

CITY CENTER MANAGEMENT : LEARNING FROM SHOPPING MALLS
Heliana Comin Vargas

**Proceedings of 12TH INTERNATIONAL CONFERENCE ON RESEARCH IN
DISTRIBUTIVE TRADES**
July 2-4, 2003
Paris, France

CITY CENTER MANAGEMENT : LEARNING FROM SHOPPING MALLS

ABSTRACT

This article discusses the importance of considering the planned retailing development experiences and strategies for revitalizing and managing city centers, having as a focus works developed in some Brazilian cities.

It first tells about the deterioration process of central business district and real estate capital role in this process and about the changes from the traditional urban planning to the market planning, which means to see the city center as a product.

In this way, this article made a cut out in some Brazilian experiences and it presents some aspects considered relevant in the process of urban revitalization like: the methodology adopted; some results of the city marketing survey and the urban analysis centered in retailing and services activities; the importance of urban flow analysis; the adoption of mixed-use development concept; and the strength of the existent architecture.

PRESENTATION

The process of urban revitalization of city centers, in Brazil, with the high influence of architects and urban planners thoughts is still centered in urban design as a physical intervention without considering the specific economic and social dynamism of each place.

Following foreigners experiences, we are defending that the process of the city centers management and the traditional shopping areas revitalization should consider the strategy and methodology of the planned retailing and services development (based in shopping malls concepts) and just after this analysis, the redesign of urban spaces should take place. Mainly, when the size of these intervention are not big enough to act as a catalyzer of the renew process.

In 1954, Victor Gruen had already written, in the Harvard Business Review that the experiences of the American Regional Shopping Malls should be used in the revitalization of depressed traditional urban areas. Some other authors are still defending the application of retailing management concepts to city center recovery and management, (Witherspoon & Abbett & Gladstone, 1976; Frieden & Sagalyn, 1992; Warnaby & Alexander & Medway, 1998; Omholt, 1998; Vargas, 1998a; Balsas, 1999). We can not forget a classic work of Jane Jacobs "The Death and Life of great American Cities" in the sixties and, more recently the increasing works which think the city as a product for tourism and business (Kotler, 1971; Ashworth & Voogd, 1990; Warnaby & Davies, 1996; Maskulka & Thode, 1996; Hall & Hubbard, 1998; Vargas, 1998b).

In the last four years, we had the opportunity to use some of these concepts throughout consultancy works¹ developed to two local governments in the Great São Paulo Metropolitan Area, and also we took part in two architecture competitions² about urban revitalization trying to disseminate the idea of thinking sustainable urban design in terms of urban economy

Concepts used in these works included: City Center Systemic Management; City Marketing Analyses, Mixed-use Developments, Shopping Malls management. All of them are centered in the retailing and services science as a tool to recover and manage city centers.

If the city is thought as a product, the first step is to understand its market. This means to know who is or could be interested on it and why? It is necessary to know the demand of target public (existent and potential) and what the city can offer (existent and for being created) and its position compared to other cities. (Kotler, 1995)

City marketing concept, in the same way that was assumed by Ashworth & Voogd, 1990, was treated here as a process whereby urban activities are as close as possible to the demands of target customers in order to maximize the social and economic goals, firstly established.

To better understand the offer (of the city), it is important to know, at least, its existent physical urban structure, its architecture, its social, cultural and economic activities. We really believe that it is necessary to take advantages of the existent built environment to help choosing the best activities to promote vitality, and to profit of the sense of place and the condition of being unique. (Maskulka & Thode, 1996; Harvey, 1989; Vargas, 1998b)

In this way, this article made a cut out in all these experiences and it presents some aspects considered relevant in the process of urban revitalization like: the methodology adopted; some results of the city marketing survey and the urban analysis centered in retailing and services activities; the importance of urban flow analysis; the adoption of mixed-use development concept; and the strength of the existent architecture.

CITY CENTERS (how to manager)

The deterioration process of urban centers is a phenomenon observed in most cities in the world, as a result of the exit of some urban activities considered noble, mainly by those from the tertiary sector (retailing and services activities, culture and education, leisure, entertainment etc). The lost of property values, the increase of illegal and informal activities or with low productivity which have the lower income people as target public, are part of the image of this process.

Although the origins of this process seem being different, they have in common a central point : the real estate capital advance.

In this process of the real estate capital advance it could be included: the American urban decentralization in the fifties when the high income classes have taken their way towards the suburbs and were followed by the out-of town shopping centers, which are partially responsible for the deterioration process of traditional shopping areas; the new town policies in Europe and USA; the city centers displacement or the emergence of new ones, as happened in São Paulo City; the inadvertent exit of some local government services from the central areas in most of our cities; and even the return process to the city center or the recovery of old harbor areas as well all over the world.

Another reason point out the out of town big stores, in Europe, as responsible for this process of abandoning the central areas. However the impact over the urban area and small retailers were not very important because of the existence of a stronger urban development control.

It is important to emphasize that at the beginning of the emergence of Regional Shopping Malls in USA, despite the fact that they were following the consumers of the new residential suburbs, they did not consider the importance of centrality, here understood by the meeting of social, politics and cultural activities which are the essence of the encounter and, consequently, for trades, changes and business happening. (Gosling&Barry, 1976; Vargas, 2001). This means: centrality is the essence for retailing and for Shopping Malls sustainability.

These ideas of centrality lead us, immediately, to the mixed-use development concept (Whitherspoon& Abbett& Gladstone, 1976), changing the approach from the building it self toward the urban space, and the field of interest that becomes more centered in partnership public-private than isolate real estate undertakings.

This concept, when used in the process of city center revitalization means more than financial return for developers. It often represents the rediscovery of the urbanity throughout a rich mix of activities which reinforce each other, as mentioned by Jane Jacobs in the later sixties. This concept that remount to the concept of the Greek Agora and Medieval Markets, has not received the due attention by Brazilians urban planners, till recent years.

The city center management, according to Warnaby (1998), is the search of a competitive advantage through the strategic development of some areas of public and private interest which were taken ahead by leaders who come from volunteer associations.

Other concepts talk about the reinforcement of city centers management to make them dynamic, by improving service standards, environmental quality and safety in order to prepare them to face the competition of other city centers. Nevertheless, according to Omholt (1998), almost everything done by one center to improve its urban quality can be immediately imitated by others. Then, the sustainable competitive advantages can not be only based on operational efficiency, considering that this could be easily reproduced.

The true competitive advantage, according to Porter (1996), is based in the distance or difference between offers.

Urban policies of city center management should be able to create differences in order to guarantee sustainable competitive advantages. This means, to choose an unique group of activities to offer which can not be easily reproduced. (Harvey, 1989; Nientied, 1993)

While the operational efficiency is to achieve high levels for individual activities, the city center strategic management has to combine them. The city center competitive advantage will come from the way with urban activities are organized to reinforce each other. Therefore, to think the city in a process of combination and complementation among other urban areas can make the difference of the city as a whole. More complex the urban context is (conurbation and metropolitan areas), more interesting centers could be .

In this way, a urban revitalization project should, firstly, taking in account the performance of urban activities and business and the quality of built environment of the city studied, compared to other cities (offer). Secondly, it should consider the city market (demand) on terms of local and regional catchment area. This means to think the city as a product, use the city marketing as a tool and management the city center as a shopping mall.

Having in account this premise, the methodology adopted (fig 1) , in the studied cases , follows the same principles, with some differences according to the time, resources and data available and regarding to the characteristic of the cities involved. It should included:

- macroeconomic scenery analysis including local and regional index;
- demographic trends analysis in order to know the market evolution as well to understand retailing and services development and changes in the consumer behavior;
- city marketing survey having the city center as a product, trying to know the opinions, expectations and needs of the users of the place (citizens, entrepreneurs, retailers, etc) ;
- knowledge of public policies and private development projects;
- urban structure, use and property of urban land analysis;
- pre-existent architecture knowledge;
- pedestrian and car flows analysis and the identification of the sources of these flows;
- analysis and technical observation of the urban area

However, what we think that is important to highlight in this methodology concerning the purpose of this article are: the analyses of the offer (urban structure, urban use,

urban flow) and , mainly, the analyses of the demand, (city marketing), as a relevant tool to better manager city centers.

- **urban structure, urban use and urban flow (urban offer)**

The urban structure analysis includes road system, urban services, infrastructure, land use and occupation of the buildings, urban facilities and urban design (urban space analyses). Besides these elements the analysis also consider the existent architecture.(building analyses).

At the level of urban space analyses, it is possible to identify how flows (people, cars and goods) can penetrate into the city center by analyzing the relation between buildings, road systems and open spaces. (Hillier&Hanson, 1986). It can also identify empty urban lands and important open spaces as well the best views and define the residential density rates. The quality, quantity and intensity of urban activities, and the relationship among them can demonstrate the economic and social dynamism . At the building level, the large or small buildings and their designs can contribute to find interesting use to them according to the needs of the city. The property of lands and buildings is another point that should be considered for physical intervention.

Case 1 - City of Santo André³ (FUPAM, 1999)

In the case of *Santo André* Municipality, where the main goal was to recover the city center vitality, the urban structure based on the road system showed a network which had as a central element , the *Oliveira Lima* Street. (map 1) It is this street that distribute the pedestrian flow from the train station and bus terminal throughout the city center. This avenue has a diagonal position considering the city network, with strong axality (straight linkage) assuming, since the beginning, the condition of being the most important street, now just for pedestrian. This early condition lhas led the retailing and services activities to start a process of self reinforcement (higher flow- more activities- higher flow). (map 1)

The analysis of pedestrian and car flows contributes to better understand the favorite ways of the city center customers. This analysis crossed with other data, as customers origin and destine, land use distribution, traffic generating poles and built environment permeability can explain the preference for some streets and the reasons for this. They can also explain the emergence of some activities or the closure of others.

How can be seen in the map 1, the pedestrian flows is strongly concentrate in the main road (*Oliveira Lima* Street) showing an unbalanced distribution. This situation is easily explained by a self-reinforcement process that has been happening for a long time, whose more significant aspect is the fact that this street is the only one, in the city, for exclusive pedestrian use. Actually, this condition of the *Oliveira Lima* Street, as a pedestrian street, steals the flow of the surroundings, creating difficulties to them concerning retailing and service activities. It seems to be necessary to reach a balanced flow distribution, creating or stimulating some destination activities and not only impulse activities. This means, to create poles of generating flows where the local power can give a great contribution.

This unbalanced situation became worse after the construction of the glass cover at this same street. Despite the effort to change the independent retailers idea who believe that the success of shopping malls comes from the condition of been cover and close, the municipality built this cover as a demand of the them. They thought that this cover would change the profile of target public and would increase revenues, what did not happen. The figure 2 and 3 show the street before and after the cover.



Fig.2-Oliveira Lima Street before



Fig 3- Oliveira Lima street after

It was also identified that there is a great difficulty to reach the city center, by car or on foot due to the lack of easy ways⁴. Despite of this problem, just around the city center, the urban landscape shows large buildings used as schools and colleges which act as poles of generating flows. Residential use for middle classes has also a strong presence in the city center. The existent open space at the City Hall, if well explored, could also contribute for the urban vitality. Moreover, some existent large abandoned buildings can receive other uses, more adequate of the new moment.

This diagnosis point out the importance of easy linkages to stimulate the synergy among different activities. People always choose the easy and short way. This is one of the important strategy of planned retailing development.

Case 2- City of São Paulo (FUPAM, 2002)

The studied area in São Paulo city center is called "Parque D Pedro". It is very close to the historic center and presents a high flow of vehicles and people but, for many reasons is considered a deteriorated urban area. Nevertheless, in a city around 10 million people, inside a metropolitan region that reaches 20 million people, it seems easy to find a market for all kind of activities. This unique condition of the city with its metropolitan profile, besides some other characteristics of the built environment, has reinforced the analysis from the offer view point.

This analyses showed the high potential of the area that included (map 2):

- diversity of urban uses, which encompassing retailing and wholesale food trades happening in a historic market building (under restoration) and in its surroundings;

some specialized streets in retailing and wholesale trades offering clothes, wood products, house equipment)

- A great open space (D. Pedro Park), very unique in the central area;
- The strong presence of Institutional use in historic buildings;
- Presence of universities which means people flow;
- low residential densities, big plots of land with low land prices that can help new real estate developments;
- Beautiful views due to the lack of tall buildings and the natural landscape;
- Proximity of the historic city center
- Intense pedestrian flow coming from the bus terminal, train and metro station located in the area

Despite of this diversity , the area has a low level of environment quality (lack of safety, public cleanness, flood problems, deteriorated and empty buildings, vendors, and so on). Its insular character ,as a result of the road system, represents a cut in the urban land that makes difficult the accessibility and mobility through the area for cars and people. (map 2) The topography is another point that makes difficult the connection with the historic center

This difficulty of physical integration do not permit to take advantages from the mixed-use of the urban activities in order to promote synergy . Actually, some other aspects interfering negatively to the image of the area which should be solved by the local government actions.

Throughout this analysis three points should be consider for reaching the concept of mixed-use:

- It is necessary to create and make easy for people and cars to cross the area, to reach all kind of transportation system and parking , in order to intensify the synergy;
- It is necessary to reinforce the diversity of uses including high residential densities, leisure, recreation and cultural activities, offices and government buildings.
- It is necessary to offer good services in terms of garbage, safety, and improve the city image through urban design and environmental concerns.

- **city marketing (urban demand)**

Case 1- City of Santo André

The city marketing having as a product the city center, included a qualitative and quantitative survey oriented by marketers and urban planners.(FUPAM,1999)

qualitative survey

The qualitative⁵ survey had as a goal to know the meaning , the expectations, the image and the possible suggestions that citizens of Santo André , and mainly the

city center users, had about the it. Their opinions should give inputs to prepare the quantitative survey.

Concerning urban studies the qualitative survey is an interesting tool to diminish the high level of subjectivity that urban planners carry when work in the process of urban intervention and planning.

Initially, some segmented groups which had high involvement with the city center were selected to take part in the qualitative survey: entrepreneurs and bank managers; schools and associations; public employees; retailers; residents; taxi drivers; vendors; bus drivers.

This diversity had the intention to know the divergent interests about the same object (the city center), sharing the same goal (the recovery of city center vitality) in order to help of drawing a true image of the city center.

Then, the great challenge was to choose the themes to be developed in these meetings which could contribute to increase the spontaneity of the answers, without losing the main focus of interest: the traditional center of Santo André.

Trying to minimize the effects related to predefined opinions, leadership influences, political problems among them, it was created a syllabus which stimulated spontaneous comments and personal values related to the urban life. Then, a discussion about quality of life emerged as a very adequate subject.

Since then, questions about city center, life expectation, critics and suggestions to the city management started to arise, most of them without strong prejudices. Between the common questions, although the different point of view about life quality, all of them pointed out the necessity to enjoy life, side by side of working. They showed a strong linkage between quality of life and what city can offer.

Two aspects of urban life appeared in all groups: safety and leisure.

In the case of Santo André, the main aspects mentioned included the high level of people awareness about economic development of the city (vocation); the disadvantages (problems) and advantages (opportunities) existent in the city as well the comparative image concerning other centers.

The same aspects were pointed out about the city center, highlighting the glass cover design over the *Oliveira Lima* street, mentioned before.

At the same time, problems of communication and information and about the performance of the city management were also mentioned.

Finally, it was possible to sketch the image of the city built by the participants. They considered the city center busy, insecure, not complete, without identity, sad and ugly. Many suggestions to improve the quality of the city center were also proposed. The final report about the qualitative survey gave us many insights to prepare the questionnaire to be apply in the quantitative one.

Quantitative survey

The quantitative survey was centered in two main groups: users of the city centers and retailers.

Concerning users the survey tried to know the image of the city center, the way they use it to help us to define the city vocation. Besides these aspects, there is the intention to identify the advantages and disadvantages and the purchases habits of the users. It included an origin and destine survey that help us to know the role of the city center for the city and for the metropolitan region.

The total sample included 305 people, with 80% in the city center, and 20% in other two districts.

Regarding to the retailers the intention was to know their profile, the condition and the type of business and their expectation concerning the city center performance for their business. Sixty retailers were interviewed.

Considering all the information coming from the quantitative survey, and complemented by theoretical concepts and the practical experiences, it was prepared a strategic action plan with included the main recommendations and projects to be led, assumed, developed or detailed by the municipality to take ahead the revitalization process of the city center.

Four main areas were contemplate to be worked in a systemic way: Public management, urban activities management, urban physical intervention, and social communication.

CONCLUDING COMMENTS

It is important to notice that all the interventions, actions and policies suggested should have firstly a systemic approach, as it was thought and planned by only one mind (central administration).

At the same time they should consider the participation of all the agents involved as well specialists in specific subjects mainly in strategic management, retailing and services science, business, architecture and social communication.

Considering all agents involved means to know the urban demands taking in account the existent and potential target public for the city center (product studied). Any urban work should develop a survey with the population to know its expectation, needs and suggestions. This is the way to achieve its interest and to legitimate the proposals. Involvement and commitment are fundamental elements that could make it happen.

A very deep knowledge about the urban area in terms of built environment and its dynamism it is also requested to find local and regional vocations.

At sum, lessons learned from planned retailing development as shopping malls or mixed-use developments can be very useful to know how to recover and manager city centers.

¹ These works were developed to the city of São Paulo and to the city of Santo André, by FUPAM that is a Foundation linked to the School of Architecture and Urbanism of São Paulo University. Both works were interested in the revitalization of city centers.

² One of these projects had the intention to propose a new use to an old prisoners campus, in the city center of São Paulo, trying to preserve part of some historic buildings. The other project had to think about the revitalization of the traditional retailing street in Brasília (Capital of Brazil), taking in account that this city is considered a preserved monument of the modern architecture.

³ Santo André is an industrial city located in the São Paulo metropolitan region. Its population is around 700.000 people. The city is suffering a depressed process because of the loss of industries.

⁴ The main road has to be crossed by traffic lights or by some pedestrian ways over the road, which cause some difficulties for pedestrians diminishing the city center attraction power.

⁵ The qualitative survey takes part of marketing survey when available information about some subject is not enough or non-existent to form an opinion, understand a problem or make a decision.

REFERENCES

ASHWORTH, G.J. VOOGD,H. (1990) *Selling the City: Marketing Approaches in Public Sector Urban Planning*. Londres: Belhaven Press .

BALSAS, C. J. Lopes.(1999) *Urbanismo comercial em Portugal e a revitalização do centro das cidades*. Lisboa:GEPE.

FUPAM.(1999) *Fundação para a Pesquisa Ambiental. Estudo das características das atividades urbanas e de negócios da área central do município de Santo André no processo de revitalização urbana*. São Paulo: FUPAM / Santo André Municipality/. (research report)

FUPAM. (2002) *Fundação para a Pesquisa Ambiental. Estudos Urbanísticos vinculados ao projeto especial Diagonal Sul-Parte I* . São Paulo: EMURB/FUPAM. (research report)

GOSLING, David, BARRY, Maitland.(1976) *Design and Planning of Retail Systems*. Londres: Architectural Press.

JACOBS, Jane. *The Death and Life of Great American Cities*. 1994 [1961] *The Failure of Town Planning*. Londres: Penguin Books.

HALL,Tim & HUBBARD Phil. *The entrepreneurial city*. (1998) *Geographies of politics, regime and representation*. Chichester: John Wiley.

HARVEY, D. *From managerialism to entrepreneurialism: the transformation in urban governance later capitalism*.(1989) *Geografiska Annaler*, 71 B:3-17. Stkolmo.

HILLIER, Bill, HANSON, Julienne. (1982) *The Social Logic of Space*. Cambridge: Cambridge University Press.

KOTLER, Philip. *Administração de Marketing*. (1995). São Paulo:Atlas.

MASKULKA, J.M., THODE, S.F. (1996) "Place-Based" Marketing Strategies: A Sustainable Competitive Advantage in Developing a Product's Brand Equity. Paper presented in the 3RD International Conference In Recent Advances In Retailing And Services Science. EIRASS, Telfs-Buchen, Austria.

NIENTIED, Peter. (1993) (org) *Urban Productivity and Urban Management*. Third World Planning Review. Vol 15, no 2 May. .Liverpool: University Press.

OMHOLT,T. (1998) *Strategic Rationality as a basis for Town Centre Revitalization and Management*. Paper presented in the 5th Recent Advances in Retailing and Services Science Conference. EIRASS, Baveno, Italy.

PORTER, M.E. (1996) *What is Strategy?* Harvard Business Review. November-December .

RODELL, Michael J. (1993) City Marketing the Bottom Line. Third World Planning Review. Vol 15 no 2 May . p. 187-193. Liverpool University Press

VARGAS, Heliana C.(1998a) The Role of Shopping Arcades in the Vitality of São Paulo Downtown. paper presented in the International Conference Shelter and Revitalization of Old Historic Urban Centres, Havana.

VARGAS, Heliana C. (1998b) Tourism: de value and the meaning of the place. Paper presented in the 5th Retailing And Consumer Services Science Conference. EIRASS. Baveno, Italy.

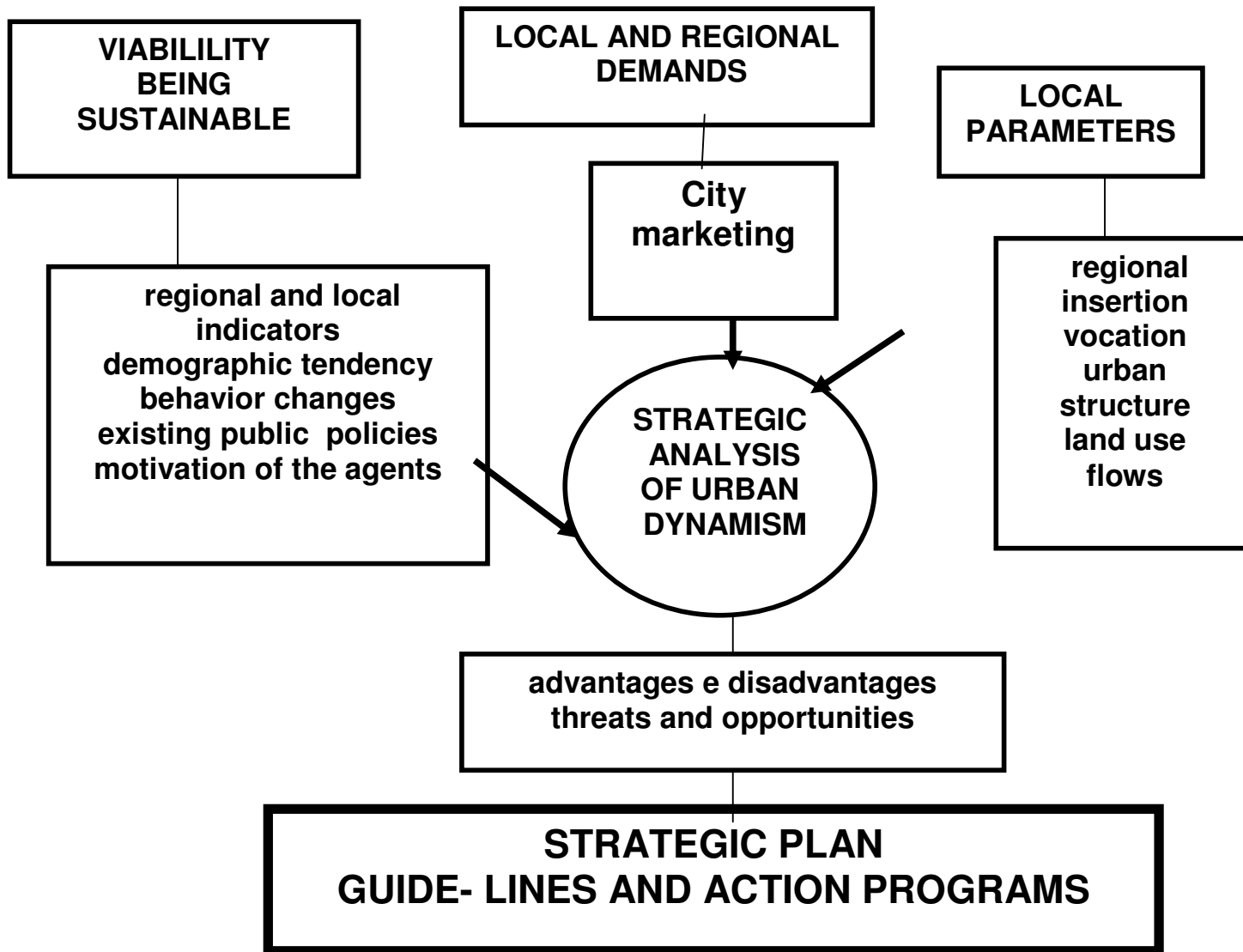
VARGAS, Heliana C. (2001) Espaço Terciário. o lugar, a arquitetura e a imagem do comércio. São Paulo: Senac.

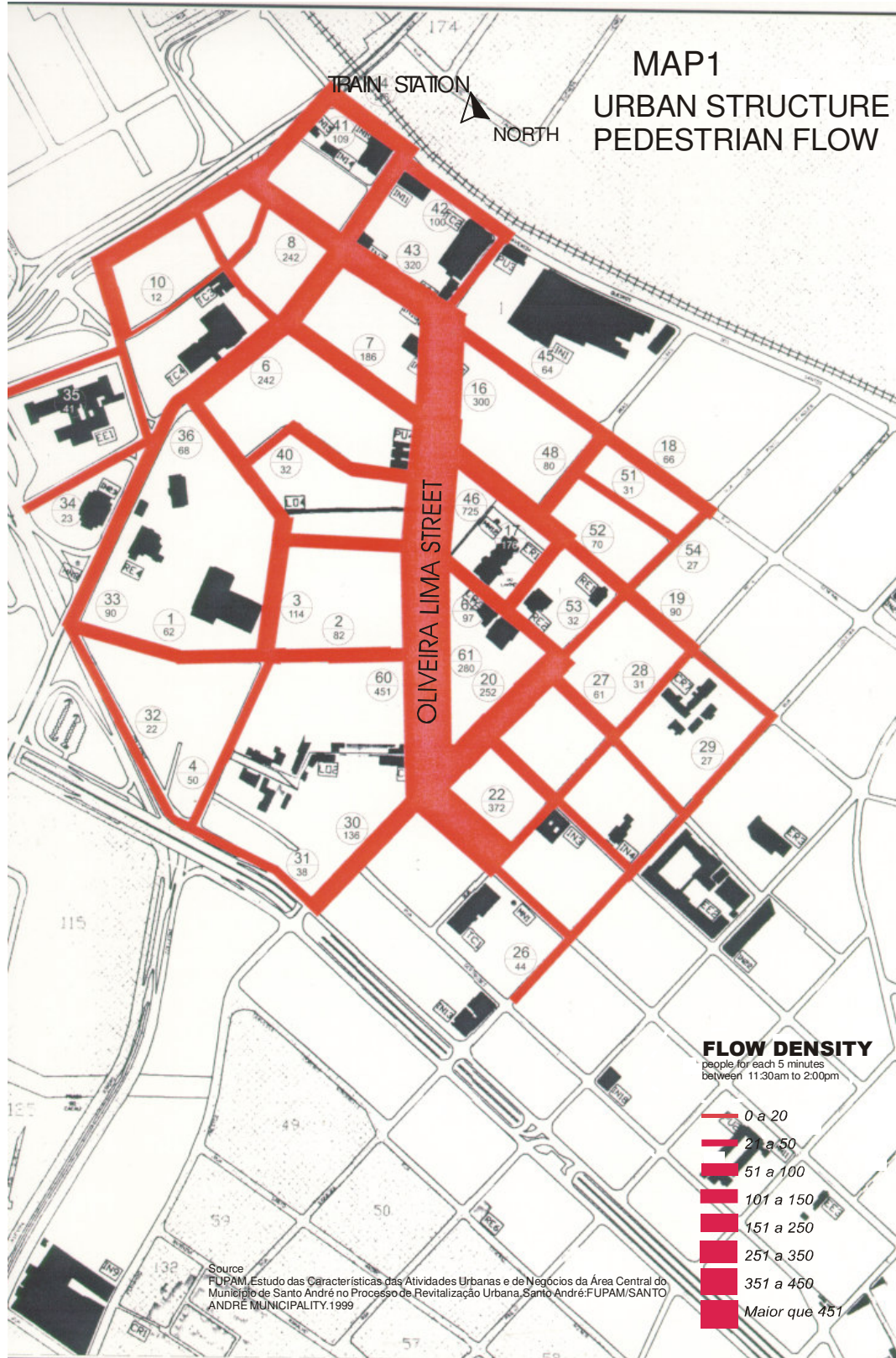
WARNABY, Gary & DAVIES, J. Barry (1996). Cities as Service factories? Using the Service System for Marketing Cities as Shopping Destinations. Paper presented in the 3RD Conference In Recent Advances In Retailing And Services Studies. EIRASS. Junho, Innsbruck.

WARNABY, G., Alexander, A. & Medway, D. (1998) Town Center Management in UK: A review, synthesis and research agenda. The International Review of Retail, Distribution Consumer Research 8:1 January.

WHITHERSPOON, R.E.; ABBETT, J.P.; GLADSTONE, R.M. (1976) Mixed-Use Developments: New ways of Land Use. Washington: Urban Land Institute.

FIG 1- URBAN MANAGEMENT METODOLOGY





MAP 2



..... BUS LINE

→ WALKWAY

←- - - - -> SUBWAY LINE

○ IMPORTANT BUILDING

Fonte: FUPAM. Estudos Urbanísticos Vinculados ao Projeto Especial Diagonal Sul-parte São Paulo: FUPAM/EMURB2002