THE EMERGENCE OF MAJOR RETAIL CENTRES IN THE TOWNSHIPS: CASE STUDIES OF DAVEYTON AND DOBSONVILLE

by

Sidney Rammoa Kgara

Submitted in partial fulfilment for the requirements of the Degree, Masters in Town and Regional Planning

Department of Town and Regional Planning
University of Natal, Durban

December 1998

ACKNOWLEDGMENTS

My fervent gratitude and thanks to all those who have helped and seen me through to the success of this study

To my supervisor, Dr Alison Todes for your guidance and patience.

To all staff members of the department and the 1997 - 1998 class, it has been worthwhile meeting and interacting with you.

To all those who gave their time for the interviews, it could not have happened without you.

And, to my beloved granny and family for you support and love.

TABLE OF CONTENTS

Aknowledgements i

Table of Contents ii

List of Tables vi

List of Figures vii

List of Appendices viii

CHAPTER ONE

RESEARCH FRAMEWORK

1.1 Introduction 1

1.2 Background to the study 4

1.3 The Research Problem 5

1.3.1 Geography 6

1.3.2 Hierarchy 6

1.3.3 composition 7

1.4. The Research Question 8

1.4.1 Key Question 8

1.4.2 Subsidiary Questions 8

1.5 Hypothesis 9

1.6 Assumptions 9

1.7 Research Aim and Objectives 9

1.7.1 Aim 9

1.7.2.Objectives 9

1.8 Methodology 10

1.8.1 Primary Sources 10

1.8.2 Secondary Sources 13

1.9 The nature of the study 14

1.9.1 The scope and limitation of the study 14

1.9.2 Chapter outline 15

CHAPTER TWO

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 Introduction 18

2.2 Towards definition 18

  2.2.1 Retailing 18

  2.2.2 Micro-spatial location 19

  2.2.3 Intermediary Shopping Centre 19

2.3 Literature Review 19

  2.3.1 Neoclassical Perspective 19

  2.3.2 The Central Place Theory 20

  2.3.3 Bid Rent Theory 23

  2.3.4 The Principle of Minimum Differentiation 24

  2.3.5 Behavioural Perspective 25

    2.3.5.1. Empirical-Behavioural Perspective 26

    2.3.5.2 Cognitive-Behavioural Perspective 28

    2.3.5.3 Humanistic Perspective 29

  2.3.6 Structuralist Perspective 30

  2.3.7 The New Retail Geography 31

2.4 Critical Appraisal 32

2.5 Conceptual Framework 34

  2.5.1 Hierarchy 35

  2.5.2 Geography 36

  2.5.3 Composition 37

CHAPTER THREE

THE INTERNATIONAL AND LOCAL CONTEXT

3.1. Introduction 39

3.2 International Context 39

  3.2.1 The Historical Evolution of Retailing 39

3.2.2 Planning Policy 44
3.3 The Local Context: The Apartheid City and Retailing 46
3.3.1 Apartheid City Form 46
3.3.2 The CBD and Suburban Core 48
3.3.3 Township Retailing 50
3.3.4 Conclusion 54

CHAPTER FOUR
REGIONAL CONTEXT AND CASE STUDIES

4.1 Introduction 56
4.2 Regional Context 57
4.3 Case Study 1: The Daveyton Shopping Mall 60
4.3.1 Sub-Regional Context 60
4.3.2 The Local Context 61
4.3.3 Shopping Centre Format 62
4.4 Case Study 2: Dobsonville Shopping Centre 64
4.4.1 Sub-Regional Context 64
4.1.2 Shopping Centre Format 66
4.5 Comparative Analysis 68

CHAPTER FIVE
PRESENTATION AND ANALYSIS OF THE SURVEY RESULTS

5.1 Introduction 70
5.2 The process and experience in the establishment and operation of the shopping centres and retail outlets 71
5.2.1 Policy Approach 74
5.2.2 Reasons for opening outlets in the shopping centre 74
5.2.3 Problems experienced when setting up business 75

5.2.4 Problems encountered in the course of operation of business in the shopping centre 78
5.3 Shopping Centre Design 81
5.3.1 Internal Design 82
5.4 The Findings in Perspective 88
5.4.1 Hierarchy 89
5.4.2 Geography 92
5.4.3 Composition 93
5.5 Public Policy and Action 95

CHAPTER SIX

CONCLUSIONS

6.1 Introduction 100
6.2. Conclusions 101
6.3 Recommendations 103

TABLES 108
APPENDICES 112

LIST OF TABLES

Table		Page
5.1	Survey: Problems encountered by the retailers in the course of operation of business.	79
5.2	Survey: Shoppers demand for variety.	87
5.3	Survey: Retailers' expectation against current performance of outlets.	108
5.4	Survey: Assessment of retailers' confidence about the future of the centre.	109
5.6	Survey: The performance of the outlet compared to similar others in the CBD or Suburban area.	110
5.7	Survey: Whether more of these shopping centres should be opened in the townships.	111

LIST OF FIGURES

Figure		Page
4.1	Gauteng Regional Boundaries.	58
4.2	Benoni Metropolitan Area.	60
4.3	Daveyton Shopping Mall External View.	63
4.4	A view of the roofing - Dobsonville Shopping Mall.	67

LIST OF APPENDICES

Appendix		Page
2.1	Theoretical Model of Hierarchical System of Shopping Centres	112
3.1	Karsada Colonial City Model	113
4.1	Major Commercial and Shopping Centres outside Johannesburg CBD	114
5.1	Greater Benoni Spatial Framework - Economic Nodes	115
5.2	Western MLC Shopping centres	116

CHAPTER ONE

RESEARCH FRAMEWORK

1.1 Introduction

Since 1994, several African townships[1] in the Witwatersrand and around the Gauteng province have seen the emergence of new shopping centres[2]. One of the salient features of the Apartheid spatial and economic development planning was the absence of viable clusters of commercial and industrial enterprises in these areas. Arguably, this recent development potentially holds good prospects towards the transformation of the economic status and role of the townships within the broader urban economies. However, a lot will still depend on how the public, private sector and community bodies collaborate in the process of the reconstruction and development of the townships.

Until recently, both as a result of the government policies and sheer economic imperatives, investment in retail development have largely been concentrated in the Central Business Districts and the suburban core areas (following the wave of commercial and retail decentralisation since the 1970s). The few investments that existed in the townships in retailing were outlets of filling-stations and

---

[1]These are urban settlements which have historically developed as dormitories for the migrant workers from the Bantistans (Native Reserves) and some of the permitted city dwellers. They are mostly large, sprawling and remotely located from town centres. This term is sometimes used in reference to the nearly similar Indian and Coloured equivalents. However, in this study this concept is used with reference to African townships.

[2]New shopping mall developments have recently occured, such as Central City (Mabopane,Winterveld and Soshanguve), Temba City (Temba - Hammanskraal), Protea Shopping Mall, and the proposed developments in Etwatwa, Tembisa, Jabulani and Baragwanath junction in Soweto.

franchise outlets such as Kentucky Fried Chicken. In addition, some banking services were established in the main commercial nodes or adjacent to the local public administration centres. Thus, in light of the absence of any major shopping centres, a well established pattern of shopping in the town-centre on the part of the residents developed.

Emerging out of a drawn-out recession from the 1980s, in 1993 the retail property market gradually began to enter a growth phase and boomed by 1995 (Finance Week, 30/06/1990). This was even more so on the northern and the eastern outlaying areas of the greater Johannesburg area where, according to the South African Property Owners Association's (SAPOA) survey, full trading capacity was approaching by the end of the 1980s (Financial Mail, 04/05/1990). Hence, in the 1990s competition between the shopping malls became particularly cut-throat, inducing developers and retailers to maintain and seek their competitive edge by embarking on refurbishment, extensions and promotions rather than opening new shopping centres. It is reported (Finance Week, 30/06/1995) that:

> '...because of the over-traded nature of the South African retail market, shopping centres owners are having to create additional attractions and facilities, such as leisure and entertainment to maintain the shoppers loyalty'.

On the one hand, redeveloping shopping centres was a prevalent strategy employed by retail property investors and large chain retailers. On the other hand, other retail property investors and developers began to recast their spatial market beyond the traditional prime CBD and the suburban areas into the 'untapped markets' of the townships. This is another strategy which is pioneered by the major institutional investor companies such as Sanlam Properties and Old Mutual Properties (Rogerson,1997). This trend has also been recognised by the chairperson of the Edgars group, George Basson:

> 'The few shopping centres that have been developed close to where people live are well patronised. There are unlimited opportunities existing in the currently underdeveloped areas' (Finance Week, 05/01/1995).

Seen in perspective, these recent developments in the townships reinforce the already geographically decentralised pattern of the location of retail centres, characteristic of the major cities in South Africa. However, in the greater Witwatersrand area, the current development of the commercial and retail nodes outside the city centre is paralleled by the revival of retailing in the city-centre itself (SAPOA NEWS, 1996).

Historically, in South Africa, as in the United States of America, decentralisation of shopping has not been curtailed or strategically guided by the planning authorities when it began in the 1970 (Tomlinson, 1998). Johannesburg was drawn into a competition with various neighbouring edge cities[3]. Interestingly, these developments in the townships are mirrored by similar trends in some of the USA cities:

> 'The 1990s have seen a clear swing in the corporate interest in the inner city markets, in which the branch operations are spreading to the tough neighbourhoods from Harlem to Kansas City' (Pierce, 1993:23).

This trend is linked to the gentrification of some of the inner city residential areas such as Harlem. The dramatic drop in the level of crime and improvement of city centre as a result of stern anti-crime campaigns and city centre rejuvenation programmes, have attracted the professional stratum into these inner city neighbourhoods. These developments have spurred new developments,

---

[3]Major commercial and retail nodes induced by the decentralisation, taking a form of Satellite CBDs in their own right, e.g. Sandton, Rosebank . These kinds of node originally emerged in the wake of the decentralisation wave.

including major retail centres.

1.2 Background to the study

Sanlam Properties opened the Daveyton and Dobsonville Shopping Malls on the East and West Rand, respectively, incurring up to R450 million worth of investments. Both these flagship developments cover about 35 000 square meters of gross retail floor area. The magnitude of this amount of investment is unprecedented in these areas, notwithstanding the few Community Shopping Centre developed in the 1980s by local businesses and chain stores through the Small Business Development Corporation (SBDC). However, significant number of the latter were unsuccessful. Generally, they comprise the anchor store (typically 1 500-2000 sq. m.), and some tenant outlets such as pharmacy, hardware, hair salon, fruit shop and café. Some of the anchor stores such as the Umlazi Shopping Centre were occupied by national chain stores such as Checkers and OK Bazaars. In most cases, in the wake of their decline, these shopping centres have been changing form, with more informal traders overcrowding in the ambience and new tenants such as the local political parties, community organisations, dance and gyms occupying some of the formerly designated shopping units.

These Community Shopping Centres were beset by endemic problem such as:

- The higher rates charged by the risk-averse banks for the businesses in the townships.
- The devastating long spell of recession in the 1980 and early 1990s.
- Higher levels of crime and political unrest which regularly involved consumer boycotts and stay-aways which made supplies irregularly, unreliable and more costly.
- Stalling inefficient bureaucracies and unresponsive local governments.
- Irregular and poor servicing and maintenance of municipal infrastructure

and services exacerbated by rent and service boycotts.

- The endemic high unemployment levels.

Some of these problems may still be there in the townships, and may have a bearing on the prospects of these new shopping centres. However, one thing which has since changed is the local authorities, which are now democratically elected and constituted differently.

Another factor of importance is the actual spatial location and planning of centres in terms of the size, tenant and product range, and their internal format. These are some of the factors which affected the performance of these previous Community Shopping Centres. For example, the Umlazi Shopping Centre was located on the township's geographical centre rather than on a potential prime market area. Thus, the emergence of these shopping malls in the townships makes for an interesting study, considering that some of the above mentioned factors may still exist and be relevant, thus raising the spectre of failure.

These new shopping centres have become part of the broader city-wide commercial hierarchical system and may thus have implications for the transformation of the economic functioning of the townships. However, this will be dependent on whether they are technically well suited to local conditions.

1.3 The Research Problem

Whilst the multi-purpose retail centres have previously been established in the townships, the emergence of these Intermediary Shopping Centres, providing convenience, specialist and comparison goods and services is unprecedented. Guided by the conceptual framework (chapter three), this study seeks to investigate the emergence and the nature of these centres from a structuralist perspective. Thus, the guiding research template is centred around three key aspects of retail planning, viz. geography, hierarchy and composition, in so far as these new centres are concerned, in order to make an evaluation of the strategies used and the outcome of such strategies so far.

1.3.1 Geography

These townships - Daveyton and Dobsonville - have their own unique characteristics, however, they share some similarities with other townships. These characteristics are important in the determination of the location, trade area, retailing capacity and other considerations. The spatial questions are crucial considerations in determining the viability or otherwise of the shopping centres, as was the case in the old township community shopping centres. A related issue is the question of the impact on the surroundings or adjacent land uses on the centres and vice versa.

1.3.2 Hierarchy

Given the absence of major shopping centres in the townships, it was assumed that the location of these new shopping centres in these areas offered new opportunities, especially given their captive and less traded markets. This assumption was based on the notion that people naturally seek to minimise effort, costs and time. Thus, it was assumed that a nearest shopping centre will be the primary source of their groceries and services, particularly in the light of the longer distance these townships are located relative to the city centres. The research conducted in this study examined this assumption.

However, from the point of view of the townships, the retailing system still largely operates through a distinctly vertical hierarchy in which the CBD still remains the ultimate destiny for shopping.

On the other hand there are also local convenience stores of different types ranging from Spaza shops, street hawkers, convenient corner shops and neighbourhood shops. Therefore, it was assumed that the establishment of these intermediary shopping centres in these localities fills in the void, and thus become part of a complementary hierarchy. In reality this may not necessarily be the case because there seems to be a competitive relationship between these new shopping centres and the local convenience and CBD outlets. Therefore, this study considers the performance of the different component outlets, in particular the new comparison and specialist outlets in order to evaluate the viability of the strategies used in the design of these shopping centres.

Similarly, the impact of these centres on the surrounding convenience stores in the catchment area is an important consideration. These centres have been established in the old central market area where there has historically been an organic development of agglomeration of general dealer stores and other facilities. Internationally, particularly in Britain, the multi-purpose planned shopping centres tended to decimate small independent traders.

1.3.3 Composition

The question of composition relates to the strategy adopted in determining the configuration or formatting of these retail centres. This is in turn related to the nature of the target or the envisaged market. In terms of these case studies, the respective township areas have been conceived as trade areas for these shopping centres. The question of a trade area relates to the internal configuration of the shopping centres viz. the tenant mix and shop placement policy. In the light of the peculiar local conditions of the townships (both in the international and domestic context), this study seeks to evaluate the viability of their format through a survey, particularly the comparison and speciality outlets which are fairly new in these areas.

Townships are low income sprawling settlements remotely located from the CBD.

Under such conditions, retailers tend to keep their outlets low order and low income market oriented. However, this creates a limitation to the retail capacities of these shopping centres, which naturally affects the extent of their trade area and their ability to attract shoppers. The study looks at the internal design of these shopping centres in relation to the line shopping and tenant mix policy followed, in order to assess the orientations of these shopping centres in relation to their trade areas, and retail capacity.

Finally, the study considers other factors at play in the determination of the geographical, hierarchical and compositional aspects of these centres, apart from those of the retail organisations and developers. These are policies, plans and roles of the local authorities and development organisations.

1.4 The Research Questions

1.4.1 Key Question

The central question the study seeks to answer is:
Whether the strategies used in the planning of these new shopping centres in the townships took in to account local conditions ?

1.4.2 Subsidiary Questions

- What is the retailing capacity of these centres i.e. in terms of the floor area size, tenant mix, product range ?
- How have they performed, and what if any, are the endemic problems experienced by the retailers and the property developers ?
- Where and how are these centres located within the local land use milieu and the retailing system ?
- What impact have these shopping centres made on their immediate surroundings and how in turn have the surroundings impacted on them ?
- How do they fit within the local economic and spatial development plans?

1.5 Hypothesis

Whilst the shopping centres established in the townships enjoy some locational advantages derived from their proximity to the local shoppers, proximity does not inevitably attract shoppers. The new shopping malls in Daveyton and Dobsonville have limited retailing capacity, inferior recreation and amenity which in turn undermine their viability.

1.6 Assumptions

- Historically, the township areas were served mainly by the convenience level of retailing, which has made the establishment of the major shopping centres a desperate necessity in the light of the long distances the residents have to travel to obtain their household necessities and services.

- The town centres (Johannesburg and Benoni) are still heavily reliant on shoppers from the townships despite these new shopping centres, as is the case with other cities and towns. This creates competitive pressures on the township shopping malls.

1.7 Research Aims and Objectives

1.7.1 Aim

The central concern of this study is to develop an evaluation of the nature of these emerging township shopping centres against the background of local conditions, in order to make recommendations for the future retail provision in these areas.

1.7.2 Objectives

Thus, in order to realise this aim, the following objectives must be fulfilled:

- An assessment of the retail capacity of these two shopping centres.

- An assessment of their spatial location within the respective areas.
- Develop an understanding of the kinds of problems experienced by the retailers and the developers of these shopping centres.
- Develop a framework within which to understand the nature of these centres and the development of the townships.

1.8 Methodology

In both literature and field work, the research activity was guided by the methodology. The research methodology in this study is both quantitative and qualitative, deriving data and information from the primary and secondary sources.

1.8.1 Primary Sources

i) Survey Questionnaire

One of the primary sources of information in the research is gathered through the questionnaire. In this instance, the individual outlets in the shopping malls are the targeted units of analysis. The objectives of this questionnaire survey is to gather information (data) pertaining to:

- The problems experienced by the retailers in the course of their operation.
- The performance of the businesses, in particular the high order comparison and speciality outlets.
- Second-hand evaluation of the concerns or responses of the shoppers to what these outlets offer, through the retailers.

The questionnaire survey was conducted in both case study areas, Daveyton and Dobsonville Shopping Centre. The population of the samples were individual outlets or enterprises. Thus, the shop-keepers or managers were respondents in the survey.

The survey was conducted using Proportionate Stratified Sampling approach.

Sampling is stratified according to the type of shop, i.e. as defined by the kinds of goods or services they provide, e.g. bulk purchase grocery stores (convenience), clothing, furniture store (comparison), restaurant, jewellery stores (speciality).

The survey was self managed in both the field work and the administration using the sample frame, i.e. the list of shops, maps of the centre, ect.

Data and Results Processing

The open-ended questions which are intended to allow the respondents to express opinion are useful in informing the findings as well as study as a whole. However, some questions are closed questions, lending the answers to quantitative analysis, coding and tabulation. These answers are coded according to meaningful categories e.g. the problems experienced by the retailers, the performance of the different categories of outlets, etc.

ii) Interviews

Another primary source of information was the interviews, which were conducted in two sets, one in each centre involving four types of interviewees in each centre. These interviews were intended to gather some qualitative information. In this regard caution was exercised given the fact that some of this information was tinged by subjectivity on the part of the interviewees.

Interviews were semi-structured and conducted personally, engaging the property developers, the local authorities (planners), community representatives, big business such as major anchor retailers, and some of the high order comparison stores.

Property Developer

This interview focuses on:

1. The current situation in the retail property market, with reference to the townships.
2. The strategy involved in the location, tenant or shop mix, line shopping and shoppers internal flow, etc.
3. The business outlook in the township market and their future plans in relation to these areas.
4. The policy in relation to the tenants, community and the local authorities.
5. The problems the developers experience in setting up their development in the area and their management of these centres.
6. Reasons why they have decided to move into the townships.

Planning Authority

This interview focuses on:

1. The role of the local planning authority.
2. How these developments feature in the local economic and spatial development plans.
3. The relationship and policy towards the business involved, e.g. whether there is some 'development gain'.

The Community Development Forum and Community Based Organisation (CBOs)

This interview focuses on:

1. The role of the CBOs in the development process.
2. The CBOs assessment of community perceptions and reaction towards the centres.
3. The CBOs policy positions in relation to these developments and the business involved.

Shopping Centre Manager

The interview focuses on:

1. Developments and policy in relation to the tenancy occupation, rent charge, and performance of various businesses, etc.
2. The relationship with community.
3. Activities, e.g. promotions.

iii) Participation Observation

In addition to the questionnaire survey and the interviews, an observation is made around:

- The developments in the immediate surroundings of the centre.
- The external ambience of the shopping centre.
- Random interceptive interviews with the shoppers:

  -10 at each shopping centre - Daveyton and Dobsonville Shopping Centres, interviewing people shopping in the local shopping centre.

  -10 each at the taxi rank of Roodepoort and Benoni interviewing people returning after shopping in the CBD.

The interviews are focused on:

- whether people do their primary shopping in the centre or not, and why ?
- what they would like to find in the shopping mall which is not there, etc.

1.8.2 Secondary Sources

The secondary sources of information are documents that deal with these centres or are related to them and pertain to issues such as:

- The nature of these centres.
- The trade area of the centres.
- The retail floor size and tenant composition.
- The tenant mix, organisation of the units and the policies on standards

such as advertisement, merchandise sold, etc.

- The design plan, site and area maps, market research reports, etc.
- The planning and development concept behind the location area, e.g. whether they have been developed as part of some activity corridor, central economic loci of the areas (nodes), etc.
- Local economic development and integrated development plans.

1.9 The nature of the study

1.9.1 The Scope and limitation of the study

This study will take the form of an intervention focused academic dissertation. It is intended to be exploratory in so far as the subject matter is concerned, especially given the inadequacy of recent research in respect of retailing in the townships. Some attempts are made to develop a conceptual understanding of the present developments in retailing and retail planning drawing on retail planning theory.

An important subject of the research is the shoppers themselves. However, whilst developing an empirical or cognitive - behavioral research and analysis would provide concrete appreciation of the actual trends and the shopping patterns in the respective areas, it is by not possible to do so given the time and personnel capacity constraints. Nevertheless, the interceptive interviews with the shoppers does provide some insight in to their perceptions (see methodology). In addition, the interviews with the shopping centre managers, survey questionnaire will cover this aspect as much as possible.

It is also not within the province of this work to embark on some assessment of the architecture of these malls, although this is an important part of the marketing in contemporary retailing business. At the most, an internal and external evaluation of these centres in respect of the surrounding ambience, the tenant mix and their layout is considered.

1.9.2 Chapter Outline

Chapter Two

Chapter two establishes the conceptual framework of the study. In this chapter the key concerns are to make a succinct overview and evaluation of retailing and retail planning theory as may be relevant for the study and the case studies in particular.

Chapter Three

This chapter is about the existing retailing system both above and below the case studies within the hierarchy. Thus, it broadly deals with the history, hierarchy and the current developments in the retailing industry in the Witwatersrand area and the respective localities of the Dobsonville and Daveyton Shopping Malls. In addition, it draws from the international developments and previous experiences.

Chapter Four

On the basis of the context set in the chapter three, chapter four sets out to be more specific, i.e. dwelling on the description and analysis of the Dobsonville and Daveyton Shopping Malls themselves, as case studies. The chapter makes the presentation of the research findings of the respective case studies.

Chapter Five

This chapter engages in an analysis and discussion of the research findings in line with the research framework development in chapter 1 and the conceptual framework in chapter 2. The chapter also makes some conclusions on the findings.

Chapter Six

This is the concluding chapter, therefore it makes a brief reiteration of the hypothesis supported by the conclusions of research findings in the study. In the end, it makes some recommendations for the purposes of the future.

CHAPTER TWO

Literature Review and Conceptual Framework

2.1 Introduction

Different types of professional and academic disciplines such as economics, geography, town planning, marketing, etc. have each engaged in some degree of theorisation in respect of the subject of retailing. This appeal of retailing can be attributed to its complex and multi-dimensional nature. However, in this study, the theoretical framework is approached from a point of view of retail planning theory in general and retail location theory in particular.

In the post-World War II period, retail planning is characterised by many and different strands of perspectives existing along side each other, even though historically, their evolution have generally been marked by chronological substitution of one dominant perspective by another. In the 1950s and 1960s, Neoclassical perspectives were dominant. However, they were superseded by Behaviouralist perspectives which emerged in the late 1960s and 1970s. The Behaviouralist perspectives in turn, were superseded by the Structuralist in the 1970s and the 1980s (Brown, 1992). In the early 1990s, the so-called New Retailing Geography has emerged, making its own contribution in the broader retailing discourse. In varying degrees, each perspectives in its own right has some influence in the contemporary retail planning theory especially in the light of the emerging tendency towards synthesis in the 1990s, and (post-modernist) rejection of orthodoxies (ibid).

2.2 Towards Definitions

2.2.1 Retailing

Retailing refers to one of the commercial sectors operating as intermediaries between the consumers and the producers and / or wholesalers in the process of the distribution and consumption of goods and services provided through the shopping centres and outlets. Retailers operate in different forms and spatial organisations. For example, there are three forms of retailing namely convenience, comparison and speciality retailing (Brown, 1992).

Convenience retailing involves goods that are relatively inexpensive, frequently bought because they are daily necessities and for which the shoppers will not travel far to obtain, eg. newspapers, cigarettes, etc.

Comparison retailing involves goods and services that are more expensive (high order), thereby infrequently purchased, relatively durable and usually inducing a good measure of browsing amongst the stores, for example shoes, clothing furniture, etc.

Speciality retailing is associated with the very expensive or 'ego-intensive' goods, durable and rarely purchased for which customers are prepared to make special purchasing effort and travel further afield, eg. antiques, jewellers, etc.

However, there is no cut and dried distinctions between these categories. Retailing outlets generally serve a mixture of these types of goods and services depending on their location and sizes within the conventional hierarchical system (appendix 2.1).

- Town centre
- Regional Shopping Centre

- Community Shopping Centre
- Neighbourhood Shopping Centre
- Convenience Store

2.2.2 Micro-spatial location

This concept refers to the areal and local scale occurrence of retail facilities. Thus, grappling with retailing at the local level includes the surrounding retail facilities, the ambience around the shopping centre and the intra-centre configuration itself. This is therefore applicable to any kind of shopping centre discussed at the micro-spatial level.

2.2.3 Intermediary Shopping Centre

These are shopping centres whose design constitutes a blend of the mainly low order community shopping centres and the high order regional shopping centres. Such a design applies in their shop mix, size, location and trade area.

2.3 Literature Review

2.3.1 Neoclassical Perspective

There are three main Neoclassical perspectives in the retail location theory, namely Central Place Theory, Bid Rent Theory and the Principle of Minimum Differentiation. All of these perspectives were originally formulated at a macro (regional) scale, but were later adapted to the micro-scale, which is mainly the level at which the conceptual framework in this study is developed.

Neoclassical retail location theories essentially derive their theoretical foundations from different deductive methodologies, whose outcomes are normative models describing how retailing ought to be organised in space and in form. At the philosophical level, these three retail location theories are rooted within the ideological rationality of Neoclassical school. Amongst others, this is reflected in the three key assumptions:

- retailing takes place in a competitive and free market terrain.
- the actions of the people are well informed and rational.
- the actions of the people reflect a pursuit or desire to procure maximum utility, out of minimum costs (Potter, 1982).

Informed by this deductive rationality, these theories premise their normative models on the geographic and socio-economic milieu in which:

- The spatial distribution of the human activity reflects an ordered adjustment to the factor of distance.
- Location decisions are generally taken so as to minimise the frictional effects of distance.
- All the locations are endowed with a degree of accessibility but some locations are more accessible than others.
- There is tendency for human activity to agglomerate, creating and taking advantage of scale economies.
- The organisation of human activity is essentially hierarchical in character.
- Human occupation is focal in character (ibid).

2.3.2 The Central Place Theory

Central Place Theory was originally formulated by the German geographer, Walter Christaller 'concerned with identifying the pure principles of location for all tertiary activities' (Potter,1982:27).

Coming out of its deductive methodology, the Christallerian central place theory assumed that:

- there were highly developed or freely accessible transportation networks.
- the population is distributed at uniform densities.
- the members of the population are completely economically rational.
- all this occurs on a rather homogenous (isotropic) plain.

In its description of the appropriate intra-urban retail system organisation and location decision-making, Central Place Theory puts the concept of threshold at the centre. In other words, there has to be some minimum level of demand for the operation of a shopping to be profitable.

Threshold is a measure of population numbers and its level of average income which make the establishment of particular retailing facilities readily sustainable. Trade area is determined by threshold and range. In other words, the size of the trade area depends on the maximum distance consumers are prepared to travel to the retailing facility or the shopping centre before being attracted elsewhere. Therefore the range is defined in terms of time and distance imperatives in relation to the customers' desire to optimise choice in purchasing commodities (ibid).

However, depending on the frequency of the purchase, costs and comparison opportunity, a particular trade area reflects the differences of the range and the threshold, e.g. frequently purchased convenience goods have small range for their threshold, whereas the comparison and the speciality goods require large ranges to secure their thresholds (Kahn, 1984). This is even more so in a low income and sprawling settlement like the townships.

Based on the above considerations, the distribution of retailing facilities produces an optimum 'step-like' hierarchical structure in which the trade areas (and for that matter the shopping centre) are in a complementary relationship rather than a competitive situation.

Another German scholar, August Losch made his contribution which somewhat modified the Christallerian central place theory. In his theory Losch made a departure from the rigid and deterministic hierarchy of centres, introducing a more flexible and less uniform system of economic regions. Accordingly, the costs of commodities increase with distance from the supplier, whilst the quantity decrease with the decreasing price. This lead to a situation where demand increase with distance from the point of supply, producing a circular trade area and a demand cone, the combination of which produces some hexagonal market areas (Potter, 1982).

Finally, there is the Theory of Tertiary Activity, which sets out to account for the size, type, location and the patterning of tertiary activities at the intra-urban level. Berry and Garrison (Potter, 1982) made some empirical observations on some United State cities in which they found that in reality there are discernible structural regularities as postulated in the Christallerian central place theory despite the existence of heterogenous market conditions, unlike the isotropic conditions in classical central place theory. Thus, this step-like hierarchical system of retailing is part of the Theory of Tertiary Activity:

> 'Whatever the distribution of the purchasing power (whether open country side or within one large metropolis) a hierarchical spatial structure of central places supplying central goods will emerge' (Berry and Garrison, 1958: 111 cited in Potter, 1982).

Whilst the trade areas no longer take the form of a perfect hexagon, the spatial milieu is realistic making the entire catchment area reflect the relative densities, demand and purchasing power. This, however, does not mean that the Theory of Tertiary Activities eschews the Neoclassical assumptions conceiving the consumer as a rational, choice and utility maximising agents.

2.3.3 Bid Rent Theory

Bid Rent theory in retail location is an adaptation of the original ideas of von Thunen (1826) which conceptualised urban land use economics. Bid Rent theory postulates that various land uses (such as commerce, industry, residence) reflected a pattern which has structured the land uses according to their 'highest and best uses' (Brown, 1992).

The interplay of the demand and supply give rise to a rationally ordered land use pattern in which the city centre is the focal point because of its highest accessibility and maximum utility. Hence, in the underlying relationships between the land uses, location and rent, the urban area shows a gradation in the optimality of the various land uses the further away from the city centre.

Thus, in the retail location context, the spatial structure of urban retailing exhibits an annular pattern with high bid rent functions such as the department and speciality stores in the city centre, whereas the low order activities, especially the convenience level activities, are located on the fringes. The same logic is extended to the spatial organisation of retailing within the shopping areas and other retail nucleations where:

> 'In small neighbourhood shopping districts, the central locations are occupied by convenience trade, but further up the hierarchy the low order functions are pushed progressively to the periphery as the higher order community and regional level functions outbid them for the prime central sites' (Potter, 1992:54).

Within the regional centre constituted by a multiple of outlets, the core comprises the department stores and retailers of the clothes, shoes, accessories and jewellers, whereas on the periphery there would be hairdresser, hard-ware stores. In between these there would be community level activities like cinemas, banks, insurance brokers. Thus, the market mechanism apply both at the macro and micro-levels.

2.3.4 The Principle of Minimum Differentiation

Harold Hotelling's (1929) work was a seminal contribution in the theory of the Principle of Minimum Differentiation. This retail location theory is particularly conceptualised at the micro-spatial and intra-centre level, accounting for the tendency of the agglomerations or the 'economics of concentration'.

Whilst the Bid Rent theory puts forward the city centre or some other central places which are the most accessible locations offering maximum market potential and, accordingly, being coveted by all forms of economic activities, the Principle of Minimum Differentiation argues that not all the activities are necessarily dependent on general accessibility. Instead, proximity to the complementary activities or 'special' accessibility is more critical.

Hotelling's hypothesis is that there is a tendency for shops of a similar quality level to cluster within the same shopping districts. This is even more so in respect of the high order retail facilities such as department stores than low order convenience level shops. In developing his hypothesis, Hotelling uses an analogy of two shops selling similar goods at f.o.b. (free on board) prices, from fixed location in the bounded linear market operating under the following assumptions:

- The transport costs are constant.
- Demand is completely inelastic.
- Identical and utility maximising consumers are evenly distributed and bear the costs of distribution.
- Shoppers patronise outlets solely on the basis of the prices.

In these circumstances there is an equilibrium and neither outlet can increase profits by altering prices. He argues that if one outlet relocates, it could maximise its catchment area by setting up the shop adjacent to the other. This may spur mutual 'leapfrogging' producing a back-to-back agglomeration in the centre of the market area. Therefore agglomerations increase turnovers.

2.3.5 Behavioural Perspectives

> 'It almost goes without saying that all those who are interested in the urban retail planning process need to understand the reciprocal links existing between retailing structures and the consumer behaviour-cognition' (Potter, 1982:206).

The Behavioural perspectives in the retail literature emerged in the context of the critical evaluation and disillusionment with the shopping centre centred Neoclassical theories, in particular their assumption of a well informed, totally rational, utility maximising consumers that are evenly distributed, economically homogeneous and have common shopping behaviour. Methodologically, the Behaviouralist perspectives are based on inductive reasoning in their general thrust, shifting the focus from the world as it should be, to the world as it exist (Brown, 1992).

The other peculiarity in the Behaviouralist perspectives is that their orientation is micro-spatial rather than the macro, intra-urban, which is the starting point of the Neoclassical approaches. If nothing else, the Behaviouralist perspectives are distinguished from each other by their methodologies, hence there is the Empirical-behavioural, Cognitive-behavioural and the Humanistic perspectives.

2.3.5.1 Empirical-Behavioural Perspective

Both the Empirical and Cognitive-behavioural approaches are essentially positivistic in outlook, relying upon large data sets and quantitative analysis from which they derive their generalisations. The Empirical-behavioural approach deals with overt consumer behaviour, drawing some generalisations which constitute the assumptions in the theory. Hence, there is a general consensus within this approach in respect of the four key assumptions of the intra-centre consumer behaviour. (Brown, 1992)

The first assumption relates to the preponderance and greater influence of the 'anchor' or 'magnet' stores. It is held that despite the different environment and the varying types, anchor stores generally have primary customer-generating roles and thus they exert some influence on the shopper circulation patterns. Secondly, there is a customer interchange occurring between shops of similar or compatible trade types. Thirdly, the findings of the Empirical-behavioural perspective pertains to the effects of entry and the exit points on the consumers' subsequent circulation patterns. Thus, accordingly, the precise location of external facilities such as parking, bus stops, railway terminus, etc. or their absence could determine the success or otherwise of a particular shopping centre (Ibid).

The last assumption in the Empirical-behavioural theory in respect consumer behaviour is the frictional effect of distance. The theory postulates that shoppers have the disposition to minimise the expenditure of effort. In other words, shoppers tend to seek to obtain their goods and services from the nearby shopping centres rather than the remote ones.

Apart from its methodological orientation which is based on the above mentioned assumptions or generalisations, there is a recognition of the context-specificity of consumer behaviour in the Empirical-behavioural approach. Particularly pertinent in this regard are the social-environmental imperatives. Firstly, consumers within different socio-economic and ethnic groups are believed to exhibit comparatively different micro-spatial activity patterns. This also applies in respect of the other demographic considerations, e.g. family based shopping experience tends to take the form of 'leisure shopping', a large number of shop visits, considerable back tracking to stores and parts of the centre frequented earlier. Purposeful shopping is generally a short stay relatively in the shop visits and a rational circulation pattern in the centre designed to minimise expenditure of effort (Brown, 1992).

Excessively overcrowded retailing environment tends to have an adverse effect on shopping behaviour where shopping visits may be reduced, there may be postponement, or even abandonment of the planned shopping expedition. Other Empirical-behavioural exponents such as Nelson (Brown, 1992), have introduced generalisations called 'rules' derived from the shop-to-shop movement. The 'Rule of Retail Compatibility' deals with the question of interchange that occurs between establishments selling the related categories of goods such as the greengrocers and butchers, outfitters and jewellers:

> 'Two compatible businesses in close proximity will show an increase in volume directly proportionate to the incidence of consumer interchange between them, inversely proportional to the ratio of the business volume of these larger store to those of the smaller store and indirectly proportionate to the sum of the ratios purposeful purchase to total purchasing in each of the stores' (Nelson, 1958:66 cited in Brown, 1992).

Secondly, there is the 'Theory of Cumulative Attraction' which postulates that a given number of stores dealing with the same kind of goods and services generate higher turnover when they are located adjacent , or in proximity to each other than when they are dispersed. Nelson's contribution to Empirical-behavioural approach enhances retail theory, even more so with the concepts such as the generative business, shared business and suscipient business:

- Generative business refers to the sales attracted by the store itself.
- Shared business refers to the sales secured by the store as a result of the ability of the neighbouring business to attract customers.
- Suscipient business is stimulated by the store or its neighbouring business, but where the attraction is coincidental (ibid).

3.2.5.2 Cognitive-Behavioural Perspective

To the extent that the Empirical-behavioural approach particularly describe the micro-spatial consumer behaviour, it is called a 'black-box' view of the consumer behaviour. The Cognitive-behavioural approach is predicated on the notion of the decision making person, in which the individual consumer is the centre of much focus. Whilst acknowledging routinised behavioural patterns of shoppers, the cognitive-behavioural pattern ultimately sees a consumer as consciously making deliberate choices (even though such decisions may be with imperfect information) in a range of retailing opportunities. Thus, these decisions are accordingly made under the influence of some individual idiosyncrasy borne in their aims, aspiration, attitudes and evaluations in shopping. Therefore, subjectivity as opposed to the objective retailing milieu is a crucial concern of the cognitive-behavioural approach. These subjective interpretations on the part of the individual upon the objective reality are called the cognitive images, spatial schemata or perceptual constructs.

The cognitive-behavioural literature is itself divided into the different categories. Firstly, there are exponents that seek to link consumer cognition and the buying process. These involves some generalisations in a 'step-like' approach in the purchasing process whereby the consumer progresses from the recognition of the unmet need, through the search for information pertaining to the prospective purchase and evaluation of the alternative offerings and culminating in the act of purchasing itself. In addition, there is the post-purchase learning process that subsequently takes place and feeds in to future shopping.

The second category deals with the detail analysis of the mental construct of the consumers and to some extent the retailers. In this regard, a distinction is made between the designative and the appraisive elements of the spatial schemata. On the one hand the former (designative) relates to the respondents' knowledge in respect of where the shopping facility is and what is sold in the facility. In a sense it deals with the surrounding retail environment. The wellspring of this approach was Lynch's (1960) seminal study of the city centre images in the United States (Brown,1992). Whereas on the other latter (appraisive) is concerned with the emotional and evaluative connotations in respect of this knowledge. In a way, this is related to the preference made by consumers, influenced by their perception of the attractiveness or unpleasantness, of shopping in particular facility.

2.3.5.3 Humanistic Perspective

The Humanistic approach makes a departure from the other Behaviouralist perspectives, breaking away from the methodology of positivist generalisation derived from complex quantitative analysis which is the hallmark of the empirical and cognitive-behavioural approaches. Instead, it emphasis the qualitative understanding of the emotions, feelings and meanings consumers attach to the particular shopping centres. It is influenced by humanistic philosophies (phenomenology, idealism and existentialism) in its rejection of aggregate statistical models. The Humanistic approach seeks to understand rather than explain behaviour, using qualitative research techniques such as participant observation and in-depth interviewing, focussing on symbolism e.g. the vibrancy or sterility of the shopping centre, the placelessness of the ubiquitous mega-centres (Brown, 1992).

2.3.6 Structuralist Perspective

The Structuralist approach is an antithesis of the Neoclassical perspective. Its outlook bears some Marxist leanings. Thus, the Structuralist perspective locates retailing within the broader picture of the political economy, in particular capital circulation, accumulation, transformation and restructuring in which spatial developments such as in retailing are interpreted as manifestations of these process. This constitutes a major departure from the Neoclassical and Behaviouralist perspectives which look at retail planning processes acontextually, and put the economic, political and social nuances in retailing in the back burner. Structuralists raise three key structural imperatives which determine the location and form of retail activities. These imperatives are corporate strategies of multiple retail organisation, the activities of the shopping centre development industry, and the influence of government policies, in particular land use planning (Brown, 1992).

Retailing has seen a revolution whereby the independent, small scale, single line businesses have generally been superseded by the complex commercial conglomerates. These conglomerates deal with location as one aspect of an integrated marketing strategy involving decisions on positioning, operations, store size and format, product range, customer services, pricing policy etc. (Brown, 1992). In addition, companies may choose to focus on increasing the sales of the existing establishments and expanding their business by opening additional outlets in the hitherto unexploited or less traded areas.

In respect of shopping centre development, virtually everything is preordained by the developers of the planned retail complexes. Therefore, contrary to the Neoclassical concept - 'the highest and best use', a given location is also determined by the combination of the developer, property consultant and the letting agent, as opposed to the sheer function of the rent-coordinative mechanism of Bid Rent theory.

The considerations made by the conglomerate organisations in their formulation of location strategies occur within the context of spatial and development policies of central and local authorities. Other policy influences may relate to issues such as tax levels, environmental regulation, anti-competition, 'development-gain' etc.

The Structuralist perspective however, consists of a number of perspectives shedding light on the dynamics of retailing and its spatial development (Brown,1992). Firstly, there are Environmental models. The Environmental models deal with the evaluation of the retailing system which they basically consider to be a reflection of economic and demographic changes, and the development in transport technology. One such a version deals with the evolution of the retailing system in ecological terms. It uses a biotic analogy, dealing with the retailing industry as an organism in which terms such as symbiosis, saturation, parasitism, dominant species are used as conceptual tools.

2.3.7 The New Retail Geography

'New retail geography' is a fairly new perspective, developing in the early 1990s. It was inspired by the political economy paradigm which became the new orthodoxy in conceptual analysis in human geography (Wrigley and Lowe, 1996). The key concern of the new retail geography is to develop a systematic account of the transformation of retail capital and its geographical expression. Thus, in the same vein with the Structuralist perspective, the new retail geography seeks to go beyond the face-value issues of location by delving into the dynamic structural forces and their relationships which find spatial expression the location, organisation and forms of retailing.

The thread running through the new retailing geography is the 'economic / cultural problematic'. Under this theme the new retail geography literature deals with several related themes such as:

- The geography of retail restructuring.
- The interface between retail and financial capital.
- The complex and contradictory relationships of retailing with the regulatory state.
- The interrelations of corporate strategy.
- The corporate culture and market structures in the industry.
- The social relations of 'production' in retailing.
- The structure of channel relationships, (notably retailer-supplier relationships).
- The spatial switching of retail capital and the configuration of retail capital to induce consumption.

Another related theme is the one articulating the cultural perspective in retailing which puts to the foreground the question of ideology, gender and consumer culture as mediated in the retailing milieus.

2.4 Critical Appraisal

Despite the fact that most retail location theories emerged as critiques of their predecessors and sought to introduce new insights into the discourse, each theory has its own shortcomings empirically, conceptually or as a result of some inflexibility arising in the course of the evolution of retailing. However, all these theories continue to have abiding influence in the current retail planning and retail location theory, notwithstanding their shortcomings.

Within the Neoclassical school, some theories such as Central Place Theory conceive of a shopper as an independent, economically rational optimising agent, located in homogenous, evenly distributed and utility maximising community of consumers. It is common course that the individual consumers are neither well-informed nor economic optimisers. On the contrary, decision making on the part of consumers tends to be based on their satisfaction, sup-optimal and frequently influenced by non-economic forces including whim, tradition, aesthetics, prestige, and ignorance. Regardless of the discernible semblance of hierarchical patterns, in reality the Christallerian central place model is out of sync with the current highly dynamic retailing environment, because of its rigidity and anachronistic assumptions.

An uncritical adherence to the Bid Rent theory's premise of a mono-centric city, in which access is maximised in the city centre, the value of land outwardly declining equally in all directions, the segregation of land uses is coordinated by rent, and the existence of free property market, can no longer be sustained. Its over-emphasis on the demand-side considerations obfuscates the significance of supply-side factors, such as spatial or land use plans, strategies of multiple retailers, developers as captured in the Structuralist perspective.

Central Place Theory's concept of threshold still remain a useful conceptual tool for analysis in determining the appropriate location and design of a particular shipping centre. However, knowing the size of the population and average income can no longer be a conclusive basis on which to determine the threshold of a particular retail use. The shopping patterns and other context-specific non-economic factors influence the overall level of the threshold.

On its part, the Principle of Minimum Differentiation fails to account for the much observed clustering of retail outlets within planned shopping facilities. In focussing on the actions and attitudes of fallible, inadequately informed individuals, the Empirical and Cognitive Behaviouralist perspectives challenge the Neoclassical notion of the rational, utility optimising consumers. However, to the extent that their methodologies are inductive, they still share with the Neoclassical perspective the nomothetic traits in their generalisation and behavioural laws. Retailing is mediated by other even crucial factors and forces beyond the consumer behaviour.

2.5 Conceptual Framework

Even though the theoretical orientation in this study leans towards the Structuralist perspective, it also draws from the useful and relevant insights of the foregoing perspectives (Neoclassical, Behaviouralist perspectives and New Retail Geography). The contributions which these perspectives make in this theoretical framework relate to their relevance in respect of the three key conceptual categories in the study namely, the geography, hierarchy and composition of retailing pertaining to the case studies. The content of these concepts as they are related to the question of retail location is elaborated by Brown (1992), and they are useful parametres used in the description, analysis and interpretation within this study.

The geographical dimension captures the agglomeration and dispersion tendencies or patterns of the retail activities. For example, there are retail outlets exhibiting highly agglomerated geographical patterns such as shoes, clothing, jewellers, whereas others tend to be comparatively dispersed such as the video rentals, antique furniture, etc. Yet, planned shopping centres tend to agglomerate them altogether.

The contemporary retailing milieu is in an unprecedented state of flux, assuming particular hierarchical form not necessarily in keeping with the archetypal conventional morphology. This dynamic variation is by and large induced by spatial, income, density and shopping patterns prevailing in different contexts. However, intra-urban retailing is a network of related entities which produce particular and peculiar types of hierarchical forms. In fact, 'a form of hierarchical ordering is also apparent at the intra-centre scale' (Brown,1992:231).

Hierarchies in retailing are manifestations of the interaction of the demand and supply forces. Retailing agglomerations not only vary considerably in their size and spatial organisation but also in their internal composition. Internal composition is itself taking a different variation, e.g. between specialist and generalist, price-quantity continuum (down market, up market) and type of customer e.g. the ethnic groups, elder citizens, young professionals, etc. This flux is also part of the transformation of the political-economy as articulated in the themes of the new retail geography (Wrigley and Lowe, 1996).

2.5.1 Hierarchy

The establishment of a shopping centre anywhere, naturally develops some spatial and functional relationship with others within a hierarchy. Hence, any location of a shopping centre occurs within the context of an intra-urban retailing system, in which there is a discernible gradation in functions, sizes and accessibility. Various Neoclassical perspectives provide useful insights conceptually in this regard. Drawing from its predecessor (Central Place Theory), the Theory of Tertiary Activity deals with the question of retail hierarchy. This hierarchy is determined by the underlying trade areas which are represented in the combinations of thresholds and ranges, and are manifested in the concrete sizes, functions and location of shopping centres. To this extent, the Theory of Tertiary Activity and the Central Place Theory provides this study with conceptual tools in the analysis of the Greater Witwatersrand retail hierarchy as they relate to the respective case studies (Daveyton and Dobsonville Malls). In addition, using these concepts, the local retail system within which these shopping centres are located are interpreted.

However, it is acknowledged that retailing has always been evolving over the years, also that it occurs in specific socio-economic and political contexts, and therefore these concepts have somewhat been outlived and rendered not entirely relevant or applicable. Their usage is tempered by context, in particular the spatial, socio-economic and political legacy of the Apartheid city. Thus, it is at this level of interpretation of the contextual circumstances that the Structuralist approach is helpful. The other variant of the Neoclassical school, Bid Rent Theory, provides useful theoretical insights in its account of the spatial location relationships, although it only implicitly recognises the complexity of the contemporary form of organisation of urban centres.

2.5.2 Geography

Conceptually, the question of geography is used in relation to the case studies at the micro-spatial level, in which location of the shopping centre is the primary consideration. Location in this respect is dealt with from the point of view of the shopping centre's position in the given hierarchy, the areal and site environment and characteristics as well as local economic and spatial development plans. More than most aspects of retailing, location aspects express subjectivity on the part of retail organisations in their assessment of the socio-economic, political and physical dynamics of an area. Thus, even before the actual local market has been evaluated, a location would have already been tentatively considered by the prospective investors or retail organisations. The Structuralist perspective provides insights into factors influencing decision-making regarding location. Lastly, the question of the impact of these new shopping centres on their neighbouring shopping centres is considered, informed by the historical experience elsewhere.

With the contribution of the Principle of Minimum Differentiation, the placement of various units of outlets according to their functional complementarity and compatibility is reinforcing the understanding of the role of the tenancy or shop mix policy. This contribution is supported by the Empirical - behavioural proposition regarding the shoppers propensity to shop suscipiently, passing through the line-shops on their way to the anchor store within a shopping centre. This is consistent with the Structuralist assertion that location, design and configuration of shopping centres is manipulated on the basis of evaluated strategies of retail organisations, rather than just being outcomes of market forces.

Similarly, this relates to the external positioning and ambience of a shopping centre. Assessing the environment outside these shopping centres in respect of the intended linkages with other uses, and aesthetic outlook would be enriched by the Behaviouralist perspectives

2.5.3 Composition

Composition relates to the internal design of the shopping centre as manifested by the line shopping and tenant mix policy and application. The approach adopted in this regard is eclectic, although arguably influenced by a Structuralist perspective which is most influential on this question. From the Central Place Theory's point of view, the understanding of outlets as distinguished by their categories, i.e. convenience, comparison and speciality helps in the understanding of the concept of tenant mix. In other words, the Central Place notion of the variation in the trade areas of different categories helps in the interpretation as to what was the intended overall trade area. More importantly, the Principle of Minimum Differentiation helps in the interpretation of the implications of the findings regarding the crucial question of variety and choice, thus hence related performance of particular types of outlets.

CHAPTER THREE

The International and Local Context.

3.1 Introduction

The retail industry occupies a unique position, between the production and consumption processes in the broader economy. Thus, the changes occurring in the rest of the economy, are more or less also mirrored in retailing. Over the past two decades or so, the world economy, in particular in the developed countries, have seen a surge in the service sector, of which retailing is an important part. This growth in the retailing industry occurred along side concomitant transformation in the spatial development policy and regulatory framework, channel relationships (retailer-supplier), marketing and retail technology in the retail industry. The old certainties, of which the hierarchical retail planning system is one, were increasingly eroded. Retail organisations increasingly assumed corporate or conglomerate magnitude in their structural formation and the retail outlets themselves became more established in multiples, thus increasingly eliminating the old independent sole traders. By and large, these developments were mirrored in South Africa from the 1970s, albeit within singular socio-political and economic circumstances.

3.2 International Context

3.2.1 The historical evolution of retailing

The first 'revolution' in retail industry in the post-war (World War II) period occurred at the height of the frenzy of the grandiose redevelopment programmes and initiatives carried out in the inner cities of the developed countries in the west during the 1950s and 1960s. This was a period of change in the retailing techniques reflected in the emergence of the first self-service outlets and supermarkets. Most of these new self-service shops and supermarkets were mushrooming in the town centres and district centres or 'high streets' (Thomas, 1976). These developments made far-reaching impact in the management and planning of the town centres at the time. In the face of a pent-up demand and pressure exerted by developers and retail business, the local authorities saw these developments as an opportunity to reshape and modernise town centres:

> 'They planned and implemented schemes providing modern shops, many in the pedestrian precincts (latterly covered malls) often in partnership and often in a context of proposal for environmental improvements, viz. traffic circulation, service access to shops, car parks, and where practicable pedestrianisation' (ibid:195).

The glitter of the high street supermarkets and the continued growth of the non-food multiple trading generally, in particular the large variety stores, spawned a huge demand for new and even larger premises. At the same time, against this background of the city centre retail development frenzy, the financial climate steadily became more difficult, breeding disillusionment in the establishment of the new major retail projects in the city centre, particularly in Britain:

> 'Building cost begun to rise steeply by some 150 -160 per cent. Anticipated rents were not rising at the same rate' (ibid:195).

Thus, in the wake of the rising income levels, car ownership and suburbanisation at the time, (in both North America and Europe), the retail property developers and the large chain stores saw opportunities outside the town centre, closer to where people lived. This was the start of the second retail revolution characterised by spatial-shifts and the major planned multiple agglomerations.

The first suburban shopping centre, Southdale, was opened in 1956 in Minneapolis, Minnesota suburb. Planned and designed by Victor Groen, the earlier shopping centre designer, it included department stores, and over a hundred specialist stores (Carey, 1988). This started the process of the so-called 'Malling America' which was part of the broader commercial and residential decentralisation taking place in North America during the prosperity of the 1950s and 1960s.

In Europe, for the most part up to the 1970s retail development was kept in the town centre (Davies and Howard, 1988). The structure and local development plans were geared at maintaining the vitality and viability of the traditional shopping districts and the retail hierarchies, in order to stem the decentralisation tide occurring in commerce and retailing. In the 1970s, new superstores and warehouses began to proliferate. However, these were seen as complementary uses to the specialist functions of the town and city centres. It was not until the 1980s, that the processes of retail decentralisation became full-blown.

> 'The changes that occurred in the 1980s had their roots in the Thatcherite philosophy: ideas about increasing the influence of the market forces and removing the remaining constrains on business; a trend to centralise decision making and alterations in the role of the local government, shifts of resources from public to private sector' (ibid:8)

This phenomenon engulfed other European cities, such as in the Netherlands and Germany. In fact the first Dutch superstore began in operation in 1968 on the outskirts of Utrecht and was followed by others in the other big cities. This development was relatively uncontrolled, wherein retail organisations turned to the vacant industrial buildings, warehouses and abandoned glasshouses, in a quest for rent-cheaper locations (Borchert, 1988). Apart from being a refuge from the astronomically high city centre rents, this decentralised retail development was also a physical outcome of a series of innovations in retailing. These innovations were mainly induced by the unrelenting quest for modernisation and cost-saving on the part of the increasingly large multiple retailers selling 'bulk convenience and household goods, encouraged by the wishes of the shoppers to be able to purchase goods in spacious, modern surroundings, with greater display and convenient access and car parking' (Guy, 1988:66). Removed from the city centre ills, the off-centre shopping malls offered a private, automobile oriented environment that alleviated the congestion prevalent in the town centre. With their (shopping malls) enclosed structure, shoppers feel secure and comfortable through even the harshest of weather (Shillingburg,1994).

However, this decentralisation of shopping left its trail of destruction on the city centre, and the low order suburban convenience stores. Many city centres, especially in the larger industrial towns showed evidence of commercial decline especially as indicated by the long term site vacancies, lower status stores replacing market leaders, the emergence of the charity shops and the development of a general air of dilapidation, particularly in the locations peripheral to the city centres (Thomas and Bromley, 1996). This process of commercial decline reduced the overall attractiveness of the town centre mirroring the 'commercial blight' that visited the USA cities in the 1950s and the 1960s (ibid). In turn, a vicious downward spiral occurred. The environment of glaring commercial blight, against prevailing socio-economic problems engendered real or imagined perceptions of the city centre as hang outs of the 'social incivilities' like loiterers and vagrants responsible for crime and vandalism. The 'physical incivilities' such as litter, graffiti and abandoned premises in turn perpetuated this phenomenon and perceptions.

However, recently in North America as well as in Britain there has been a slow down in the development of large retail centres outside the town centre because of the saturation or over-trading that has crept in already (ibid). To some extent, this slow down is also a result of the emerging policy shift in the 1990s. In most countries, the 1990s have been characterised by fierce competition, based on intensified renovations. This constitute a new retail revolution.

In Britain, food store retailers attempted to adapt to the problems of the saturation in two ways. Firstly, they began to develop smaller store centres called 'compact stores' appropriate to the reduced population catchment areas. Secondly, retailers made some attempts to develop stores in or closer to the city centre. In addition, increasing attention is devoted to the refurbishment and extension of the existing stores. These refurbishment and extensions make the stores appear more spacious and improve convenience for bulk shopping and enables the introduction of extra features such as the coffee shops, pharmacies and post office (Guy, 1988). This is primarily a defensive strategy geared at maintaining the market share in already over-trade catchment areas.

In the USA, the problem of saturation was in fact encountered back in 1980 after two and half decades of constant building (Shillingburg, 1994). The dominant strategy or response have been the establishment of the 'festival marketplaces'. These are the super-regional centres composed of 200 stores and four or more anchor stores. Developers mix together high densities of restaurants and 'whimsical' shops with refurbished historical building to create new kinds of urban places. Thus 'the festival marketplace are designed with a patina of the city's history yet managed like malls' (ibid). Other new developments are the 'category-killers' which have immense discount stores, based on a simple formula of success, eschewing the retail pomp and trappings by emphasising a huge display of selection, variety within particular categories at the low price. The strength of these stores is the mixture of volume, cheap rents and efficient storage, keeping overheads to a bare minimum (ibid)

In particular areas of the USA, even greater mega-malls with a tourist orientation are alternative strategies, such as the Mall of America, built in Minneapolis. This one is 'based on the philosophy that a critical mass of retail, entertainment, and food will attract people from all over the world' (Shillingburg, 1994:57). More intriguing are the Forum Shops which evince a post-modern feel. They are combination of quaint Roman architecture, huge complexes and things such as the Museum of Neon Art. They are similar to the themed space complexes such as the City Walk which include businesses, entertainment, offices and production studios, but designed to look like city streets. These are the new forms of shopping in the wake of the rapid technological innovation, i.e. such as the growth of the electronic home shopping which in the USA has grown to claim 3 billion sales of the 585 billion (US Dollars) retailing in 1994 (ibid).

3.2.2 Planning Policy

In general, public policy, particularly in land use planning and control, has been reactive and somewhat coercive in respect of retailing development in Europe, compared to the USA, where for the most part it had consistently been relatively laissez fair. If any thing, policy makers in the US cities have been content in focusing on addressing the negative outcomes of the decentralisation in the city centre.

However, before and in the course of the rampant Thacherism of the 1980s, Britain comes out as having been relatively more *laissez fair*e than some western European countries. In the Netherlands, attempts where made to revise the Physical Planning Act in 1976, in order to curtail the proliferation of the decentralised retail developments. However, the wave had already passed its peak (Borchert, 1988).

In 1984 the Dutch government reformulated its policy in respect of the large off-centre retail development. Rather than abandoning its restrictive policy, the government decided that the local authorities should continue with the policy of restrictions against granting building permission for the large scale retail operation outside the town centres. In general, only the retail centres for which no appropriate location could be found could be allowed to be established outside the traditional town centres, except for the large scale furniture and do-it-yourself warehouses which were allowed outside the town centre, in any case. These types of outlets were permitted because they were speciality outlets, i.e. having goods that did not necessarily lend themselves to complementarity to other comparison goods, around which agglomerations could be built.

In the 1980s, the deregulation that swept the UK included the establishment of Enterprise Zones which allowed retail development to occur completely on an *ad hoc* basis, outside the framework of any formal plan. However, these Enterprise Zones were intended to encourage enterprises in some of the least desirable sites (Guy, 1988).

In 1988, a new policy shift occurred in Britain with the introduction of guidelines on major retail development, as part of the modification and revision of planning policy by the central government. Concerned with the city centre decay which was the legacy of the Thatcherite deregulation reforms, in 1996 the new government policy (the Department of Environment's Revised Planning Guidelines - PPG) was introduced to 'tighten up' planning control. This PGG was intended to curtail further decentralised commerce and retail development in order to support the retail function of the town centres. At the same time the policy was also intended not to interfere nor encourage competition in retailing in order to ensure the 'vitality and viability' of the centres (Lowe, 1998).

The foregoing developments in retailing have spawned particular planning problems which put into sharp relief the question of retail planning policy. The trajectory of the South African retail industry is not dissimilar in respect of the key features characterising development and retail evolution over the years in North America and Europe. The South African town and cities, in particular

Johannesburg are currently in the throes of some, if not more of the problems engulfing cities in Europe especially Britain. The key challenge arising out of this headlong retail and commercial decentralisation is the need to secure the future vitality of the city centre in order to kick-start their overall rejuvenation.

In the Netherlands, the primary policy response was the 'compact city' policy which not only helped to curtail the continued decentralisation of commerce, but also suburban sprawl and the development of the new towns (Bortchert, 1988). More attention was paid to improving the appearance of the inner city shopping areas. This policy has borne some fruits, seeing the redevelopment of the prime shopping locations in Amsterdam, The Hague and Utrecht. However, despite restrictions to further decentralised retail development, the inner cities continue to suffer from perceptions of their reputed crime-ridden state:

> 'In effect, the perceived physical and social malaise of the older shopping centres was widely considered to be an active ingredient of the process of retail decline because of the manner in which they heightened the shoppers fears for their safety and deterred the residents from visiting the city centre' (Thomas and Bromley, 1996).

Many city centre outlets introduced safety shutters which have detracted from the quality of the shopping environment, and thereby only served to perpetuate the problem.

3.3 The Local Context: The Apartheid City and Retailing

3.3.1 Apartheid City Form

Retailing is not merely an abstract nexus linking production and consumption. It is a concrete and material activity occurring in space and in a socio-geographic context. In keeping with the thrust of this study, the geographic focus is essentially intra-urban centred.

Notwithstanding their universal features, virtually every city or town centre have their own peculiar characteristics distinguishing them from others, which to all intents and purposes reflects the interaction of the underlying social, economic, cultural and political processes. Thus, grappling with retailing in respect of a particular area or locality, the macro-context (intra-urban scale) is crucial in putting the current developments around the case studies in perspective. The greater Witwatersrand area within which the Dobsonville and Daveyton Shopping Centres are located has over the years developed as part of the spatial object for the grand social engineering - Apartheid, whose model city form has come to be known as the Apartheid city. Hence, all the South African cities, towns and 'dorpies' still bear the legacy of this city-form, notwithstanding the transformatory transition underway in South Africa.

Theoretically, the Apartheid city form particularly resembles Berry and Karsada's colonial city model (appendix 3.1) which is usually characteristic of cities found in the countries which had a long history of colonial rule (Kahn, 1984). The colonial city is largely inhabited by the colonial settler community, the ethnic (so-called stranger) groups and the indigenous formerly colonised community. Even though the colonised city exhibits zonal and sectoral patterns (in which the social, income and ethnic groups are accordingly located) as may be found in the western city model, they are however inverted when compared to the western city. In both the western and the colonial city, the high income status residential areas front the superior amenities, such as elevated topography, water fronts, etc. The ethnic groups occupy particular zones closed to the core in the lower socio-economic status. However, the indigenous community is generally located in the periphery (Kahn, 1984).

The structure of the South Africa's Apartheid city was institutionally mandated, and therefore it has historically been clinically segregationist as a result of measures such as the Group Areas Act. The city was particularly focussed on the core, essentially constituting the white CBD. Even though there were some socio-economic differentiation amongst the white residential areas, the group as a whole was generally located within the suburban and inner city core. On the other hand, the black in particular the African settlements were in the periphery or edge of the city, only linked to the core by the main routes of the mass public transportation. In between the various formerly consolidated ethnic group areas, there are buffers zones of unoccupied land physically reinforcing segregation. Thus the city sprawls extensively outwards, functionally fragmented and inefficient:

> 'The retail activity system in the South African city reflects the historical nature of social, economic and political system as well as the consequent residential structure of the city ' (Kahn, 1984:62).

The retail activity in the South African cities, as is the case in the country's economy in general, evolved not merely and purely on the basis of free operation of the market forces. Rather, it was distorted by the dictates of the political economy. Hence, the mainstream retailing industry has historically been concentrated amongst white entrepreneurs. These social and ethnic inequities are the hallmarks of retailing in the colonial city (Kahn, 1984), and they extend even to the question of access to the retail facilities.

3.3.2 The CBD and Suburban Core

The major South African cities followed the decentralisation trend which engulfed the cities of the developed countries in the west from the 1970s and 1980s. This was even more so in the greater Witwatersrand conurbation of which Johannesburg city is the core. In the course of this commercial decentralisation more retail centres mushroomed in the formerly white suburban areas, drawing more suburban shoppers out of the city and town centres of the greater

Witwatersrand. In respect of central Johannesburg, increasingly the high order comparison retailers moved into the affluent 'northern corridor' (from Parktown to Midrand) (Rogerson, 1997:94). As in the North American and European cities, the Johannesburg city centre declined and begun to decay. Concomitant, with these developments were the political reforms of the late 1980s which gradually changed the demography of the town centre in Johannesburg and most of the satellite towns, including Benoni. To date the city still has to pull itself out of the morass of the decay:

> 'No-one, however, expects the Johannesburg CBD ever to return to the former shopping patterns when the Northern suburbs matrons donned their finery, complete with hats and gloves for the days shopping. Decentralisation nodes has killed that' (SAPOA NEWS, 1996:28).

However, the local authorities in Johannesburg have since initiated a programme to redevelop the city centre and open opportunities for new investments. The Business Improvement Districts (BIDs) through the Central Johannesburg Partnership, which has the support of the majority of the institutions investing in the city centre, has seen fruitful outcomes (Rogerson, 1997). New investments are particularly taking place in the retail sector targeting the black consumer segment, in the light of the increasing urbanisation (SAPOA NEWS, 1996):

> 'Thousands of blacks visit the CBD daily, either to work, shop or to socialise. The number of the black shoppers in the CBD is ever increasing due to the mass urbanisation taking place'(von Graan, 1992).

According to van Graan this phenomenon on the demand side is driven by five key factors:

- The CBD is an important for black shoppers in employment terms.
- The CBD links the transport routes around the conurbation, therefore it is

the central transport interchange.

- Retailing in the CBD has the widest range of goods and service accessible.
- There is a growing inner city resident population.
- The CBD is still seen as a prestigious recreation and socialising area accessible on the part of most of the township residents.

On the supply-side, the retail property developer companies have seen a surge in their returns as a result of the rise in the rentals:

> 'The CBD rentals have risen considerably over the past few years as the land lords accept the changing demographics in the CBD. The locations are achieving higher rentals which are not achieved by many stores in the decentralised locations' (SAPOA NEWS, 1996:36).

However, the revival of the town centres cannot be driven by the retail sector alone, even more so the one which is located at the lower end of the market. As in the above mentioned North American and European cities, the revival of the city centre may require a careful reconsideration of decentralised commerce and retail development, rigorous implementation of compact city policy, as well as comprehensive and stern campaigns against crime.

3.3.3 Township Retailing

Historically, the black residential areas did not have any meaningful shopping centre facilities. In respect of the African township areas, as early as 1923 the government of the day introduced legislative measures - the Native Urban Areas Act and later the Nature Urban Areas Act No 25 of 1945 - to actively discourage meaningful retailing in these areas:

> 'In terms of this legislation the only formal trading facilities permitted within the black townships were the businesses that provided the barest essentials of life (e.g. milk, meat, bread)' (Rogerson, 1994).

This legislation also specifically prohibited even retail advertisements by the non-residential entrepreneurs or companies in the township areas. But the real effect of these restrictions is that they have severely undermined prospects of vibrant commercial enterprises in the townships and perpetuated the leakage of local capital, reinforcing the dependence of township consumers on the CBD. In the early 1980s, as the government introduced some deregulation, having accepted the permanent status of the African city dwellers, major retail investments anticipated could not take place particularly as a result of the political circumstances of the time (Harrison, *et al*, 1997). At the same time, the retail property developers and the large retail chain stores followed economic logic as they focussed on the prime suburban market, which opened up as a result of the wave of commercial decentralisation.

The township settlements are by and large sprawling low income areas, therefore retail planning in these areas have to take this into account. Prior to the 1990s, retailing in the townships was virtually completely convenience-level, from which the local residents obtained daily necessities. The neighbouring town centres were the source of comparison and speciality goods and services. Thus, within the context of the retail system in the Apartheid city, the intra-urban retail hierarchy as it applied to the majority of the township residents was historically mainly characterised by two tiers, namely local convenience stores and the high order city centre.

However since the 1980s, partly as a result of the political reforms, township retailing gradually transformed. One of these changes occurred when government deregulated the supply system to the local outlets. Major manufacturers were allowed to make direct supply to the township retailers without the 'middleman' (Smith, 1998). Before such deregulation, only the formal outlets were supplied directly by firms or wholesalers. In fact, township retailers went out themselves to obtain their stocks. In part this had to do with the political unrest at the time.

A great number of the outlets are Spaza shops (informal micro-retailers) the majority of which are located inside the township's residential areas. The emergence of Spaza shops, combined with the effects of the deregulation process undermined and led to the closure of many local stores, including the larger community shopping centres which were initiated by the Small Business Development Corporation (SBDC). Given their location within the residential areas, where nearly every street have one or two outlets, Spaza shops enjoy a locational advantage because of the greater access they provide. Other advantages arise out of their informal status, from which they are able to evade tax, and rent or service charges. According to the 1998 Bureau of Market Research's findings, Spaza shops have become important components of township retailing and seem set to remain an integral part in the future. They are far from being survivalists enterprises and they are becoming 'permanent phenomenon in the South African economy' (Sunday Times, 22/02/1998). The bulk of the products sold in Spaza shops are limited to those satisfying the daily and emergency consumer needs. Almost 80% of the turnover is generated by five products: food (42,5%), soft-drinks (16,7%), cigarettes (14%), alcohol (13,2%) and fuel and light (10,6 %).

The community shopping centres that emerged in the 1980s were plagued by circumstantial problems arising from the political context. This included problems such as regular and protracted consumer boycotts and stay-aways, as well as the problems of poor and unreliable infrastructure (eg. irregularly supplied electricity) which were disincentives partly responsible for the lack any major inward investments (Harrison, *et al.*1997). However, some of these were badly located, within the context of the local market areas and circulation system. These shopping centres were mainly convenience level, anchored by a large national chain store, with low order tenants selling various kinds of goods. Over the years, whilst others have irrevocably declined and thus changed to other uses, some are operated by new large chain stores (with change in tenancy) such as PEP, Spar, etc. However, many specialist stores like the franchise outlets in petrol stations (such as Mobil, Caltex, Total, etc.) and the take-away food outlets (such as Chicken Licken, Kentucky Fried Chicken, etc) and car dealers were introduced in the townships.

In the 1990s, especially after the 1994 elections new interest in the townships has to some extent developed on the part of the major property developer companies and national chain stores, though the majority of these companies still have some misgivings about these 'unfamiliar' areas. This is even more so in the light of the present state of the capital market with high interest rates and a relatively stagnant performance and outlook of the economy (Rogerson, 1997).

> 'The differences that are important are the socio-economic circumstances of the shoppers' (Smith, 1998).

Establishing major retail centres in the townships, as it should be the case elsewhere, must not only take into account the socio-economic circumstances, but also the changes occurring locally including the shopping patterns. In the study conducted by Urban Development Studies (van Graan,1997) the average black shopper has the following profile:

- The majority of the shoppers are under the age of 35.
- The large household size is at 4,4 and 5,4 members per household.
- There is low car ownership, mainly dependent on minibus taxis for transport.
- The average household income is relatively low, thus households have a

limited disposal income.

However, because of the centrality of the town centres, the volumes of the people visiting the CBD make up for low spending power:

- Spending on clothes and shoes is very high, attributable to the huge young population spending a lot on clothes.
- Most black households are still furnishing their homes and proportionally spend more on furniture than white households.

In addition, the study found that:

> 'if blacks have a choice where to spend money the image and quality of the store are very important. Perception regarding a store are influenced by advertising and promotions' (van Graan, 1992:29).

Another important and strongly influential factor in the store's popularity is whether the store offers credit facilities, because the study shows that stores offering credit tend to be more popular.

3.3.4 Conclusion

The establishment of the major retailing centre in the townships in the 1990s is to all intents and purposes an extension of the decentralisation that has taken place since the 1970s and 1980s, albeit at the time when internationally, there seems to be efforts to roll-back this phenomenon. South Africa has had a relatively *laissez faire* approach for the question of the location of the retail centres and other commercial enterprises, and this seem to be continuing unabated up to now. The fact that city centre retailing is now mainly supported by township residents raises the question as to whether these new developments could further erode the support base of the city centre retailing. Nonetheless, there is a definite need for the establishment of major shopping centres in the township areas. However, there has to be a balance between the concerns regarding vitality of the city centre on the one hand and the needs of local shopping in the townships on the other.

CHAPTER FOUR

REGIONAL CONTEXT AND CASE STUDIES

4.1 Introduction

This chapter sets out make a concrete presentation and discussion of the case studies (Dobsonville and Daveyton Shopping Centre). However, these are preceded by a discussion of the spatial context and the character of the retail system within the region.

The functional organisation of the retailing system in the Greater Witwatersrand region has historically been core-focused, reflective of the legacy of the mono-centrist oriented planning of cities in the past. But it was also a reflection of the scale of the economic development of the urban centres at the time. However, over the years this has somewhat changed since the decentralisation process, which has been one of the salient features of urban development in the Witwatersrand over the past three decades. Currently, the Witwatersrand is a conurbation characterised by the Johannesburg city centre as the core, alongside numerous secondary or satellite towns of different sizes, distances and economic influences. Hence, the region has become multi-nodal in which retailing has become both an outcome and a factor facilitating development.

Most of these multi-functional centres and nodes were developing along the major radial routes from the city centre, junctions and the ring road around Johannesburg (appendix 4.1). They incorporate commercial, retail, cultural and residential concentrations of development and in different combinations.

Nonetheless, all of this occurred within the spatial context of the Apartheid city in terms of whose design the secondary and tertiary nodes have mainly been located in the former white areas. However, looking at the broader morphology of the Greater Witwatersrand in perspective, this conurbation is now characterised by five distinct types of retail centres viz,

1. the traditional central business districts of the city
2. the secondary towns or centres
3. malls
4. edge cities
5. the nucleated retail centres in the historically black townships

The retail centres found in the townships have historically been different and by far underdeveloped, characterised by little more than clusters of streets traders and general dealers at transportation junctions. In some instances these were enhanced by speciality outlets which made forays in to the townships since 1980s such as petrol filling-stations and franchise fast-food outlets. In contrast to others (above mentioned), these township centres had virtually minimal or rudimentary linkages with other nodes outside their locality, if any. Thus, like their market they were marginal in the broader scheme of the intra-urban retailing system.

4.2 Regional Context

Having been originally built as dormitory settlements for the black migrant labour force, like most African townships, both Daveyton and Dobsonville are on the periphery of their neighbouring mining and industrial centres, within the urban complex of Greater Witwatersrand. This region is located within the economic and geographic core of the Gauteng province, which is in fact the economic core of South Africa , accounting for a Gross Geographic Product (GGP) of about 37% of the country's total Gross Domestic Product (GDP). Whilst the province has a land size of only 1,5% of South Africa, it is 96% functionally urbanised

(Department of Development Planning and Local Government, 1997).

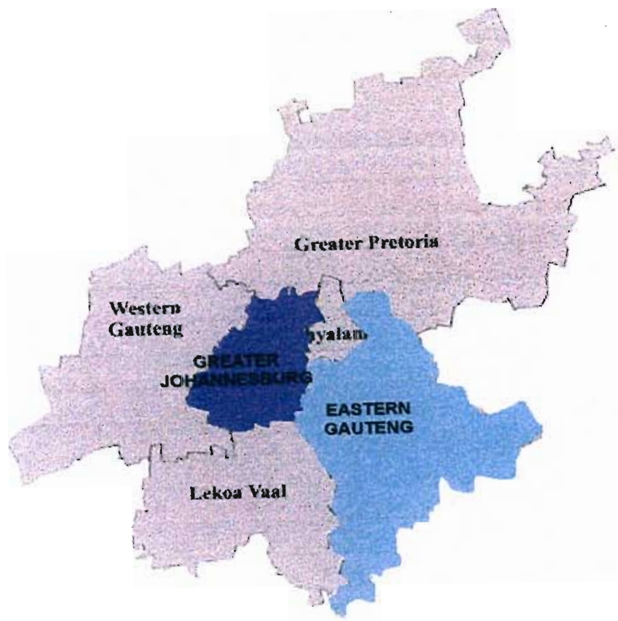


Figure 4.1 Gauteng Regional Boundaries

The Gauteng province is demarcated into six fairly distinct metropolitan regions, namely the Greater Pretoria in the north, the Eastern Gauteng area, the Vaal in the south, Western Gauteng, Greater Johannesburg and Khayalami).

Spatially, the Dobsonville and Daveyton townships are located at the opposite ends of the Greater Witwatersrand region. Dobsonville was originally part of Greater Soweto on the West Rand, whereas Daveyton is a Far East Rand township. However, these two localities are well-placed within the Johannesburg-Midrand-Germiston triangle which forms the metropolitan conglomerate and the economic core of the Gauteng province.

According to the study by the Urban Development Studies (van Graan, 1992), this area has the following demographic and socio-economic profile, as summarised in Table 4.1

Table 4.1 Greater Johannesburg Demographic and Socio-economic profile (%)

AGE:	18 -24	15%
	25-34	44%
	35-49	36%
	50+	5%
OCCUPATION:	White Collar	51%
	Blue Collar	49%
CAR OWNERSHIP:	YES	8%
	NO	92%
TRANSPORT MODE:	Taxi	75%
	Bus	13%
	Train	8%
	Car	4%
Average Household size	4,4 persons	
Average household income p/month	R1 250	

Source: Urban Development Studies, 1992

The following observations can be made from table 4.1:

- The majority of the shoppers are under 35 years.
- The household sizes are about 5 members on average.
- The average house income is above the poverty margin level of R900 per month.
- There is a low car ownership, and the majority of the people mainly rely on minibus taxi for their transport.

4.3 Case Study 1: The Daveyton Shopping Mall

4.3.1 Sub-Regional Context

The Daveyton township is on the Eastern Gauteng region and it is part of the Greater Benoni which is constituted by the 'old Benoni' (i.e. the city centre and the former white suburban areas), the informal settlement of Etwatwa and Wadeville township. This Eastern Gauteng region is on the eastern fringe of Greater Witwatersrand and provincial border, within an urban complex constituted by secondary towns such as Springs to the south-east (15 kilometres away), Brakpan to the south (8 kilometres away), Boksburg to the south-west (14 kilometres away), Kempton Park to the north-west (13 kilometres away) and Germiston to the west (14 kilometres away). The Greater Benoni's eastern boundary around Etwatwa forms part of the provincial boundary shared with the Mpumalanga province.

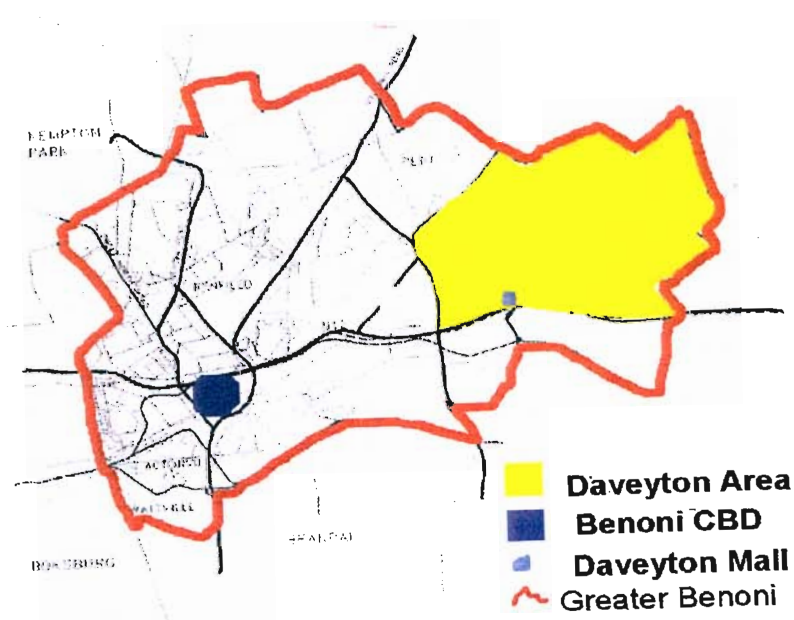


Figure 4.2 Greater Benoni Metropolitan Area

The Eastern Gauteng's retail system is mainly based on the traditional town centres of the secondary towns in the region, several regional shopping centres the prominent of which is the East Rand Shopping Mall, Makro and Benoni's Hyperama.

As it is the case with towns in Gauteng and the Johannesburg CBD in particular, the Benoni's CBD has for some time also been undergoing the throes of commercial and retail decline, although its experience was rather different.

> 'Recently, with the growth of the suburban shopping centres and the influence of the economic factors, the emphasis on the CBD has shifted from retail to offices' (Greater Benoni Spatial Development Framework, 1988).

In fact, the impact of the East Rand Mall has particularly been felt in the town's retailing, detracting opportunities from the CBD, thus exacerbating the decline. However, the strategic location of the Greater Benoni along the shadow of the Maputo Corridor promises to stimulate some development in the area. Already around and on the fringe of the town centre adjacent the Witbank highway and the lake, a R330 million regional shopping centre and entertainment complex- Lakeside Mall is constructed. It also includes a major casino and eight hectare themed complex on the north shore of the Lake (SAPOA NEWS, 1997). Benoni is strategically located within the primary development zone of Germiston and Maputo Corridors.

4.3.2 The Local Context

The Daveyton township is located 25 kilometres east of Johannesburg and it is between the very high density informal settlement of Etwatwa to the east and Benoni town centre to the west. Daveyton is itself interspersed with some informal settlements.

The Daveyton-Etwatwa complex has about 394 000 people which make 70% of the population of Greater Benoni. Daveyton and Etwatwa have the highest population density per hectare (165) in the Greater Benoni metropolitan area. The income levels range between R1 500 and R4 900 per annum (DBSA,1991).

The Daveyton Shopping Mall site is located on the entrance / exit point of the township, which historically has been the local shopping nucleation stimulated by the taxi rank. This area seems to develop as a local central business district, since the taxi rank has been upgraded. This rank is also linking the Far East Rand and areas outside with its externally oriented taxi transportation being the significant part. Also, there is the taxi association's offices, a bank outlet, two petrol-filling stations, independent franchise fast food Kentucky Fried Chicken, PEP Store, Spar, local community hall, Police Station and the local municipal and the Department of Welfare's pensioners offices.

4.3.3 Shopping Centre Format

The Daveyton Shopping Mall occupies a piece of land of about 40 370 sq. m. in extent, with the total building area of 20 486 sq. m. between the Turton and Esselen Streets, which define the main retail area of the local central business district. This is the township's highest concentration of local stores such as the general dealers, butchers, fruit shops, cafe and the recently located Kentucky Fried Chicken, PEP and Spar outlets. This economic central place character was enhanced when the Daveyton Shopping Mall was set up three years ago. The overall gross lettable shopping units in this shopping centre amounts to about 17 000 sq. m. within the total building area of about 20 486 square metres. Pick 'n Pay, which is the shopping centre's 'magnet' or anchor store occupies 3 000 square metres. The shopping centre also has about 66 other line shops.

The shopping centres architecture is laid out in a 'U' form with the main entrance on the one end and a cul de sac on the other. It is around this cul de sac where there are the entertainment outlets anchored by the three cinema - Ster Moribo complex. Around the cinema there are a few food stores including the sit-down restaurant.

This Mall was designed as some kind of a generalist Intermediary Shopping Centre emphasing convenience level trading, though having a measure of some comparison and speciality stores which gives it a certain level of multi-purpose function. With the exception of the centre manager's offices, security offices and a medical general practitioners surgery upstairs, all the other shops are on the ground floor under one roof.

Figure 4.3 Daveyton Mall External View

Outside the shopping centre there are about 46 parking spaces. Immediately outside the hedged shopping centre yard at the main gates, there is a strip of hawkers stands providing a transitional and interceptive retailing from the flow of the shoppers. Currently, the Daveyton Shopping Mall has about 6 vacant units, three of which are on the upstairs level. This may very well increase if the intentions of Nandos outlet (which located right in front of the main entrance) are followed through, in relocation to a more conventional specialist type of separate and independent location.

Table 4.2 Daveyton Shopping Mall: Tenant Mix

STORE TYPE	(%)
Convenience	18.1
Comparison	37.8
Speciality	43.9

4.4 Case Study 2: Dobsonville Shopping Mall

4.4.1 Sub-regional Context

Functionally, the Dobsonville township is effectively part of the Greater Soweto district, however together with Meadowlands and parts of Orlando West, they are now administratively under the Western Metropolitan Local Council (WMLC). The Dobsonville township is located south-most within the WMLC. The WMLC covers areas such as the Florida, Orlando West, etc. Florida is an important commercial centre within the WMLC, operating as the secondary town centre to Roodepoort. The Dobsonville Shopping Centre is located in a sub-region of a retailing system composed of :

- city and town centres - Johannesburg, Roodepoort and Florida.
- regional shopping centre - Highgate, Makro, Westgate.
- township shopping centres - Southgate, Chiawelo, Meadowlands, Protea, Black Chain.

Thus, comparatively, this subregion is relatively more traded than the Greater Benoni / Daveyton area and the Dobsonville Shopping Centre only adds to the situation. This means that there is a considerable overlapping in the trade areas between shopping centres, thus creating some competition. This is even more so in Soweto where a new and even larger regional shopping centre and casino are due to be set up. However, to date the Dobsonville Shopping Centre is the largest in the Greater Soweto.

According to the JHI Property Service Research (SAPOA NEWS, 1998) the Greater Soweto area has the population of about 1,2 million people. The average household income in Soweto is between R1 000 and R2 000 a month, and there is an estimated employment of 31 %. There is very limited local economic activity, where the Soweto township only have 21% of its labour force employed locally, and mostly in the informal economic activities, whilst the rest of the employed commute out of the township to the city's industrial centres, town centre and the suburban areas.

Within this WMLC there are socio-economic extremes as may be found elsewhere in South Africa, between the low income southern residence areas (Dobsonville, Meadowlands, Orlando West) and the northern residence high income (Allen Nek and Noordekrans) on the other hand. According to the research findings of the MarketMap Ltd and In-Depth Data (1997), the former experiences on average a considerably lower income base, where the monthly household income is about R2 800, whilst in the latter the average monthly household income is one of the country's highest, R26 500.

Dobsonville and Meadowlands have a combined population of 435 309 which constitute 71% of the WMLC population, and these are also the areas with the highest population density ratios in the WMLC. The study further revealed that since the 1990s, Soweto has become a prime testing ground for economic activity in the townships, as shown by the fact that the area is a trail blazer in the development of different kinds of new shopping centres (neighbourhood, community and Intermediary shopping centres) and about 17% of the recent retail developments took place there.

Thus, on the basis of this large population, though economically a low income trade area, a new retail hierarchy is emerging in which the Dobsonville Shopping Centre is at the apex, followed by Community Shopping Centres (Black Chain and Meadowlands Shopping Centres), and Neighbourhood Shopping Centres (Chiawelo and Protea Shopping Centres). Below these are numerous convenience stores such as general dealers on streets corners and Spaza shops.

4.3.2 Shopping Centre Format

The Dobsonville Shopping Centre was opened in 1994. The Dobsonville Shopping Centre is about 18 650 square metres. The shopping centre is located on the western entrance / exit point of the Soweto township. The gross lettable shopping space amounts to about 16 850 square metres, which makes it the largest in Soweto to date. Hence, the extent of its trade area is not only intended to cover Dobsonville area alone, but also the entire Soweto township. To some extend it also draws shoppers from Kagiso. The Kagiso township has had an unsuccessful Community Shopping Centre built by Old Mutual Properties in the early 1990s. In the Dobsonville Shopping Centre there are about 86 units of outlets, which are currently 100% operational. Shoprite Checkers (3000 square metres) is the anchor store, and it is complemented by the entertainment centre provided in the three cinema-Ster Moribo. Historically, the local cinema centre which existed was the now defunct Eyethu Cinema.

Figure 4.4 A view of the quality of roofing - Dobsonville Shopping Centre

The Dobsonville Shopping Centre building has a small upstairs level where the shopping manager's offices and security are based. There are also speciality type outlets such as Sunglass boutique, Dental and Medical surgery. Externally, there is only a 60 parking space for the expected motorised shoppers. Inside the shopping centre yard there is a taxi rank, linked to the main Dobsonville taxi rank. On the pavements of the taxi rank leading up to the main gates and the shopping centre entrance, there is an upgraded hawkers' market area. This creates informal and formal, big and small business linkages in a transitional shopping continuum within the precinct. The shopping centre has comparison, convenience and speciality stores, as well as offices post office, customers service centre for Telkom.

Table 4.3 Dobsonville Shopping Centre: Tenant Mix

SHOP TYPE	(%)
Convenience Stores	17.4
Comparison Stores	37.2
Speciality Stores	45.3

4.5 Comparative Analysis

The design and format of both the Daveyton and Dobsonville Shopping Centres do not exactly fit within the touchstone basic hierarchy of the shopping centres (appendix 4.2). The new township malls are structured in the manner that incorporate the features of both the community shopping centre and regional shopping centre.

In the first instance, unlike the community shopping centres, these township malls not only have variety and department stores, but also a significant share of speciality stores.

Secondly, whilst their location is community or area specific, namely Daveyton and Dobsonville, their catchment areas extend beyond the traditional confines of 5 - 15 minutes range in community shopping centres. In fact they have by far threshold sizes more than the 25 000 sq. m., covering their respective township areas and the fringe areas. In part, the location of these two township malls on nodes found on the edges of respective townships, account for this overlap.

These locations along the main routes, follows the conventional American approach which emphasises public transportation related or induced nodes, in the development of such retail centres. At the same time, these nodes have historically been developed along the lines of the British concentric nodal forms

in the middle of built environment, where there is a deliberate public intention and action to create some central place. In these nodes, which become the core commercial and civic capitals, public institutions such as local authority administration offices, education institutions, community facilities such as halls are congregated to create a local foci.
This is distinctly the case in Daveyton, and Dobsonville is growing in that direction too. More over, there is an annular residential development around the Dobsonville Shopping Centre, rather than a mixed corridor system induced to link up with Roodepoort's satellite nodes, which in the long term will take the manifest form of a core central place.

The characteristics of the Dobsonville and Daveyton Shopping Malls have a great influence on the nature of these shopping centres, distinguishing them from the conventional equivalents such as the suburban community shopping centres. This reflected in the differences between the Dobsonville Shopping Centre and neighbouring community shopping centre, Florida Junction.

Firstly, whilst they are found on more or less of similar size range - between 15 000 and 20 000 sq. m., the Florida Junction is designed as a typical convenience oriented community shopping centre.

Secondly, within the framework of the conventional community shopping centre, Florida Junction is visually and structurally incorporated inside the residential area, despite its 19th century locomotion theme. It is anchored by SPAR, along side a range of sit-down restaurant, take-away outlets and specialist uses such as pharmacy, stationers and book shop, and medical suites.

CHAPTER FIVE

Presentation and Analysis of the Survey Results

5.1 Introduction

Essentially, this chapter is devoted to the presentation and analysis of the results of the field-work research, exploring issues raised in the research questions and the hypothesis. As noted in the Chapter 1, different field work methods were conducted in pursuit of this goals, viz. the survey questionnaire, semi-structured interviews, random interceptive interviews and participant observation. The results of this work are interpreted and feed into the discussion of the case studies and even more importantly to the conclusions and recommendations arising at the end. Amongst others, in all the different forms and methods, this fieldwork research was intended to deal with three key questions, amongst others:

- The first key issue pertains to the problems encountered by the developers and tenants in setting up and operating their businesses in the centre. This issue is particularly important seen against the background of the long term prospects of these new shopping centres, and the possibilities of future expansion of this trend to other townships across the country. Secondly, since these types of shopping centres are unprecedented in the townships, it is also important to evaluate the experience of businesses already involved in these projects.

- The second key issue pertains to the performance of the different types of enterprises and the shopping centres themselves. The question of viability is ultimately determined by the overall profitability of the shopping centre, barring the adverse effects of the unfavourable macro-economic environment at a particular time. Therefore a range of structural considerations are crucial to ensure viable operation of a shopping centre. These structural imperatives include issues such as location, line shopping and tenant or shop-type mix policy, sales orientation, aesthetic appeal of the shopping centre, etc.

- The third key issue pertains to the question of variety and choice. The question of variety and choice is two-fold. Firstly, it relates to the extent of the agglomeration of a range of similar, competitive and complementary outlets within a shopping centre. Secondly, it relates to the product range of the volumes of stocks made available for sale in the store. The extent to which a shopping centre provides the requisite variety and choice has a bearing on the extent to which the largest possible threshold of shoppers within a trade area could be drawn. However, in this respect the issue of variety and choice should be seen as part of a range of various other factors crucial in securing shoppers within a particular trade area.

In the first half of this chapter, a descriptive presentation and analysis of data and information are done concurrently, using both the tables and analytic commentary. This chapter is concluded with a theoretical interpretation of the implication of the findings against the background of the international and local context in retailing (chapter 3) and case studies. In a sense it seeks to deal with the theoretical implications of the findings.

The preceding description and analysis (chapter 4) of the nature of these new shopping centres in Daveyton and Dobsonville provide a contextual understanding of the setting within which these shopping centres operate. This context set the framework of the kinds of questions guiding this empirical inquiry. A variety of issues embodied in the context of the above mentioned three key issues have emerged from this inquiry, but are presented under the following headings:

- The process and experience in the establishment and operation of the shopping centres and outlets.
- The design and format of these shopping centres relative to the nature of their respective trade areas.
- The current performance and outlook of these shopping centres.

The overriding principle guiding the scope and rigour of this research was a deliberate attempt to at least cover a sample that amounts to the half of the total population, in each population of the stratum surveyed. The following represent the empirical scope covered by means of the questionnaire in both shopping centres.

THE SURVEY SAMPLES

Table 5.1 Daveyton Shopping Mall

SHOP TYPE	SAMPLE	PERCENTAGE	POPULATION
Convenience	6	50%	12
Comparison	14	56%	25
Speciality	15	79%	29
TOTAL	35	53%	66

Table 5.2 Dobsonville Shopping Centre

SHOP TYPE	SAMPLE	PERCENTAGE	POPULATION
Convenience	8	53%	15
Comparison	16	50%	32
Speciality	20	51%	39
TOTAL	44	51%	86

As it could be seen from both tables, there was a deliberate intention to at least cover as much as half of every population stratum which was subject to research, with the view that such a sample could provide useful although by no means conclusive information and basis of drawing conclusions.

5.2 The process and experience in the establishment and operation of the shopping centres and retail outlets

This issue is divided into four distinct but related concerns, namely the policy approach taken in the establishing these shopping centres on the part of the developer, the motivating reasons for the establishment of townships malls, problems experienced in the course of their establishment and operation of the shopping centres and enterprises.

5.2.1 Policy approach

Historically, the absence of major retail centres in the townships was decried for the leakage of local capital it engendered and perpetuated, given the dependence over the town centre for shopping on the part of the township residents. With the establishment of these new township malls, it can be expected that to some extent these developments would enhance the local economic development initiatives in these areas.

However, despite the concessions made by the developer (Sanlam Properties) in which there is a provision for the participation of locally owned enterprises in these shopping centres, these projects are still dominated by the developer and various national chain stores. This situation raises a moot point as to whether these kinds of developments perpetuate the leakage of local capital or not. In addition, whether there could be any substantive trickle effect from these investments which could harness the local economic agenda. After all, these developments are retail investments, which comparatively is not really one of the industries bearing greater development multiplier effects.

In establishing the shopping centres, Sanlam Properties developed a new perspective which was intended to guide construction and operational phases of both projects. At the heart of this perspective is the question of meaningful community participation. This policy constitutes a major departure from the kind of approaches followed by the company historically. This community participation policy was in line with the company's vision of a community oriented shopping centre. Therefore, these projects were conceived to create more than just shopping centres, but facilities with which members of the community could identify themselves with:

> 'Further more, it affords an opportunity for the community to participate in the ownership of the Centre itself, to the extent of 49%. Then, too, the developers keenly mindful of the need to boost gainful employment potential of a major commercial facility of the Dobsonville Shopping Centre magnitude, have agreed to create a trust fund which will be applied for the purposes of training and job creation' (Building, 1995:40)

Thus, in keeping with this approach, in both shopping centre projects, extensive consultations and cooperation occurred between the company on the one hand, the local authority and community based organisations on the other. These partnerships culminated with agreements between parties:

> 'Then too, construction itself provided many opportunities for the use of local labour, and as with the Daveyton Shopping Malls counterpart, Dobsonville Shopping Centre, it was gratifying to note the quality of such locally supplied labour inputs' (Buiding,1996:52).

Mr Kwazi Sithole, Sanlam Properties' Project Manager (interviewee) outlined that these agreements entailed the following points:

- At least 30% and 15% mandatory provision of lettable shopping space to the locally owned enterprises in both Daveyton and Dobsonville Shopping Centres, respectively.

- Outsourcing local sub-contractors in terms of the material and labour inputs on the part of the main building contractor.
- Training and employment of local labour in security, cleaning and shopping centre management.
- The renovation of the taxi rank (Dobsonville), upgrading of the hawkers stalls and renovation Daveyton's local community hall (which is on the mall's site).

Within the context of this agreements, the developer - Sanlam Properties - still sought to strike and maintain a balance between economy in construction costs and profitability in the operation of the of the shopping centre, notwithstanding the equity participation by the community interest groups. However, it was also in the interest of the developer to do embark on the upgrading and renovation projects in order to eliminate possible physical blights or 'eye sore' from the already dilapidated and rudimentary state of the community hall and taxi rank. In Daveyton Shopping Mall vicinity, there was a coincidental upgrading of the main taxi terminus by Sasol.

Sanlam Properties also formulated a slightly different approach from the archetypal tenancy policies employed in most shopping centres. Given the misgivings most national chain retailers had about the township malls, the developer had to ensure a measure of certainty and the short to medium term sustainability of these projects. Thus it was stipulated that leasehold in the anchor store space was granted on the basis of at least 20 years commitment. Similarly, prime location position within a shopping centre, and the line shop tenancy allocations were generally made using both the criteria of minimum leasehold guarantee and the size of the required lettable space. However, Mr

Kwazi Sithole indicated that this policy remains a cause of concern on the part of the tenants' associations in both shopping centres.

5.2.2 Reasons for opening outlets in the shopping centre

As argued in the introduction (chapter 1) that this pioneering venture on the part of these retail property investors and national chain stores companies is not unrelated to the effects of the current state of the retail saturation in the prime suburban market and the changing socio-economic and political context in South Africa. Certainly, the present relatively stagnant macro-economic outlook virtually rules out prospects for extensive new retail development within these already over-traded markets. If any thing, further development can only take the form of either redevelopment (refurbishment and renovations) in the existing shopping malls or expansion into the untapped markets and 'green fields'. Stifled by the rigid regulation in the past, township retailing offers the untapped new opportunities in the present.

However, according to Sithole, Sanlam Properties' decision to make forays into the township market is based on its researched long term strategic planning, in terms of which it was envisaged that the spin-offs from the Reconstruction and Development Programme (such as electrification, housing, employment creation, etc.) were going to stimulate increased retail activity in this market. These possibilities were expected to be reinforced by growth in the rate of urbanisation and high density development planning, well into the post-Apartheid South Africa.

At the same time, most national chain retailers who were developing interest in the township markets see these areas as captive markets, in which their primary market base (low income segment) were concentrated. Thus, as competitors (such as PEP and SPAR) were already operating as anchor stores in some of the old community shopping centres, moving into the township markets provided effective ways of maintaining and expanding their market share within this segment. Therefore, there is an understanding that the opportunity cost of these areas could become very high in the long term.

From both the interviews and questionnaire surveys, the overwhelming majority of the respondents among tenant retailers confirmed that the key motivation to moving into townships lies in the fact that these areas are inhabited by shoppers comprising their primary market. Asked open ended questions as to why they have decided to open outlets in the townships, the overwhelming majority of the respondents expressed sentiments such as these: 'this is a prime market', 'these shopping centres are effective avenues for advertisements and brand name promotions', 'they provided opportunities for building a community based identity of our store', etc. Thus, at one level these finding reinforce the prevalence of cut-throat competition within the industry, making every branch location an important marketing front in the broader scheme of competition for shoppers' loyalty and the prestige of the store and its associated brand names.

5.2.3 Problems experienced when setting up business

Historically, establishing business enterprises in the townships was an undertaking fraught with some difficulties. For one thing, local entrepreneurs were always incapacitated, by their lack of access to capital. All but few of the 'risk-averse' commercial banks red-lined townships out of their markets. If anything, those which were ever involved in the township market prior to the 1990s tended to be particularly focused in the private housing financing (Bond,1992). For the most part, retail business development in the townships was supported by development oriented agencies and business organisations such as the Small Business Development Corporation (SBDC), National African Chamber of Commerce (NAFCOC). The political instability then was a commonplace reason cited for this lack of interest. Certainly, the political context then was a disincentive to many developments in the townships, including retailing business. The recent commencement of the long awaited R300 million worth Jabulani Mall in Soweto can bear testimony to this assertion:

> 'The deal has been on and off, after the main sponsors - Metropolitan Life temporarily stopped the project as a result of the political instability of the 1980s' (Sowetan, 27/11/1998:44).

On the other hand, costly bureaucratic inertia and incapacity was another set of the problems encountered by the prospective business people interested in opening and developing some businesses in the townships. In fact, many of the individuals who were involved in the black local authorities were themselves the dominant local business entrepreneurs. Unfortunately it seems some of these problems are still there in some local authorities, despite the democratisation and rationalisation processes which began in 1995. Foe example, a proposed East Bank Shopping Centre in Alexandra township failed as a result of the ineptitude on the part of the authorities. They failed to facilitate the provision of the identified piece of land invasion by the informal dwellers, for whom the local government still yet to find alternative land for occupation (Finance Week, 16 - 22 / 02 / 1995).

In some instance, legitimate concerns for equity partnership with the view to empower local communities from developments taking place within their locality tended to threaten or stall developments. For example, in the same case of the Jabulani Mall, progress towards the commencement of construction was hampered by the stalemate that aroused from disagreements about issues of 'development gain':

> 'The company wanted to resume the project but was stopped by local business, civic association and the local government who wanted equity participation' (ibid:44).

Thus, to some extent the success of a shopping centre development project is subject to the above mentioned issues, which seem to be endemic in the process of establishing such businesses within the township areas. Therefore, this is one of the issues subject to the investigation in this study through the questionnaire survey.

On the whole, the results of the survey (appendix 5.1) suggest that:

- In Dobsonville Shopping Centre, it was only the speciality stores which were affected, even then only a negligible (7%), by these problems.
- In the Daveyton Shopping Mall as much as 12,5% of convenience shops and 5% of the speciality shops encountered such problems.

In fact, these outlets were affected by problems pertaining to finance, which crept in the process of securing finance for guaranteeing shopping space opportunities. This confirms the claim made by the Daveyton Shopping Mall's managers, Mathews Qalaza, that some of the locally owned stores (among the 30% of local leasehold) have problems pertaining to finance, hence a few of these have since closed. This can only serve to that the township businesses are still engulfed by problems of financial incapacity and lack of access to capital as was the case during the 1980s, and before. In addition, it can also be concluded that since most of the outlets are chain stores, this helped to avert an otherwise larges scale problem in township retailing environment. In any case, it is Sanlam Properties basic policy that even if there are some small independent traders, the guaranteed commitment of the national chain stores is the prerequisite to commencing with a project. The Daveyton Shopping Mall is particularly more affected by this problem, not least because of its disproportionate share of the local leasehold, when compared to the slightly bigger Dobsonville Shopping Centre. Apart from the strength of the chain stores in the midst of the extremely unfavourable costs of borrowing capital in South Africa, a relatively smooth fullylet launch of these shopping centre occurred. This was facilitated by the fact that as planned shopping centres, they were set up as turnkey projects, which easily averted some of the potential problems indicated above.

In the same vein, Sanlam Properties to some extent maintained the policy of greater participation of national chain stores in order to safeguard the long term viability of these projects. This policy according to Mr Sithole is not in contradiction with the flexibility the company exercised around the question of equity partnership. This creative business approach averted the kinds of problems encountered in the Jabulani Mall project. In such a speculative venture, these delays from stalemates arising in equity negotiations can only escalate the costs for the prospective investors.

5.2.4 Problems encountered in the course of operation of business in the shopping centres

Ideally, a sustained profitable enterprise at least requires conditions free of non-market related problems or distortions. However, as happened in respect of the old community shopping centres in the townships and other local convenience outlets, retailing in the township had to contend not only with the problems related to the macro-economic and political administration, but also issues such as the prevalence of theft, delivery or supply bottle-necks, unsuitable location and poor business. To this extent , it is argued that these kinds of problems, could impair the medium to long term chances of business enterprises. Therefore, the study undertook to evaluate the situation in the shopping centres as it relate to these issues.

In both the Daveyton and Dobsonville Shopping Centres, theft features prominently. It affects all types of stores without exeption, although in varying degrees. However, from the findings the convenience stores are the worst affected by the problem of theft (shop-lifting) compared to other categories in both shopping centres.

By the very nature of their design, convenience store are the most important magnet stores generating shared business to the benefit of other outlets. Hence, the convenience stores are comparatively the most patronised at one point in time and presumably this is one of the causes of high incidents of theft, because they are typically highly frequented by the cross-section of the members of the public.

Secondly, some of these outlets (such as Diskom, 7 Eleven, SPAR, Savemore) including the anchor store, are more prone to theft because of their self-service system. The same cannot be said of the high order speciality and comparison stores selling durable goods such as appliances or providing services. Thus, if the problem of theft is particularly rife in this category of stores, then this could bode ill for the medium to long term prospects of these shopping centres themselves. However, seen in perspective theft is just but one of the problems afflicting these shopping centres. According to the manager of Ellerines Furnitures in the Daveyton Shopping Mall, the presence of banks which are congregated in a single area of the shopping centre seem to be an attraction to a lot of vagrants or 'social incivilities'. These banks are actually branch outlets from which large some of money are deposited and withdrawn. Hence, according to the Shopping Centre manager (Daveyton Shopping Mall) many of the reported incidents of robbery occur in the vicinity of these automatic teller and banking zones.

5.3 Shopping Centre Design

In retail planning literature, it has previously been argued notwithstanding the available grandiose decision-making techniques, such as the computerised Geo-Demographic Information Systems which help in the market evaluation, areal analysis and site selection have been developed. Nonetheless, shopping centre location decisions are in most instances still subject to the entrepreneur's idiosyncrasy and intuitive flair (Potter,1992; Potter,1982).

Besides the study commissioned by Sanlam Properties which helped to inform its choice of location for these projects, there other contextual consideration which played a role. It is argued that in embarking in this pioneering venture, Sanlam Properties was very tentative in its choice of location area, design and format of the shopping centres.

Firstly, both the Dobsonville and Daveyton Shopping Centres are barely inside their host townships and have been located on areas which have been sites of the existing convenience level nodes, on the basis of the relative certainty they assured. This assertion is made because it seems as if the extent to which the internal dynamics in the function of these nodes, has been vigorously studied and grasped is questionable. The over-riding idea behind these decisions seem to be informed by an anxiety to locate these shopping centres to the proven sites of vibrant nodes. Whereas their vicinity had some nucleations of retail outlets, these were invariably all convenience level, which particularly generated thresholds from impulsive shopping of the passing travellers or commuters. The taxi ranks ranks are essentially externally oriented, ferrying people to far flung places such as Pietersburg, QwaQwa, Witbank, Pretoria, etc. (in the Daveyton main taxi rank), Johannesburg, Krugersdorp, Roodepoort, Florida, etc. (in the Dobsonville taxi rank). This is an important feature in the logic of the operation of these nodal forms. It means that these retail nodes emerged and essentially operate primarily as departure points, than points of convergence in the movement and activities of people. Under such circumstances the contribution the contribution that could be made by the commuters of the shopping centres' thresholds are minimal if at all, noting the eminent presence of high order comparison and speciality outlets within these shopping centres.

Secondly, although there are 'local' taxis circulating around the township and passing by the shopping centre, they mainly operate on fleeting 'stop-go' basis, either carrying commuters from one end of the other, or from the township to the CBD. From the interceptive interviews (conducted at the town centre Benoni - Daveyton and Dobsonville - Roodepoort taxi ranks with people returning from shopping) it could be observed that people find it more optimal to travel all the way to the CBD to make their primary shopping locally. This is in part as a result of the fact that there is little difference in taxi fares and the greater advantages attended to shopping in the CBD. The difference between the CBD - bound (Dobsonville to Roodepoort = R2, 00 and Daveyton to Benoni = R2, 50) whereas the local taxi fares cost R1, 50, respectively. This difference is compensated by the advantages for greater comparison, running more errands, fulfilling commitments and enjoy superior amenity and recreation found in the CBD.

5.3.1 Internal design

> 'Location is just one important aspect of the integrated marketing strategy which involves positioning, operations, store size and format, product range, customer service, pricing policy and so on' (Brown, 1992:169)

The internal design entails a range of considerations, but in this instance, the main concern is around the nature and impact of shoppers' circulation, line shop configuration and agglomeration of competitive and compatible outlets. In both

Dobsonville and Daveyton Shopping Malls the configurations of the line shops have taken conventional form of congregation and dispersal uses. In some areas there is some mix and matching of outlets of similar and different functions. One distinct instance of the congregation and matching of different categories of outlets of similar functions is found in the vicinity of the Daveyton Shopping Mall's entertainment centre. In this zone, the three cinema complex Ster Moribo operates as an anchor, within a milieu of sit-down restaurant, music store, restaurant and bar. The other units of lettable space are vacant. This entertainment area is the source of recreation and it is independently located on a cul de sac.

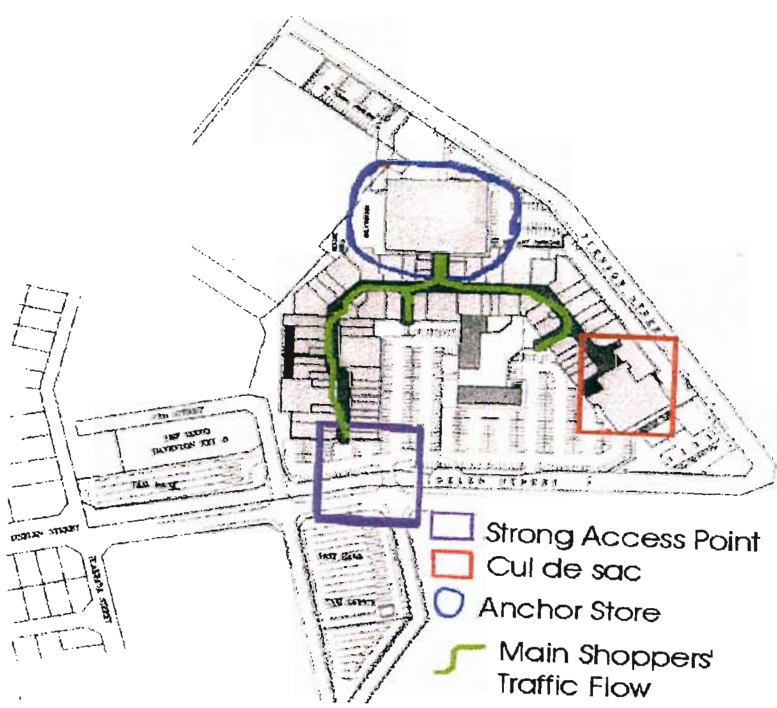


Figure 5.1 Daveyton Shopping Centre Footnote Map

Unfortunately, one of the axioms of shopping centre design and formatting is that cul de sacs must be avoided. The location of these recreation uses in a cul de sac has effectively cut them out of the general traffic flow of shoppers through the shopping centre. Consequently, the cinema has proved wanting in generating adequate thresholds that could support the entertainment centre and various adjacent uses. Hence, it is not only within the cul de sac where there is some vacant units (Nandos which was located on the main entrance was winding down to move into an independent speciality type location), and only in the Daveyton Shopping Mall.

Historically, as it is the case in other townships, both Daveyton and Dobsonville townships had their own local cinemas, some of which have now been change to religious centres, which provide affordable movies in double shows at a time. However, most of these have declined, some closed in the wake of competition from the CBD, and other suburban shopping centre when they were deracialised towards the end of the 1980s. According to the Daveyton Shopping Centre manager (interviewee) this Ster Kinekor franchise (Ster Moribo) has been declining since the departure of its initial franchisee. Originally owned by Thebe Investments subsidiary, it is now owned by Prime Media. In fact, currently is engaged in community projects with a view of enlisting local loyalty, through promotions in schools and youth clubs. Their relatively poor aesthetic appeal and the fact that these shopping centres are closed after daytime, compounds the problem of entertainment in the vicinity.

In the preceding chapter (chapter 4) it has already been indicated from the findings of the Urban Development Studies' research that amongst the majority of the township residents the CBD is still seen as a prestigious recreation and socialising area accessible. This is even more so given the fact that the most shopping on the part of the residents is done on weekends. As indicated previously, the significant figure of the township population is predominantly youth.

Therefore, a few observations can be made arising from discussions with various interviewees in both centres and interceptive interviews outside the shopping centres. In weekdays, the entertainment centre in particular, and the shopping centre generally, struggle because people have gone to work and those remaining mostly happen to be poor and unemployed. The youth mostly prefer trendy CBD or suburban shopping malls on Saturdays. The adults only have weekends to find an opportunity, but would find the overcrowded nature of these shopping centres unsuitable for family recreation.

Another, and much more important aspect related to the formatting of these shopping centres relate to the question of choice and variety. It has already been argued in this study that the formatting of these shopping centres reflect a sense of tentativity spawned by concerns to avoid major losses that may be incurred from possible miscalculations in these 'unfamiliar' areas. The Daveyton and Dobsonville Shopping Centres are Intermediary Shopping Centres in terms of their format, functions and trade areas. Thus, whilst they embody features of all categories such as convenience, comparison and speciality stores, they have been formatted at low intensity of these different uses. Hence, in the overall size of their retail capacity a nd variety of stores they have, they can only derive limited thresholds.

Since township areas command low thresholds (from predominantly low income inhabitants and low - medium density settlements), when developing the format and design of these shopping centres, it was not expected that they could support increased agglomerations of greater range of stores and products. Hence, there is a perception that these shopping centres have poor variety and choice. This sentiment is also shared by Richard Maponya, the experienced township mogul:

> 'The differences that are important in retailing is the socio-economic circumstances of

> the shoppers. The Dobsonville Shopping Centre as an example is quite because the stores carry a limited range of stocks. People say we rather take our taxis and go to the city centre or suburban shopping centre' (Mail and Guardian, 20 -26/03/1998).

Maponya makes these comments against the background of his new initiative to set up regional shopping centre in Soweto. These sentiments, which are underpinned by some surveys, reinforce the results of the finding in this study. In the empirical exploration of this claim which also lies at the heart of the hypothesis, both a questionnaire survey and interceptive interviews engaging residents and tenant retailers respectively, were embarked upon.

One of salient points emerging out of this survey is that the question of variety and choice as applicable elsewhere, is no less important for the township market, particularly as it relates to the high order comparison and speciality goods. However, the demand for variety is much more pronounced in the Dobsonville Shopping Centre which happens to have slightly more unit outlets. Arguably, the relatively more traded of Dobsonville sub-region, as illustrated above, and its proximity to the Johannesburg city centre have a bearing on these results.

In both shopping centres, the managers have raised concerns that chain stores seem to be more committed to outlets in the CBD, hence they even carry limited range of stocks in their township outlets. However, it must be mentioned that some of the retailers interviewed have insisted that their outlets provide adequate volumes of stock and variety to the extent limited by the threshold capacity within the catchment areas. Therefore, if their outlets have limited volumes of stock, it would be by virtue of limited threshold of the area. This then creates a vicious circle between shoppers' needs and retailers' provision. It has been claimed by shopping centre managers, that in most cases the chain stores operate their outlets more as promotions avenues or marketing fronts on behalf of branches in the city centre.

Table 5.2 SURVEY: SHOPPERS' DEMAND FOR VARIETY
RESPONDENTS: RETAILERS

DAVEYTON SHOPPING MALL

1. Convenience Stores

YES	2	33%
NO	3	47%
Not applicable	1	20%
TOTAL	6	100%

2. Comparison Stores

YES	13	93%
NO	1	7%
TOTAL	14	100%

3. Speciality Stores

YES	10	65%
NO	2	15%
Not applicable	3	20%
TOTAL	15	100%

DOBSONVILLE SHOPPING CENTRE

1. Convenience Stores

YES	4	60%
NO	1	20%
Not applicable	1	20%
TOTAL	6	100%

2. Comparison Stores

YES	16	100%
NO	0	0
TOTAL	16	100%

3. Speciality Stores

YES	18	90%
NO	1	5%
Not applicable	1	5%
TOTAL	20	100%

Two-thirds of the shoppers interviewed in both shopping centres have indicated they do their primary shopping in the CBD. These shoppers prefer to go shopping on Saturdays because they are able do a lot more in the CBD on combined shopping trips that it could be possible in the local shopping centre. Thus, the township outlets and shopping centres , lack some of the popular goods and services obtainable in the CBD. Similarly this includes the range of shops themselves, wherein most of the popular and 'prestigious' brands of clothing are only found in the CBD or suburban malls. Some of the interviewees have indicated that they originally expected their local shopping centre to be a discount type, particularly in grocery outlets. In keeping with this, about 55% of the retailers interviewed claimed shoppers tend raise concerns and haggle over prices.

5.4 The Findings in Perspective

It has been previously indicated that nearly all the different strands of retail planning and retail location theories have a more or less abiding influence in contemporary retailing discourse. Thus, the influence of these divergent approaches are all relevant in this study, notwithstanding the more influential approach of the Structuralist perspective.

This approach is premised on the argument that the historical evolution and the process of retail planning and the establishment, design or formatting of particular shopping centres are all mediated by both the demand and supply factors in the retailing milieu. The demand side refers to the conditions of trade areas, hierarchies, and extent of trading, trends in shopping patters and incomes. Whilst the supply side refers to the strategies, policies and plans of retail organisations, changes in retail organisation and technique, public policies and plans. This retail milieu, whether macro-spatial (regional) or micro-spatial (local) is ultimately shaped by the interplay of the social, economic and political imperatives. These imperatives are no less pertinent in respect of these case studies. For the purpose of exposition, they are discussed within a framework of three key conceptual categories, namely the hierarchy, geography and composition. In the final analysis, out of this discussion a point is intended to be made: that despite the fact that the establishment of these shopping centres responds to an existing need, they are set up in a manner inherently making them fall short in fulfilling this need.

5.4.1 Hierarchy

> 'It is widely recognised that the spatial patterns of retail activity are determined by a combination of factors, prominent of whom are the location strategies of the individual retailing organisations, the impact of the shopping centre development industry, the policies of the central and local government and several other influences besides' (Brown, 1992:166)

Retail hierarchies occur in space, functional capacity and forms of shopping facilities, and all of these hierarchical attributes are not uniformly applied. Rather, they reflect their specific contexts. However, there are certain universal characteristics, notwithstanding different contexts. As much as some of the features in this intra-urban retail hierarchy are applicable universally, the seemingly indelible imprint of the legacy of the Apartheid city is overwhelming. If any thing, it lays bare the limitations inherent in the Neoclassical notion of the universal applicability of the market mechanism in the determination of the outcomes of retail structures. In addition, it debunks the Behaviouralists' notion of free choices exercised by the consumers and retailers in determining the location and form of shopping centre. Instead, it reinforces the Structuralist assertion that the spatial evolution of retailing is mediated by social, economic and political forces.

Historically, the fact that retail property investors exclusively operated within the confines of the former white CBD and the suburban core cannot be merely reduced to function of the economic rationality. Admittedly, whilst these were the prime markets of retail development, it does not detract from the impact of the well documented legislative measures undertaken by the state to steer retail development in tune with the overall political ends. Therefore, both the strategic orientation and the legislative inhibitions were crucial in the development of this kind of retail hierarchy, as characteristic of the Greater Witwatersrand.

However, it cannot be denied that, in general, this hierarchy resembles the archetypal features of the central place theory's hierarchy. But, but mere broad strokes resembling the conventional hierarchy alone do not conclusively account for the complexities characteristic of the Witwatersrand retailing system. One aspect that diverges from the logic of the central place locations, and the Bid Rent's 'highest and best use' principle, is the in the multitude of the shopping centres that are interspersed along the radial routes (such as the Main Reef road, Louis Botha Avenue) in a form like 'beads-on-the-string' or 'ribbons', and the ring road around central Johannesburg. Instead, where the ring road intersects with these radial routes, there are peaks of commercial and retail nodes. This, therefore, shows that the real rent gradients do not necessarily follow the logic of the principle of "highest and best use" in which the city centre is most coveted:

> 'Scott (1970), for example reports dramatic contrasts in the value of location equidistant from the peak land values intersections in Johannesburg and on either side of the same city's shopping streets'(Brown, 1992:57).

Thus, there are subsidiary peaks in land values along the arterial roads and ring roads intersections e.g. Woodmead, Strijdom Park or the Eastgate Shopping Mall (appendix 4.1). The latter is experiencing major investments in prestigious hotels, office parks, recreation facilities, etc., thus outbidding the Johannesburg city centre in land values and rents.

Contemporary shopping patterns have outlived Central Place Theory and the Theory of Tertiary Activity's 'step-like' hierarchy. At the bottom end of this hierarchy there supposed to be convenience level clusters. This may have been the case historically, however, the evolution in retailing have somewhat changed this system. The growing preference for combined shopping trips, concentration of shopping outlets in multiple retail centres and centralisation of the retail organisations are eliminating the sole convenience level traders. Hence, the fact that these township malls have been located on the site of the old convenience nodes, in which they have substituted some of the convenience traders signify some change at the bottom end of the hierarchy. Instead, these shopping centres seem to be compatible with informal traders, given the concentration of informal traders outside the shopping centres. In the South African context, as with other developing countries, these micro-level businesses are at the bottom end.

Arguably, the formatting of these township malls has been influenced by concerns regarding concepts such as thresholds, hence these shopping centres have been designed with minimum provision of retail service and mediocre provisions pertaining to their retail and recreation capacities. It has previously (chapter 3) been stated that, that the spread in the occurrence of the multiple, planned shopping centres have to a great extent decimated the independent convenience traders. Similarly, the location of these larger shopping centres within what are essentially convenience nodes have adversely impacted on the old nucleation of the convenience outlets. This raises concerns as to whether these shopping centres could contribute in the empowerment of local business or perpetuate the hitherto existing leakages and ownership patterns characteristic apartheid retail planning. With their establishment in the previously convenience shopping nodes there has been some transformation, in the characteristics of these nodes. One of the remarkable feature is the increase informal trading around these shopping centres, which only serve to intensify pressure upon the old trading stores or general dealers. This is one local feature which has been taken into account in the planning and design of the shopping centres, noting the upgraded hawkers stalls. The agglomeration of informal traders at the entrance of these shopping centres, combined with many loiterers, inadvertently adds to the overcrowding, which in turn creates a visual blight for the fastidious and discreet of the local shoppers.

5.4.2 Geography

As in North America and Europe, the prime retail market which were booming in the 1980s are now suffering from saturation in Johannesburg. Thus, the trend of the shopping centre refurbishment and redevelopment which has been taking place in the city centre (Johannesburg), Sandton City, Eastgate Shopping Mall, and to a lesser extent in Benoni, can be regarded as amongst the strategic responses employed by the retail organisations. In the same vein, the establishment of township shopping malls is another form of strategic response. In the South African context, the establishment of new shopping centres in townships provides new opportunities of expansion to untapped markets. Therefore, from this point of view, the phenomenon of the 'malling of the townships' is the manifestation of the underlying corporate strategies and economic forces:

> 'a basic distinction is between the strategies which increase the sales of the existing establishments and those involving the opening new outlets' (Brown, 1992:169).

Although in respect of the townships there has only been a few property developer companies that have shown interest thus far - Sanlam Properties, Old Mutual Properties, Revic Properties and Metropolitan Life - since for most companies these are unfamiliar market territories. Thus, to some extent the townships have become new market integrating into the mainstream retail property market. However, it is one thing to take the challenge of opening large shopping centres in the townships, but quite another to decide on the site location. As is the case elsewhere, the particular location site of a shopping centre must supply the necessary thresholds for the designed shopping centres. In turn, this also means that in establishing a shopping centre within an area, one needs to ensure that it carries the necessary retail capacity for its intended catchment area. In a situation of compacted residential area with high density, a relatively low agglomeration node could still find a goog threshold. However, township areas have low thresholds as a result of their sprawling settlements and low income socio-economic groups. Under such circumstances, shopping centres not generating major attraction of shoppers because of their narrow product and shop range are unsuitable.

5.4.3 Composition

Notwithstanding the conventional axioms about the configuration of the planned shopping centres, it is argued that a potentially successful shopping centre format must reflect features of the local context. Apart from the dynamic influence of socio-economic, cultural and political factors, designing a shopping centre must also take into account the existing retail provision within the local and intra-urban hierarchies. Thus, on the basis of these considerations, it is still the judgement on the part of the developer, property consultant and the letting agent rather the ineluctable operation of the principle of 'highest and best use' that determines the format of a particular shopping centre. Naturally, these agents take into account the prevailing micro-economic dynamics which shape and constrain opportunities for location, and types, design of shopping centres.

In reality there are always complex factors, more than just the rent coordination which contributes in the determination of constraints and opportunities in the urban space. The given land use plans, which often restrict, 'distorts' the micro-level economic forces is one such an example. Similarly, to great extent, the design of both the Dobsonville and Daveyton Shopping Centres not only reflects the influence of these non-market considerations, but in particular shows the significance of the strategic calculations of the retail organisations and property investors.

In the first instance, it has been argued that the nature of these shopping centres i.e. their limitations in the provision of shop, product range and recreation, reflects some tentativity and uncertainty on that part of the investor in the unfamiliar areas of the city. Secondly, the chosen location sites (as argued above) and the voluntary community participation approach were all influenced by an anxiety to avoid adventurism associated to speculative property development in the prime suburban market.

Another subject which related to the Neoclassical 'highest and best use' principle is the composition and configuration of a shopping centre internally. Undoubtedly, rent determine the different values of particular zones or positions in a shopping centre. However, in the final analysis, the line shopping and tenant or shop mix are manipulated within the context of the architecture, size, sale policy and marketing strategies of the shopping centre. Thus, such a configuration does not necessarily have higher and best location peaks in the middle of the shopping centre descending in value the further away from that peak as argued by Bid Rent theory (Brown. 1992). Instead, these peaks may be found around specifically advantageous positions in the shopping centre, in relation to the flow of the shoppers.

As has emerged in the preceding chapter, in both the product and shop ranges, these shopping centres have disproportionately less retailing capacity to constitute primary shopping area for the residents. Thus, partly due to the unfavourable macro-economic conditions, and partly due to their structure, these shopping centres are experiencing sub-optimal business compared to the city centre and other core locations. Without greater agglomerations of competitive, complementary and compatible outlets, these shopping centres are deprived of potential synergies and therefore higher turnover levels. Since townships are sprawling low-medium density, low income settlements, shopping centres with limited retail capacity within the range of convenience, comparison and speciality outlets can only secure even lesser thresholds. Under such poor threshold conditions; marketing, advertisements and genuinely attractive shopping facilities can draw greater threshold and support in the trade area. It has clearly emerged from the findings that this sub-optimal performance of these shopping centres, owes much to the poor product and shop range. The anchor stores, high order comparison and speciality outlets which naturally have extensive trade areas, are narrowly constituted that they have hitherto not been able to generate the expected shared and suscipient business.

5.5 Public policy and action

From a planning point of view, the role played by the public sector, the local development and planning authorities has been minimal, in both policy guidance and supportive or complementary measures intended to encourage these developments. At best both the Greater Benoni and Western Metropolitan Local Council only played a more significant role in the context of equity participation partnerships discussions, but these remained ad hoc policy stances by local authorities, not withstanding the recently published policy framework in the provincial white paper, Vusani Amadolobha. In both local authorities, there is no established local institutional and policy framework through which the prospective investor proposals could be assessed, drawing from lessons of the previous developments such as the Daveyton and Dobsonville Shopping Centres. However the Greater Benoni Spatial Development Framework bears some policy and programme framework which incorporates this new shopping centre - Daveyton Shopping Mall into a spatial development strategy (appendix 5.1).

Thus, this policy provides the opportunities within which the local authority is able to make strategic interventions to steer development in a direction which integrates the otherwise disarticulated components of the metropolitan area. For example, according to Bertus van Zyl (planner), the residential growth pattern was in the northerly direction. Guided by policy, the need to contain sprawl and encourage linkages, the local authority has now ensured a westerly switch in this pattern. In this direction, as a node, the Daveyton Shopping Mall assumes a significant part of a 'triangular activity circuit' with other nodes that include the Benoni CBD at the apex and a new earmarked growth area between Kempton Park and Johannesburg Airport.

By contrast, given the fact that the Dobsonville Shopping Centre was established before the new structure of local authority (which factor to some extent affected Greater Benoni) the process of the development of the shopping centre around the main node of Dobsonville was driven through the tripartite partnership between local government, community and private sector. Thus, according to Zelma Vente (WMLC planner), the application for the development of this shopping centre was made amidst some policy vacuum and ad hoc intervensions.

The stakeholder forum which included the then Dobsonville and Roodepoort local authorities, the developers, private sector (local, national chain stores and developers) and the Soweto Civic Association (SANCO branch)

Like most townships, Dobsonville area was also built to have a semblance of a CBD. This is where various public institutions (Technical College, Primary School, Police Station and Municipal Administration Offices), taxi rank and general dealer outlet are located. Although it is not located in the centre of the township, this node continues to grow feeding from the adjacent 'greenfield' low - medium residential development started before 1994. Thus, there is a great potential and opportunity to integrate this node in a development activity with other nodes along the route to Roodepoort and the Main Reef road (West Johannesburg's main radial road).

The Vusani Amadolobha plan seeks to encourage local authorities to develop their institutional, policy frameworks within the context of facilitating local development initiatives. Certainly, the establishment of major retail centres in these townships can only contribute in this endeavour, although not necessarily significantly.

However, the shortcomings in policy intervention and action programmes as part of local economic development can be extenuated by the fact that in the first place, these shopping centres were developed in the middle of the local government democratisation and jurisdiction reconfiguration. Recently, the Four Point Plan of the Gauteng's Department of Development Planning and Local Government goes a long way to provide an integrated policy framework for pursuing the objective of local economic development, of which the emergence of these shopping centres is an integral part. The four objectives of this plan, encompassing all urban centres of different sizes and characteristics within the urban region of the Gauteng province are promote centres which:

- provide public safety, and are clean and well maintained.
- promote integrated, compact development.
- encourage vibrant trading centres, and
- build regeneration partnerships.

Thus, in pursuit of these objectives, there is a lot of space given to local authorities to take a lead in the initiatives within their owns localities, rather than regionally superimposed strategies over such diverse urban centres.

In combatting sprawl and promoting compact development, the Four Point Plan takes a precinct - based approach which is characterised by appropriate mixes of uses, creating multi functional nodes where living, working and entertainment ensure that the centres attract people on a 24 hour basis. Instead of separating uses, different activities should be brought together so as to cu down traveling. Furthermore, the plan seeks to see an integrated coordination of the local initiatives in order to avoid competition between centres. Therefore, centres would then be encouraged to forge the economic regeneration on the basis of their unique strengths and opportunities. On the other hand, these centres would also be supported by the provincial government through financial grants.

There is a slight socio-economic differentiation in the spatial location of Dobsonville and Daveyton Shopping Centres. Comparatively, the Dobsonville Shopping Centre is located in an area which is relatively well-off. In the immediate environs of the shopping centre there is a large neighbourhood of new and bigger low - middle income houses, in which most of the local professional stratum live. Despite the lower ratio per household size compared to the other conventional township households, such areas presumably have relatively higher thresholds. Thus, according to the shopping manager, this neighbourhood is an important part of the shopping centres support base.

However, a significant number of the residents have access to regional shopping centres, because they are motorised. But this is a trend occurring in the township generally along side the growing impoverishment, creating contradictory local situation of socio-economic dualism.

CHAPTER SIX

CONCLUSION

6.1 Introduction

Since the 1970s and up to the present, South Africa has taken a more or less *laissez faire* approach to retail planning, which has particularly been the hallmark of retail planning in Canada and USA since the Second World War. The subsequent decline of town centres, in particular the Johannesburg CBD was both as an outcome of decentralisation and *laissez faire* policy, as well as the socio-political reforms that took place since the 1980s.

The current saturation of the favoured prime market areas of the retail property industry can arguably be regarded as one of the reasons the Johannesburg CBD in the recent past (since the mid-1990s) had seen some new retail developments, redevelopments and refurbishment projects.

More intriguing is the new interest shown by the institutional retail property investors in the 'untapped' township markets. This is part of their response to over-trading in the suburban markets, as well as part of the gradual socio-economic and political transition. From a spatial development planning and retail point of view, large scale spread of the retail investments in the townships raises contradictions, dilemmas and potentially controversial policy trade-offs. In other words, since the decline of the core, i.e. Johannesburg city centre has ripple effects throughout the region, initiatives geared at developing other centres must not be at the expense of the former and vice versa. The sustained development of the CBD partly depends on a consciously induced complementarity rather than competition between core and subsidiary centres in the broader hierarchy.

However, the distance traveled by the township residents to the city centre for their regular shopping is prohibitive, such that in one form or another major retail centres in these areas are long over due. Hence, it is argued that the key question is not whether or not there is a need for major shopping centres in the townships. Rather, what types of shopping centres are necessary and sustainable in the long term. The current frenzy of shopping centre development in Soweto is the case in point.

6.2 Conclusions

The institutional investor companies and national chain stores have identified township areas as emerging markets offering new opportunities to expand into new consumer markets and portfolio base for property developers. Behind this move is an assumption that since township areas desperately need major shopping centres, they offer readily available and captive markets.

However, in their format and design, these new shopping centres offer relatively low level product range and shop variety, shopping amenity and leisure which are important for consumers in the contemporary shopping experience. These characteristics account for the sub-optimal performance of the high order outlets in particular, the entire shopping centre in general. On the supply side, high order stores, especially comparison and some speciality stores, thrive on complementarity and competitive agglomerations. These agglomerations create scale economies, thus leading to higher turnovers. On the demand side, in purchasing high order goods, some of the key considerations on the part of the shoppers are the question of price and quality. Therefore, shoppers generally exercise considerable comparison in the process of purchasing comparison and speciality goods and services. The limitation in variety and choice (in both shop and product range), owing to the narrow provision of comparison and speciality stores in particular, help to reinforce the primacy of the city centre in terms of the shopping patterns of the residents.

Prior to the establishment of a shopping centre, it is important that amongst others, the surrounding forms of retail outlets be analysed, within the context of the existing hierarchies. In a hierarchy, each category of different types of urban centres occupies its own peculiar position. Therefore, what is viable in one centre might not necessarily be so for another. The viability of a centre hinges on its ability to sustain an attraction for the market to which it is tailored.

The threshold population, infrastructural services economic linkages and scale required to ensure sustainability vary from one centre to another. Thus, it has been argued in the foregoing, that not only the shortcomings of the new shopping centres lie in the design and format but also in the question of location. It has been suggested that these nodes in which the Daveyton and Dobsonville Shopping Centre are located were misconceived. Major investments must be made around nodes whose economies are locally embedded, and have real potential to be sustained by encouraged densification. Thus, these kinds of developments requires some extensive assessments.

Similarly, assessments must be undertaken of the potential impact of developments of one form or another, around the existing nodes. The current rampant wave of major shopping centres in Soweto must be checked, because it is bound to reinforce the domination of large retail organisations at the expense of smaller businesses, supporting many livelihoods.

The combination of both low-income and low-medium density profiles in the townships require some paradigm shift in retail planning and spatial development planning, using both compact development strategies and local economic development programmes to alleviate poverty and improve the standard of living.

6.3 Recommendations

Whilst the establishment of major shopping centres in the townships begins to address of the legacies of Apartheid planning, ad hoc and hasty initiatives embracing every form of retail project is bound to lead to some problems in the long term. One of the interesting alternatives to the prevalent retail development models, has been forged in Italy. These are retail cooperatives which fostered the independent small traders to generate economics o scale and sustain themselves in the face of competition of the conglomerate organisations, as it occurred elsewhere in Europe.

These cooperatives comprise of local entrepreneurs who could initiate retail developments, joint ventures geared at large scale convenience level shopping centres. In this way, these shopping centres could establish viable complementary relationship linking different levels of the hierarchy. At the same time, this approach could help in the sustained improvement in the viability of the town centre. Up to now, the regional shopping centre model such as the Southgate Mall or the community shopping centre in Nyanga seem to be the more viable and successful. Both these shopping centres are located between adjacent townships on the transport intersection nodes. The Southgate Mall serves the upper income households in Soweto, Lenasia and Eldorado Park. Whilst the Nyanga Junction links townships such as Gugulethu, Philippi, Hazeldean, Manenberg, Hanover Park, Sherwood Park, Nyanga, Surrey, Primrose Park and Tambo Square. These forms of shopping centres facilitate linkages between areas, and therefore they could be used in spatial development plans in the creation of activity corridors. Secondly, they have relatively increased thresholds from various settlements, thus compensating for the low thresholds in individual townships. As it is, the current trend seems to be heading for a situation where every locality would have its own major shopping centre. In such contiguous townships, as on the East Rand and Soweto, this may lead to over-trading, and missing opportunities to integrate spatial developments between existing residential areas with development of economic nodes.

BIBLIOGRAPHY

Adburgham, A., 1979: Shopping in Style. Thames and Hudson. London.

APS PLAN AFRICA. 1998: Greater Benoni Spatial Development Framework.

Bond, P., 1990: The commanding heights of the economy: new economics for the new South Africa. Revan Press. Johannesburg.

Bond, P., 1992: Township Housing and the South African Housing Experience: The Theory and Practice of Financial Capital. Urban Forum. Vol 14. No 73.

Borchert, J. G., 1988: Planning for Retail Change in the Netherlands. Built Environment. Vol 14. No 1.

Brown, S.,1992: Retail Location: A Micro-Scale Perspective. Avebury Publishing Limited, England.

Carey,R.J.,1988: American Downtowns: Past and Present Attempts at Revitalisation. Built Environment. Vol 14. No 1.

Davies, L. R., 1976: Marketing Geography: with Special Reference to Retailing. R.P.A. London.

Davies, R. L., 1979: (ed) Retail Planning in the European Community. Saxon House. London.

Davies, L. R., 1984: Retail and Commercial Planning. Croom Helm. Kent, England.

Davies, R. L. and Howard, E., 1988: Issues in Retail Planning within the United Kingdom. Built Environment.. Vol 14. No 1.

Department of Development Planning and Local Government. 1997: Draft White Paper. Vusani Amadolobha, Urban Regeneration and Integrated plan for city, town and township centres.

Findlay, A. M., Paddison, R. and Dawson, J.A., 1990: Retail Environments in the Developing Countries. Routledge. London.

Gelb, S.,1991: (ed) South Africa's economic crisis. Zed Books. Cape Town.

Gordon, T. 1990: Assessing, Forecasting and Locating retail provision at a sub-metropolitan scale: Problems encountered in Shallcross. MTRP Dissertation-

University of Natal, Durban.

van Graan, B., 1993: Black shoppers Research Identifies important Pointers, Shopping Centre Profile.

Guy, C. M., 1998: Off - Centre Retailing in the United Kingdom: Prospects for the Future and the Implications for the Town Centre. Built Environment. Vol 24.No 1.

Harrison, P., Todes, A. and Watson, V., 1997: Transforming South Africa's Cities: Prospects for Local Economic and Development of the Urban Townships. Development Southern Africa. Vol 14. No.1.

Hendler, P. 1987: Capital Accumulation and Conurbation: Rethinking the Social Geography of the 'Black' townships. South African Geographical Journal. Vol. 69. No1.

Kahn, M., 1984: Planning for Change in the Shopping of Metropolitan Durban. Ph D. Thesis, University of Natal, Durban.

Kudelasz, A.,1997: Retail planning precedent: Lessons and Prospects for South Africa. Urban Forum Vol 8. No 2.

Leitich, U., 1996: Daveyton Mall: An Oasis in the Shopping Wilderness, Building Vol 3. No 5.

MarketMap (Pty) Ltd and In-Depth Data cc ,.1997: Western Metropolitan Local Council Process.

Martin, G. P., 1982: Shopping Centre Management. E & F.N. Spon Ltd. London.

Mears, R. and Levin, M.,1996: Democratisation Characteristics of the Population of the Greater Soweto, 1993. Development Southern Africa. Vol 13. No. 4.

Morser, G. A. and Kalton, G.,1972: Survey Methods in Social Investigation. Basic Books Inc. New York.

Patricios, N.N.,1979: Human Aspects of Planning Shopping Centres. Environment and Behaviour. Vol 11. No 2.

Patricios, N.N.,1980: Rating-Scale Methodology for Environmental Design. Environment Planning B. Vol 7. No 4.

Pierce, N.R.,1998: Business takes a new look at inner cities. Urban Age. Vol 5 No 3.

Potter, R. B., 1982: Urban Retail System. Gower Publishers Co, Ltd. England.

Rogerson, J.M., 1997: Central Witwatersrand: Post Election Investment Outlook for Build Environment. Urban Forum Vol 8. No 2.

Shreine, M., Cortes - Fontcuberta, M., Graham, D. H., Coetzee, G. and Vink, N., 1996: Discrimination in the Higher Purchase Lending by the Retailers of Consumer Durables in Apartheid South Africa. Development Southern Africa. Vol 13. No 6.

Shillingburg, P., 1994. Making sense of retail change. Built Environment. Vol 14 No 1.

Swilling,M.,1990: Deracialised Urbanisation: A Critique of New Strategies and Some Policy Alternatives from the Democratic Perspective. Urban Forum. Vol 8. No 2.

Thomas,C.J and Bromley, R.D.F. Safety and Shopping: Pheripherality and Shopper anxiety in the heart of the city centre. Environment and Planning. Vol 14. No 4.

Tucker, K.A. and Yamey, B.S., 1973: (ed) Economics of Retailing. Penguin Education. London.

Tomlinson, R,.1998: From Exclusion to Inclusion: Rethinking Johannesburg's Central City. Paper presented to the Associated Chartered of Town Planners in South Africa in a conference on New National and International Perspective in Planning, Johannesburg: University of the Witwatersrand.

Wrigley and Lowe, 1996: (ed) Retail, Consumption and Capital: Towards the New Retail Geography. Longman. Harlow, Essex.

Table 5.3 RETAILERS' EXPECTATION AGAINST CURRENT PERFORMANCE OF THEIR OUTLETS

RESPONDENTS: TENANT: RETAILERS

DAVEYTON SHOPPING CENTRE

1. Convenience Stores

Less than expected	0	0
As expected	4	67%
More than expected	2	33%
TOTAL	6	100%

2. Comparison Stores

Less than expected	9	66%
As expected	4	26%
More than expected	1	8%
TOTAL	14	100%

3. Speciality Stores

Less than expected	16	47%
As expected	19	53%
More than expected	0	0
TOTAL	35	100%

DOBSONVILLE SHOPPING CENTRE

1.Convenience Stores

Less than expected	0	0
As expected	6	75%
More than expected	2	25%
TOTAL	8	100%

2. Comparison Stores

Less than expected	4	25
As expected	9	56
More than expected	3	19
TOTAL	16	100%

3.Speciality Stores

Less than expected	10	50%
As expected	8	40%
More than expected	2	10%
TOTAL	20	100%

Table 5.4 ASSESSMENT OF RETAILERS' CONFIDENCE ABOUT THE FUTURE

RESPONDENTS: TENANT RETAILERS

DAVEYTON SHOPPING MALL

1. Convenience Stores

ANSWERS	SAMPLE	%
YES	6	100
NO	0	0
TOTAL	6	100

2. Comparison Stores

ANSWERS	SAMPLE	%
YES	14	100
NO	0	0
TOTAL	14	100

3. Speciality Stores

ANSWERS	SAMPLE	%
YES	12	80
NO	3	20
TOTAL	15	100

DOBSONVILLE SHOPPING CENTRE

1. Convenience Stores

ANSWERS	SAMPLE	%
YES	8	100
NO	0	0
TOTAL	8	100

2. Comparison Stores

ANSWERS	SAMPLE	%
YES	16	100
NO	0	0
TOTAL	16	100

3. Speciality Stores

ANSWERS	SAMPLE	%
YES	19	95
NO	1	5
TOTAL	20	100

Table 5.5 SURVEY: THE PERFORMANCE OF THE OUTLETS COMPARED TO SIMILAR OTHERS IN THE CBD OR SUBURBAN AREA
RESPONDENTS: RETAILERS

DAVEYTON SHOPPING MALL

1. Convenience Stores

ANSWERS	SAMPLE	%
SAME	5	83
BETTER	0	0
WORSE	1	17
TOTAL	6	100

2. Comparison Stores

ANSWERS	SAMPLE	%
SAME	4	27
BETTER	0	0
WORSE	10	73
TOTAL	14	100

3. Speciality Stores

ANSWERS	SAMPLE	%
SAME	4	27
BATTER	2	13
WORSE	9	60
TOTAL	15	100

DOBSONVILLE SHOPPING CENTRE

1. Convenience Stores

ANSWERS	SAMPLE	%
SAME	1	13
BATTER	2	25
WORSE	5	62
TOTAL	8	100

2. Comparison Stores

ANSWERS	SAMPLE	%
SAME	1	6
BATTER	5	31
WORSE	9	56
TOTAL	16	100

3. Speciality Stores

ANSWERS	SAMPLE	%
SAME	4	10
BETTER	8	40
WORSE	8	40
TOTAL	20	100

Table 5.6 WHETHER MORE OF THESE SHOPPING CENTRES SHOULD BE OPENED IN THE TOWNSHIPS

RESPONDENTS: TENANT RETAILERS

DAVEYTON SHOPPING MALL

1. Convenience Stores

ANSWERS	SAMPLE	%
YES	6	100
NO	0	0
TOTAL	6	100

2. Comparison Stores

ANSWERS	SAMPLE	%
YES	16	100
NO	0	0
TOTAL	16	100

3. Speciality Stores

ANSWERS	SAMPLE	%
YES	15	100
NO	0	0
TOTAL	15	100

DOBSONVILLE SHOPPING CENTRE

1. Convenience Stores

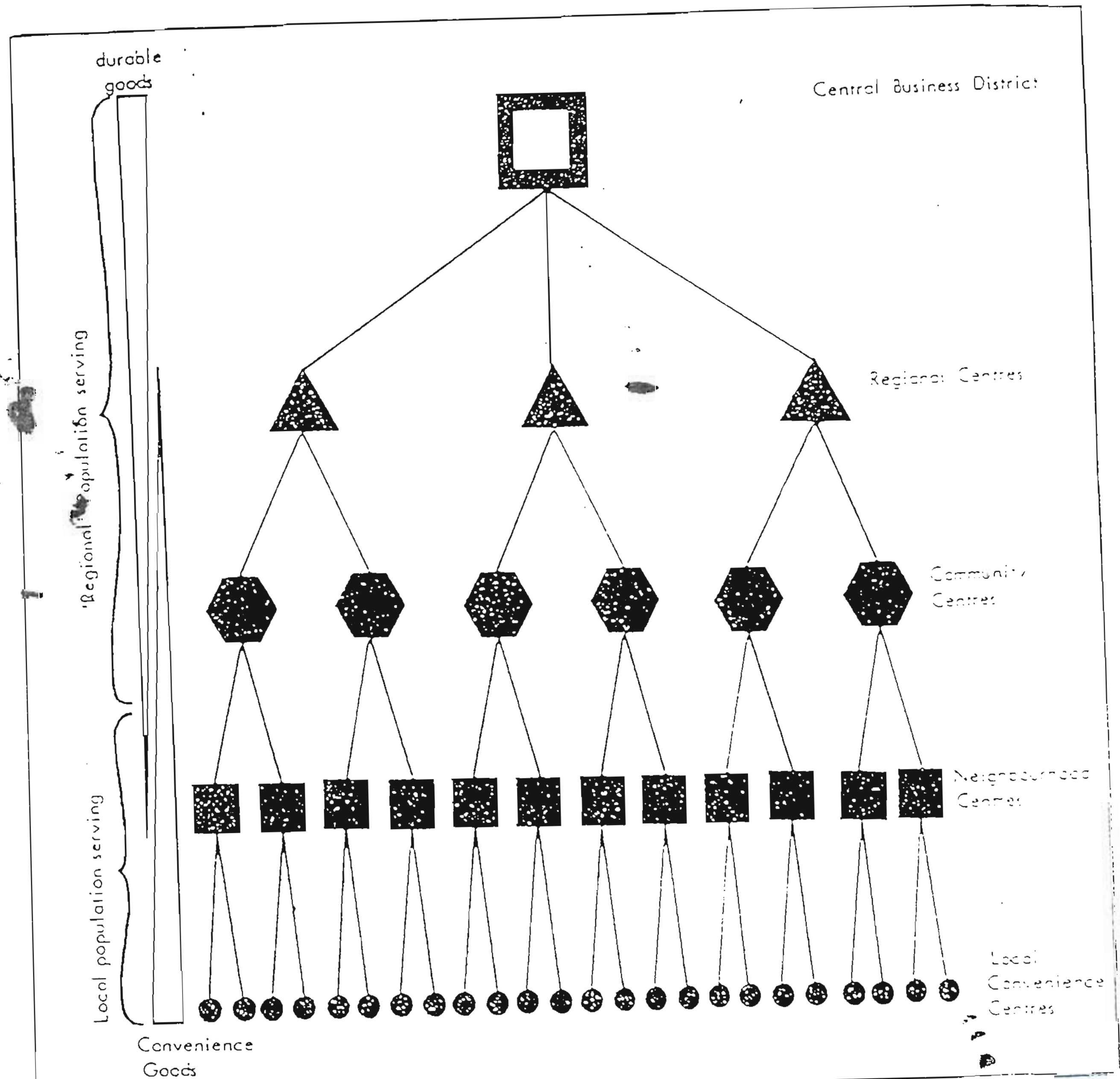
ANSWERS	SAMPLE	%
YES	6	100
NO	0	0
TOTAL	6	100

2. Comparison Stores

ANSWERS	SAMPLE	%
YES	14	100
NO	0	0
TOTAL	14	100

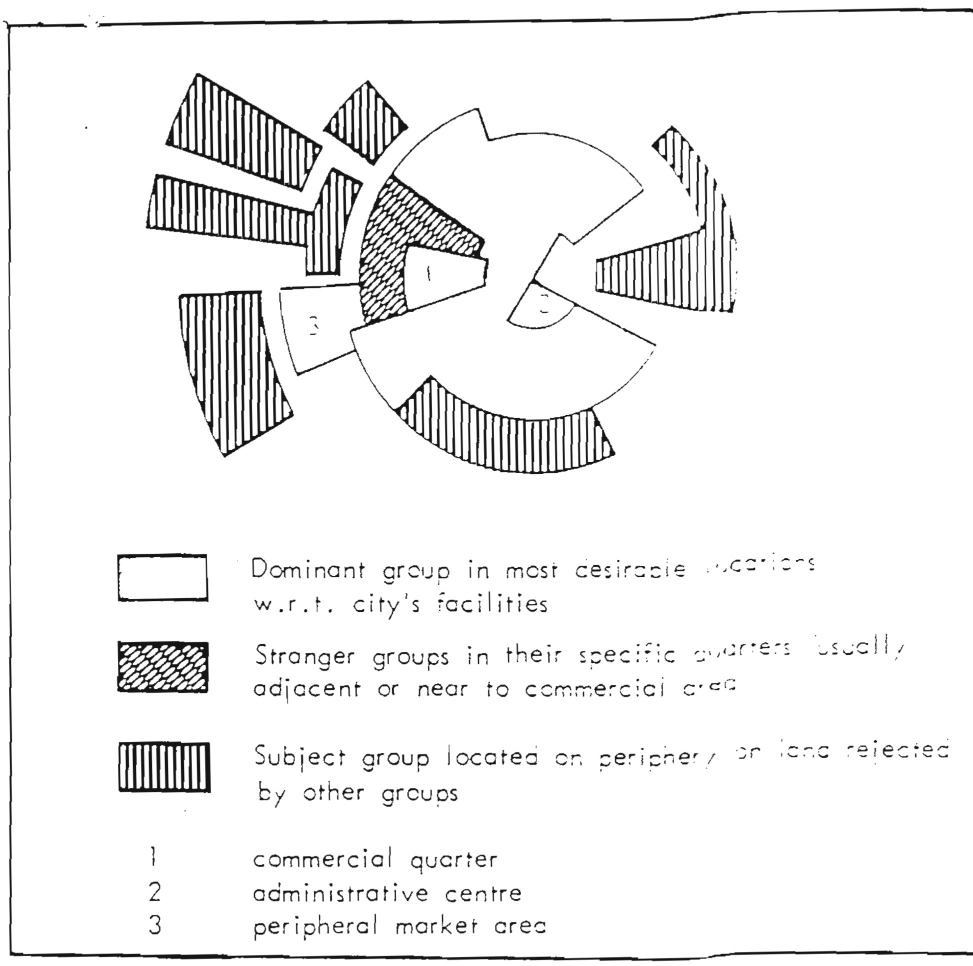
3. Speciality Stores

ANSWERS	SAMPLE	%
YES	19	93
NO	1	7
TOTAL	20	100



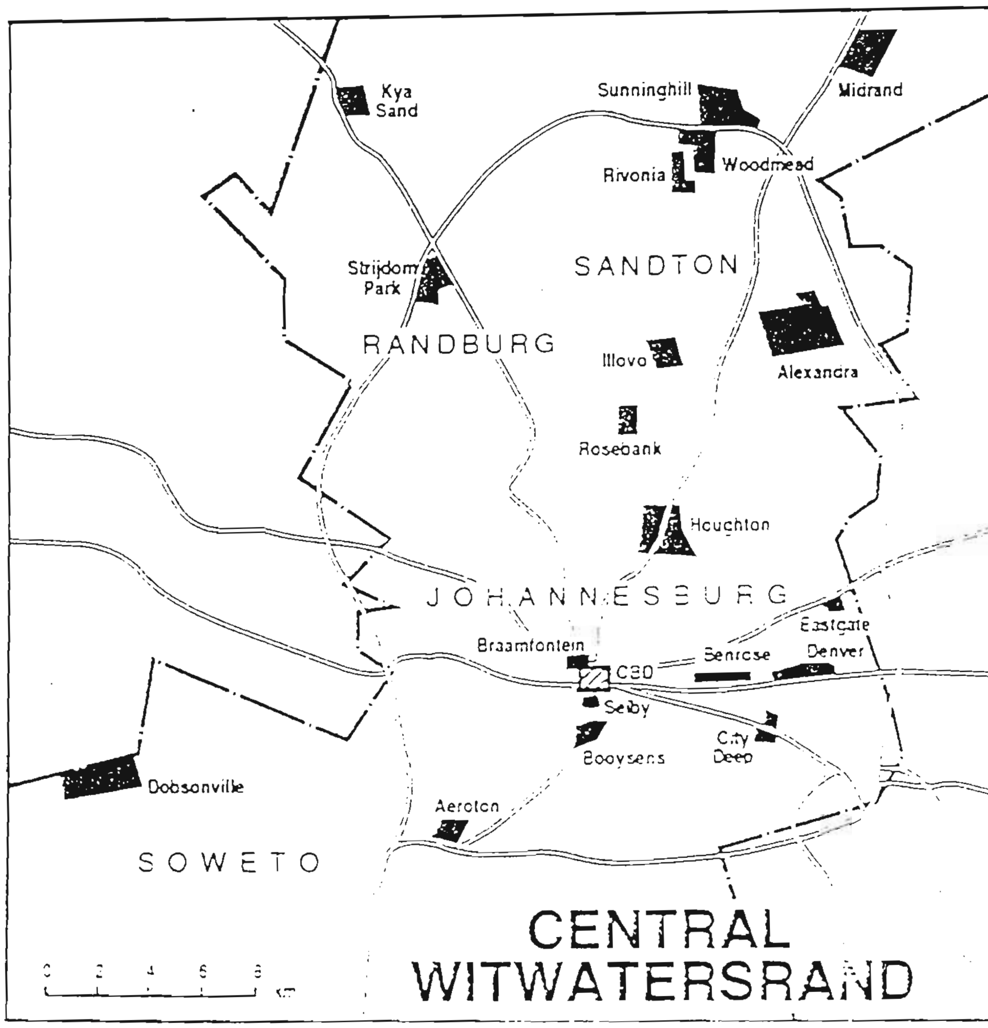
Appendix 2.1 Theoretical Model of Hierarchical System of Shopping Centres

Appendix 3.1 Karsada Colonial City Model



(Source: Davies, R.J Davies cited in Kahn. M.. 1984)

Appendix 4.1 Major Commercial and Shopping centres outside the Johannesburg CBD.



(Sources: Rogerson, J.M., 1997)

Appendix 5.1 Greater Benoni Spatial Development Framework

rce: APS PLAN AFRICA, 1998

WESTERN MLC

Land Development Objectives
Total Income