CHAPTER 4: Evolution of Mall Culture

4.1 Shopping Malls: Introduction

In the beginning of the history of shopping places, the shopping activity took place in open public spaces with other urban and public functions and activities of the city, like ancient Greek Agora or Roman Forum.

Shopping places have existed in some form for more than 1,000 years as ancient market squares, bazaars and seaport commercial districts. The modern shopping center, which includes everything from small suburban strip centers to the million-square-foot super regional malls, had its genesis in the 1920.

The concept of developing a shopping place away from a downtown is generally attributed to J.C Nichols of Kansas City, Mo. His country club plaza, which opened in 1922, 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. 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 in front. Grandview Avenue shopping center in Columbus, Ohio, which opened in 1928, included 30 shops and parking for 400 cars.

But many experts consider Highland Park shopping village in Dallas, Tex developed by Hugh Prather in 1931, to be the first planned shopping center. 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. And its storefronts faced inward, away from the streets, a revolutionary design.

In the 1930s and 1940s, Sears Roebuck and company and Montgomery Ward set up large, freestanding stores with on-site parking, away from the centers of big cities. Nighttime shopping was inaugurated at town and 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.

The early 1950s marked the opening of the first two shopping centers anchored by full line branches of downtown department stores. Northgate in Seattle, wash., (two strip centers face to face with a pedestrian walkway in between) opened in 1950, and shoppers world in Framingham, Mass. (the first two level center), debuted the following year. The concept was improved upon in 1954 when Northland center in Detroit, Mich, used a “cluster layout” with a single department store at the center and a ring of stores around it. The parking lot completely surrounded the center. Northland was also the first center to have central air-conditioning as well as heating.

In 1956, south dale center in Edina, Minn., outside of Minneapolis, opened as the first fully enclosed mall with a two-level design. It had central air-conditioning and heating. A comfortable common area and, more importantly, it had two competitive department stores as anchors. South dale is considered by most industry professionals to be the first modern regional mall.

By 1964 there were 7,600 shopping centers in the United States. Suburban development and population growth after world war2 created the need for more housing and more convenient retail shopping. Most of the centers built in the 1950s and 1960s were strip centers serving new housing developments.

By 1972 the number of shopping centers had doubled to 13,174. Regional malls like south dale 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.

In 1976 The Rouse co. developed Faneuil Hall marketplace in Boston, Mass., which was the first of the “festival marketplaces” built in the United States. The project, which revived a troubled downtown marked, was centered on food and retail specialty items. Similar projects were built in Baltimore, Md., New York, N.Y., and Miami, fla, and have been emulated in a number of urban areas.
The 1980s saw an unparalleled period of growth in the shopping center industry, with more than 16,000 centers built between 1980 and 1990. This was also the period when super regional centers (malls larger than 800,000 square feet) 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.

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 saving and loans 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.

The year 1993 was marked by the transition of several privately held, family-run shopping center development companies (Simon, Taubman, etc.) into publicly traded real estate investment trusts (REITs). The access to Wall Street capital provided a financial jolt to an industry that still had not fully recovered from the credit crunch.

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. Today, there are waver approximately 312 outlet centers in the United States. Outlet malls are tenanted by manufacturers selling their own goods at discounter prices. Some large projects, Saw grass Mills in Sunrise, Fla., is more than 2 million square feet and features outlets, discounters and retail clearance stores.

The largest mall in the United States is currently Mall of America in Bloomington, Minn., which includes a seven-acre amusement park, nightclubs, restaurants and covers 4.2 million square feet (with about half that total devoted to retailing). The center has been heralded as a bellwether for its innovative mixture of entertainment and retailing. The forerunner to mall of America, and the largest mall in North America, is West Edmonton Mall in Alberta, which encompasses 5.5 million square feet. Entertainment quickly became an industry buzzword 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 plays capes, 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 focused on added service-oriented tenants, which offer today’s busy consumer an opportunity of complete weekly errands or to engage in a variety of other activities. Among the many services found in today’s malls are churches, schools, postal branches, municipal offices, libraries, and museums.

In 1999, Simon property group, the nation’s largest shopping center developer, created two separate business units, clixnmortar.com and tenant connect. Through tenant connect; Simon is installing broadband internet connections inside its won malls and those of other developers, so that stores can have high-speed access to the internet. Also, retailers at Simon malls can take part in two clixnmortar initiative: fastfrog.com and yoursherpa. In both programs, consumers carry handheld scanners finished, the information is loaded into computer kiosks. From the fast frog kiosk, shoppers can have their list of items forward to friends or relatives. At the yoursherpa kiosk, users can type in their credit card number and check out immediately, or delay the final purchase until they go home. Mall employees pick up scanned items at stores in the mall and customers have the option of picking-up the items at the counter or having them delivered.

General growth properties, the nation’s second-largest mall developer is also incorporating the internet into their malls. General growth’s mallibu.com website links retailers in each of the company’s malls, allowing consumers to buy online directly from those retailers and have their purchases delivered to them.

Other shopping center developers are also working with their retailers to incorporate the internet into their business model. Many shopping centers have their own websites and have added their web address to their advertising and promotional vehicles. Most shopping center websites have maps and directions to the center, a list of tenants and a calendar of events. Some shopping centers are even providing free internet access for
their customers. The center can e-mail the customer information on sales and special events that are taking place at the center.

As we enter the 21st century, shopping centers continue to evolve and serve communities’ social and economic needs. With the combination of fashion, food entertainment, and services, shopping centers have greatly expanded their role in the communities they serve.

After centuries, the enclosed shopping mall separated urbanity and shopping activity from each other. These fully-enclosed and environmentally controlled consumption spaces reinterpreted the urban fabric to simulate a city image and a street-like atmosphere indoors. Inside the walls a new city was created, where people shop, eat, entertain, and even sleep.

Today, urban fabric and shopping mall integration is becoming more important. Open space and sustainable design for shopping malls are the rising trends in the world. So, the existing shopping malls are opening, integrating with urban fabric and continually updating themselves to compete with the emerging shopping places.

Marketplaces in urban demographic settings attract large numbers of buyers and sellers, which can be termed as market thickness. Coexistence of many shopping malls along with traditional markets in a marketplace causes market congestion. This problem may be resolved by developing small kiosks for transactions and allowing consumers to indent customized products and services from the base stores (Roth, 2008). The growth of market share for specialized retailers and large departmental stores depends on the size of consumer segment in a given urban population. It is observed that consumers’ buying preferences become more diversified as the extent of retail stores increase within a confined area. Thus, the market size reaches a threshold and the consumers’ preferences of shopping are jeopardized due to indecisiveness in shopping.

The coexistence of street markets and the rise of shopping malls have been major trends of retailing in developing countries for decades. However, the increasing emphases on growing cities with contemporary marketplaces have induced a shift of agglomeration format (AF) from a marketing perspective, including the consumer preferences on routes to market. There are some generic similarities and conceptual
differences between street markets and shopping malls. The AF-specific characteristics perceived by consumers lead to the change in consumer behavior towards markets’ preferences for shopping (Teller, 2008). In centrally managed and enclosed shopping centers in the retailing sector, eight underlying factors of varying character that drive customer satisfaction are – selection of market outlet, atmosphere, convenience, salespeople, refreshments, location, promotional activities and merchandising policy (Anselmsson, 2006).

4.2 Meaning of Retail Market

Retail means the selling of goods to consumers; usually in small quantities and not for resale. Retail comes from the French word retailer which refers to “cutting off, clip and divide” in terms of tailoring (1365). It first was recorded as a noun with the meaning of a “sale in small quantities” in 1433 (French). Its literal meaning for retail was to “cut off, shred paring”. Like the French, the word retail in both Dutch and German also refer to sale of small quantities or items.

4.2.1 Definition: Retailing

Retailing is business of selling products and services to the public as the ultimate consumer. Retailing involves selling many different products and services, either from a store location or in direct selling through vending machines and in home presentations, mail order, and so on.

“The god whom science recognizes must be a god of universal laws exclusively, a god who does a wholesale, not a retail business. He cannot accommodate his processes to the convenience of individuals.” by - Williams James

“I’ve had jobs to pay the rent, like retail and stuff. The last job I had before I got my record contract was working in a used record store.” By - Juliana Hatfield

“Well, there’s no question that the law passed in 1996 was flawed. It deregulated the wholesale market, meaning the price that the utilities had to pay energy companies for power, but not the retail market.” By - Gray Davis
“Well if you look at today, most software company volume is a box, sold through a retail store or sometimes through the mail, with a book in it and a disc that you stick into a computer and run the app” By - Scott Cook

“Campaigning in Wyoming is politics at its most retail level. It’s done one voter at a time.” By - Mary Cheney

It is proposed that the definition of a retail market be considered as:

“A retail market means those premises, usually covered buildings, which unite a variety of commercial establishments and retail entrepreneurs that provide a wide commercial offer of food products of daily consumption complemented by other non food products, and all this under a unity of management.”

Retailing consists of the sale of goods or merchandise, from a fixed location such as a department store or kiosk, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a retailer buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy.

Shops may be on residential streets, or in shopping streets with few or no houses, or in as shopping center or mall, but mostly found in the central business district. Shopping streets may or may not be for pedestrians only. Sometimes a shopping street has a partial or full roof to protect customers from precipitation. Retailers provide boardwalks in front of their stores to protect customers from the mud. Online retailing, also known as e-commerce is the latest form of non shop retailing.

Shopping generally refers to the act of buying products. Sometimes this id done to obtain necessities such as food and clothing; sometimes it is done as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing and does not always result in a purchase.
4.2.2 Types of Retail Market

The format of a retailer is the overall appearance and feels that it presents to customers, primarily its look and layout, the sort of range it stocks and the approach taken to pricing.

Format is distinct from fascia which, strictly speaking, refers solely to external appearance. Retailers occasionally use it as a synonym for format. The format, together with range, pricing and marketing, is one of the key determinants of a retailer’s success. Of these, the format is very often the hardest to get right. A good format will both draw in customers and help present products well to generate sales.

Because the format is so important, growth investors can often benefit by identifying smaller retailer who have recently developed formats that are good enough to provide a platform for sustained growth. The Indian retail scenario is poised for a quantum leap. Not only are newer names set to dot the retail landscape but new and emerging retail formats will drive the diversity of the fast changing retail backdrop. Half of the investment could be directed to food-related retail and the remaining would be allocated to non-food retail, the study said.

Although independently-owned local grocery stores are still the most prevalent format, larger supermarkets and convenience chains are emerging in organized food retailing, the study finds. Organized food retailing in India is worth $666 million and will increase to US $33333 million by 2050 the sector is established to grow at 30% annually. Among the retail formats hyper markets are expected to fuel retail growth as food and grocery stores account for 76% of customer expenditure. Examples including pantaloon big bazaar which is planning to triple total retail area by financial year 2008 to 6.5 million square feet as well as Spencer and tret’s star India bazaar which will have seventeen stores by then. Further, new entrants such as reliance, Bhartiya enterprises and Birla group will complete against the well established retailers.

Another popular format is supermarkets which are frequented by customers to prefer convenience, quality and hygienic surroundings. Pantaloons retails food bazaar is the largest supermarket operator in India in terms of value. An emerging retail concept is discount stores providing 8-10 percent on MRP (maximum retail price). Interestingly,
with an initial investment of $750 million, reliance is planning to be present in almost all the retail segments and will launch a nationwide chain of hypermarket, supermarkets, discount stores, department stores, convenience stores and specialty stores. These 5,500 stores will be located in 800 cities and towns in India.

Where retail is set to see a fair amount of action is rural India. Estimated at $28.6 billion, India’s rural retail market is an attractive one for retailers. Companies such as Godrej and DCM Shriram consolidated are launching one-stop shops’ for farmers and their communities. Godrej agro vet, for instance, is planning to set up 1,000 Aadhar stores across rural India by 2010.

Now that we have presented ways in which retailers can be classified, we now use these categories to distinguish general formats or business models that best describes a retail operation. These categories are designed to identify the primary format a retailer follows. In some cases, particular with the advent of the internet, a retailer will be involved in more than one format. Following are some retail formats which are very popular in India:

- **Mom-and-Pop:** Represent the small, individually owned and operated retail outlet. In many cases these are family-run businesses catering to the local community often with a high level of service but relatively small product selection.

- **Mass Discounters:** These retailers can be either general or specialty merchandisers but either way their main focus is on offering discount pricing. Compared to department stores, mass discounters offer fewer services and lower quality products. Such as Wal-Mart (the largest retailer in the world with more than a million employees), Target and Kmart.

- **Warehouse Stores:** This is a form of mass discounter that often provides even lower prices than traditional mass discounters. In addition, they often require buyers to make purchases in quantities that are greater than what can be purchased at mass discount stores. These retail outlets provide few services and product selection can be limited. Furthermore, the retail design and layout is as the name suggests, warehouse style, with consumers often selecting products off the ground from the shipping package. Some forms of warehouse stores, called warehouse clubs, require customers purchase memberships in order to gain access to the outlet.
• **Category Killers:** Many major retail chains have taken what were previously narrowly focused, small specialty store concepts and have expanded them to create large specialty stores. These so-called “category killers” have been found in such specialty areas as electronic (e.g., Best Buy), office supplies (e.g., Staples) and sporting goods (e.g., Sport Authority).

• **Department Stores:** Departmental Stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K. Raheja's Shoppers Stop, which started in Mumbai and now has more than seven large stores (over 30,000 sq. ft) across India and even has its own in store brand for clothes called Stop. Large stores ranging from 20000-50000 sq. ft, catering to a variety of consumer needs. Further classified into localized departments such as clothing, toys, home, groceries, etc.

• **Boutique:** This retail format is best represented by small store carrying very specialized and often high-end merchandise. In many cases a boutique is a full-service retailer following a full-pricing strategy.

• **Specialty Stores:** Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M, are focusing on specific market segments and have established themselves strongly in their sectors. As the name suggests, discount stores or factory outlets, offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable/ non perishable goods.

• **Catalog Retailers:** Retailers such as Lands’ End and LL Bean have built their business by having customers place orders after seeing products that appear in a mailed catalog. Orders are then delivered by a third-party shipper.

• **Franchise:** As noted in the Distribution Decisions Tutorial, a franchise is a form of contractual channel in which one party, the franchisor, controls the business activities of another party, the franchisee. Under these arrangements, an eligible franchisee agrees to pay for the right to use the franchisor’s business methods and other important business aspects, such as the franchise name. For instance, McDonalds is a well-known franchisor that allows individuals to use the
McDonalds name and methods to deliver food to consumers. Payment is usually in the form of a one-time, upfront franchise fee and also on-going percentage of revenue. While the cost to the franchisee may be quite high, this form of retailing offers several advantages including: 1) allowing the franchisee to open a retail outlet that may already be known to local customers, and 2) being trained in how to operate the business, which may allow the franchisee to be successful much faster than if they attempted to start a business on their own.

**Convenience Store:** As the name implies these general merchandise retailers cater to offering customers an easy purchase experience. Convenience is offered in many ways including through easily accessible store locations, small store size that allows for quick shopping, and fast checkout. The product selection offered by these retailers is very limited Prices are slightly higher due to the convenience premium. These are relatively small stores 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week.

**Vending:** Within this category are automated methods for allowing consumers to make purchases and quickly acquire products. While most consumers are well aware of vending machines allowing customers to purchase smaller items, such as beverages and snack food, newer devices are entering the market containing more expensive and bulkier products. These systems require the vending machine have either Internet or telecommunications access to permit purchase using credit cards.

**Malls:** Shopping malls have existed in India since several decades but were designed and built to house several shops in a single facility. Theses malls also known as shopping arcades offered only rows of shops, most of which were small stores that promised bargains for their various wares. Theses shopping arcades tried to maximize on their store space and did not offer any areas for recreation and entertainment. The present day malls are a creation of the past few years post 2000. They are designed professionally using a lot of international experience and combine shopping with a lot of brand building, recreation, food and entertainment. Malls also have a large format store that serves as their anchor for shopping and a prominent restaurant that anchors the food needs of visitors. Most malls also feature a multiplex cinema that offers entertainment to the visitors of the mall. Finally the
mall has large atria and open spaces to allow visitors of the mall. Finally the mall as large atria and open spaces to allow visitors and families to hang-out. Mall is the largest form of organized retailing today. It is located mainly in metro cities, in proximity to urban outskirts. It ranges from 60,000 sq ft to 7,00,000 sq ft and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof. Examples include shoppers stop, pyramid, and pantaloons. The new malls are air-conditioned and have spacious areas and accesses which make them a true breath of fresh-air from the earlier arcades and shop line streets that used to be the available options for Indian customers. Most malls give floor space out to individual shops on lease, and these are enticed by the economies resulting from the sharing of costs. India’s largest shopping arcade Spencer plaza (600,000-sq-ft) in Chennai is an example. In malls like these, the combined brand pull of all outlets is used to create a pull foot the mall. The new shopping malls that have been expanding their footprint across Indian cities are will designed, built on international formats of retailing and integrated with entertainment and restaurant to provide complete family experience. Over 300 malls are expected to be built over the next two years and most Indian cities with over million populations will be exposed to this modern method of retailing.

**Hypermarkets/Supermarkets:** Large self service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30% of all food & grocery organized retail sales. Super Markets can further be classified in to mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from of 3,500 sq ft to 5,000 sq ft. having a strong focus on food & grocery and personal sales.

**E-commerce:** The amount of retail business being conducted on the Internet is growing every year. Indeed, Forrester Research Agency projects e-commerce revenue to rise to $123 billion in 2004, an increase of some 28% over the previous year and for e-tailing to comprise a bigger slice of the overall retail pie (5.6%, up from 4.5% in 2003). Many major retail organizations and manufacturers have online retail stores. Companies like Amazon. Command First and second.com, which helped pioneer the retail e-commerce concept, are now being followed by bricks-
and mortar and catalogue retailers like J. Crew, which are expanding retail e-commerce into new markets.

- **E-retailers:** Possibly the most publicized retail model to evolve in the last 50 years is the retailer that principally sells via the Internet. There are thousands of online-only retail sellers of which Amazon.com is the most famous. These retailers offer shopping convenience including being open for business all day, every day. Electronic retailers or e-retailers also have the ability to offer a wide selection of product since all they really need in order to attract orders is a picture and description of the product. That is, they may not need to have the product on-hand the way physical stores do. Instead an e-retailer can wait until an order is received from their customers before placing their own order with their suppliers.

- **MBO’s:** Multi Brand outlets, also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and Metros.

### 4.3 Classes of Malls

Before knowing about Classification of Malls, We will understand the meaning of Malls:

**What is mall?**

#### 4.3.1 Definition: Malls

“A shopping center enclosed within a large structure; often two or three stories high, often designed around a central atrium, may have numerous stores, as well as entertainment facilities such as movie theatres, fast-food outlets restaurants and public areas.”

“A large building or series of connected buildings containing a variety of retail stores and typically also restaurants, a sheltered walk or promenade, a section of a street, typically in the downtown area of a city, from which vehicular traffic is excluded.”

“A shopping mall (or simply mall), shopping center, or shopping arcade is a building or set of buildings that contain stores, and has interconnecting walkways enabling
visitors to easily walk from store to store. The walkways may or may not be enclosed.”

The phrase shopping mall consists of two words, shopping and mall. A shopping mall is basically a shopping complex or a market place. But then a bazaar is also a market place. There is a difference between a shopping mall and a bazaar. A bazaar is a linear concept. It consists of generally a long road or a street, running along the city, usually in its center, with big and small shops on both its sides.

The road or the street may be a busy traffic road with pedestrians and all kinds of vehicles running and even honking upon it. A shopping mall ideally is not part of the road side bazaar, though there may be exceptions. It is an enclosed and independent shopping complex or an arcade with a specified space for parking of cars and other vehicles.

Shopping malls are, in some cases, located away from the busy streets of the city. They are located either on its suburbs or a few minutes drive away from the city. The reason may possibly be the shortage of space inside the city, because a shopping mall is usually a complex of huge and spacious buildings. But why the word ‘mall’ instead of ‘complex’ or a ‘centre’? Is it because ‘mall’ is a more ‘in’, a fashionable word, and a help expression? The answer is both yes and no. The word ‘shopping’ appears to have been attached to ‘mall’ to take advantage of the pleasant connotations that the word ‘mall’ is associated with. A mall is “a promenade, a public place set aside as a pedestrian walk. It is a major street used by the gentry for shopping and recreational activities”.

4.3.2 Types of mall

- **Regional Malls:** A regional mall is, per the International Council of Shopping Centers, in the United States, a shopping mall which is designed to service a larger area than a conventional shopping mall. As such, it is typically larger with 400,000 sq ft (37,000 m²) to 800,000 sq ft (74,000 m²) gross leasable area with at least two anchors and offers a wider selection of stores. Given their wider service area, these malls tend to have higher-end stores that need a larger area in order for their services to be profitable. Regional malls are also found as tourist attractions in vacation areas.
• **Super-regional Malls:** A super-regional mall is, per the International Council of Shopping Centers, in the U.S. a shopping mall with over 800,000 sq ft (74,000 m²) of gross leasable area, and which serves as the dominant shopping venue for the region in which it is locate.

• **Outlet Malls:** An outlet mall (or outlet centre) is a type of shopping mall in which manufacturers sell their products directly to the public through their own stores. Other stores in outlet malls are operated by retailers selling returned goods and discontinued products, often at heavily reduced prices. Outlet stores were found as early as 1936, but the first multi-store outlet mall, Vanity Fair, located in Reading, PA didn't open until 1974.

• **Dead Malls:** These "dead malls" have failed to attract new business and often sit unused for many years until restored or demolished. Interesting examples of architecture and urban design, these structures often attract people who explore and photograph them. This phenomenon of dead and dying malls is examined in detail by the website Deadmalls.com, which hosts many such photographs, as well as historical accounts. Until the mid-1990s, the trend was to build enclosed malls and to renovate older outdoor malls into enclosed ones. Such malls had advantages such as temperature control. Since then, the trend has turned and it is once again fashionable to build open-air malls.

• **Vertical Malls:** High land prices in populous cities have led to the concept of the "Vertical Mall," in which space allocated to retail is configured over a number of stories accessible by escalators linking the different levels of the mall. The challenge of this type of mall is to overcome the natural tendency of shoppers to move horizontally and encourage shoppers to move upwards and downwards.

• Vertical malls are common in densely populated conurbations such as Hong Kong and Bangkok. Times Square in Hong Kong is a principal example.

• **Seamless Malls:** Consortium of retailers without walls separating the individual stores. One enormous shop, with hundreds of popular brands sharing space with each other. E.g. Pantaloon’s Central Mall.
• **Outlet Mall**: Shopping centre with national brand-name retailers selling discounted merchandise. E.g. Hums Mall.

• **Lifestyle Centers**: Shopping centre’s or malls whose array of retail outlets are designed to appeal to a particular segment of the population. Typically, lifestyle centre’s feature upscale specialty stores, services, and restaurants. E.g. Centre stage Mall.

• **Anchor Clients**: The most important elements in a large format mall. An anchor is among the first clients to enter a mall, and occupies at least 25-30% floor space. E.g. Big Bazaar in Sahara Mall Gorgon

• **Specialty Malls**: Consortium of retailers that carry a certain category of products. They are usually situated some distance from the city centre. Consumers have to make a special visit to pick up the goods. eg. - Gold, electronics.

**4.4 Mall Culture in Indore: Introduction**

India is no longer what it used to be around 16 years back. It has now gone to a great extent of globalization which has led to the development of the country as a great hub for shopping. People now in India have an increased shopping capacity and the increasing number of malls in India has empowered the shoppers to a great extent. All metropolitan cities now have multi-level shopping malls which offer everything from accessories, clothing, furniture, artifacts, electronic items, etc. Bangalore, Delhi, Mumbai, Pune, Ahmedabad, Baroda, Haryana, Chennai, Hyderabad, Agra, Kolkata etc. are some cities that can be named out of the many that have undergone the process of development and have numerous malls for people to shop around.

Malls in India have this specialty that in addition to the foreign and international brands, they also offer things which are original to the country. Ethnic wear, eating joints which serve diversified food items etc are available in the most luxurious of malls with great ambience and facilities combined in them. People of all castes and communities come here to shop and with raised economic power of the country, it has now become possible for them to maintain great standards of living as well as shopping.
4.5 About Indore

Indore is biggest a city of Madhya Pradesh. It has the importance in commercial and industrial sector. It is also the centre of administrative offices, medical facilities, and higher education and research centers.

Indore is a tier 2 city, the largest city of the Indian state of Madhya Pradesh. It serves as the headquarters of both Indore District and Indore Division. A central power city, Indore exerts a significant impact upon commerce, finance, media, art, fashion, research, technology, education, and entertainment and has been described as the commercial capital of the state. The Indore Metropolitan Area's population is the state's largest, with 2.2 million people living there. It is the 14th largest city in India and 147th largest city in the world.

Indore traces its roots to its 16th century founding as a trading hub between the Deccan and Delhi. Indore’s financial district anchored by central Indore functions as the financial capital of the Madhya Pradesh. Indore owes its early growth to trade and commerce, which is still a dominant feature of the city. The present city is about 500 years old. Till the end of 15th century its original nucleus was a river side village, which occupied the bank of river Saraswati. This area is now known as Juni Indore. It is the commercial capital of the central Indian state of Madhya Pradesh.

The Indore City metropolitan area is ethnically diverse. It is home to the large Jain community outside Gujarat and Rajasthan. Indore contains the highest total Marathi population of any M. P. city proper (as it was a Maratha ruled city), many of them living in the western part alone viz. Lokmanya Nagar and Rajendra Nagar. The Gujarati community also has a notable presence in the city which can be easily identified in the city culture. Indore has a high degree of income disparity. Ethnically, Hindi linguistics form major sub groups in the city followed by Marathi, Punjabis, Sindhis, Gujaratis and others. The disparity is driven by wage growth in high income brackets, while wages have stagnated for middle and lower income brackets. Indore is always ranked as the home to the highest number of billionaires in the state.
4.5.1 Geography of Indore

Indore is located in the western region of Madhya Pradesh, on the southern edge of the Malwa plateau. It lies on the Saraswati and Khan rivers, which are tributaries of the Shipra River and has an average elevation of 553.00 meter above mean sea level. It is located on an elevated plain, with the Vindhyachal range to the south.

Apart from Yashwant Lake, there are many lakes that supply water to the city including Sirpur Tank, Bilawali Talab, Sukhnivas Lake and Piplyapala Talab. Soil cover in the city region is predominantly black. In the suburbs, the soil cover is largely red and black. The underlying rock of the region is composed of black basalt, and their acidic and basic variants dating back to the late Cretaceous and early Eocene eras. The area is classified as Seismic Zone III region, which means an earthquake of up to magnitude 6.5 on the Richter-scale may be expected.

To the west, Indore borders the administrative district of Dhar with cities such as Pithampur and Betma; to the northwest with Hatod and Depalpur; to the north the Ujjain with Sawer; to the northeast the Dewas with Manglaya Sadak; to the southeast the city of Kampel and Simrol; to the south Khandwa with Mhow, Choral and Manpur. Together with these cities (and some larger nearby cities, e.g. Rau, Hatod, Rangwasa, Palda, Sinhasa) Indore forms a contiguous built-up urban area called Indore Metropolitan Region which is an unofficial administrative district.
4.5.2 Historical Introduction of Indore

Situated on one of India's oldest pilgrimage routes from Mahakaal at Ujjain on river Kshipra, to Omkareshwar on the river Narmada and onwards to Rameshwaram, Indore was a convinient resting place.

It was on the route of the Marathas of Deccan on their way to North India. These Maratha Guerilla warriors were in constant battle with the Mughal Empire. Their army transit camps here attracted the local Zamindars (landlords) who, drawn by the promise of lucrative trade, settled in the villages on the confluence of the Khan and Saraswati rivers, thereby laying the foundation of this commerce centre in 1715. In 1741, temple of Indreshwar was erected in the town, from which it derives the name Indore.

The trade centre grew rapidly under the Holkar dynasty (1733-1818). The remains of their two century old palace still stand in the main square (called Rajwada). The city became the capital of the Indore princely state in 1818 after the British forces under Sir John Malcolm defeated the Holkars led by Rani Krishnabai Holkar at Mahidpur. She signed the treaty of Mandsaur by which the control of Indore went in the hand of the East India Company. Between 1948 and 1956, Indore served as the summer capital of the former Madhya Bharat state. Currently, it is the commercial capital of M.P. (Source: Grolier Multimedia Encyclopedia and Encyclopedia Britannica).

4.5.3 Population of Indore

Indore District Urban Population 2011

Out of the total Indore population for 2011 census, 74.09 % lives in urban regions of district. In total 2,427,709 people lives in urban areas of which males are 1,262,872 and females are 1,164,837. Sex Ratio in urban region of Indore district is 922 as per 2011 census data. Similarly child sex ratio in Indore district was 897 in 2011 census. Child population (0-6) in urban region was 296,476 of which males and females were 156,282 and 140,194. This child population figure of Indore district is 12.38 % of total urban population. Average literacy rate in Indore district as per census 2011 is
84.93 % of which males and females are 89.44 % and 80.05 % literates respectively. In actual number 1,809,993 people are literate in urban region of which males and females are 989,732 and 820,261 respectively.

**Indore District Rural Population 2011**

As per 2011 census, 25.91 % population of Indore districts lives in rural areas of villages. The total Indore district population living in rural areas is 848,988 of which males and females are 436,755 and 412,233 respectively. In rural areas of Indore district, sex ratio is 944 females per 1000 males. If child sex ratio data of Indore district is considered, figure is 912 girls per 1000 boys. Child population in the age 0-6 is 124,904 in rural areas of which males were 65,330 and females were 59,574. The child population comprises 14.96 % of total rural population of Indore district. Literacy rate in rural areas of Indore district is 68.93 % as per census data 2011. Gender wise, male and female literacy stood at 80.74 and 56.50 percent respectively. In total, 499,137 people were literate of which males and females were 299,899 and 199,238 respectively. All details regarding Indore District have been processed by us after receiving from Govt. of India.

Indore is the most populous city in the Madhya Pradesh. As of the 2001 Indian Census, the city's population stood at a record high of 1,516,918, significantly greater than any other city from central province. Males constitute 52% of the population and females 48%. In 2010, the city had a population density of 25,170 people per square mile (9,718/km²), rendering it the most densely populated of all municipalities with over 100,000 populations in the Madhya Pradesh.

The Indore City metropolitan area is ethnically diverse. It is home to the large Jain community especially Rajasthani Jains. Indore has a high degree of income disparity. Hindi and Rajasthani is main language spoken here. Malvi, a dialect of Rajasthani, is spoken by majority of population. Ethnically, Hindi linguistics form major sub groups in the city followed by Marathi, Punjabis, Sindhis, Gujaratis and others. The disparity is driven by wage growth in high income brackets, while wages have stagnated for middle and lower income brackets. Indore is always ranked as the home to the highest number of billionaires in the state.
Indore has the highest percentage of constant foreign migrants among Indian cities. As of now, around 10,000 Pakistani Hindus have migrated into the state out of which nearly 6,000 are in Indore. More than 1,000 Pakistani immigrants arrive in the Indore area every year. No single nationality or culture dominates the city's immigrant population, placing it among the most diverse cities in India. (Sources: 1. Census India reports". India census. Archived from the original on 16 June 2004. Retrieved 8 August 2010., 2. Statistics of Indore. District Administration of Indore. Retrieved 16 August 2009, 3. "1,000 Pakistani Hindus migrate to Indore". The Times of India. Retrieved 2012-12-14.)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POPULATION (IN LAKH)</th>
<th>DECADE GROWTH RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>5.37</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>8.25</td>
<td>44.73</td>
</tr>
<tr>
<td>1991</td>
<td>10.9</td>
<td>31.63</td>
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<tr>
<td>2001</td>
<td>15.16</td>
<td>37.97</td>
</tr>
<tr>
<td>2011</td>
<td>21.76</td>
<td></td>
</tr>
<tr>
<td>2021(expected)</td>
<td>31.17</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.1: Status of Population of Indore City

4.5.4 Literacy of Indore

Average literacy rate of Indore in 2011 were 80.87 compared to 75.15 of 2001. If things are looked out at gender wise, male and female literacy were 87.25 and 74.02 respectively. For 2001 census, same figures stood at 84.60 and 64.81 in Indore District. Total literate in Indore District were 2,309,130 of which male and female were 1,289,631 and 1,019,499 respectively. In 2001, Indore District had 1,575,436 in its district.
4.5.5 Educational growth in Indore

Indore is a home to a range of colleges and schools. Indore has a large student population and is a big educational center in central India. Most primary and secondary schools in Indore are affiliated with the Central Board of Secondary Education (CBSE); however, quite a few numbers of schools are affiliated with ICSE board, NIOS board and the state level M.P. Board as well.

The Daly College, founded in 1882, is one of the oldest co-educational boarding schools in the world, which was established to educate the rulers of the Central Indian Princely States of the 'Marathas' and Rajputs'. The Holkar Science College, officially known as Government Model Autonomous Holkar Science College was established in 1891.

Also, Indore has quite a few prominent higher education institutions. It is the only city in India to house both Indian Institute of Technology and Indian Institute of Management.

Devi Ahilya Vishwavidyalaya, also known as "DAVV" in popular culture (formerly known as University of Indore) is a renowned university in Indore with several colleges operating under its aegis. It has two campuses within the city, one at Takshila Parisar (near Bhavarkuan Square) and another at Rabindra Nath Tagore Road, Indore. The university runs several departments including Institute of Management Studies (IMS), School of Law (SoL), Institute of Engineering and Technology (IET), Educational Multimedia Research Centre (EMRC), International Institute of Professional Studies (IIPS), School of Pharmacy, School of Energy & Environmental Studies- one of the primer schools for M. Tech. (Energy Management), School of Journalism and School of Futures Studies and Planning, which runs two M. Tech. Courses with specializations in Technology Management & Systems Science & Engineering, MBA (Business Forecasting), and M. Sc. in Science & Technology Communication. The huge campus is replete with several other research and educational departments, many hostels, playgrounds and cafes aiming to provide a fulfilling experience to its students.
The Mahatma Gandhi Memorial Medical College (MGMMC) is another old institution, and was formerly known as the King Edward Medical College. Shri Govindram Seksaria Institute of Technology and Science (SGSITS) is an engineering college, established in 1952.

4.6 Trade and Business in Indore

The economy of Indore is notable for its importance in the areas of trading, finance and distribution in Madhya Pradesh. Indore has the largest economy in central India and is the business and trading capital of the state. Located at the crossroads of western and central India, Indore has relatively good connectivity and has been the hub of trade and commerce, not only for the state but also for western India. The city holds a dominant position and is a vibrant centre for trade and commerce. Cotton textiles are the city's major product, but iron and steel, chemicals, and machinery are also manufactured there. The textile industry is in decline and is being replaced by a variety of new manufacturing industries. Still it is the one of the largest textile industry in India. Old-time industries which flourished in Indore were handloom, hand dyeing, manufacture of niwar, oil extraction by ghani, manufacture of bamboo mats, baskets, metal utensils, embossing and engraving of gold and silver ornaments, shellac industry, etc. Ayurvedic and Unani medicines from roots and herbs were manufactured under state patronage. Indore has one of the largest trans-shipment centers for truck transport.

Apart from textile industry, Indore has oil seed extraction industry, confectionery, paper and straw board, factories for asbestos products, RCC pipes and poles, machine tools and accessories, electrical machinery and appliances, electronics goods, bicycles and ready-made garments. Indore accounts for about one third of the total ‘Namkeen’ (variety of gram flour snacks) production of India. Due to its trade and industry, the residents of the city refer Indore as Mini Bombay.
4.7 Development, Growth and Possibilities in Indore

Geographically Madhya Pradesh is the heart of India and Indore is the heart of Madhya Pradesh. It is the commercial city of the state and has the business activities for all other cities of state. In recent years Indore has grown rapidly and it has the large business potential in the city. Major corporate and business leaders including foreign investors already invested a huge amount for the different projects all around the Indore. Indore provides the corporate with complete civic and well developed infrastructure. Indore city is well connected by different means of transportations like Air, Rail and Road to all other cities of state and country which may provide the boom in the business. With well developed infrastructure, transport facility and cheap manpower, Indore may be the city to give the rise. Different multiplex theaters, parks, game parks, clubs, restaurants, hotels and malls Indore is ready to give the world class facilities for the many corporate.


Indore's CBD is the largest in state and also has plenty of surrounding commercial areas which are considered part of Indore. A notable one is Pithampur, which is also known as the Detroit of India.

Indore city extends over the Vijay Nagar, forming East Indore, a continuation of the CBD. Indore has a large economy; however it tends to have a high vacancy rate. Just a few kilometers north of Vijay Nagar. Indore economy is expanding in all directions and it includes both the traditional agro industries and modern corporate and IT companies. One of the busiest cities of Madhya Pradesh, Indore is the economic nerve center of the state. With the flourishing of Indore economy, a number of management and engineering schools have been opened in Indore in order to supply the growing demand of professionals.
Officials of UAE-based Smart City, Dubai, will take part in the Global Investors’ Summit in Indore and also explore the possibility of developing a smart city in Madhya Pradesh. The state government plans to develop a smart city on 1,000 acres of land at a location between Indore and Bhopal. “A team of Smart City, Dubai, will explore the possibilities of developing a smart city like the one in Kochi. A plan and proposed model of the smart city is being prepared,” a state government official said. Chief minister Shivraj Singh Chouhan, during his visit to Dubai in August, had met Smart City chief executive officer Abdullatif Almulla and discussed the proposed smart city project. *(Source: Hindustan Times)*

### 4.8 Important malls in Indore

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasure Island</td>
<td>M G Road</td>
<td>2006</td>
</tr>
<tr>
<td>Central Indore</td>
<td>R N T Marg</td>
<td>2009</td>
</tr>
<tr>
<td>C-21 Mall</td>
<td>A B Road</td>
<td>2009</td>
</tr>
<tr>
<td>Mangal City Mall</td>
<td>Vijaynagar Square</td>
<td>2006</td>
</tr>
<tr>
<td>Malhar Mega Mall</td>
<td>Near C-21 Mall</td>
<td>2011</td>
</tr>
<tr>
<td>Orbit Mall</td>
<td>A B Road</td>
<td>2011</td>
</tr>
<tr>
<td>Velocity Mall</td>
<td>Ring Road</td>
<td>2009</td>
</tr>
<tr>
<td>Sapna Sangeeta Mall</td>
<td>Sapna Sangeeta Road</td>
<td>2011</td>
</tr>
<tr>
<td>Campus Mall</td>
<td>R N T Marg</td>
<td>2011</td>
</tr>
<tr>
<td>Shoppers Stop</td>
<td>A B Road</td>
<td>2010</td>
</tr>
</tbody>
</table>

*Table 4.2: Important Malls in INDORE*

**Treasure Island Indore:** The No 1 shopping mall of Indore. Brands available are – Big Bazaar, Pantaloons, Max, PVR Multiplex, McDonald’s, Pizza Hut, Colorplus, Raymonds, United Colours of Benetton, Zodiac, Meena Bazaar, Hidesign, Esbeda, Bata Shoes, Spykar Jeans (Garments), Barbie, Archies Gallery, Adidas, Black Panther, Denim Club, Titan Watch, Nike, Spykar, RBK, Killer Jeans, Reynold’s (Pen and stationary), Mufti, Samsonite, Gini and Jony, Fabindia, Axis Bank (ATM), Vadilal, Nike etc.
Treasure Island, Indore, developed by Entertainment World Developers Limited and popular among the masses as 'TI', has the privilege of being first Shopping Mall of Central India. Spreading across 4.5 lakh sq. feet, it is the most favoured destination of shopping, dining and entertainment fulfilling the unique requirements of families, students, professionals, businessmen and visiting tourists in a stylish-cum-sophisticated way.

A prime factor that usually refrain people from shopping is the discomfort and exhaustion associated with searching the required things from store to store. However, this is not the case with TI Indore, where you can experience a great shopping via interestingly exploring all you need under one roof.
In fact for Indoreans, who’re known as ‘food and fashion lovers’, TI brings comfort and elegance in every nook and corner. Perhaps that’s the reason as to why TI, Indore has won the ‘Most Admired Mall of the Year’ award from ISCA in 2010 along with 4 other awards for best and most admired mall in last years. From favourite name-brand attires to fashion accessories, home furnishing to electronic items, footwear to gift items, TI is the first choice of Indorians.

Apart from these, you can relish into the world’s best recepies at restaurants, cafeterias and food stalls at fourth floor. After shopping and dining, make your day a memorable one by watching a latest bollywood /hollywood movie at PVR Multiplex.

**C21 Mall:** C21 group comprises of various business houses, promoters and other group companies, bounded together to start a new era in retail sector with shopping malls in different parts of India. Their experience and interest in retail, wholesale & International trading gives them the edge when in comes to the current market scenario.

Our diverse interests in various aspects of shopping malls comprising of textiles, food court infused with entertainment & business development make us synonymous with perfection, reliability, aesthetics & satisfaction. With thoughtfully planned construction, understanding the buyer's need, best amenities & suitable environment to execute them, we bring international standards to the towns of India.

**Work philosophy:** Hands on approach at every level and dissemination of information & feedback.

**Vision:** To create every inch of millions of sq. ft. as value, style & entertainment proposition for our associates & their customers.

**Mission:** To build state of the art structures without compromising on art, technology & value.
Features:

- Modern architecture with glamorous ambience.
- National and international brands.
- Hyper market - Daily living and lifestyle products.
- Entertainment zone with multiplexes, play zone and kids zone.
- Food court with speciality restaurants & cafes.

**Velocity** - The first modern multiplex of Indore - is still one of the most popular ones here. Great picture & sound quality, delicious in-house snacks, and all at the most affordable prices.
Sapna Sangeeta Mall: When the whole Film Industry were seeing slack due to invariable advent of Small Box i.e. Television along with satellite cables, even in that period Sapna Sangeeta Theaters showed remarkable profitability just because of its proper maintenance and requisite facilities.

Sapna Sangeeta cinema is one of the first halls in Indore to introduce AC in the hall. Over the years screening of films has been equipped with 4 track sound system, 6 track sound systems, Dolby and DTS. Recently Sapna Sangeeta has introduced online internet booking system on the website. Easily among the most unique and opulent cinema theatres in Indore, Sapna Sangeeta has beautiful well-maintained interiors. Equipped with latest air-conditioned comforts, this is one theatre in Indore people go more for its beauty and amenities, than for the content of the film screened.

Conclusion

This in a nutshell, is the developing Indian retail story that is luring investors, domestic and foreign, to make a pitch for a portion of the great Indian market, its growing and ever-hungry consumers and their apparently insatiable demand for all the good things in life from groceries to vegetables and fancy gadgets to fancier cars. The purchasing power comes from the growing industry and services sectors, and a small section of the rich agrarian buyers.

Sales and bargain deals, attractive prizes, and schemes are the sure fire success formulae that the shopkeepers and showroom and super bazaars use to lure visitors in huge numbers. Malls are a mega hit.