Strategies of Increasingly Complex Character

Three main interest groups act at the peripheral commercial poles level: *the developers, the promoters, and the distributors* (PAZOUMIAN/SALLEY, 1988).

The developers or the community representatives (town, agglomeration, region) give consideration to urbanism, they chose the sites and also lay out the plot division of the land to be sold to the promoters. These promoters then, coming from the private sector, construct the commercial buildings to be sold or let to shopkeepers and investors, who in turn will rent to tradesmen. The distributors, finally, are the ones who occupy the centres and are the sales specialists for one or more products.

The *strategies* of these three groups differ and with time have become ever more complicated. The criteria of the developers are (or must be) social, urbanistic, ecological and political. Their role is, at first, to supply a better service to the collectivity by reducing spatial inequalities and by suggesting the development of centres where facilities are inadequate and/or insufficient. The chosen location must allow good integration into the existing pedestrian ways, traffic movements and the environment (built and natural, commercial and non-commercial). Therefore, the aim of the developers must be a positive contribution to the community on the local and on the regional level. Of course, sometimes they have to cooperate with public representatives, who might be influenced by pressure groups or collective or individual choices. In reality, they act as state experts.

The promoters try to make their plans as profitable as possible, i.e. to achieve the highest sales prices or rents. Their preliminary reports are mainly of an economic character, including the search for the optimum site which will let them maximize profit. Social, urbanistic or ecological considerations are only taken into account if they promise a good commercial promotion.

Theoretically, the distributors' strategy coincides with that of the promoters: maximization of profits. Moreover, some distributors are promoters as well. But differences might surge when the major concern of the promoter is his own profit rather than a joint profit of all tradesmen in the centre. From this commercial point of view, there are some centres which have been planned badly: shop premises which are really too small, inside pedestrian walks which are poorly structured, insufficient trading area, limited accessibility, too strong competition within or near the centre etc. This creates unsuccessful centres with empty shops left by the shopkeepers because of insufficient profitability. Otherwise, the qualitative level of the centre also can create problems: Generally, the recent trend is to build luxurious centres, even if this consists only of a commercial arcade built close to a hypermarket. Without denying the advantage of an architectural setting of high quality, we believe that it is a sheer utopianism to open too many up-market shops in popular areas, close to supermarkets or hypermarkets which attract low to middle class customers who are mainly interested in the prices. Therefore, this will result in some badly informed shopkeepers becoming bankrupt.

In fact, good locations have become scarce with time. Thus, the promoters have less attractive offers than in the past, although they never have been so important as at present. Moreover, there is an increasing number of town or regional representatives trying to attract promoters and/or shopkeepers. Therefore, it is not surprising that the interest groups follow ever more different aims and many of them end up with unsuccessful plans.

8. The Impact of the Emergence of Big Peripheral Poles

All the developments described allow us to assert an increased and wider *competition* between the *big peripheral poles and the city centre*. Facing the dual competition of integrated shopping centres and of shopping arcades of hypermarkets, BONDUE (1987) has shown very well that the city centre has progressively lost the monopoly for specialized and luxury goods. The hypermarkets, as far as they are concerned, believe to have the privilege to offer consumer goods at discount prices, thus dominating the price-level within their entire trading area or even including the city centre, but mainly in the semi-central zone. This is enforced by the opening of small shopping centres with very efficient supermarkets and/or a great number of discount stores, not to mention the increasing number of specialized discount outlets, like factory-shops or off-price centres (Van de LUSTGRAFF, 1990).

This competition which gets always more exacerbated, creates *dual spaces* made up of "winner" and "loser" poles. Some "centre places of substituion" (DELFANTE, C. 1988) have developed, mixing traditional hierarchies and the intra-urban polarities.

9. Conclusion

The recent evolution of retail in the periphery has undoubtedly reinforced the best poles, which have succeeded in completing their quantitative and qualitative assortments, which have invested in entertainment facilities and have managed to become new multifunctional centres. Moreover, these integrated complexes have tried to distinguish themselves from other centres by their architecture, by a better integration into their environment, and mainly by a buoyant public image.

Nowadays, due to the complex interaction between developers, promoters and distributors, some of these centres have become real new living spheres competing with the city centre and other peripheral poles. Consequently, the urban hierarchy and the spatial structure have been perturbated in many agglomerations.

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