Retail Management to Revitalize Inner Cities. Big Boxes and Detached Centres

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Introduction
City cities are places of retail. Competition in the retail sector for customers, attractive locations and efficient marketing strategies is fierce. In recent years, many towns and cities in search of new drive have granted planning permission for shopping malls in their centres. But the problems of many central locations such as declining customer footfall and trading-down tendencies (a shift towards cheaper, poorer quality goods) cannot be solved merely by the arrival of a new shopping centre. Numerous examples in German cities show that a new mall in the inner city can spark new competition in a confined area. Spatially and structurally opening up shopping centres and connecting them to traditional retail locations and the urban surroundings can have a very beneficial impact. Furthermore, new synergy can be tapped by transferring experience from shopping centre management to the development of other inner-city retail locations.

Methodology
The findings in this paper result from various analytical steps. A thorough literature review formed the basis for the description of individual development stages and the initial situation (focusing in particular on the German market). Current changes were examined by means of empirically based international case studies involving mapping, plan analysis etc.

Development of shopping centre types in Germany
Although the first shopping centres were built in the USA back in the 1920s, they only began to emerge in Germany in the mid-1960s (1964: Main-Taunus-Zentrum near Frankfurt am Main with lettable space of about 42,000 sqm [today around 82,000 sqm]¹ and Ruhrpark on the A40 motorway between Bochum and Dortmund with lettable space of approximately 23,000 sqm [nowadays about 125,000 sqm]²). The American idea of replicating the spatial and atmospheric characteristics of the European town³ was also adopted for the first generation of shopping centres in Germany.⁴ The only parameter which was altered for the German market was size.

Between 1964 and 1973, shopping malls were often built in suburban locations with good transport links. Examples include the Franken-Zentrum in Nürnberg-Langwasser, the Elbe-Einkaufszentrum

¹ See EHI 2006: 374.
² See EHI 2006: 318.
³ See GRUEN/SMITH 1960: 11.
⁴ The classification of shopping-centre generations (content and time) is based on the findings of FALK [see FALK 1998: 16ff.].

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and the Alstertal-Einkaufszentrum (nowadays with retail space of 40,000 sqm, 33,000 sqm and 59,000 sqm, respectively). They were often built on one level and combined an open design with simple, unpretentious architecture. By building them on non-integrated greenfield sites, there was plenty of room for large car parks. The shops which proved to be the biggest draws were department stores. The development of these shopping centre projects was concentrated in large conurbations such as Rhine–Ruhr, Rhein–Main, Stuttgart, Nuremberg, Hamburg and West Berlin.5

In the second generation of shopping centres (1973–82), the patterns of development in the USA and Germany began to diverge. Fundamental differences began to emerge between the two countries especially in terms of size, location, quantity and the social environment, making comparison difficult.6

Second-generation shopping centres were chiefly built in inner-city locations, albeit with barely any links to their urban surroundings. Even so, their architecture was more sophisticated than the first-generation centres. A simple, closed style prevailed containing shopping streets on two or more storeys. Moreover, the inclusion of other functions increased, retail space being augmented by for example housing, offices and doctors’ surgeries. Hypermarkets became anchor tenants in some cases, while in other city-centre locations the concept of traditional anchor tenants was abandoned.

In the early 1980s, the development of shopping centres with a regional impact stagnated owing to both the general decline of retail and also legal restrictions (BauNVO Building Regulations/BauGB Building Code) regarding planning approval for large shopping centre projects.7

This trend was reversed with the third wave of shopping centres (1982–92), built almost exclusively in inner cities. The average size of projects declined as a result with retail space dropping from an average of originally about 58,000 sqm to approximately 15,000–25,000 sqm,8 while more attention was paid to architectural design and quality. As a result, mainly closed centres were built featuring for instance glass canopies and high-quality materials in the interior (e.g. the Löh-Center in Koblenz and Weserpark in Bremen). In addition, image-building measures and the integration of leisure amenities and corporate identity became more important in the management and operation of shopping centres. Hypermarkets and specialist stores prevailed as anchor tenants.

The fourth generation of shopping centres (1992–2001) was marked by various parallel development trends. On the one hand, additional inner-city malls were developed in the form of shopping arcades and galleries while existing shopping centres were revitalized. Much emphasis was placed on their interior design, such as lighting effects, fountains, and areas containing seating and greenery. On the other hand, in the wake of German reunification, many large shopping centres were built in eastern Germany in non-integrated locations such as Saale-Park (since renamed Nova Eventis) in Günthersdorf (1991) with 125,000 sqm of floor space, Chemnitz Center in Röhrsdorf (1992) containing 82,540 sqm of floor space, and Elbe-Park in Hermsdorf (1993) with 60,000 sqm of floor space.9 Here, too, the trend continued for multifunctional use and the integration of additional amenities. The focus on creating a ‘shopping experience’ was supported by increased emphasis on convenience services such as childcare, the loan of buggies and wheelchairs, and the publication of a customer magazine.

Continuing the four generations defined after FALK, BESEMER and STURM10 (and others) identify a fifth generation of shopping centres since 2000/01 characterized by the repeated focus on

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6 See HAHN 2002: 150.
7 See SCHMITZ/FEDERWISCH 2005: 18.

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inner-city locations and the site-specific development of centre projects of various sizes. The focus on inner-city locations is increasingly accompanied by attempts to harmonize with the surrounding urban space and architecture. In addition to meeting basic demands, increasing emphasis continues to be placed on satisfying emotional and social needs. The integration of leisure and entertainment elements accounts for a growing share of shopping centres’ offerings (e.g. through the incorporation of leisure facilities and live entertainment). Event orientation and atmospheric design are supported by thematic, centre-specific architecture with the aims of encouraging shoppers to stay for as long as possible and to boost customer loyalty.\(^\text{11}\)

**Urban structural analysis and integration of different generations of shopping centres**

This classification of shopping centre generations (first to fifth from 1964 to about 2008\(^\text{12}\)) now needs to be considered and expanded, particularly in an international context. The following examples (see also Figures 1–3) show the different centre philosophies by means of ground plans of city centres and compare their structural alignment in terms of cubic and (public) space as well as their more or less central location and integration into their surroundings. They range from traditional closed ‘boxes’ and the first open centres to the ‘retail quarters’ now emerging. A closed centre means an introverted functional orientation inside a building envelope which has little contact with its surroundings and which is detached from the urban context.

<table>
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<th>closed centers</th>
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<td>City/centre</td>
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</tr>
<tr>
<td>Bautzen</td>
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<tr>
<td>Kornmarkt Center(^\text{1})</td>
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<tr>
<td>1996 - 2000</td>
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<tr>
<td>78</td>
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<tr>
<td>Ludwigshafen</td>
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<tr>
<td>Rhein-Galerie(^\text{2})</td>
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<td>2008 - 2010</td>
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<td>130</td>
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<td>Construction period/opening</td>
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\(^{1}\) ECE Projektmanagement G.m.b.H. & Co. KG (O.J.) (a)

\(^{2}\) ECE Projektmanagement G.m.b.H. & Co. KG (O.J.) (b)

**Fig. 1:** Examples of closed shopping centres from different development eras (own diagram)\(^\text{13}\)

\(^{11}\) Astonishingly, in a survey of shopping centre tenants, sales at city-centre locations were rated among the worst compared to greenfield and borough locations [see ECOSTRA 2011: 38].

\(^{12}\) KORZER 2012: 72ff.

\(^{13}\) WEIDNER 2015: 226.
Open centres, examples of which are shown below in Figure 2, feature a structure which is subdivided or even more or less dissolved, and have points of contact with their surroundings in the form of connecting walkways and façades.

**Fig. 2:** Examples of recently built and planned open shopping centres (own diagram)\(^\text{14}\)

\(^\text{14}\) WEIDNER 2015: 227.
A look at shopping centres in for example the Netherlands and the UK as well as the last two German examples in Fig. 2 reveals the latest generation. CHRIST and PESCH refer to them as StadtCenter (‘CityCentres’), although another apt term introduced here might be ‘retail quarters’. Important new aspects about this generation include the immense size of these inner-city projects (see Liverpool with 130,000 sqm retail space and Bath with 37,000 sqm retail space as ‘urban redevelopment projects’; Fig. 3), their positioning completely surrounded by existing building stock with the incorporation of historical streetscapes and construction areas, and the (further) dissolution of large cubature into individual elements (initial examples in Germany include Kamp-Promenaden and Clemens Galerie; see Fig. 2). This prompts other (research) questions such as whether the space between the sections can be classed as public or private urban space as well as concerning the rights, responsibilities, opportunities and freedoms demanded and offered by these spaces. The question of the combination of functions is still relevant: while some shopping centres which have integrated housing as well as social and recreational infrastructure alongside retail in order to obtain planning approval (in other words to win over public opinion) still have major problems (one example being Düsseldorf-Bilk), the latest examples appear to have conceptually addressed this mix of uses right from the start instead of resorting to it later. This approach could thus function as a piece of city, an urban building block, and be regarded as promising from various angles. However, this hypothesis lacks solid observations of the impact of the current generation of shopping centres. One positive aspect is at least that these integrated district developments (‘retail quarters’) are replacing the largely monofunctional ‘pure centres’ as a greenfield format, which would be unsuitable as they were developed for a totally different environment (easy availability of land, accessible only by car, no architectural expectations).

<table>
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<tr>
<th>International centres/retail quarters</th>
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<td><strong>City/centre</strong></td>
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<td>Vleuten (NL) Vleuterweiden</td>
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| Liverpool (GB) Liverpool One | *Redevelopment of old town incorporating historical streets and construction areas* |  |
| | *New town centre as largest open-air shopping centre in the UK* |  |
| | *Divided into six districts (22 buildings)* |  |
| | 1999 - 2010 |  |
| | 130,000 sqm |  |
| | 55 |  |
| | P 3,000 |  |

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**Fig. 3:** Examples of ‘retail quarters’ outside Germany (own diagram)\(^\text{15}\)

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\(^\text{15}\) WEIDNER 2015: 229.

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Shopping centres and public space

As set out above, “Public space is the constitutive element of European cities.”\footnote{BREUER 2003: 11. (Translation by the authors.)} It is the stage for what is commonly referred to as urban public life. Nevertheless, recently the loss or change of public space and the urbanity taking place within it have been debated.\footnote{See HÄUSSEMANN et al 1987; BBR 2003; WÜSTENROT STIFTUNG 2005.}

Shopping centres play a special role in this regard “as after all they contain the enclosure of the founding function of the European city and the central use of its public space, namely the market.”\footnote{SIEBEL 2006: 7. (Translation by the authors.)} However, the framework has changed fundamentally, for a significant proportion of retail now takes place on private premises.\footnote{CHRIST is even of the opinion that apart from their function as a public space in a direct sense, shopping centres... [are] perhaps these days the only remaining place where urban society can at least physically meet informally and across all social strata and cultures under one roof.” [CHRIST 2008: 10] (Translation by the authors.)}

The urbanity of an urban area is primarily determined by the differentiation ability,\footnote{See also LEVEBVRE 2003:223ff.; KASCHUBA 2005: 14.} which Siebel dubs ‘urban difference’.\footnote{SIEBEL 2007: 86.} The requirements for this are the distance and indifference of the ‘city dweller’\footnote{SIMMEL 1903: 185.} and the spatial segregation of interests and uses of urban residents. The resulting temporal and spatial homogeneity provides people and functions for example with the possibility to realize common interests, pursue the same religious views, or form agglomerations of factories or shops in the same economic sector. Seen thus, urbanity and public life are the result of differentiated social relations based on the division of labour.

In this respect, the shopping centre can be regarded as a single urban building block – a homogeneous, (semi-) private space which can be accessed only by a selected segment of the population. The mall within the centre is a place of deliberate segregation. Nevertheless, with the aim of maximizing its profit, the shopping centre is keen to appeal to and retain as many affluent customers as possible. Consequently, the architectural design and the range of goods and services offered are aimed at a broad demographic.\footnote{MARKT WÜSTENROT STIFTUNG 2005.}

For this purpose, to some extent the shopping centre reproduces urban space without being able to be a real city.\footnote{See AXTHELM 1995: 63.} Being a “substitute city”,\footnote{LEGNARO, BIRENHEIDE 2005: 100.} a shopping centre is devoted exclusively to consumption. It hence responds to the current trend of consumption as the “central instance of socialization”\footnote{HELLMANN 2008: 26f.} within society. Shopping is no longer simply a matter of stocking up on the necessities. In addition, it is partly about the desire to “go for a stroll, look at and touch things, try them on and out with no obligation, purely passing the time, unsurpassed luxury”\footnote{Ibid.: 7; see also GERHARD 1998: 1. (Translation by the authors.)} and also the definition of the “social stock of those individuals observing themselves”.\footnote{HELLMANN 2005: 13. (Translation by the authors.)} “Consumption has become the medium of a

\begin{thebibliography}{99}
\bibitem{BREUER} BREUER 2003: 11. (Translation by the authors.)
\bibitem{HÄUSSEMANN} See HÄUSSEMANN et al 1987; BBR 2003; WÜSTENROT STIFTUNG 2005.
\bibitem{SIEBEL} SIEBEL 2006: 7. (Translation by the authors.)
\bibitem{CHRIST} CHRIST is even of the opinion that apart from their function as a place of retail and work, “Shopping centres... [are] perhaps these days the only remaining place where urban society can at least physically meet informally and across all social strata and cultures under one roof.” [CHRIST 2008: 10] (Translation by the authors.)
\bibitem{LEVEBVRE} See also LEVEBVRE 2003:223ff.; KASCHUBA 2005: 14.
\bibitem{SIEBEL} SIEBEL 2007: 86.
\bibitem{SIMMEL} SIMMEL 1903: 185.
\bibitem{MARKT} MARKET research preceding the planning of a shopping centre is described by KOWINSKI as a quasi-democratic process. “The citizens vote via the market study, and the mall government responds.” [KOWINSKI 1985: 76] BAREIS puts it like this: “Although it is hardly possible based on shopping malls to talk of public space in a direct sense, they do not constitute the opposite of them. In a type of ‘doing public’, parts of practices and discourses produce a space which can be regarded as public, while in a ‘doing private’ the same persons or others practise an ‘extended living room’ in defined parts of the mall (an ice cream parlour, a bakery).” [BAREIS 2007: 167] (Translation by the authors.)
\bibitem{AXTHELM} See AXTHELM 1995: 63.
\bibitem{LEGNARO} LEGNARO, BIRENHEIDE 2005: 100.
\bibitem{HELLMANN} HELLMANN 2008: 26f.
\bibitem{Ibid.} Ibid.: 7; see also GERHARD 1998: 1. (Translation by the authors.)
\bibitem{HELLMANN} HELLMANN 2005: 13. (Translation by the authors.)
\end{thebibliography}
culture of the self.”

With regard to the city, this means that: “Shopping today is the last public act – and thus the real organizing principle of a city. It is the only energy that still allows urbaniy to be experienced.”

However, there is still a vital difference between a shopping centre and the urban context. It lies primarily in the way in which the space of the shopping centre is produced. The centre is a “centrally planned, dictatorially managed enterprise.” SIEBEL calls this planning practice the “God-father model.” The Shopping Centre “is a potentially completely controlled environment in which the exterior, the architecture, internal organization, design, range of goods, tenant mix and customer access, internal climate and lighting can all be optimized towards the goal of profit maximization.” The control aspect has a special part to play above all in the debate about public space versus private space within the shopping centre.

In recent years, the mall and the city centre or the inner-city pedestrian precinct have moved closer together with respect to their functions, the city centre primarily acquiring parts of the principles of shopping centre operation. One pertinent example is the progressive “privatization” of the city centre. The privatization of public space takes the form of various types of social control. One important reason for this is the growing competition between traditional retail locations and the retail offerings in shopping centres. In the competition for customers, the safety and hence the attractiveness of the city for specific target groups (e.g. wealthy customers and tourists) takes centre stage in urban policy.

New challenge: Suburban, urban, virtual retail?

With research into city-centre retail development in recent years largely addressing competition between traditional small-scale and large-scale retail locations, a new factor has emerged: e-commerce. This raises a totally new question: How can the entire fixed-location retail sector – shopping centres, owner-operated retail, department stores and chain stores – respond to the possibilities of online commerce? Growth in online sales is expected to be so enormous that it is bound to have a significant impact on footfall and shoppers’ behaviour, regardless of the types of shopping formats in future city centres. The question about public space and its changed significance and design needs to be raised in this context, too.

A handful of figures vividly show the dominant position already achieved by e-commerce in Germany. In 2012, price-adjusted retail sales totalled around €428 billion (slightly below the

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29 BOLZ 2002: 102. (Translation by the authors.)
30 BOLZ 2002: 117. Rem Koolhaas tables the thesis that public life is these days largely realized via consumption. “Shopping is arguably the last remaining form of public activity. Through a battery of increasingly predatory forms, shopping has infiltrated, colonized, and even replaced almost every aspect of urban life.” [DÖRHÖFER 2008: 11] HÄUSERMANN also talks in this connection of the “consumption-determined surrogate of urbaniy” [HÄUSERMANN 1987: 216].
31 The emergence of urban spatial and functional structures is based “on unforeseeable contingencies and democratic decision-making processes of many different citizens.” [SIEVERS 2006: 9] (Translation by the authors.)
33 SIEBEL 2006.
34 SIEBEL 2007: 84f.; see also LEGNARO, BIRENHEIDE 2005: 98; SIEVERS 2006: 9. (Translation by the authors.)
35 See SIEVERS 2006.
36 See SIEBEL 2007: 89.
38 SIEVERS identifies and analyses three forms of control: the empowerment strategy, the encouragement strategy, and disciplining and exclusion [see SIEVERS 2006: 95f.]. Public space and the public life it contains are also characterized by various forms of social control [see KLAMT 2006: 50]. Their intensification based on the control mechanisms in shopping centres leads to the increased privatization of public spaces.
39 STATISTA 2014a.
Online retail generated total sales of €29.5 billion,\(^{40}\) an increase of 13% on the previous year and twice as much as in 2005. Hence by 2012, online retail accounted for nearly 7% of total retail sales. To date, although growth in e-commerce has above all replaced traditional catalogue sales, online sales are forecast to reach about 27%\(^{41}\) of total retail, meaning a significant shift from fixed-location to online retail. Accordingly, the question regarding the type and also the placement of local retail offerings (location, property, function) needs to be examined. Both shopping centres and owner-operated retail will be affected. It seems likely that the functions, the physical structures housing them, and the associated networking (transport, logistics) will be rearranged – a prospect which currently raises more questions than answers:

- Will retailers and customers switch entirely to online commerce – and if not, how big will the various platforms used in multichannel marketing be?
- Why will we need fixed-location retail in the future? What will it be used for?
- What features will exist in what sort of structures? Will there be both small city-centre units (showrooms) and large suburban boxes (logistics centres) with a regional dimension?
- Will urban logistics have to be rethought? Will a pneumatic dispatch system have to be installed for the numerous packages and parcels delivered to private households?
- Will sites be required for urban returns centres (and in what ‘network’)?
- What form will the much-cited increased focus on experience in city-centre retail take? How will the requirements regarding architecture and interiors change as a result?

The unabated strong demand among investors for future retail space and the arrival on the market of numerous foreign players demonstrate the importance of the German market and underline its attractiveness to investors. The aim should be to ensure that the huge sums of money involved are invested in high-quality projects. Accordingly, the use of urban planning and regulatory policy taking into account discernible trends is strongly recommended. The city (and hence urban planning) and retail are inextricably linked, and when something happens on one side of the equation, the other side must either follow suit or take counteraction – for neither side can escape the other.\(^{42}\)

**Conclusion**

Regarding the development of retail districts as (new) urban building blocks as well as the strategic response to online competition, urban management has a vital role to play regarding public space. Aspects of quarter management can be borrowed and combined with elements of centre management. Owing to their strict management, shopping centres provide examples of how to liven up retail space and other inner-city areas, encouraging other retailers (often in conjunction with city marketing and urban management organizations) to stage similar activities (e.g. street festivals combined with sales or thematic marketing campaigns). “The shopping mall, despite being a perfect example for the loss of public space, will increasingly become a model for the design of urban spaces.”\(^{43}\)

What this boils down to is a “professional optimization”\(^{44}\) or a constant modernization process in order to maintain or improve the attractiveness and appeal of inner cities as well as their formative character. MONHEIM refers in this regard to two complementary possibilities: ‘place making’ and

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\(^{40}\) STATISTIKA 2014b.  
\(^{41}\) BEYERLE et al. 2013.  
\(^{42}\) SCHRETZENMAYR 2011: 71.  
\(^{43}\) SIEBEL 2006: 7.  
\(^{44}\) MONHEIM 2007: 110; KARUTZ talks in this connection of “sharpening the profile of shopping locations” [KARUTZ 2009: 18f.].
a form of destination management based on ‘cooperatition’.45 ‘Place making’ means the qualification of spaces through the interaction of material, symbolic and socio-spatial conditions, while ‘cooperatition’ describes the cooperation between different actors under competitive conditions.46

Seen thus, the shopping centre and its main concepts could enrich the city both socially and spatio-functionally and contribute to the stabilization of the enhanced role of inner cities.47 But this depends on two essential conditions being met. Firstly, efforts must be made to continue the good work already done on the architectural and functional integration of the shopping mall into the urban space. And secondly, the ‘urban difference’ of the city must be maintained or further developed accordingly as society’s demands change. All the city’s actors must rise to the challenge: local politicians, urban planners, investors and project developers, shopping centre managers – as well as customers and visitors to the city.

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45 See MONHEIM 2007: 11ff.
46 For more details, see MONHEIM 2007: 110ff.
47 See MONHEIM 2007: 111.