BRAZILIAN MODEL OF SHOPPING CENTRE: KIND OF BUSINESS, URBAN LOCATION AND TYPOLOGY

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ABSTRACT

This article discusses the Brazilian version of Shopping Centres considering the relevance of mega projects like catalyst of the urban growth; their impact on the urban landscape transformation; and the quality of their architecture. The research done is important to support urban planners and city managers to control the urban development, and the entrepreneurs (also retailers) to master their location and improve their businesses, as well.

The methodology used to achieve these goals was based on shopping centres survey dealing with their location, architecture and the business' concepts. In Brazil, concerning the relation of Shopping Centre with the urban space the literature is scarce. Then the analyses usually are done considering the quantitative data produced by the retail associations, regarding the marketing and businesses performance. The urban focus is being developed through academic studies more recently.

This article analysis was centred in São Paulo city, due to the intensity of the Shopping Centre phenomenon, the largest amount of data available and a consumer market of about 10.4 million inhabitants (SEADE, 2004).

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In about forty years the shopping centres became dominant in Brazil urban landscape (1966-2005). It is already possible to visualize a first balance of this phenomenon that leads the country to the fifth position in number of establishments, according to CLEMENTE (1997). Besides the large quantity of Shopping Centres, the speed of their construction and the volume of investments in the sector – incompatible with the Brazilian purchasing power – lead to a discussion about the business concept.

The number of shopping centres increased, not only in São Paulo, but also in other big towns of the country. This phenomenon intensity can be seen in Table I.

TABLE I – NUMBERS OF SHOPPING CENTRES IN BRAZIL (1966-2004)

YEAR	1966	1971	1976	1981	1986	1991	1996	2001	2004
SCs	1	2	8	16	34	90	147	240	253

SOURCE: ABRASCE. Shopping Centres. www.abrasce.com.br, access in 03/03/2004.
Observation: These data show the SC number evolution, but doesn't appoint to the phenomenon intensity, as these numbers are only from those SCs associated to ABRASCE[1] – 195 in São Paulo vs. 579 in the country. ALSHOP[2] shows for 2004, March, 579 SC operating in Brazil, and 51 under construction. The municipality of São Paulo shares about 35% of the total country SCs - 91 in São Paulo vs. 253 in the country.

This situation presented in Table 1 takes one to think about the relevance of these mega projects like catalysers of the urban growth, their economic role, their impact on the urban landscape transformation, and the quality of their architecture.

Concerning the type of business

Differently from the American Shopping Centres where the department stores had been part of the investors (GARREFA, 2005), in Brazil, they arrived as real estate developments, which the main developers were big constructors and real estate companies of the residential sector. The developers were supposed to analyse the population purchasing power, and define the catchment's area. As a matter of fact it seems that they haven't well considered the population habits and size, as the Iguatemi SC (1966) waited for almost ten years to get the preference instead of the commercial streets. (fig 1). The second one - the Continental Shopping Centre (1975) – built ten years later in an area without enough purchasing power, had to be completely remodelled in the mid 1980's.

In this decade, Shopping Centres started being seen as a fertile field for investment, mainly because the residential sector was devitalised. That way, not only big companies of all kind of businesses wanted to invest on Shopping Centres, but also the pension's funds became the large investors.

[1] The ABRASCE (initials in Portuguese for Brazilian Association of Shopping centres), linked to the International Council of Shopping centres, which only accounts the number of its associates and assumes as Shopping Centres those developments under a lonely owner, with centralized administration, with all satellite stores being rented, paying also a share in percentage of the total selling, and with parking facilities

[2] ALSHOP (initials in Portuguese for Shopping centres Stores Association) includes among its members the most distinct types of groups of stores, independently from their administrative organization. See Annual Report of Brazil' s Shopping centres 2003-2004. São Paulo: Full Time Publications, 2004.

Analysing the ALSHOP (2004) data it is possible to observe that around 30% of the Shopping Centres have as owners the real estate and construction companies; 25% are controlled by residential condominium systems or mix-use developments, or still by retailer's associations; 20% of the Shopping Centres owners are individuals or enterprises from different business; other 20% are pension funds; and just 5% include as owners supermarket's big retailers like Carrefour and Sonae.

The last two groups have been increasing their presence in this kind of business, recently. The big retailers involvement is a consequence of an increasing concentration of the retailing capital in Brazil. The involvement of pension funds may demonstrate the lack of other investments' options in the country. It is important to mention that due to the large quantity of Shopping Centres, and the increasing competition among them, lately investors are becoming more careful and searching for previous consultancy to analyse the business viability.

Concerning the Urban Location

Brazilian shopping centers were born on the inner city surrounded by median and high-income population in neighborhoods where residential uses could be denser. Figure 2 shows the inner-town Shopping Centres location: see the Iguatemi SC, the Eldorado SC, the North SC, the West Plaza SC, the Penha SC, and at the urban fringe the Continental SC, Morumbi SC, Interlagos SC and Aricanduva SC.

When purchasing in Shopping Centres became a population habit, businesses and marketing strategies were multiplied and contributed not only to the increase of the Shopping Centres' number, but also to the urban densification and the street system improvement, creating new centralities as strategic locations (VARGAS, 1992). Between 1977 and 1995 the commercial and services area increased about 136%, much more than the other sectors in São Paulo (NOBRE, 2000, V. 1, p. 137). This enables to consider the Shopping Centres as a strategy to change the urban land use and occupation.

Later on the SCs were also planned for low-income families, and had as main magnets the super and hypermarkets, like the North SC (1984), the Interlagos SC (1988), the Aricanduva SC (1991) and the Penha SC (1992) in São Paulo. All of them have a new built-up pattern.

The out-of town Shopping Centres (regional ones) were built lately. They were first located in the hinterland of the São Paulo State, near the main road junctions, in order to generate larger catchment's areas. The Center Valley SC in São José dos Campos (1987) and the Galeria SC in Campinas (1992) are good examples. The first one was located in a recycled industrial building between São Paulo and Rio de Janeiro. The second one was built in a cattle farm area. This shows that the Shopping Centres can work as an urbanization catalyst and are able to create their own centrality throughout the valuation of the surrounding areas.

The Shopping Centres are often also considered responsible for the downtown deterioration, as they offer their client comfort and safety, and parking area as well, but recently the downtowns SCs had been planed to revitalize deteriorated areas. In some cases old buildings give way to a new one like the Pátio Higienópolis SC (1999) (Figure 03) and the Frei Caneca SC (2001). Sometimes old buildings were preserved as historic monument to receive a modern SC, like the Light SC (Figure 04).

Although the SCs were built for motorized clients, offering thus wide parking areas, nowadays they begin to be associated to public transport. The São Paulo examples are: the North SC; the Tatuapé SC (Figure 5); the Santa Cruz SC and the Light SC (Figure 04).

Concerning Shopping Centre typology

The Shopping Centre in Brazil was already born like those American of third generation, closed to the urban space, surrounded by parking lots, which later on, gave birth to high-rise buildings. They always avoided windows towards the urban environment and window-shop on the street level. These Shopping Centre typology along time became much more like a box. (fig 5 and fig 6).

Even the Iguatemi SC, which had an excellent design in its first version, allowing a kind of a dialog with its urban surroundings, started being rebuilt in order to respond to the new consumer demands and face the strong competition of other ones. It became also like a box, (fig.1).

The lack of uncovered and open Shopping Centres in São Paulo can be explained, partially, by the low quality of the public spaces. In Rio de Janeiro and in Salvador (Bahia), and even in the hinterland of the State of São Paulo, just to mention some examples, the uncovered shopping centres are more frequent. In the Rio de Janeiro, the Downtown SC (Fig 7) tries to reproduce the urban space; the Aero Clube SC in Salvador (Fig 8) is uncovered and open toward the ocean. Actually, this is another way of assuring the Shopping Centre attractiveness through a differentiated architecture.

More recently some urban communities fight for a different Shopping Centre pattern, searching for permeability between the interior and the external areas, where bars and restaurants open to the outside. Their multi level buildings take advantages from the site topography, offering entrances and exits for pedestrian and vehicles (fig. 3).

In Brazil, relating to the Shopping Centres category, ALLSHOP (2004) points out four main typology considering the assortment of goods offered, their origin and relationship between the shopping centre and the retailers: Traditional Shopping Centres offer a big quantity of different shops, include leisure and entertainment activities, and food plaza; Thematic Shopping Centres are concentrated in selling specialized goods (construction materials, house ware, automotive, etc.); Outlets offer products straight from the industry; and Rotatory Shopping Centres offer spaces for a short period rent, with few comfort to the consumers.

All these strategies are developed to enlarge the Shopping Centres' life cycle to face competition. This competition also includes other kinds of retail spaces (arcades, mixed-use developments, and commercial streets). Thus the architectural design begins to be an important aspect. For this reason Brazilian Shopping Centres have been introducing innovations and are transforming themselves into large "public places" and population meeting points.

5. Concluding comments

The Shopping Centres power to induce urban expansion and modify the urban design could be utilized by the local government to improve urban quality.

Taking advantages of the location and its surroundings is a very important aspect: to improve Shopping Centres business and management; to stress the town image; to increase the urban economy generating jobs and income for people and revenue for the city (VARGAS, 2001, 2004).

The Shopping Centre architecture may work together with all kinds of marketing and business strategies, taking advantages from the activities happening out side the building (pedestrian flow, traffic, neighbourhood ethnical and cultural aspects, and land use).Some locations can even acquire the condition of being unique and impossible to be recreated and contribute to extend the life cycle of the Shopping Centre.

All these concerns mentioned above can make Shopping Centres more sustainable in many ways: in terms of urban economy being a profitable development by generating jobs, income and urban revenue (economic); contributing to improve the retailers and investors business performance (economic); improving and offering an architecture that consider the environmental requests by saving water and energy (environmental); and improving the quality of urban life creating places where people like to go as meeting points and stay longer (social and cultural). These are fundamental conditions for what we understand as a good architecture for Shopping Centres, and architects and planners in Brazil, should contribute to achieve this goal.

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ILUSTRATIONS

Figure 1: Iguatemi Shopping Centre, São Paulo, 2004.

Figura 3: Pátio Higienópolis Shopping Centre, São Paulo, 2004.

Figure 4 : Shopping Centre Light, São Paulo City, 2002.

Figure 5 : Tatuapé Shopping Centre, São Paulo, Brazil, 2000.

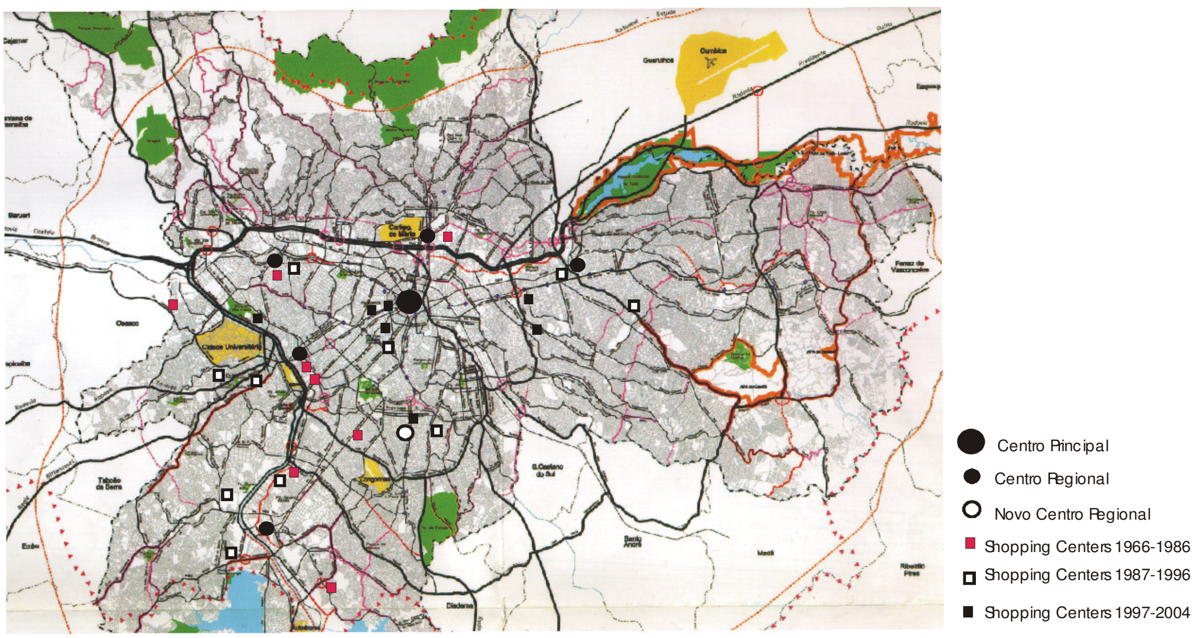

Figura 2- Localização dos Shopping Centers Tradicionais na cidade de São Paulo - 1966-2004

FONTE :Prefeitura do município de São Paulo. Secretaria Municipal de Planejamento Urbano. Plano Diretor Estratégico mapa 2001
Alshop. Anuário Shopping centers do brasil 2003-2004. São Paulo: Alshop. 2004

Figure 2: São Paulo Shopping Centre Location Map, 2004

Figure 6 : Brasília Shopping Centre , Brasília, Brazil, 2002.

Figure 7 : Downtown Shopping Centre, Rio de Janeiro, Brazil, 2001.

Figure 8 : Aeroclube Shopping Centre, Salvador, Bahia, Brazil, 2002.