Chapter – 2
BRIEF HISTORY OF THE DEVELOPMENTS OF RETAIL CONCEPTS

The word retail is derived from the French word ‘retailier’ meaning to break bulk or breaking bulk quantities into smaller saleable units. Usually a retailer buys goods or products in large quantities from manufacturers or importers, whether directly or through a wholesaler, and then sells individual items in small quantities to the general public or the end-user. In simpler term, it implies a first-hand transaction with the consumer. Retailing involves a direct interface with the consumer and the coordination of business activities from end to end – right from the concept of design stage of a product or offering, to its delivery and post-delivery service to the consumer. Consumers are first introduced to the product at the retail store. Organizations sell their products and services through these retail outlets and get feedback on the performance of their products and consumers’ expectations about them. Retail stores serve as communication hub for consumers. Commonly known as the Point of Sale (POS) or the Point of Purchase (POP), retail stores transmit information to the consumers through advertisements and displays.

The antecedents of the modern shopping centre were the ancient agoras and medieval piazzas of European cities. Shopping centers have existed in some form for more than 1,000 years as ancient market squares, bazaars and seaport commercial districts. The industrial revolution of the nineteenth century produced the department store but made cities crowded and dirty, and the desire to improve life by moving away from the city gave birth to the suburb and shopping mall.
In his citation “Evolution of the Shopping Center and Mall” Steven E. Schoenherr, has chronicled the development of the mall concept under the following heads: Garden City, Automobile Center, Suburban Center, Festival Marketplace and Entertainment Center. He has also elaborated how the advent of one concept gradually led to the birth of another. Keeping this point in view, we can make an analysis of the history of the development of mall concept on the following lines:

The Garden City era was the initial point when people focused on upgrading their city life. New modes of transport enabled them to shift the focus to the suburbs. As residential communities developed there, building store-blocks to meet the requirements of the people was the natural outcome.

In 1842, Andrew Jackson Downing described “English Landscape Gardening” with ‘curvilinear’ layouts in his Cottage Residences book and inspired his disciples such as Frederick Law Olmsted and Calvert Vaux to improve city life with parks and gardens. In 1888, the electric streetcar developed in Richmond VA made possible ‘streetcar suburbs’ and decentralized commercial centers. In 1891, Edward Bouton built Roland Park near Baltimore that included a ‘store block’ arranged in a linear pattern along a street to serve the commercial needs of a planned residential community. Similar store blocks were built in Los Angeles in 1908 for the College Tract on West 48th St.

The Automobile Center era was marked by well-planned shopping markets with specifically designated areas for parking automobiles. As the concept of shopping centers gradually consolidated in the commercial sites, streets approaching the mall were made auto-accessible and the parking lots were paved and well lighted.
In 1916, Chicago architect Arthur Aldis persuaded wealthy residents of Lake Forest, Illinois, and investors such as Cyrus H. McCormick, Jr., to form the Lake Forest Improvement Trust to build Market Square, an integrated shopping complex of 28 stores, 12 office units, 30 apartments, gymnasium, clubhouse and landscaping. According to Richard Longstreth, “The automobile was a central factor in this planning, since most Lake Foresters had cars at an early date. Market Square was perhaps the first business district to be laid out specifically to accommodate motor vehicles.” The National Register of Historic Places has listed Market Square as the first planned shopping district in the United States. In 1922, J. C. Nichols created Country Club Plaza on the outskirts of Kansas City, Missouri, as an automobile-centered plaza built according to a unified plan rather than as a random group of stores, owned and operated by a single entity who leased space to tenants. It was constructed as the business district for a large-scale residential development. It featured unified architecture, paved and lighted parking lots, and was managed and operated as a single unit. Nichols would make the term ‘shopping center’ popular to describe such commercial sites built for the automobile. In 1924, Palos Verdes, on 16,000 acres of the Pacific coast west of Los Angeles, became one of the largest planned communities in the U.S. It was designed by Charles H. Cheney with the Olmsted brothers, who proposed a network of idealized Mediterranean-style market centers, but the Great Depression delayed construction until the 1940s. In the later half of the 1920s, as automobiles began to clog the central business districts of large cities, small strip centers were built on the outskirts. The centers were usually anchored by a supermarket and a drug store, supplemented by other convenience-type shops. The typical design was a straight line of stores with space for parking in front. In
1928, Don M. Casto opened Grandview Avenue Shopping Center in Columbus, Ohio, with 4 supermarkets (Piggly-Wiggly, A&P, Kroger, Polumbos) and 20 other stores and parking for 400 cars. Grandview became a model for the auto-accessible strip mall. It was not associated with an exclusive residential area. This general plan became the prototype of shopping centers for several decades. In New Jersey, Radburn was built as a planned city with parks and walkways and decentralized shopping areas.

In 1929, Westwood Village opened as a shopping center for the 'second Hollywood' of Westwood. Built on the site of the 3,300-acre Rancho San Jose de Buenos Aires, between Beverly Hills and Santa Monica, it was purchased in 1919 by department store owner Arthur Letts (Broadway, Bullocks). It was developed by his son-in-law Harold Janss as a housing tract after 1922. 384 acres was sold to UCLA in 1926 for a university campus and a shopping center of 34 stores that opened in 1929 which grew to 452 stores by 1939. In 1930, Strawbridge & Clothier department store in Philadelphia built a branch store at Suburban Square in Ardmore on the Main Line. In many cities, department stores became the leading force in building suburban shopping centers. In 1931, The Highland Park Shopping Village designed by Hugh Prather in Dallas was built as a Mediterranean-style shopping center with storefronts facing an inner parking lot, adjacent to a planned residential community. Like Country Club Plaza, its stores were built with a unified image and managed under the control of a single owner, but Highland Park occupied a single site and was not bisected by public streets. Its storefronts faced inward, away from the streets - a revolutionary design. It was not completed until after World War II. In 1932, Park and Shop, the first important neighborhood shopping center in the Washington D.C. area was conceived by Herbert
Shannon and Morton Luchs, and designed by Arthur Heaton. It served as the model for similar centers through the D.C. metropolitan area. However, it was demolished in the 1960s. In 1935, Greenbelt, Maryland, was built by the New Deal as a planned community including stores, but not organized as a shopping center. In 1937, River Oaks Shopping Center was opened in Houston, Texas. Probably the first shopping center in Texas, River Oaks was designed by Hugh Prather as a disconnected cluster of stores along West Gray Street. In 1938, Silver Spring Shopping Center in Silver Spring, MD, was an early neighborhood center of 19 stores anchored by a grocery store and the Silver Theatre, with an off-street parking lot, designed by John Eberson. In 1939, the Wisstein Brothers and Surval project opened on South Broadway in Los Angeles. It was a neighborhood center that appealed to chain stores such as the drugstore (Owl, Sontag, Thrifty) and the supermarket (Von's, Ralphs) and the variety store (Kress, Woolworth, Newberry), seeking to build away from urban congestion, on well-travelled streets accessible by automobile. Each center provided a small parking lot for 100-300 cars.

In 1943, Linda Vista Shopping Center in San Diego was built by the Department of Treasury for the government housing project that served Reuben Fleet's Consolidated Aircraft workers in World War II. It was one of the first shopping centers designed as a unique space, separate from the streets and the houses, using a hollow square design for 82,000 sq.ft. on a block of land with landscaped green and pedestrian walks, but limited parking space for only 216 cars. Similar shopping centers were developed in World War II to serve defense housing projects built adjacent to wartime industries, such as Westchester in Los Angeles and Willow Run Shopping Center in Detroit (to serve the Ford-operated B-24 plant).
As the people shifted away from center cities, the **Suburban Centers** gained momentum. Shopping complexes were built in the suburbs to accommodate the rapidly growing population. Drive-ins and shopping malls near freeways, fully-enclosed malls and night markets were the emerging trends of this period.

In **1946**, Abraham Levitt’s Levittown on Long Island pioneered the post-war era of mass-produced low-cost housing tracts located in automobile suburbs and satellite cities on the edge of large urban centers. In **1947**, The Broadway-Crenshaw Center opened in south Los Angeles in November, with 5,50,000 sq.ft., 13 acres parking, anchored by a Broadway department store, Woolworth variety store, and Von’s supermarket. It has been enlarged and modernized several times. Known today as the Baldwin Hills Crenshaw Shopping Plaza, it remains in operation as the oldest regional shopping center in the U.S. In **1947**, The North Shore Center opened near Beverly MA to serve as a regional shopping center for the Boston area. It was designed by Kenneth Welch as a village green with stores surrounding a 100-ft. landscaped central open area. In **1949**, Don M. Casto opened the Town & Country in the suburb of Whitehall east of Columbus: “Nighttime shopping was inaugurated at Town & Country Shopping Center in Columbus, Ohio, when developer Don Casto hired Grandma Carver (a woman who dived from a 90-foot perch into a 4-foot pool of flaming water), to perform her act in the lighted parking lot, bringing shopping center promotion to a new level” (ICSC2000).

In **1950**, Northgate Shopping Center designed by John Graham Jr. opened near Seattle on April 21, **the first regional shopping center defined as a ‘mall’**. Anchored by a Bon Marche department store, it provided 8,00,000
sq.ft. for two rows of stores arranged either side of a 44-ft. wide open-air pedestrian walkway, or “mall”, which would become the center spine of all future regional shopping centers. The word “mall” came from the British game of pall-mall, or “ball and mallet” combining elements of croquet and golf, played since the 1500s on a wide fairway green. In 1950, the “drive-in” grew in popularity as cars and suburbs shifted population away from center cities; the Campus Drive-In near San Diego State University featured a 50 ft.-high neon majorette. In 1951, Valley Plaza opened as the first shopping center designed to be built near major freeways, anchored by a Sears store, located in the rapidly growing suburbs of the San Fernando Valley north of Los Angeles. In the same year, Shoppers World opened in Framingham, Massachusetts, as the first two-level shopping center, with department store anchors and a dumbbell floor plan. In 1952, Lakewood Center opened 7 miles north of Long Beach, near a Douglas Aircraft factory as one of the largest shopping malls in Southern California. It had 100 stores and parking for 12,000 cars on 154 acres, anchored by a 3,50,000 sq.ft. May Co. department store, with 2 supermarkets at each end of the linear center. In the next 8 years, 13 other regional malls would be built in the Los Angeles area. In 1953, Cherry Creek Shopping Center in Denver was opened. Planned by architect Temple Buell in 1946, it was under construction since 1950. Anchored by Denver Dry Goods on one side of First Avenue, in 1954 it was also anchored by Buell’s metal-trimmed Sears Roebuck store on the other side of First Avenue. In 1954, Austrian-born Victor Gruen designed Northland Shopping Center, near Detroit. With 110 stores in 1,192,000 sq.ft. on 2 levels, in a cluster arrangement surrounded by parking lot, it was modeled on the agora, the town squares of ancient Greece. The parking lot completely surrounded the center. Northland was also the first
Gruen, a refugee who had fled the Nazis and arrived in New York in 1938 with $8 in his pocket and little more than his T-square in his luggage, had worked on some of those early open-air shopping centers. Then Detroit’s J. L. Hudson department store chain commissioned him to design a center 8 miles away from its flagship downtown store to take advantage of the recent suburban developments spawned by the city's postwar expressways. In 1954, when it opened, the Northland Center was the “world’s largest shopping mall” (US News 12/27/99). In 1956, Victor Gruen’s 95-acre two-level Southdale Center Mall opened on Oct. 8 in Edina, near Minneapolis, the first fully enclosed shopping center, with a constant climate-controlled temperature of 72 degrees, a comfortable common area and, more importantly; it had two competitive department stores as anchors. Southdale is considered by most industry professionals to be the first modern regional mall. Inspired by the design of the Galleria Vittoria Emanuele, it was designed and built by architect Giuseppe Mengoni in Milan, Italy. In Maryland, James Rouse opened in October the Mondawmin Mall west of Baltimore. In 1957, International Council of Shopping Centers was founded with a membership of 36. The first chairman of the ICSC Board was Leonard L. Farber who had developed suburban strip centers from his New York company headquarters. Albert Sussman was elected the ICSC president 1958-86. In 1958, Interstate Highway 8 opened in February, through Mission Valley in San Diego. The Mission Valley Shopping Center followed in 1961, the 975-seat Cinema 21 in 1963, San Diego Stadium in 1967 for the Chargers and SDSU Aztecs football teams (renamed for San Diego Union sports editor Jack Murphy in 1981; renamed Qualcomm in 1997), and in 1968 the stadium became home of the former minor-league Padres, newly reborn
as a Major League Baseball team. In 1959, Burdick Mall opened in Kalamazoo, a downtown pedestrian mall designed by Victor Gruen who believed shopping centers could revitalize declining urban centers in the United States. The USIA selected Kalamazoo as the All-American City for 1959 with a traveling exhibit in Europe. The success of the Burdick Mall inspired a national craze for downtown pedestrian malls. In 1962, Victor Gruen designed the downtown Midtown Plaza for Rochester, NY. Opened in April 1962, on 7 acres with 2 department stores, McCurdy's and Forman's, at a cost of $35 million, it was the single largest private investment in America’s downtown retailing since World War II. Gruen’s Randhurst Shopping Center in Mount Prospect near Chicago also opened that year, considered at that time the world's largest shopping center with 1 million sq.ft. and 3 department stores under a giant dome. In 1963, Stanley H. Durwood became the father of the multiplex movie theater when he opened two side-by-side theaters with 700 seats at Ward Parkway Center in Kansas City; he went on to lead AMC Entertainment to become the third-largest movie theater company in the nation. By 1964 there were 7,600 shopping centers in the United States. Suburban development and population growth after World War II created the need for more housing and more convenient retail shopping. In 1964, Ghirardelli Square opened in San Francisco in renovated chocolate factory buildings from 1893, one of the first urban specialty malls. The Fulton Street downtown pedestrian mall opened on Sept.1 in Fresno, California, “a pedestrian oasis with its fountains, cascades, pools, brooks and excellent sculptures was admired by architects around the world” (UNHCR). In 1967, South Coast Plaza opened in Orange County’s South Coast area. It grew to 175 shops with 6 department stores and 2,000,000 sq.ft. after expansion in the 70s, including theme restaurants such as the
20th Century Limited Dining Car Restaurant and Station Saloon. In 1967, Ernest W. Hahn opened his first regional shopping center, La Cumbre Plaza in Santa Barbara, California. In Maryland, the Rouse Company built the planned community of Columbia and made it the headquarters of the company. The Rouse Company became one of the largest mall builders in the East, as the Ernest Hahn Company would become in the West. In 1968, Montomery Mall opened as the first regional shopping center in the Washington DC area, followed by Tysons Center in 1969, Landover Mall in 1972 that was reborn in late 70s as “the first successful black shopping mall in suburbia” (Kowinski p.160). Other DC malls included Springfield Mall, Lake Forest Mall in Gaithersburg, Fair Oaks Mall in Fairfax, and White Flint in 1977, in North Bethesda MD. By 1972 the number of shopping centers had doubled to 13,174. Regional malls like Southdale and The Galleria in Houston, Tex., had become a fixture in many larger markets, and Americans began to enjoy the convenience and pleasure of mall shopping. During the 1970s, a number of new formats and shopping center types evolved.

The Festival Marketplace period centered on food and retail specialty items that caused a revival of older urban troubled downtown markets. There were many-screen movie theatres. This period saw a sporadic growth in the number of super-regional centers (malls over 800,000 sq.ft.) and it was seen that the shopping center industry had returned to its urban roots.

In 1969, for the city's 200th anniversary, the San Diego City Council approved an urban renewal study with a downtown shopping center. Designed by Jerde Architects in 1975 and built by Ernest Hahn, Horton Plaza thus opened in 1985, with a United Artists seven-screen movie
theater. In 1970, John Portman in Atlanta designed and built the Hyatt Regency, one of the first urban 'megastructures' with large open interior lobby and shopping complex. In 1972, after 20 years of steadily expanding construction, the United States had a total of 13,174 shopping centers. In 1973, The Hahn Co. built the Parkway Plaza shopping center in El Cajon that included a three-screen United Artists theater (closed in 1989). In 1974, Westminster Mall opened south of Los Angeles, the last regional mall built with a huge central court. In 1975, Fox Hills Mall opened in Los Angeles, the first 3-level mall in California. Westwood Mall simultaneously opened near Houston. In 1976, Faneuil Hall Marketplace in Boston was built by Rouse Co., following ideas of Ben Thompson. It opened in August 26th, on the 150th anniversary of the dedication of the original Quincy Market, and was one of the first 'festival marketplaces' that centered on food and retail specialty items, causing a revival of older urban troubled downtown markets. Similar projects were built in Baltimore, New York, and Miami, and have been emulated in a number of urban areas.

In Chicago, the nation's first urban vertical mall Water Tower Place opened on Michigan Avenue in Chicago with stores on 7 levels. It was open to an atrium with 3 glass-enclosed elevators, a 22-storeyed hotel, and 40 storeys of condominiums. To many experts, Water Tower Place with its tony stores, hotel, offices, condominiums and parking garage, remains the preeminent mixed-use project in the United States. With the opening of Water Tower Place and Faneuil Hall, the shopping center industry had returned to its urban roots. In 1977, Roy Ramond founded Victoria's Secret lingerie store in San Francisco, and after being sold in 1982 to The Limited Corporation, expanded rapidly into shopping centers, with 1000 stores by 2005. In 1980 Harborplace opened in
downtown Baltimore, following the example set by Faneuil Hall, with new buildings constructed in a historic waterfront location, built by the Rouse Company. In San Diego, Seaport Village opened on 14 acres of bay front downtown land, with 75 specialty shops and restaurants. These pioneering festival harbor side marketplaces were followed by similar downtown malls such as Penn Landing in Philadelphia, Pickering Wharf in Salem MA, Pike’s Place in Seattle, and Jackson Brewery in New Orleans. The 1980s saw an unparalleled period of growth in the shopping center industry, with more than 16,000 centres built between 1980 and 1990. This was also the period when super-regional centers (malls larger than 800,000 sq.ft.) became increasingly popular with shoppers. In 1990, a Gallup poll found that people shopped most frequently at super-regional malls and neighborhood centers. Americans average four trips to the mall per month.

The Entertainment Center was the result of further evolution of the shopping complexes. Entertainment quickly became an industry buzzword in the early 1990s as technological advances allowed shopping center developments to foster the same magical experiences that were once only seen in national amusement parks such as Disney World. Since the start of the entertainment wave, retailers have focused on keeping their presentations exciting and shopping center owners have striven to obtain tenant mixes that draw traffic from the widest audience possible. Under one roof or in an outdoor retail format, consumers enjoy children’s playscapes, virtual reality games, live shows, movies in multiplex cinemas, a variety of food in either the food court or themed restaurants, carousel rides, visually stunning merchandising techniques, robotic animal displays, and interactive demonstrations.
In 1982, the Hollywood films and songs portrayed the female-dominant mall life-style in the San Fernando Valley. According to Gary Wayne, "The Sherman Oaks Galleria was perhaps best known as the home of the Valley Girl, since this San Fernando Valley mall was where Fast Times at Ridgemont High (1982) was filmed." And the mall was mentioned in Frank Zappa's 1982 novelty song Valley Girl. Arnold Schwarzenegger's 1985 movie, Commando, was shot there too. The mall was featured throughout Fast Times at Ridgemont High, from the opening scenes of the film, where an elevator goes up to the food court where the young Sean Penn, Jennifer Jason Leigh and Judge Reinhold worked at the fast food stands. But despite its popularity in the 80's (when stars like Molly Ringwald used to shop there regularly), business at this mall had been suffering lately (since it suffered extensive damage during the 1994 Northridge earthquake), with a very high vacancy rate at last report. And it is now a part of history... "By the way, the mall where Valley Girl was filmed is still standing. Valley Girl, starring Nicolas Cage in his first hit film, was shot in the main food court of the Del Amo Fashion Center mall in Torrance, CA," (Gary Wayne, 2002). In 1987, the lifestyle concept first emerged; starting with Shops of Saddle Creek in Germantown, TN, developed by Poag & McEwen in 1987, but it has really taken off in recent years. Since 2000, developers have built 84 lifestyle centers in the United States nearly four times the number of regional malls built during the same period. The decade of the 1980s saw the construction of more than 16,000 shopping centers. In 1989, the Cinemapolis on La Palma Avenue in Anaheim Hills was the first 10-screen multiplex theater in northern Orange County; over the next decade, the addition of 500 screens would make Orange County one of the top 10 markets in the country with the most movie theaters per capita.
Between 1989 and 1993, new shopping center development dropped nearly 70%, from 1,510 construction starts in 1989 to 451 starts in 1993. The sharp decline in new center starts was attributed to the Savings and Loan crisis, which helped precipitate a severe credit crunch. While overbuilding occurred among small centers in some regions of the United States, shopping centers remained the most attractive and best-performing real estate category for investors during this difficult period.

In 1992, Sara Donovan, founder of WalkSport America, began promoting ‘mall walking’. She later wrote a book ‘Mall Walking Madness’ in 2002. In 1993, Shaheen Sadeghi built The Lab in Costa Mesa CA as an ‘anti-mall’ from a former canning factory; he built The Camp in 2002 in Costa Mesa for outdoor shoppers with five buildings and landscaping simulating a desert and meadow and forest, called ‘a shopping playground’. In 1994, the Westfield Company of Australia purchased CenterMark for $1 billion, giving it ownership of 19 regional malls, adding to its American properties that included the purchase of Macy’s shopping centers in 1986 for $363 million. In 1998, Westfield purchased TrizecHahn to become the largest owner of regional malls in California, Maryland, and Connecticut. In 1995, the first megaplex theater (defined as 14 screens or more) opened in May in Dallas with a 24-screen AMC palace; in November. Edwards opened a 21-screen megaplex at Irvine Spectrum Center, at a cost of $27-million for 158,000 sq.ft. with 6,400 seats and a 3D IMAX. In 1996, AMC opened the largest megaplex in the nation, a 30-screen, 5,700 seat theater in Ontario CA. “At the 200-store Ontario Mills Mall, a new concept called ‘interactive shoppertainment’ was developed that specifically targeted parents, dating couples, families and kids. The lure: do everything from ogling bobcats and lizards at an on-site museum to skiing in virtual reality video game” (Sun-Times
In 1997, Pacific Theatres opened a $15 million, 15-screen multiplex theater near Horton Plaza in the Gaslamp Quarter of San Diego. Gene Kemp completed the renovation of the Fashion Valley mall in San Diego, originally built in 1969 by Ernest Hahn, increasing its size to 1,700,000 sq.ft. and 205 stores, adding 5 parking structures to accommodate 8,000 cars.

Factory outlet centers were one of the fastest growing segments of the shopping center industry in the 1990s. In 1990, there were 183 outlet centers. Outlet malls are tenanted by manufacturers selling their own goods at discounted prices. Some large projects combine outlet stores with traditional off-price stores like Marshalls. One such project, Sawgrass Mills in Sunrise, Fla., is more than 2 million sq.ft. and features outlets, discounters and retail clearance stores. Anderson-Little in 1936 began the first factory outlet store for its men's clothing overstock; Vanity Fair was the first multi-tenant outlet center opened in 1974 in Reading PA; in 1979, Belz Enterprises opened the first enclosed factory outlet mall in Lakeland, TN, near Memphis; in 1985, Herbert S. Miller of Western Development (became Mills Corp.) opened Potomac Mills in Woodbridge, VA, the first of many "Mills" projects combining features of the shopping center with the bargain outlet store, such as Sawgrass Mills with 2,000,000 sq.ft. in Sunrise, Florida. Today, there are over approximately 312 outlet centers in the United States.