Big Box, No More Quick Fixes:
A Historical Account of Consumption, Retail and Discount Shopping Typologies
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Abstract

As of 2011, the fastest growing sectors of the American economy are related to, or directly involved in the retail business. The conditions which led to this phenomenon are rooted in the fundamental precepts of capitalism, national growth and social welfare. European retail entrepreneurs worked with manufacturers at the onset of mass-production to transform working class society into a culture of consumers. The strategies employed during this time provide valuable insights for planners grappling with the largely misunderstood processes of today's retailing industry.

Consumption lies at the core of civilization. Trading centers have existed alongside civilization’s evolutionary march and will continue to steam ahead. The world's largest private employer, real estate owner and good’s provider is WalMart. A company's whose name has become synonymous with greed and a gluttonous American lifestyle, where the size of our waists, waste and debt has become as swollen and distended as our sprawling retail landscape. Any serious remedy to this process entails a proviso for our profession; we need to understand the historical incubation of our society in conjunction with production, consumption and their spatial products as an interdependent process with directional consequences. Surpassing the specious solutions requires a manifold understanding of the existing social, economic, and physical conditions further entrenching us in this contemporary paradox. “Big box” is simply the latest product, produced and desired by a culture of consumption. It is my position that the public and our profession would be better served if the research uncovered the complexity of consumption and made the case, for or against “big box” repurposing.

I find little value in repurposing vacant “big box” and comment on three emerging retail typologies: (1) Mall Remix, (lifestyle centers with mixed use); (2) Peg + Podium, (stacked discounters with(out) integrated residential in urban settings); and (3) Wrapper, (discount retail surrounded by mix use). I argue that vacant regional centers have the highest propensity for repurposing as Mall Remix, but are contingent on regional specific demographics and amenities. I propose that highly concentrated, low income areas in the Northeast should serve as potential locations for Peg + Podium new construction, and indicate the dangers of integrating a high capital asset with an inflexible, low capital base in the event of a vacancy. Similarly, I warn against the elevated parking structure in the Wrapper typology as a limitation for growth. Lastly, I indicate the value in studying the retail industry’s logistics network as a potential method for planners to track urban growth.
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For those I leaned on along the way, I dedicate this to you:

To my mother, for courageously rising to the challenge;
To my father, for triumphing under adversity;
To Aileen, for her understanding;
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And to Eran Ben-Joseph, for allowing me the freedom to explore.
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Contents

00.01 08 Preface
   Literature Reviewed

00.10 11 Introduction

01.00 21 Economic Growth + Consumption
   Innovations, Fear and Resistance to Change

02.00 27 Consumption Dominance
   Design, Desire and Cathedrals of Consumption

03.00 12 Consumption Psychology
   Cognition, Innovation and Dependency

04.00 29 Consumption Geography
   Production, Purchasing and Design

05.00 35 America Between the Wars
   Consumption Cartels, Credit and Research

06.00 42 Expansion
   Supply Side Economics, Big Government and Decentralization

07.00 48 Reinventing America
   Suburban Shopping Centers Shaping Consumers

08.00 59 Contemporary Consumption
   Category Killers, Discount Centers and the Proliferation of the Box

09.00 77 Competition
   Dead malls, Empty Shopping Centers and Vacancies

10.00 78 Power Center
   Domination, Costs and Urban Penetration

11.00 82 Moving Forward
   National Shift, Regional Patterns and Discrete Interventions
As a preliminary step for researching contemporary big box retail, I assembled about the most current literature on the subject, with the intention to lay a foundation in support of the possible repurposing of vacant boxes. What followed, was an immediate issue concerning the range of contemporary retailing's extension to domains laying outside the purview of design literature. I viewed this as an opportunity to bring insights from urban economics, real estate development and finance to bear on physical planning and policy. Having recently studied within these fields, I felt confident that designers attempting to repurpose this vacant retail typology, would benefit from a cost side perspective, working with the time value theory of money and going beyond the typical demolition and construction cost considerations. The inclusion of a market perspective, was intended to illustrate to those without a penchant for finance the fundamental concerns investors contend with when considering possible solutions, such as the discounted present value of a particular asset versus a set of possible alternatives, and whether the asset has the rent or net operating income required to justify investment. These questions alone, would do much to thwart the amount of time wasted on strictly formal explorations which, although inspiring, have little credence for the market considerations which determine implementation. Issues of land value, market absorption, vacancy rates and property life cycles are the considerations and language of those who have a fiduciary responsibility to maximize the potential value of an asset against their opportunity cost of capital. This may seem like a mute point for those focused solely on social benefits, but it is an example of the complexity and ironic twists, tightening the screws on the socioeconomic rack: for every dollar applied to some opportunity, means the absence of a dollar for every other opportunity. The scarcity of capital is great enough and only becomes greater with the squandering of public resources on imprudent projects.
Unfortunately, those considerations were tabled in light of the general lack of definition concerning what actually constituted big box retail other than some popular store names and that ubiquitous external shell. Mentioning big box to others was usually followed by a nod, indicating their recognition of the thing, but if pressed further, to differentiate one box retailer from another, was met with some confusion. I was just as culpable at the onset, noting only slight differences between Home Depot, Target and WalMart. Some mainstream authors, outside of the retail industry, writing about big box retail referred to them as being relatively homogenous, as if one was a perfect substitute for another. The further back the research went, the more apparent it became that big box retail was sophisticated, nuanced and too systemic to be treated as just a formal consideration for planners.

Authors primarily targeted the box as the catalyst for change, focusing on the transformative power of big images and counterintuitive reprogramming. Startling photography can be a powerful tool to inspire audiences into challenging their conventional thinking, but without the armature of a historical framework, mighty crusades become quickly deflated with each misguided step. The box has become an overly fetishized patsy, scapegoating the greater culprits responsible for its production. As the most recent artifact of contemporary consumption practices, it should be considered more as an event or result stemming from its casual relation to the retail industry, household expenditures and a cyclical economy. This understanding allows us to intercede along the route of its processing, before its final endpoint, where interventions are tempered by a more complete awareness and perspicuity of this happening. Addressing the inadequate understanding and definition of this retail typology was antecedent to the repurposing question, since it entailed uncovering just what in fact authors meant by big box. The complexity surrounding discount typologies will
only steepen as retailers adjust floor plates, merchandise composition and business operations to penetrate urban markets, both here and abroad. To accommodate these pressing concerns, my research shifted towards a historical account of consumption and the role it has played in fostering discount shopping to present day, with some speculations about future American retailing trends. What follows is an attempt to steer the discussion away from misleading external identifiers and towards a comprehensive understanding of contemporary retailing and its multifaceted entanglements, co-produced and bound up with our culture, economy and space.

Literature Reviewed

*Big box reuse* written by Julia Christensen.

*Big-box swindle: The true cost of mega-retailers and the fight for America's independent businesses* written by Stacy Mitchell.

*Retrofitting suburbia: Urban design solutions for redesigning suburbs* written by Ellen Dunham-Jones and June Williamson.
Although it is the reader's right to be selective when choosing which chapters to read, I would encourage those without a background in economics to be more selective about what is omitted from their purview. Planners, designers and policy makers were the intended audience to benefit the most from this comprehensive, but in no way exhaustive, undertaking to bring to light the dualistic role of consumption as both a vice and virtue for societal progress.

Consumption does have something to do with the price of tea in China, as well as, the quantity of bananas sold in America and how many rands are spent on a bottle of Shiraz in Cape Town, South Africa. The conditions necessary to establish and perpetuate mass consumption existed long before WalMart opened its first discount store. The processes unfolding in America and eventually in China and India were initiated over 100 years ago.

Contemporary consumption and discount shopping emerged slightly before the Industrial Revolution with the advent of the department store in Europe. These were larger footprint retail operations catering to upwardly mobile and well to do demographics in prominent urban areas. Capital cities, such as London, Paris and Budapest, were some of the first documented locations to experience the passing of the retail guard from trusted shopkeepers to entrepreneurial discounters. Market shifts were co-productive with societal changes. Challenges to established cultural norms, were followed by fear, consternation and concern about the rapid erosion of moral virtue under the immense wake consumerism. The resistance to change publicized in today's media channels about unfair retail competition was a condition of capitalism present 130 years ago in major European cities. What is thought to be contemporary transformation, can more adequately be understood as most recent appearance of
capital accumulation and investment in an area creating and experiencing rapid growth. The more economically dynamic regions in India and China should experience bouts of growth on par with Europe and America, where the rapid pace of cultural transformations, driven by manufacturing innovations, increased production side jobs, goods and income. In a cyclical fashion, households who were gaining income as an outlay to labor by economic sector, were able to buy more on the consumption side, which had a multiplier effect on the economy, producing more jobs, income, spending and goods (Kennedy 2010). With an abundance of products and income, households needed a place to spend, equally as much as producers needed a place to sell, allowing department stores to play a significant role in the interdependent process throttling the economy.

To foster growth, retailers had to work in conjunction with policy makers and cultural influencers to convert a society of workers into a culture of consumers. Along with the new urban typology for retailing, came a new image and poster-child for Modernist Architects. The retailing industry not only competed with other sectors for product demand, but also challenged steadfast urban destinations by attracting patronage through architectural grandeur, monumentality and spectacle. Shoppers were treated to novel experiences through elaborate displays, depicting the newest inventions, technological wonders and domestic goods. Advertising campaigns were tailored around insights emerging from psychology and psycho-analysis, targeting emotional needs, behavioral reactions and identity constructions, leading to an extended product dependency beyond mere usefulness. Value engineered products were designed to maximize productivity, efficiency and self-worth for a fixed duration of time, witnessing an increase in consumers dependency as a product's life cycle decreased, requiring repeat purchasing. Retailing became a mode of entertainment...
and entrapment for working and wealthy classes. Leisurably pastimes, such as strolling along boulevards were extended beyond the street and into the store. Once inside, consumers were expected to feel a sense of dignity through the act of consumption, especially those who with the task of maintaining a cleanly household. Advertisers attempted to guilt wives and mothers into purchases. Domestic responsibilities were juxtaposed against familial duties, where moments spent with the family were attached to a price tag for each new timesaving appliance on the market. Those unwilling to participate in the purchasing of these mechanical advantages, were portrayed as squanderers, preferring to toil on domestic chores instead of spending quality time their with their family. Retailers initially went to great lengths to attract customers into urban stores, once ensnared, they shifted operations towards the hinterland

In Germany, retailers conceived of regional penetration, and worked diligently to outfit modestly sized manufacturing towns, with smaller department and discount stores. Each working class town was connected to an extensive rail network as a link in the supply chain, circulating materials to various economic sectors. In an attempt to capture more consumers, retailers calibrated stores and merchandise mix to match the segmentation in the labor markets. Witnessing a stratification between income groups by location, German retailers experimented with discount store types throughout the region, until eventually finding success with not one but multiple demographics. Certain products could be sold in more austere stores and still attract higher income suburban households to shop there, despite the reduction of design merit. This insight into consumer demand reemerged sixty years later in America when Sam Walton realized that multiple shopping cohorts preferred cost savings to premier architecture. The proliferation of Walmart and its largest competitor, Target, deployed their stores and operations using this successful German model, which may
have propagated sooner, if not for the development of World War I (WWI).

As European counties were embroiled in interregional power struggles, the United States focused on domestic advancement and invested heavily in higher education, manufacturing and business sectors. Ivy league universities produced first generation immigrant graduates, going into various fields to apply the lauded techniques of technocratic rationalization. Efficiency as an ethos was extended to design, planning, business operation and most pointedly to manufacturing, as evidenced by the massive River Rouge Complex in Dearborn, Michigan. After nearly eleven years of construction, beginning in 1917, the largest manufacturing plant in the world was produced by marrying productivity with American entrepreneurialism. Fordism production processes ushered in a wave of socioeconomic transformations in America. Although his name remains synonymous with the era, the concept which initially allowed Ford to become hugely successful, was already being utilized in the retail industry. Vertical integration in the retail industry, meant something much larger than the Rouge plant; retail stores, no longer considered merely as effective exchange points for buying and selling goods, became an integral component of the financial sector, allowing investors access to consumption, production and investment assets in a total retailing system.

The spatial externalities and plentiful resources of the United States provided magnates with the fodder to conceive and construct connectable operational supply chains controlled through a singular business entity. Financial banking houses and investors understood this all to well, and established vertically integrated retail cartels, where competitive barriers were erected to crowd the market, allowing owners the flexibility to expand into new markets, if only as a measure against capital market
uncertainties. Real estate purchases and store construction were a relatively safer investment during the turbulent interwar years, and typically provided a profitable return on the land alone, depending on increasing location values. Land banking was used by strip retailers as early as the 1920s but strongly regulated against after the easy credit backlashes fueling the Great Depression. In its current form, national storage facilities, warehouses and large discount retailers have prospered by constructing inexpensive building shells in locations just outside the growth boundary and waiting until land premiums exceed the capital asset value before selling. Walmart excelled in this arena during the 1990s, where municipalities provided fully subsided development, only to be left with an empty store within a few years. As the largest real estate holder in the world, Walmart Realty was created to handle land acquisition, leasing and vacancies to exclude competitive tenants. These and other insights about competition, new markets, product placements, marketing, advertising and consumer behavior were generated by researchers at the Harvard Business School. It was one of the first programs to study shopping as a science. Backed by the HBS, Wall Street and a rising middle class, retailers set about creating mass consumption only to have their efforts thwarted by the ensuing depression and second world war (WWII).

Although the retail industry was forced into remission during the WWII, it emerged to the prospect of a decentralization project, dispersing the expanding population to suburban settlements linked to an interconnected infrastructure system that reliced Germany’s twentieth-century rail network. The national interstate highway system allowed goods to flow through supply chains more effectively, uniting consumers and retailers in new communities during the preliminary stages of mass suburbanization. The depression-era, spend your way out of debt, policies enacted under President
Franklin D. Roosevelt, were indicative of the enormous influence of Keynesian economic theory and the supply side policies creating these conduits for commerce. Big Government policies covered a prodigious amount of terrain. Postwar concerns about potential bombing fatalities in dense cities drove decentralization projects and incentivized returning veterans, employers and large commercial retailers to co-locate in suburban districts. Functional zoning policies isolated substantial tracts of agricultural land outside major cities for allocation of large segmented developments. Retailers were provided with ample commercially zoned space where traditional urban vertical retail store configurations were too expensive or inadequately sized to accommodate the volume of shoppers making fewer trips and having to drive in from greater distances. A new shopping center model was required to satisfy the shift in settlement design, mobility and consumer behavior.

As a massive wave of transformation washed over the nation, shapers of the built environment experimented with new typologies for living. This was the moment when modernist designers were able to witness the implementation of their theories. Le Corbusier, Frank Lloyd Wright and Clarence Stein each had their hour, but when the opportunity to directly influence and reshape public life in the suburban shopping context was presented, a less prominent design figure rose to the occasion. Victor Gruen modeled the suburban shopping center on the communal concept of the Agora. As an anchor for civic life in eighth-century B.C. Greece, the open market typology was an ideal form to reassemble commerce, culture and public services into a modernized temple for shopping. The open space regional centers and enclosed malls were intended to match the imagination, spirit and image of the World's Fairs. Those visions of Utopia degraded rapidly as retail family empires were replaced by speculatively minded real estate developers as the emerging builders of shopping
centers in America. Enclosed malls became the watered-downed version of Gruen's public squares, as bottom line returns replaced top down planning. Builders focused on larger shopping centers where department stores dominated the market as the retail anchors with the drawing power to attract the large volume of consumers needed to justify colossal developments. And Yet, in the shadows of big retailing a new typology was emerging. Alternative retailers, working in niche markets, had to develop innovative methods for retailing to attract customers way from industry dominators.

The formula used by department stores to dominate the industry for nearly 100 years, was about to change. By providing consumers with the right mix of merchandise, upscale design and the name brands stock, department stores built up a customer based dependent on homogenous products lines. Manufactures responded to retail industry pressure and produced a selected good at massive quantities. Smaller retail entrepreneurs seized upon these opportunity by selling name brand goods at wholesale prices. Wholesalers were a byproduct of 1920s policy regulation, protecting against the monopoly control of retail cartels who had the market share to force the hand of manufacturers. Niche retailers circumnavigated this issue by creating membership clubs, which allowed them to buy directly from producers. Prices dropped, allowing retailers to pull lower and middle class shoppers away from higher price department stores. Despite the crude appearances, growth rates were up and sales increased as scores of consumers struggled with the 1970s stagflation period. Membership club success prompted other entrepreneurs into the market. Toys R Us was the prototype for what would be dubbed the category killer, as retailers differentiated themselves by selling one type of merchandise, such as toys, electronics or office supplies. Along with the warehouse clubs and killers came discount centers at the promise of everyday savings.
Using a similar approach to twentieth-century German retailers, general discounters started modestly by working within regions both familiar and populated with the middle class shoppers needed to gradually build up market share. Eventually, frugally minded higher income groups were lured in through cost savings benefits, creating the discounting model American retailers used to dominate the industry. This ascension was fueled by passing on cost savings to customers, who associated product prices with store image. The warehouses these retailers operated out of became the prevailing architectural typology of discount shopping as they transitioned from offsite locations into mainstream markets. Designed originally as retrofits in industrial low-income areas, stores were essentially storage warehouse with cash registers, replete with in-store forklifts, stacked palette storage and bare interiors. Aisles were scaled to fit shopping carts and multiple cash terminals were located at the front of the store to ring up the droves of patrons who actually preferred the drab interiors. Higher end design was a detriment to discounters, as consumers judged the price of a good by its surroundings.

Within 20 years, these retail types were closing the doors on larger, more costly and overly pursued enclosed malls. On the downside of an overly aggressive speculation period during the 1980s, regional centers experienced massive declines in patronage, sales and municipality interest. Developers paid large subsidies to department stores to locate in regional centers despite the soft markets and saturated the market well beyond what could be absorbed within 10 years. With a strong regional command, stand alone discounters appealed to concerned municipalities contending with mall vacancies. In stronger markets, regional centers faced competition from both single store discounters and power centers. As the bubble burst, power centers were gaining traction in the industry and besting regional centers by incorporating...
both category killers and discounters into anchor positions previously dominated by department stores.

Power centers have achieved market appeal by assembling multiple retail types into one convenient location for consumers. By agglomerating retailers together, consumers were able to do comparison shopping within a confined area, reducing travel time, cost and uncertainty about finding the best deal. Although anchor retailers were able to install their own signage, stores were aligned in a row and shared a continuous facade. Stylistically, the wrapper is intended to connect with locals either through thematic design or regionalism. These design features are an attempt to shield the stores from the negative perception associated with retail industry dominators, by better integrating them into the surrounding context. Lifestyle centers have surpassed power centers in thematic design, placing tremendous emphasis on the New Urbanism design principles in order to attract higher income cohorts desiring greater design features.

As a final takeaway, I dedicate a small portion of the discussion to the most likely trends to unfold in American retailing as southern regions attract greater amounts of various income cohorts and attempt to appeal to these shifting demographics with more attention to localism through design but run the risk of segmenting the market. Touching on repurposing, discuss vacant regional malls have the highest propensity for repurposing, and the regional contingencies necessary for development. Emerging retail typologies are considered in relation to geographical regions and unit type.
The great technological innovations which transformed methods of transportation, manufacturing and communication, often eclipse a fundamental accelerant which not only fueled urbanization, but drove trade economies. Consumption was part in parcel with the greater Industrial Revolution and its omission from the historical record, is a grievous oversight. Aspersions cast upon this process endure; viewed as rudimentary acts, considered vulgar, common and trite and unbefitting of a serious discourse. So, the practice of everyday life goes largely unnoticed, and we fail to see how all encompassing retail consumption is: Commercial retail operates as value exchange pipeline, with both a pickup and terminus point for contributors in a market economy. As a factor of production, a worker contributes a marginal value to a product in a process which combines multiple productive factors to produce some good (Redvers and Schumpeter 1934). A wage is nothing more than compensation for a person’s marginal contribution to that consumable item. Remarkably, this simple exchange of values enables one worker to buy another worker’s marginal value in the form of goods or services. Each time you go to the market, cafe or mall to make a purchase, the system is reinforced; that act of consumption represents some portion of the work and some amount of production you contributed as well as how much you want to work and buy. These daily acts of producing and consuming have extensive implications for our environment when considering the demand we put into the global marketplace. If our markets are global, then our disembodied presence through extended demand is also global.

Our demand for goods extends our reach into places as far as Chile, Shenzhen and Mauritius. Taking advantage of labor arbitrage, communication technology and just-in-time (JIT) transportation logistics, firms’ supply chains locate in emerging economies offering reduced costs and increased competitiveness. Rarely does one have a
lucid understanding of the combined resources, labor and innovating technologies required to satisfy our commodity fetish (Marx and Simon 1994). The made in Korea and Taiwan stickers have been replaced by more sophisticated indicators of spatial position coming from emerging manufacturing origins. The instantaneousness of our gratification has been pulled and pushed by advances in package tracking technology, affording us insights into the perceptively remote geographic location of our product desire. The tale of consumption requires some insight into the extensive journey of a commodity and the similar routes transferring many of the goods funneling into our local markets.

As consumer market's demand continual product advancements a perennial bout to best the competition ensues where each link on a firm's supply chain faces steepening challenges to increase rates of productivity more quickly than costs. Supply chains rely on the effective management of a good's acquisition, production and consumption, each phase being an interdependent link located in space. Spatial frictions are increased when encountering obsolete transportation infrastructure. Ports, roadways and intermodal hubs are the conduits of commerce, shuttling goods, labor and consumers across space. A majority of these works were constructed during a Keynesian political-economic period, where Big Government induced cyclical demand through the supply of employment, Intermediate consumption and final demand. With the passing of years, functionally and economically obsolete infrastructure has been eclipsed by higher capacity transportation networks designed to optimize the movement of people, goods and development. Network expansion has created opportunities for industries, people and firms to locate near high volume interchanges, taking advantage of these spatial externalities no longer available along displaced roadways. Retail distribution centers, stores and logistic operations,
dependent on proximity to consumers, clients and commercial conduits, are forced to shift position in favor of higher advantage locations.

The distance between these links and the ability to disperse is determined by costs, accessibility to mobile inputs and the ability of a firm to remain competitive. Given that firms can take advantage of labor arbitrage available within less expensive areas, which may subsidize the construction cost of built space, relocation costs or taxation, it follows that a firm would out-source supply and production to that region. As links spread out, firms rely on communication technology to manage operations and the processing of goods. Retail commodities typically arrive at an international port connected to an intermodal hub, where crane operators race to put containers on tractor trucks headed for the interstate highway system to a distribution center to be sorted for immediate delivery to one of the five major national retailers. If you are American, chances are those goods are going to end up in a “big box” discount store within a 15 to 30 minute drive from your house. How those boxes got there and why they are so large represents our collective demand and just how entrenched we are in the act of consumption. Despite the industry’s rise to dominance, its method of operation, spatial deployment and typology is not well articulated in the literature as a comprehensive and evolutionary process. Love it, hate it or fear it, retail consumption is here to stay. Consumption, as an individual act, collective process and steadfast tradition propels the engine of the economy which transforms our society.
Fear and anxiety about contemporary discount stores can be traced back to the emergence of department stores in Europe during the Early Industrial Period. Revolutionary changes in production, communication and transportation generated a cyclical growth process to catalyze expansion of the department and discount store. Initially, the increased aggregate demand for goods induced production, escalated employment and augmented labors' wages. Higher incomes for laborers who manufactured a wider assortment of products, fueled the proliferation of markets and attracted labor from the declining agriculture and artisan sectors. As labor migrated into cities and towns connected to larger supply chains, private enterprises followed and took advantage of the external scale economies in agglomeration centers. This boost in urban population, employment and income required a greater number of retail establishments in cities and towns to match production output. Shopkeepers who recognized the drastic shift in demand, production and society, reconfigured the retail business model.

Along with the droves of patrons frequenting stores like the Bon Marche in Paris, and the Karstadt in Germany, owners also acquired resentment and revolt from smaller shopkeepers. These entrepreneurs were under attack from a cohort they once belonged. Shopkeepers cited unfair competition and attempted to curb growth through policy reform such as the French Patente tax in the 1890s and similar restrictive reforms in Germany and Belgium (Crossick and Jaumain 1999). Despite their efforts, little was done to hinder expansion. Reforms were more symbolic gestures than restrictive. Municipalities witnessing a surge in city growth placated shopkeepers while serving the interests of their expanding middle class, whom possessed increased wealth and spending appetite. Although slightly ahead of mechanized production, this initial period of department store expansion supported city and in-
ustrial growth as venues able to simultaneously satisfy existing demand while also inducing it. Shopkeepers with business models concentrating on wealthier clientele, lost their competitiveness to those shopkeepers who expanded and calibrated their new businesses towards those shifting consumers markets. Those shifts in the consumer market had immediate consequences on small shopkeepers beyond market loses, where shops were losing their image and place in society.

The rapid changes associated with urbanization an industrialization, witnessed a changing of the social guard and their ideological values. Department stores were catering to formerly marginalized demographic groups such as the middle class and women especially, who played a significant role in reflecting moral values. The archetypical Victorian women perceived of as embodying purity, wholesomeness and educationalist qualities was under attack. As societal pillars, women who engaged in department store consumption were a threat to an accustomed way of life. Shoplifting, leisure shopping and the rise of feminism were thought to be the initial erosion and ultimate debasement of social values, bourgeoisie sophistication and familial attachment. The image of the small shop became the retainer of societal values, hard work and moral continuity, symbolically representing the resilient underdog battling a surmounting wave of corruptive change (Crossick and Jaumain 1999). Eventually, the degenerative social propaganda broadcast by colluding shopkeepers and moral elite contracted, as did their shops, under the market forces which propelled department stores, feminism and the working classes to march ahead.
Historically, architecture has been used as a referential device by theological institutions, political bodies and influential families attempting to establish themselves as the preeminent authority to organize society. Using significant symbolism, elite societal organizers had substantiated their power, whether societally, economically or politically, through ideologically influential design. Each rule imposing cohort attempted to solicit participation through incentives using architecture to reify the interrelation between subject and object representationalism. For the State, it is the need to establish an ordered citizenship by offering benefits and services to individuals through a law-abiding collective participation and collecting some form of monetary taxation (Locke 1986). With royalty, social status or the contemporary notion of celebrity is most coveted by the loyal masses who relish the chance to ascend to such unattainable heights. Allegiance is maintained through the people's acknowledgment of these higher representatives, who produce the inspiration to be mass consumed as the fodder for the imagination. A religious institution imposing rules to regulate society, typically entails unquestioned reverence and requires continual offerings of labor and monetary assets to ensure some future salvation. Although each group, at one time or another, constructed empires based on dominance of all three power types, and held at least one measure of power during tenure, that advantage was challenged significantly by an emerging group of merchants at the dawn of Capitalism.

In Europe, their mantle of leadership was irrevocably disrupted by a series of power struggles fueled by The Protestant Reformation, The Scientific Revolution, and a rising Noble class. The emergence of the Feudal economy witnessed the descent of Royal Empires and the decentralization of knowledge, power and trade economies. The conversion of the commons, considered an ordained right to land tenants, from a
non-excludable rival good into privately held property, was testament to the debilitated state of Religious order and the reformation of the State's role to foster private enterprise. For Marx, this act of usurpation, solidified the capitalist's economic and political power and the eventual reorganization of societal interrelatedness (Marx and Simon 1994). Although, groups vying for power had competed with one another for societal dominance, the capitalists improved on incentivized techniques, borrowed from each forerunner, and coupled grand architecture with innovative methodologies to foster and command societal adulation.
Retail capitalists were rising to economic power but needed a reward system to enthral society's imagination and desire. Department store owners capitalized on the opportunities arising from the dynamic growth in a society transitioning into a culture of innovation. The need to continually pursue efficiency, productivity and competitiveness, spurred innovation in the manufacturing process which spread to the office and eventually into the home (Forty 1995; Leach 1994). A rapid redefining of preexisting modes of transportation, work and living quarters were co-produced by the availability of consumer products facilitating change. To be Modern, required the elimination of established understandings of space, time and reality (Harvey 1990). Seizing the opportunity, retail entrepreneurs invoked a consumption strategy linked to the fundamental laws driving capitalism: market establishment, ensured cyclicity and market expansion. A new market was created around an image of success through the systematic accumulation of material goods codified with social status. This manufactured social status, simulated obtainable wealth by making products deemed socially and financially unattainable, accessible to the working classes. Retailers marshaled societal dominance by simply presenting the conflated idea of perfectibility through consumption. In a self-perpetuated paradox, consumers pursued an unrealizable ideal, producing a cultural ideology of competitive consumer product consumption.

Capitalists also had to contend with the quickened pace of the manufacturing processes to realize improved products and having to effectively market and sell inventions. These products ranged in difficulty from being unfamiliar, unrecognizable, or unknown to consumers who until that time, had limited accessibility to such wonders. To soften the shock, producers incorporated a new technologies into trusted objects (Forty 1995). After little more than customer curiosity, the exposed modern...
radio was initially retrofitted into traditional cabinet furniture, then blended into a leisure chair until finally appearing as a singular identity product (see figure 1; 2a; 2b; and 2c). The introduction of the steam engine propelled car went through a similar process, of slowly incorporating a new and riskier technology into its formal vestige through successive phases. Retailers were attracting the crowds by showcasing technology but the revolution came after marketing technology as a product of necessity.

Product innovations assisted the economy’s circular flow, concerning the supply of less expensive goods, but the surge in consumption escalated after manufacturers successfully marketed domesticated machines for living. The scientific management techniques optimizing the manufacturing sector, were extended to office work and household duties (Forty 1995). Offices and homes were laid out according to the tenants of Taylorism, where efficiency and greater productivity were wrapped up into a moral edifice. Burdened by daily chores and the responsibility to split time with the family, women became the targets of commercial campaigns (see figure 3). Machine goods were stigmatized due to their associative connection with industrial practices, inexpensive services or lack of refinement. Rising domestic commitments pressured women and assisted sellers in converting these crude objects into fixtures of middle class and upper class enlightenment. Guilt, domestic productivity and new standards of hygiene ushered in an arsenal of appliances for the housewives disposal. Items such as sewing machines and washers were standard fair in by the 1930s, but to expand the market, capitalist needed to elevate productivity into a fashionable pursuit.

With markets achieving saturation through limited exogenous demand and constrained external expansion, capitalists induced growth through repetitive waves of

Figure 1. Radio as technical apparatus. The Pne “Unit System” receiver, 1922. Source: Adrian Forty, Objects of Desire, Design and Society 1750 - 1980.
Figure 2a. Radio wrapped in veneer. The "Beaufort" radiogram, 1932. Source: Adrian Forty, Objects of Desire, Design and Society 1750 - 1980. (Courtesy of the Cabinet Maker, 27th August 1932)

Figure 2b. Radio as hybrid function in furniture. The Radio "Easy Chair" receiver, 1933. Source: Adrian Forty, Objects of Desire, Design and Society 1750 - 1980. (Courtesy of the Cabinet Maker, 25th February 1933)

Figure 2c. Radio as futuristic device. The Radio cabinet Design, 1932. Source: Adrian Forty, Objects of Desire, Design and Society 1750 - 1980. (Courtesy of the Cabinet Maker, 17th September 1932)
endogenous demand. To better understand this phenomena and its contemporary relevance, a threefold expansion is in order.

First, industrial era producers and sellers of higher end commodities were most closely categorized as monopolistic competitors, competing through product differentiation, with lower tier good producers falling into perfectly competitive markets. The initial, first mover advantage and barriers to entry for higher order good producers declined as more firms were able enter the market, witnessing a reduction in price with product standardization. Longer term production of the same product forced firms to sell at average cost, reducing revenue to economic profit. Consumption as entertainment produced consumers, but producers and retailers needed repeat consumers to maintain growth rates (Forty 1995). Stratified consumer cohorts created a supply of differentiated products across markets based on cost and quality, which eventually spread within markets based on consumer personalization.

For people attempting to distinguish themselves in an era when society was being transformed, style was a definitive method to achieve recognition. In order to boost a consumer’s expected utility beyond pragmatism and productivity, a good needed to address a higher order of human concern. Self image is no trivial matter, fortunately for capitalists, the manner of which the human brain is wired to attenuate this issue is ideal for modernized consumption (Harris and O’Brien 1991; Norman 2004). When humans encounter an object, in this case a good, there are three stages of cognition, escalating in strength, which all things being equal, determines the purchase. The immediate automated reaction is the visceral level; the interactive level where the brain attends to everyday actions is the behavioral; and the strongest phase resides on our contemplative ability, otherwise considered the reflective level (Norman 2004).
When someone walks into a shop and picks up an object and says “I need to have this” and then asks, “what is it”, is a prime example of an immediate visceral reaction to a novel and aesthetically pleasing thing. The more they interact with the object, indicates our general behavioral feeling about it, testing whether it is easy to understand, manipulate and our level of comfort with it. If the object makes it past this level of analysis, the person will usually ask themselves, “What does this thing say about me, my taste and my perceivable status?” This is the quintessential moment when a potential buyer attempts to invoke some significance and meaning into the object, which is intended to signify their distinguished personality. If a product looks good, feels good and makes a person feel good about themselves, consider it sold. The buyer is intended to be the individual held in higher regard from peers admiring such esteemed choices. Although, the improved self image and inflated social value rewards the buyer, the seller is the one cashing in on this self perpetuated farce.

The third condition needed to induce successive waves of endogenous demand, was to reduce the lifespan of product. Firms producing and selling goods, faced a point of saturation in the market when the prospect of supplying more of the same good witnessed a diminishing marginal utility for customers. As inducers, personalization and differentiation have limitations on the consumer side, based on budget and utility but there were obstacles on the product side as well. Certain goods, such as medium cost durable goods, tools and domestic equipment, were marketed more towards their productive ends than blandishment. These goods were typically adverse to spoilage and repeat purchases, for instance, after buying one can opener, an individual would be no better off having bought a second one. The customer’s general utility for originally purchasing the can opener was conditional on the marginal increase in time that person gained by using a more efficient manner to open
cans. With the gain in productivity, came the gain in consumer dependence and the market opportunity. Planned obsolescence exploits consumer dependency by artificially reducing a product's functional, structural, economic, or stylistic duration. Goods ranging in orders from clothing to cars were targeted, but the prime candidates for value engineering were for goods and consumers reliant on productive networks. The network effect has enormous consequences for productivity, market value and market accessibility. Maintaining optimal productivity, relevance and accessibility, assisted in protracting time lags in consumption, eventually finding global extension. The innovations lifting the masses into healthier standards of living, manufactured a lifestyle of consumerism thriving on dependency.

Converting middle class workers into consumers was a massive cultural transformation wrought with concerns about the long term social implication of this commodity fetish. For Marx, it was the fear that workers had become alienated from their craft and would resort to mediating relationships through commodity value exchanges where the parameters of thought, language and reality become defined by capitalism at an imperceptible level. Since, our thinking cannot be divorced from our socioeconomically produced ideological reality, capitalists have penultimate societal power. The relevance of Marx's critique is more poignant after considering the trajectory of contemporary consumer retail development and its global dominance.
An enchanting image was needed to deliver, perpetuate and systemically organize society's dependency on consumption. With the facade operating as the portal into the new realm of retail fantasy, the Parlor Style advertising was shed for cleaner, more readable and sophisticated design (see figure 3a;3b). With less expensive methods of production, access to new materials and the shift away from traditional ornamentation, Modern Architecture played a significant role in representing Avant-garde consumption. The department store took a prominent position in the urban realm. Located at the apex of multiple terminating streets, department stores became anchor destinations, filling out the 100 percent corners with arcades, axial entrees and multitistory advertising (see figure 4). Thinner steel lintels replaced timber and masonry structure and created larger window openings to entice the urbanite to step in from the sidewalk. With greater fenestration area, detailed with slender steel sleeves and window panes, owners were able to compose elaborate displays, depicting a diversity of merchandise. Baron Haussmann's reconfiguration of the urban street morphology laid the framework for department store planning. In Paris, the Bon Marche and Corbin Stores grew in prominent position, size and number. The Bourgeois pastime of strolling along grand boulevards by wealthier citizens presented larger footprint retail with ideal locations to capture the passerby's curiosity. No longer forced to buyout multiple contiguous shops to attain the square footage required to satisfy customer demand, department stores benefitted from the availability of more real estate which provided massive interior space. Despite the increase in capital expenditure on exterior, interiors were even grander.

Voluminous interior spaces provided expansive vistas to shoppers swept up by unique spectacles, seeking to consume fantasy even more than material products. Spatially, the interior was conceived of as a covered public square, designed to en-
Figure 3a. Cluttered Parlor style advertising. Source: Jeffrey M. Hardwick, M, and Victor Gruen, Mall Maker.

Figure 3b. Lavish entrances with detailed ironwork, Les Magasins Runism, 1907. Source: Geoffrey Crossick and Jaumain. Serge, Cathedrals of Consumption.

Figure 4. Modern image and position for department store. Source: Geoffrey Crossick and Jaumain. Serge, Cathedrals of Consumption.
rapture the working classes (see figure 5). Department store owners were benefitting from the auspicious shifts in socioeconomic paradigms and realized an elaborate method to surpass the meager selling of staple goods. A reduction in price would have increased quantity consumed but in order to straddle the ideological hurdle of converting the middle class into mass consumers, a transformation of consumption practices was required.

Owners shifted operational practices away from one time purchases and shopping was shaped into a leisure activity associated with local cultural events as a practice of passive sophistication through participation. Internal policies reinforced the recreational shift, allowing customers to browse with minimal intrusion from the staff. Traditionally, the small shopkeeper was considered the retail gatekeeper, prescribing what to buy. Department store employees became shopping assistants, attending to shopper questions about fit, style and fashionability, satisfying customer stated preferences. Shopping advisors pampered customer image and were instructed to adopt a no haggle policy on prices and more importantly, returns. Small shopkeepers were unable to match larger store customer policies. With tightly managed inventories just meeting expected demand, product returns were detrimental to narrow profit margins and longer term price increases. For shopkeepers, the inability to match the operational flexibility and the specialized treatment provided by department stores was financially debilitating, but their failure to implement competitive innovations into their business plan was devastating.

Consumption became a mode of entertainment in 1850s, as department stores, although stylistically distinguished, were thematically integrated into more traditional leisure activities. As urban crowds shuffled through the streets of the city, passing...
from one activity to the next, department stores became a destination. The materials assisting the architectural design innovations, were applied to elaborate product showcases, depicting the newest in domestic goods (see figure 6a;6b). Retailers, were the source of current events for technological improvements to materials objects for domestic consumption. Prior to product commodification, consumers were given the splendor of choice by departments stores who capitalized on the transitioning of goods and maintaining exclusivity (Crossick and Jaumain 1999). The novelty attached to new goods and displays were extended to the constituent parts that comprised store operations. Department stores were designed to operate as devices for advertising and selling. Innovative processes were associated with new product transformations for business operations, such as vertical lifts, conveyer belts and cash registers. Although these devices would serve as industry standards, eventually instruments of business would become commodities for domestic consumption. The efficiency generated by tools for businesses were transferable to the household. Retail equipment was converted into goods for multiple groups, where lower prices, branding and improved productivity were part of a lifestyle. As a product’s newness decreased under the weight of increasingly capricious crowds, owners resorted to product differentiation and fashionability to maintain consumer allegiance and eventually created a market for items which improved the operational efficiency of the home. The urban department store was an assemblage of design integration, where innovative products created a human scale device for consumption. The novel experiences delivered by stores allowed retailers to compete with banks, civic spaces and religious institutions for monumentality and awe.

As early as 1880, German department stores owners were expanding their reach, deploying regionally into small manufacturing based towns. Unlike France, where
the epicenter of culture, commerce and consumption was in Paris, Germany had more poly-centric urbanization. Industrializing towns connected through regionally interdependent economies represented new markets areas and consumers. The presence of an enriching working class located in less competitive and unregulated environments, were the initial locations for many German department store owners. Beyond the explicit availability of the spatial externalities of these scale economies, these decentralized production sectors were also home to the larger department store owning families. The intimate knowledge location, markets and social networks established there, reduced risk enough to experiment with this new typology; eighty years later Sam Walton would apply the same practice for what would grow into the world's largest retailer. Pulling out of a recession, bankers reduced the availability of capital for speculation, forcing owners to find alternative sources of investment and locations to expand (Crossick and Jaumain 1999). By the mid 1880s, chains were spread across Germany's landscape (see figure 6). Discount chains had to adjust to working class incomes. Retailers cut out the wholesaler and went directly to manufacturing, which reduced costs, lowered item markup, increased turnover and shifted operations away from prestige in favor of volume. The successive first wave of chain retailing outside the cities, encouraged owners to continue expanding further into country, where small but economically vital towns existed.

Germany's economy was on track to becoming Europe's largest by 1900, largely due to the extensive rail network, effectively linking various sectors distributed throughout the country. Backed by government investment, communication, transportation and financial banking, infrastructure was connecting remote producers to urban consumers. Along supply chains, retailers established branches at towns with less than 100,000 people. First to market advantages allowed owners to have monopoly
Figure X. Department store owners spread across the region. Source: Geoffrey Crossick and Jaumain.Serge, Cathedrals of Consumption
control. With the primary urban markets saturated, these sites acted as catchment areas between manufacturing towns. Where there were working class labors, there was market opportunity. Corporate offices located in the cities while chains extended to the hinterlands.

Along with the European capital cities and sites of rapid rural development, retail entrepreneurs followed wealthier clients into the first suburban settlements. The children who benefitted from growing up in households working in manufacturing during 1880s, were entering the workforce as white collar professionals, bolstering department store growth in urban economies also receiving in-migrating manual labor. Working classes were being defined in cities and towns creating a tripartite competing dynamic between stratified consumers. The segmentation in the labor markets, created a segmentation in the retail markets. Smaller shopkeepers steeped in historical precedence clutched onto to their elite market consumers, but eventually lost market share to the larger emerging working classes. Department stores, went through a series of initiatives to capture competing consumers within cities, suburbs and exurbs through both advertising, marketing, product differentiation and architecture strategies. Exclusivity was maintained through the distribution of mail order catalogues to the wealthiest, providing free delivery, transportation and the accessibility to next seasons products. Austerity of design and product type was stressed when seeking working class patronage. Prix Uniques department stores filled the frugal working class niche, where a large assortment of low cost, low service goods were sold in one location, reducing a customer’s transportation time and creating what was to become the prototypical American discount store (see figure.7a; 7b). Leading up to the first world war, there was a convergence of department store types. By the end of the second world war, what was once perceived as a novel experience for both major shopping groups, transitioned into an American tradition.
America's addiction to consumption started around the end of the civil war, when there was national shift away from secular belief and towards entrepreneurship. Returning from their trips abroad, businessmen saw a vast land of opportunity in America. Retailers were working with producers to distribute goods, employment and desire to transitioning culture. As with European cities, free markets created irregularities due to increasingly rapid industrialization and urbanization. The population was flush with in-migrating labor seeking the American dream; a legacy established by the Protestant work ethic and liberty, were everyone has the right to pursue their goals (Mill 1978). The established supply chains generated through a historical trade reliant, macro economy, where manufactures had access to lower cost capital inputs, was as equally important as the democratization of goods, property and individual desire (Leach 1994). This ability to establish one's economic status was a common mismatch with perceived social status. Attaining social grace was a slow maturation process, typically associated within generational periods of upward mobility. The wealth creation in the twentieth-century was rapid, where in a period of two decades, a person could go from squatter poor to having access to land, goods and incomes of an elite. This cultural stigmatism persists to current day, but what Americans lacked in cultural refinement that made up for in entrepreneurial spirit.

As mass production and mass civilization intersected, businessmen formed alliances with policy makers, research institutions and investment houses to coordinate a large scale campaign of consumption (Leach 1994). In the 1920s, retail cartels were established through mergers between, producers, suppliers, distributors and Wall Street financial enterprises (Leach 1994). Supply chains were vertically integrated to minimize inefficiency, cost and competition. As a management method, this was unique to American big businesses and indicative of firms seeking monopoly control.
of a commodity. The application of Taylorism, efficiency protocols and productivity measures in European firms, was imported from America. Federated Merchants and Federated Department Stores (Macys), were formed on new methods of management and business organization. Although, measures were taken to break up, divest and eliminate American monopolies in the 1920s, these businesses were initially assisted by Big Government deregulation ten years prior. Their effectiveness at neutralizing opposition as government lobbyists was equally matched in the market place for the society’s political orientation. As socialists reformers stood along side labor unions, capitalists reacted by joining with lending agencies to win over their detractors. It had become apparent that the feud would be decided by who provided the most goods.

Owners crafted a plan to glean more revenue from the working class and effectively increased their purchasing power without conceding to the bargainer’s demand for increased wages. As early as 1910, Sears, Roebuck and Co. had issued merchant credit cards to consumers who did not qualify for small bank loans (Sullivan, Warren and Westbrook 2000). Prior to supplier credit allocations, working class customers frequented pawnshops, small credit unions and informal street level sectors for lending advances (Calder 1999). On one side, established retail lenders benefitted from a sense of consumer trust but, faced a resistance from a frugal society who inherited values from a Victorian era. Purchases were typically made in cash and spending was reduced to function of savings. Credit enabled the working class to purchase costlier items, such as kitchen appliances, washing machines, stoves and refrigerators, which were advertised as domestic necessities (Forty 1995). The legitimization of installment credit allowed the middle class to buy more expensive products and established a precedent in the manner of which households went about purchas-
ing durable goods (Calder 1999). By 1919, General Motors Corporation created a method for consumers to finance car loans by establishing General Motors Acceptance Corporation (GMAC) offices in Chicago, Detroit, New York, and San Francisco. This availability of credit was fueled by financial houses acquiring successful retailing chains, who provided investors with more options by expanding the debt market to consumers. Other retailers, who opposed the liberalization of credit, eventually adopted similar polices under distress of losing lower income groups to competitors (Leach 1994). From 1920 to 1930, Marshall Fields, a large Chicago retailer, had opened 180,000 credit accounts for customers (Leach 1994). Estimates place credit transactions at 45 percent to 75 percent in New York City businesses as firms set up small loan operations in store (Leach 1994). As Consumers grew more comfortable with credit purchases, retailers witnessed larger volume turnovers. This new method of casual shopping and easy credit had repercussions, especially for smaller businesses. The ethical obligation between customer and seller was eroded as merchandisers faced the adverse reaction of returned goods bought with easy credit. Businesses were dependent on customer loyalty to effectively manage inventory. Smaller shops operating on stringent tolerances for shortages and returns collapsed, while larger retailers with adequate capital reserves covered cyclical inventory dispersion. Financial institutions working with manufacturers, suppliers and investors transformed the middle class one commodity at a time.

Investment bankers were working within rapid business cycles, experiencing abrupt recessions followed by short term periods of hyper accumulation immediately before and after World War I. Instability in the capital markets had financial advisors investing in physical assets, which presented less risk and return dispersion, compared to publicly traded stocks. Despite the trade surplus, anxiety about foreign markets be-
ing disrupted by nationalistic wars, paved the way for championing a larger and more reliable domestic market. Uncertainty, about foreign opportunities and the fear of idle capital losing value, pushed capitalists to invest in sectors with internally inducing demand capabilities. Land, real estate assets and manufacturing plants were excessively pursued, driving up asset demand and creating more producing industries needing to sell to more consumers. These bouts of supply induced demand exacerbated uneven accumulation and unemployment in the short run, but eventually assisted in increasing aggregate income in manufacturing sectors (Leach 1994). Chain retailers benefitted from the merging of merchants, bankers and smaller suppliers, driven by scientific methods of management, creating greater economies of scale.

Investment banking was a growing industry which accumulated large reserves of capital and needed to partner with stabilized businesses who represented higher capital growth potential. Lehman Brothers and Goldman Sachs started as commodity brokerage houses, working together with vertically integrated retailers, financed and fueled mass market consumption in America (Leach 1994). Retailers, backed by major investment houses, had the financial clout to turn the lights out on smaller retail competitors or consolidate them through leveraged buyouts. As publicly traded companies, these mergers had the additional benefit of driving up company valuations in the stock market, where investors reacted favorably to initial yield spikes and growth potentials exaggerated by speculation. Integration, stock inflation and investments propelled a rapid deployment of retail chains across cities and small towns, using real estate acquisition and development as a national advertising method.

Along with attracting the attention of customers, the dissemination of retail garnered an academic clientele experimenting with new methods of business, management
and consumption practices. The Harvard Business School (HBS) shifted away from Neoclassical business models with a sales focus and transitioned into finance mergers, operations, management and distribution in an epoch of redefinition of American business professionalism (Leach 1994). Business studies were gaining credence but needed to test theoretical models against empirical results. In the 1920s, ten top universities established business schools in America, focused on real world research and application. The retail industry responded in kind, working with schools to establish quarterly reports on merchandising and marketing. The Harvard Business Review was the industry vanguard with an unparalleled reputation.

"No educational institution in the world came close to Harvard in the way it served the practical requirements of corporate business and helped build the new mass consumer society...committed to studying marketing, advertising, retailing, finance, real estate, management and consumer psychology as an

With a research powerhouse behind consumption, retailers gained confidence, swiftly addressing consolidation, expansion and risk reduction protocols. Research teams uncovered new market opportunities for retailers to invent. Merchandise retailers extended their reach and product type, by branching out into dry foods and housewares. As staples of daily consumption, customers were lured into more convenient practices of shopping. Transportation costs were reduced for customers, through the consolidation of various product types into singular location. Firms were able to reduce overhead through larger volume purchases from suppliers who were forced to concede to their bargaining power after consolidations. Researchers also elucidated the perennial issue that fashion brings to retailers unable to effectively forecast trends. European firms had created a volatile situation for retailers who depended on repeat shoppers seeking personalization, product differentiation and cutting edge style. De-
signers were brought in to mitigate the capriciousness of fashion forward buyers (Leach 1994). Name brand product lines were established, securing consumer allegiance through design, symbolic status and trust. The rate of retail advancement and research was put on hold as the sciences focused on militaristic domination, but the war effort delivered more opportunities than retailers could have ever manufactured. What began in the 1920s, has extended to contemporary retailing practices, including marketing, competition and industry trends; Rem Koolhaas worked with HBS and Harvard School of Design to research emerging trends in international and domestic urbanism, focusing on the practice of consumption and its co-development with cities in a series of books starting in 2002 with, Harvard Guide to Shopping, Content in 2004, which was a follow up to S, M, L, XL.
The gross mismanagement of depression era conditions, ushered in a new paradigm of governmental interaction, based on profound insights into free-market business cycles. John Maynard Keynes and his fiscal policy theories rose to prominence after publishing the seminal 1936 work, The General Theory of Employment, Interest and Money. The Keynesian revolution, proposed that unemployment was more a matter of underinvestment and a drop in aggregate demand than a lack of competition; that demand was greatly affected by a household's marginal propensity to consume and marginal propensity to save. During times of future economic uncertainty, cash incentives may not induce households to consume more goods unless those increases in income were perceived to be part of a longer-term trend. Keynes's depiction of household spending during the depression and recessionary periods illustrated how households favored savings, for each additional dollar of disposable income gained, versus spending. The drop in the business cycle with aggregate household savings, was worsened by a reduction in lending despite increased bank deposits. The risk of defaults, uncertain returns and constrained investments, contracted commercial lending. To induce consumption, Keynes's fiscal policy promoted a reduction in taxation and an increase in government borrowing to stimulate job creation. Supply side economics requires government intervention, since markets were imperfect, cyclical and potentially crippling to the nation's welfare (see figure 8). Economic prosperity would not be witnessed until the end of WWII but Big Government's role in employment materialized the world's largest scale infrastructure and decentralization project (see figure 9). The end of the war was the beginning of middle class reinvention.

Figure 8. Income growth and consumption in America, 1941. Source: Elizabeth Cohen, A consumers' republic: The politics of mass consumption in postwar America.
Figure 9. The Interstate Highway system's growth 1911, 1947 Source: Charles Waldheim, The Landscape Urbanism Reader.
Along with troops returning to America came scientists, engineers and designers with their ideas on how to construct a modern utopia. A war ravaged Europe, prompted concern about the vulnerability of dense population concentrations and the need to decentralize the critical factors of a nation’s economy. War time technologies such as aerial surveillance, mapping and combat coordination, laid a blueprint for the massive restructuring American’s interior. Equally, the need for rapid mobilization, required an extensive transportation network capable of moving military forces, commerce and middle class diffusion. With the Keynesian economics supporting Big Government programs, employers, workers and developers were furnished with various financial incentives to establish suburban addresses. Fordism was accelerating the manufacturing sector, goods and middle class wages. Mass production was meeting mass consumption, assisted by credit cards, mortgages and ample employment. War time spending constraints had been lifted, exposing pent-up demand for a range of new household goods, appliances and objects attributed to a modern efficient lifestyle (Forty 1995). Where in Europe, before the wars, productivity, morality and refinement were championed in advertisements, usability, nationalism and cost became the hallmark of American advertising (see figure 10). Convenience reigned supreme, despite it being depicted as a common theme. Retailers responded by settling along roadways, at major intersections, eventually embracing functional zoning and developing a new shopping typology. The mall reconciled with new modes of commuting, transportation networks and settlement patterns. One stop shopping challenged the assumptions of purchasing in neoclassical retail theory. Advances in regional economics, logistical organization and communication technology played a significant role in the deployment of shopping centers. An abandonment of main street life, pedestrian shopping and urban centrality allowed retailers to redefine consumption as a manifold act of commerce, culture and entertainment.
The design literature is dominated by a handful of figures, cast as heroic theorists advancing the form and operation of settlement patterns during transitionary phases in societal organization; Le Corbusier’s Radiant City, Ebenezer Howard’s Garden City and Frank Lloyd Wright’s Broadacre City, were responses to rapid urbanization (see figure 11a; 11b; and 11c). With diagrams often resonating deeper and longer than their rhetoric, facsimiles have abounded. If there was ever a designer who attempted anticipate the incoming wave of change to affect lifestyles in American suburbs, it was Victor Gruen. The customary use of extravagant language and images to garner support was exchanged for a tangible and testable product. Gruen’s notion of a mall was an attempt to reassemble valued urban amenities into a twenty first-century suburban model (See figure 12). Suffering a similar fate as the aforementioned predecessors, his intentions have been reduced to crude displays of profit driven developers.

As a young architect, Gruen fled Nazi occupied Austria to New York City, finding scant work he aligned with marginalized Jewish shopkeepers. Retail design did not capture the attention of America’s elite architects, leaving eager European architects with an enormous opportunity. Pulling from his work on high-end retail along the Vienna’s Ringstrasse, Gruen and his peers, attempted to unite Peter Berehen’s functional icon of modernity with the World’s Fair template of wonder into an environment of consumption. The mall was envisioned as machines for displaying, selling and fostering social interaction. This new typology was meant to be the physical theater of experience. Bringing goods, advertisements and shoppers into an educational arena were the work of the craftsmen, technician and engineer were dramatized for public consumption. The banality of contemporary shopping centers smacks with contradiction, but in theory, Gruen’s mall was a definitive attempt to bring high design attention to highly concentrated social spaces with captive audiences.
Figure 11a. Diagramming the operations of the ideal city, Ebenezer Howard's Garden City. Source: Jonathan Barnett, The elusive city: Five centuries of design, ambition and miscalculation.

Figure 11b. The image of functional zoning, epitomized by Le Corbusier's Radiant City. Source: Jonathan Barnett, The elusive city: Five centuries of design, ambition and miscalculation.
Figure 11c. Suburban arcadia, Broadacre City, Architect: Frank Lloyd Wright, 1935. Source: Charles Waldheim, The Landscape Urbanism Reader.
Existing retail types, prior to rampant suburbanization, were unsuitable, undesirable and largely deficient; shopping villages around since 1920s were originally scaled for the surrounding households; urban retail was too small and geared towards high end clientele; and commercial strips had fallen out of favor as their unattractive and blighted condition devalued immediate properties. As a locus of activity, the shopping center proposed to concentrate high volume shopping, accommodate larger groups, reduce downtown traffic while catering to wartime female employment.

Department store owners saw value in creating a network of stores which simultaneously represented exclusivity, accessibility and product assurances. Chains were dispersed to middle class enclaves and allowed shoppers access to the goods traditionally held at their New York City flagship store, without having to leave the comfort of their town. From the east to west coast, stores carried identical product lines. “Victory stores” became a common reference for retail chains carrying goods with patriotic connotations, promoting nationalistic solidarity through product recognition. This homogenization of the merchandise reflected the sameness of middle class populations in suburbia. Unlike the city, where diverse incomes were creating consumer market segmentation, suburbanites' indifference curves were more relaxed (Leach 1994). There seems to be a parallel in the stock of housing produced in suburban developments such as Levittown and its later descendants (see figure 13). Although, there were three housing model types, there architectural variation was minimal. Despite the rapid pace of suburbanization, the people, places and interactive artifacts were designed with an intention to smooth away differences (Harvey 1990; Jameson 1990). That is not to claim that the suburbs were without inequality, segregation or income disparity, “but the market could be segmented to calibrate for stratification, always allowing for upward mobility if possible but advertised for
both” (Cohen 2003 p326). That stratification was an indication of similarity in pursuits through the attainment of material goods and assets. The stamping out of cars, houses, and commodities reduced invariability, which was reinforced through an extensive replication project.

Branding of a product to attain consumer allegiance had been a manufacturing design pastime until the creation of a national retail suburban chain. Department stores were mass-produced instruments of retail marketing. With methods of production reliving the manner of commodity design and manufacturing, chain stores surpassed the name attached to a product as the source of consumer trust. This was the second shift in large scale retailers attaining societal dominance; initially, small European shopkeepers were the source of knowledge, instructing costumer purchasing, then larger department stores exalted the consumer to a level of connoisseur and used employees as their assistants, American department owners eliminated the rewards for informed consumers and their assistants, elevating the store to a symbol of trust. Large department stores adopted 1920s fashion retailing techniques to an array of goods. Signature lines provided manufactures with opportunities to unload excess supply or maximize production capacity without having to lower prices on their brand name items, while allowing retailers to establish a dependable customer base for discounted goods (Spector 2005). The finer the market segmentation the greater the net advantage for producers, suppliers, retailers and customers. Larger chains were more reliable than smaller local shops. The fast food industry manufactured a similar model of consent through a massive product replication from the store scale, down to the items on the menu (Schlosser 2001). Retailing in America was designed as integrated hierarchy of product reassurance for a mobile citizenship.
In an attempt to curb real estate speculation, seen as one of the causal factors of the depression, Big Government era planners, constrained the supply commercial land outside the city. Spec-builders attempting to profit on the increase in land values as the wave of development rippled out from the core, were effectively locked out by zoning restrictions (Leach 1994). Planners were given the power to intervene in a free market system, relying technocratic rationalization to eliminate perceived inefficiencies. Large commercial sites were allocated for retail grouping which allowed easy access for traveling shoppers, a reduction in downtown congestion, an elimination of devaluing strip malls, while shielding residential areas from alternative uses threatening land value (Gruen and Hardwich 2004). Although a majority shopping centers built during the 1940s were only accessible by automobile, designers intended to reintegrate walking and pedestrian errands into consumption activities by including post offices, libraries and parks into the plan (see figure 14). Gruen’s intention was to design social centers, where communities united. By the 1950s, there were 109 regional centers scattered across the states and geared towards communal participation. The manner in which these megacenters were regionally deployed were intended for higher vehicle accessibility beyond community comfort, since they doubled as decentralized bomb shelters for suburbanites and urbanites. The post war commercial shopping center transcended retail connotations, emerging as an icon of post war safety, liberation and living. By including anchor destinations, consumption and recreation into one convenient package, shopping center growth rates accelerated across America.

Prodigious allocations of inexpensive commercial land, presented designers with an opportunity to showcase these new forms of social engagement to traveling Americans. Suburban retail buildings were designed longitudinally since it cost 30 percent
to 50 percent less to construct, compared to the vertical default in urban typologies. With a lower floor to area ratio (FAR) and greater ground coverage, floor plates spread out, floor levels contracted and ceiling heights increased. The building’s massive exterior was stripped of ornament and effusive interior decoration was retracted to foster allusions of modern factories of consumption (Leach 1994). Design grandeur was reserved for the motorist. With the shift in consumer transport, pace and perception came a shift in signage, scale and the facade. Monumental signage and sweeping entrances, ushered drivers off the roadways, often escorting them directly onto the rooftop of the department store (see figure 15). Store entrance design shifted importance away from lavish display spaces to optimized circulation flow. The covered mall, inverted the main street model along the axial interiors, which connected shoppers to anchor endpoints. Mall designers intending to create an interior event space, effectively eliminating exterior distractions by limiting entry and egress points. The larger tenet retailer also adopted more uniform layouts, where commodities were spread out into zones. Circulation routes were designed with the intention of subverting time and space. There was a deliberate attempt to keep shoppers in the stores longer through either enormous windowless rooms or labyrinthian circulation routes. To further reduce distractions, material palettes were limited. Monochromatic interiors were composed with muted tones, gypsum walls and durable floor surfaces. 1950s department stores did away with the novel displays, eye-catching hues and shopping distributions typical in 1920s shopping centers and urban retail department stores. The super regional malls became a series of concentric compounds further removed from everyday realities. These enormous complexes became symbolic icons, representing destinations of escape for a three generations of suburbanites. Shopping centers attempted to incentivize local households to come more often, stay longer and bring their friends.

Figure 15. Aggrandizing the automobile.
Source: Jeffrey M. Hardwick, M, and Victor Gruen, Mall Maker.
By the late 1950s, the Gruen's idea of the shopping center as a social input and suburban bastion of community life had been denigrated into a simplistic economic output. Real estate developers replaced the family retail company and eliminated a host socially oriented design attributes. The early, entrepreneurs who attempted to create value through an integration of uses and constructed a trusted name and product in the market place, witnessed the systematic reduction of their efforts, where the only residue remaining was their namesake above the entrance. After the 1950s, Gruen's works were largely copied for their profitability, with the bottom line replacing the humanistic vision. “The machine for selling” was transformed into the a socially vacuous “gigantic shopping machine for profit” (Gruen and Hardwick 2004). Victor, himself knew the perils and was forced to learn the language of developers to market the riskier typology. In his quest to transform suburbia he had gotten it half right; shopping centers became the epicenter of American life but devoid of the socially valuable sensibilities he envisioned.
Often, what seems most obvious to us turns out to be great confusion when pushed to explain a thing's meaning. Most respondents knew exactly what I was referring to when I spoke to them about the most ubiquitous from of contemporary retail, but were hard pressed to define significant permutations concerning big box. That consternation is in line with a person's tacit assumption about something seemingly too innocuous or inane to investigate beyond a self approving nod. Thinking of big box as a singular agency fails to capture the differentiation of the products, operations and entities using this typology. To disentangle this moniker from referential semantics and properly demonstrate the thing-specific conditions planners, designers and activists are faced with, requires an account of it as more than just a simple object.

The size of retail "big boxes" makes them hard to miss, creating easy targets for critics, engaging in an acts of literary pugilism, aiming at dismantling these products one blow at a time. What most fail to concede or acknowledge, is the momentum driving then proliferation of this typology. The architectural form of big box beguiles our perception, these operations are anything but clumsy. Category killers and discount centers may seem no different from each other, let alone, yesteryear's department store. Yet, there remains significant advances in consumption methodology which seek to maximize profit by offering goods at irresistibly low costs. Advances in merchandise type and mix were assisted by innovations in inventory management and global product management. Supply chains operate with military precision, reducing linkage inefficiencies through technological improvements, ushering in more goods, at larger ports while reducing costs. These methods have systemically attracted larger shopping cohorts, from greater distances, preferring priced reduction over store appearance. Each factor of improved production is connected to larger free market conditions such as competition, productivity and the ability to imple-
ment entrepreneurial ideas in an open arena. The performance improvements that transpired in American retail may not have necessarily manifested in the industry, but enough have been accounted for to allow for an intelligible definition and difference. Furthermore, it has become evident that the convergence of these shifts in productivity have converged and become industry standards, but so has the industry. This makes the challenges for opposition all the more difficult, but all the more necessary to understand the severity of situation for consumers and municipalities entrenched in a battle to survive without cutting off their economic lifeline. The levels of dependency, vary depending on a range of constraints and opportunities with connection to the field of planning. Where it would be valuable is to consider these retailers not as evildoers, but as those who were able to do, to create value in the market and to provide a formula for success, which has extension to the public sector policy, approach and repurposing of retail typologies

Contemporary retail may be dominated by a handful of firms, selling out of a similar architectural product, but there a range of retail types, shopping centers and locations which comprise the differentiated industry. Toys R Us, Home Depot and FedMart were the pioneers in a new approach to retailing, starting in warehouses and eventually ushering in a trusted from of discount retailing with the archetypical box. They piled high, sold cheap and located at the boundary of development on contaminated or underdeveloped sites away from competitors. Markets were generated around these warehouses, as the prices were well below the competition and the firms achieved internal economies of scale through the lower costs of construction on sites devalued by municipalities who offered little resistance to development or environmental shackling.
By the 1950s, Charles Lazarus had liquidated his father's used bicycle shop in Washington, D.C. and sold baby furniture to returning veterans. Realizing his stock was less disposable, he focused on one retail category began selling on the margin through heavy discounting to pull market share away from chains (see figure 16). Discount stores were able to sell at close to economic cost and drop prices below competitors by circumventing the wholesaler and buying directly from manufacturers. Wholesalers were a niche market byproduct of the 1914 Antitrust Act and the 1934 Robinson Putnam Act which heavily taxed discount stores and forbid the "predatory pricing" policies achievable through exclusive contracts. Regulations heavily favored the department store owners with increased lobbying power and keep discounting at the periphery of the market until the late 1940s. Eugene Ferkauf opened a member's only discount store on 48th Street in New York City to circumvent regulations acts. Korvette's focused on low price, high volume and quick turnover sales of kitchen applicants; note the intentional misspelling of the name, attempting to cash in on Chevy's fastest and America's most coveted sport car. With 33 percent off market price, Korvette's went from being a five store chain in New York, pulling in 55 million a year, to a 750 million a year company operating 45 stores, in 9 metropolitan areas by the end of the 1960s (Spector 2005). By focusing on a singular category, Lazarus was able to achieve greater results with Toys R Us. Macy's had used child behaviorist to validate the market as early as 1928, but the prospect of only selling toys was still considered a risky proposition.

Every retailer works within a supply and demand time line, where each product on the market has an expected turnover date, renewal order and accounts payable. For horizontal supply lines, each link has to balance internal inputs, cash and product outflows/inflows, against external outputs between retailers, suppliers, wholesalers
and manufactures. With varying degrees of opportunity cost of capital, each of these links has the advantage of competing against or across link types, by offering a number of financial incentives such as; order volume, order rates and payment rates. Since the majority of toy sales were on a seasonal schedule, manufacturers had to run below optimal production levels throughout the year, recouping loses during peak demand. Lazarus brokered a deal directly with producers, which allowed an extended repayment time (credit) in lieu of higher item orders on a more frequent basis than department stores (Spector 2005). Toys R Us stores ostensibly operated as storage warehouses with year round stock on shelving units ascending twenty feet above shoppers’ heads. Registers and cashiers where located along the terminating axis of the lengthened and double loaded product aisles to expedite purchasing process and minimize deliberation. The bare bones approach greatly reduced overhead costs and offered goods at prices so low, customers didn’t mind putting the items in the carts themselves (Spector 2005). With a model for discounting success, Lazarus sold his four stores in 1966 for 7.5 million to Interstate Stores and stayed on as consultant, driving annual growth to thirty percent and revenue in the 200 million range by 1974 (Spector 2005). By the mid-seventies, Interstate Stores was facing bankruptcy, and hired Lazarus as chief execute officer to apply his successful model to the company’s entire fleet of discounting chains. At the helm, Lazarus revolutionized inventory management, which rippled across supply chains, forever product tracking and movement.

By the late-seventies, there were 47 Toys R Us stores actively receiving millions of units each month and having to keep track of every item that entered and exited the store. Every register was equipped with a code reader which uploaded data to inventory management system, using centralized computer databases to catalogue
each item's unique code when swiped by the cashier (Spector 2005). The system charted peak demand, customer returns and low inventory. Information was sent to corporate headquarters who directed the nearest distribution center to replenish the supply. Manufactures were forced to respond; tailored packaging was implemented to fit in-store shelving, while assembly lines shifted item production based on the demands of their largest volume purchaser. Department stores responded by copying the inventory management techniques, but could not match Toys R Us's internal economies of scale. With processing innovations shaving the most from internal costs, operations shifted to out-competing in other categories and expanding market share. Kids R Us was followed by Babies R Us, which was the largest revenue generator. Stores are often co-locational, further reducing internal costs while augmenting patronage rates, by providing affordable goods at each important stage of life. Merchandise mix, reflects the “total lifetime care” approach to retailing starting with, cribs, diapers and cars seats, to clothes, photos and bedding to toys for kids, teenagers and adult gamers (Spector 2005).

For adult homeowners, Home Depot was the equity adding toy store. An assortment of hand and power tools for the do-it-yourselfers (DYI) to purchase and save against the high cost associated with contractors. Homeowners were treated with the same level of respect, curtsey and product cost as the licensed professional. It was staged as an equal playing field, where professions were reduced to the category of consumer. Home Depot’s store layout, color and cartoon mascot reflect the Toys R Us model down to the manufacturer direct, high volume purchases and below market prices to eliminate competition. They reduced costs further, by acquiring superfund sites or contaminated properties. Toxic soil was wrapped, capped and covered with asphalt. With a strategy for success, where the products were literally selling them-
selves during the 1990s real estate boom, Home Depot became the youngest retailer to break 50 million in sales. They were moving 40,000 to 50,000 items out of each store, reaching 50 billion in sales revenue in 2003. Capital reserves were so large, prices could be dropped for extended period of time until local competitors were bankrupted. Eventually, prices would rise back up, but not before each local hardware store was eliminated. Markets were saturated, 100,000 square foot stores were being deployed within the market boundary of other Home Depots. Maintaining 30 percent to 35 percent growth rates, required overdevelopment. Market overlap was inevitable, but for purposes of stock valuations, quarterly reports needed to reflect growth despite nominal decreases in store sales. Needing to access new markets, store types adjusted to fit urban areas, Depot Lite, as well higher income groups, Depot Expo. With domestic growth rates unsustainable, Home Depot shifted focus internationally, dropping stores mostly in Central and South America. Market share shrank when their lone competitor, Lowes, started opening stores within eyeshot, offering more upscale and customer friendly services for the more discerning DIYer. Home Depot's greatest rival would be the 2008 financial market credit crisis and ensuing real estate bust and recession economy. Vacancies, which started before the crash, accelerated into 2010.

**Barnes & Noble**

In 1965, Leonard Riggio, an engineering student working at New York University, turned a $5,000 store purchase into multimillion dollar business, transforming the production and consumption of books in America. After opening a handful of successful student book exchanges in New York City, Riggio borrowed 1.2 million dollars and acquired a profit losing, Barnes & Noble (B&N) store on 18th Street and Fifth Avenue. Costs were reduced, used and out of print books joined the inventory and
New York Times bestseller's were marked down 40 percent. Annexes were supplanted by competitor buyouts, as stores expanded in size, purchasing power increased, and market power was achieved. B&N had emerged as the world’s largest bookseller by the 1980s, but that success was just as much a factor of cost cutting and providing a variety of reduced priced books as supplying lifestyle amenities. The stripped down warehouse, which was a model of success in the suburbs for the time and dime counting consumer, was not replicable for B&N’s urbane clientele. Riggio furnished consumers with comfortable seating, cafes, restrooms, kid’s spaces, and afterwork author engagements. Other media products were incorporated for consumer sampling and perusal, such as magazines, books on tape and eventually compact discs and digital video discs. Amenities were designed to increase patronage, consumption time and extend to customers, a sense comfort and ownership of the store. Third place design encourages consumers to participate in a game where they perform as the actors of some desirable lifestyle. Until Amazon came along, B&N was able to provide a consumer gateway, where people felt as if they were buying into more than just some material objects.

For Starbucks, the “we sell lifestyle not coffee” motto, aptly depicts the company’s philosophy concerning consumption and the importance of third place, but fails to capture just how literally it is implemented. Third place is the location, where people feel comfortable in joining together, being able to derive some amount of satisfaction unavailable at the home or office (Oldenburg 1989). Starbuck’s Chief Executive Officer (CEO), Howard Shultz, realized an opportunity to fulfill this growing demand and opened a small cafe in Seattle, quickly followed by coffee houses in other major cities. To achieve a sense of third place, stores were stocked with communal books, board games, music and Wi-Fi for consumers to browse while
sipping their beverages at one of three, comfortable seating options. The third place techniques employed by the company stretches beyond store interiors to around the corner and often just done the block. As the spaces in between work and the office, Starbucks are literally fulfilling that position through urban carpet bombing. Although the method seems counterintuitive to a company attempting to achieve increasing returns to scale, the extra cost of ground leases is considered a savings in advertisement fees. Waiting lines and distribution costs are reduced, leading to a net gain in costs while achieving market dominance. With flexible capital intensive equipment and template design, store locations can move in quickly; often serving as the cafes and serving stands in discount book, grocery and retail stores. Starting in 2007, Starbucks began to witness a backlash in the market saturation strategy, having to close over 600 stores and restore their tainted image as just another commodified product selling overpriced lifestyle.

**Warehouse Retailers**

The design lengths, store owners went through during the industrial and wartime era to attract customers into stores had an adverse affect on sales for discounters. Consumers still associated higher design with higher cost, despite the ticket price. The no-frills, warehouse stores which predominantly sold dry food but included seemingly miscellaneous merchandise such as, goods with defects, bulk items and seasonal leftovers, became synonymous with the deal. That typology was adopted by discounters who began their operations out warehouses and used every cost-cutting advantage to reduce item pricing (see figure 17). FedMart opened its industrial size doors in 1948, after Sol Price inherited a storage warehouse with no apparent use in San Diego's industrial area. After convening with retailers in Los Angeles, working out of warehouses, Price moved retail operations into the facility. Eventually, other
merchants entered the market, acquiring the low cost properties and stocking them with a more comprehensive assortment of merchandise. Although the low cost structures were appealing for firms entering the market, requiring little capital equipment other than bins and hanging lights, the condition of the Spartan space and slapdash displays gained currency among consumers. Inexpensive and cheap looking stores were perceived of as offering the better value for shoppers, the more devoid of architectural merit the better (Spector 2005). Discounters were able to take the brand name products from department stores and sell them at below market price. Cost, as a consumer advantage, surpassed store design, store name and even store location. High income customers were also willing to forgo superfluous designs. Urbanites were willing to drive 20 to 30 minutes outside the city for a better deal. Those small sections originating in the bulk food markets, grew into stores which escalated into a shopping typology which pulled from the full arena of retail merchandise.

There were general merchandisers in America, throughout the 1920s to 1960s, but none compared to the scale of the French model, Carrefour. The most dominate European store, created the hypermarket, where fresh produce was sold alongside general merchandise. In America, Korvette's and FedMart paved the way for stores like Sam's Club, Costco and BJ's offer membership discounts, on an assortment of goods, typified as bulk or family size items with lower unit cost based on larger unit size. Warehouse clubs buy direct from manufacturers, offering consumers reduced prices on a range of merchandise, mixing automotive, dry foods, electronics, cutlery, books, and clothes with fresh produce. Stores preselect merchandise, typically holding 150,000 items at one time. Stock is continually updated, only shelving the lowest cost items. Customers grew accustomed to process, and put their trust in retailers; by

Figure 17. Early warehouse discounting in Los Angeles. Source: Richard W. Longstreth, The drive-in, the supermarket, and the transformation of commercial space in los angeles, 1914-1941.

Carrefour

Hypermarket and Product Mix
rotating the stock and charging an admission, owners were able to remove the hassle of price uncertainty and comparison shopping allowing consumers to walk away thinking they got the best deal. Discount retailers using this temporary architecture typology grew out of lower income, urban neighborhoods but eventually settled in suburban and rural areas.

Discount stores were a dependable source of low cost goods but had limited share of the retail industry sales and rarely challenged the larger department stores in terms of middle and upper class shoppers. Five and dime stores had been around in prewar Europe and America, fulfilling the retail needs of lower income groups and gaining short term success during economic hardships, but were unable to make the leap into mainstream retailing. Anne & Hope Stores laid the merchandising template for discounters geared towards the one stop shopper willing to forgo customer service for reduced travel time and lower prices (Spector 2005). K Mart was able to achieve a larger following by offering the prices and goods associated with the smaller discounter, yet attract middle class shoppers who could afford higher end brands but valued a broader range of products. They suffered and struggled through downturn times, consolidating stores an effectively coordinating location choose, size and merchandise mix. They were represented in both urban and suburban areas, and experimented in product lines and retail types, eventually categorized as a discount department store.

The review of store and operation types is an attempt to illuminate the historical strands of retail, which have been plucked, pulled and woven together, and should serve as a guide against being ensnared within the confusing net of contemporary...
retailing. It should become evident to the reader, that these typologies share com-
mon features both in physical form and operation, and that categorical boundaries,
while smoothing away difference, typically serve as measuring conventions failing
to capture organizational practices. Where is the locus of success, the domain of
dominance, and why have certain retailers faulted after copying the models of their
successors?

One of the shortcomings of describing stores through physical qualities and in-store
operation methods, obscures the identities of those who devised these industry prod-
ucts. Without falling into the folly of concretizing the interconnected forces of tim-
ing, insight and knowledge spillover into a singular agent, it remains evident that
the human capital responsible for operating these businesses deserve recognition.
Acknowledging the owner is most common, as that person's name is most prominent
in the literature, but what is missing from historical records, was the team behind
the leader, implementing a vision and carrying out a series of successful campaigns
to best the competition. For each of the retailers mentioned, there are varying de-
grees of record transactions were evidence warrants such, but the research does not
exist. What can be called to attention, were the different maneuvers made at the
business entity level, where publicly traded companies, such as K Mart, collect and
report quarterly sales, growth and acquisitions. K Mart not only experimented with
merchandise type, but with merchant types. Consolidations, mergers and leveraged
buyouts have been a common practice for the subsidiary starting in the 1960s till
present day. Competition theory, explains that the market place will become increas-
ingly concentrated as smaller firms drop out, sell out or merge with larger firms. For
the purposes of planners attempting to intercede into the socio-physical ramifications
of the phenomena, it is all the more difficult. This issues of quantifiable evidence,
and prediction are most evident when contending with the largest retailer, private employer and wealthiest company in the world.

WalMart

In an attempt to demystify the legend that is WalMart, is simply state that its ability to reduce costs, and to pass those reductions along to consumers, has made it supremely successful. This feat was anything but simplistic. WalMart has systemically eliminated the competition, beating category killers at their own game, and in the process, has gained a legion of dissidents and loyal consumers. In the arena of consumption, public sentiment is a novelty, until those being under its direct economic strain, decry it as a megalomaniacal entity. And not without merit. WalMart has moved into a position where its categorization as a retail business is more of a front than encapsulator. In less resilient regions, WalMart has crowded out the market to the extent that they perform as the dominate provider of employment and goods. In an exchange economy, that means they control the wages, prices and quality of life for that district. This is not another castigation of WalMart, those attacks are well documented in the literature by various disciplines, and will be minimally evidenced here, only to indicate the effectiveness of their technique as competitors in the marketplace. We are no longer speaking about retail, this is a company with a revenue greater than 144 countries, with enough economic power to boost manufacturing rates in Shenzhen. WalMart's extension to real estate, consumer credit, and global employment makes it so feared, yet so addictive to those millions of customers filling their carts, cars and credit cards each year. For planners, this spells out a large opportunity, but we need to understand the consequences of our actions. Those boxes which people focus on so much have to land somewhere, and for the ones already there, we need to question whether it is financially intelligent to interfere.
In 1962, Sam Walton, opened his first small store in Rogers, Arkansas, under the assumption that people valued savings more than anything else. Working in discount retail for a number of years provided him with the knowledge base to pursue his vision. Like his retail predecessors, he spotted an opportunity in the market and set about offering consumers a slightly lower price than the competition. Shaving only a few cents from an item seemed to make a world of difference for consumer choice. WalMart's deployment strategy started with the local markets, gaining traction to spread within the region and eventually across regions. By the mid 1970s, WalMart was a publicly traded company, owning 125 discount stores in 9 states and besting the competition through everyday savings. Walton’s timing was impeccable. During this period, America was experiencing a wave of deindustrialization, an energy crisis, and stagflation. Municipalities struggled as Federal policies aimed to reconcile the recession, using monetary policies to reduce tax rates to increase household spending and private investments. While unemployment rates were climbing towards 10 percent, inflation rates ranged in spread from 4 percent to 13 percent throughout the 1970s. Working class households were riding out a downward trend after a thirty year upward business cycle, where their cost of living, housing and incomes had been growing at a relatively stable rate. The mortgages, car loans and consumer credit payments acquired over that economically prosperous period were no longer affordable.

What WalMart did then and continues to do, is to increase a household’s effective income. To better illustrate the point, some assumptions are required considering household spending during down business cycles. First, in the short run, household labor migration may be limited (home costs, employment opportunities, family networks, children’s education). Second, increased working hours to boost income may
be constrained during recessions, where layoffs or extended working hours without increases in pay are more likely. Third to maintain necessary expenditures, savings may be depleted, requiring households to take loans or credit lines. Fourth, retailers are forced to chase the market, lowering prices enough to lure consumers back into stores. This has a two sided effect on households. The initial price drop, creates disposable income as consumers are able to buy more goods with less money, but, to achieve medium run low costs, retailers have to lower operational costs, i.e, increase workers hours without increasing pay. This brings us back to the circular economy, where household receive wages which are spent on goods, savings or investments. Throughout the 1970s, empirical data supports these assumptions and indicates the longer term trends on income, savings and revolving credit (Harvey 1990).

With the 1980s, there was a resurgence of retailing, consumer credit and employment. While this growth continued into the mid 1990s, the typology, strategies and scale of operations changed. Deregulation of the financial markets allowed accelerated depreciation, boosted the construction industry’s growth and the stock of space generated from real estate development. With increased lending, real estate developers phased out the older, first suburb, shopping centers, and built super regional centers (see diagram 1). Serving larger demographic areas, meant more concentrated consumer traffic, which appealed to retailers and shoppers. By locating near intersecting highway routes, households were provided with easy accessibility, parking, product choice and extended operation hours.
Shopping Center Growth 1964 to 1982

1982 RETAIL INDUSTRY

<table>
<thead>
<tr>
<th>CENTER TYPE</th>
<th>TOTAL GLA [SQ.FT]</th>
<th>1982 SALES [REAL]</th>
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<tr>
<td>STRIP/CONVENIENCE</td>
<td>10,000</td>
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<tr>
<td>NEIGHBORHOOD</td>
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<td></td>
</tr>
<tr>
<td>COMMUNITY</td>
<td>200,000</td>
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</tr>
<tr>
<td>REGIONAL</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>POWER CENTER</td>
<td>800,000 - 1,000,000</td>
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<tr>
<td>SUPER REGIONAL</td>
<td>&gt; 1,000,000</td>
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</tr>
</tbody>
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1982 BREAKOUT OF CENTER TYPES

<table>
<thead>
<tr>
<th>YEAR</th>
<th>COUNT</th>
<th>TOTAL GLA [SQ.FT]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>23,304</td>
<td>3,236,918,000</td>
</tr>
<tr>
<td>1980</td>
<td>22,050</td>
<td>2,962,701,000</td>
</tr>
<tr>
<td>1978</td>
<td>19,201</td>
<td>2,498,303,000</td>
</tr>
<tr>
<td>1976</td>
<td>17,558</td>
<td>2,277,930,000</td>
</tr>
<tr>
<td>1974</td>
<td>15,074</td>
<td>1,874,259,000</td>
</tr>
<tr>
<td>1972</td>
<td>13,174</td>
<td>1,649,972,000</td>
</tr>
<tr>
<td>1964</td>
<td>7,600</td>
<td>1,010,000,000</td>
</tr>
</tbody>
</table>

Regional centers dominated as the retail typology implemented by real estate development companies who attracted smaller branch companies, who benefitted from the foot traffic generated by the large department store anchors. The ability to attract consumers into super regional centers and malls, is reflected in the rent schedule. Department retail anchors typically paid $2.00 a square foot, while smaller tenants paid up to $100.00 to $200.00 for the same amount of floor area. Kiosks, located within circulation routes, pay the highest amount per square foot since they yield the lowest percentage of patronage draw. Landlords charge a percentage rent, above the baseline, where retailers pay based on sales per square foot. To maintain the inter-store externalities, landlords are incentivized to maintain an optimal mix of tenants, regardless of a potential tenant's desire to pay above the required lease amount (Wheaton 1999). This phenomena sheds a potential light on main street retail ability to attract more consumers. Without common ownership, a commercial downtown retailer's inter-store externalities are left to chance, where the highest bidder, not necessarily the best for the collective, signs the lease. In fact, retailers can be put into direct competition by landlords letting individual buildings to the highest paying client. Customers who value their travel time, prefer to shop within the same location, where product type redundancy is reduced in favor of optimization, which is not evident in smaller downtown retailers unable to incentivize various landlords into practicing rent discrimination. With optimization hinging on the integrity of the landlord's desire for long term gains versus short term benefits, shopping centers fell prey to real estate speculation.

Shopping centers were adversely affected by the real estate market bubble in the 1980s. The deregulation of the financial markets allowed lenders to further extend debit servicing for properties while offering investors the ability to increase the
amount of debit used to acquire assets. An increase in demand for physical capital assets, was driven by the Accelerated Cost Recovery System (ACRS). Investors benefiting from the accelerated depreciation on property, boosted the construction sector and eventually created an excess supply of space in the property markets. The slack was picked up by companies profiting from lax, debit to equity investments, creating conglomerates through over leveraged buyouts of smaller retail chains. Shopping center developers needing large retail anchors, offered department stores a standard $25 million to locate in new malls, and as much as $40 million, with secured operation costs during the construction peak. With incentives so high and interest rates so low, speculation was rampant, and department stores accepted the cash awards despite the contrary evidence conducted by internal market studies (Spector 2005). The overdevelopment of the industry led to seven out of ten top national tenants to drop from the industry’s top shelf position. Moreover, enclosed malls and early suburban shopping centers were becoming economically, functionally and structurally obsolete. Redevelopment costs exceeded new site and construction costs, pushing supply further, which boosted vacancy rates and opened the market to cost savvy discounters.

With a firm regional market base established throughout the South in the 1980s, WalMart steadily marched across the United States to the Pacific West and South Atlantic. Considered a discount retailer, WalMart although a destination for shoppers, was incongruous with typical mall and shopping center configurations. Their one level platform, in-store design and low cost shell excluded them from the renowned anchor position. What was a design and format liability for developers was an asset for smaller towns and medium size cities with more land than could be absorbed from existing and exiting industries.
As a large retail business, WalMart was not dependent on retail speculators offering cash awards, but entertained small municipalities where competition was low, property was abundant and the offers were too generous to refuse. Incentive packages were given, ranging in benefits from, free land to $50 million in site construction, infrastructure costs and tax exemption. Financially strapped areas were the most susceptible to the bolstered tax base, employment opportunities and low cost goods. Opening ceremonies were replete with mayors, officials and companies executives cutting the ribbon in front of an applauding citizenship. However, by the close of the 1990s, WalMart was no longer viewed as the panacea, but as the parasite, living off the desperation of marginalized communities, resentful and dependent.
By the late nineties, the community coffers were depleted, the competition was on the run, and small towns were stuck with empty shells. Incremental growth gave way to rampant development, as WalMart systematically crowded out existing markets with below cost pricing. With industry ascension came economic power on the buy side. WalMart was the price setter for manufacturers, whose former clients were outcompeted. In areas with minimal employment opportunities, WalMart employees habitually worked extended hours for minimum wage and often qualified for government assistance. Store managers pushed aggressively and expected their workforce to be on some form of public subsidy in order to further reduce labor costs to maximize internal economies. Of course, these savings would be passed along to the consumers but at what total cost?

In the short run, firms can suppress internal economies and reduce costs but eventually those costs have to be absorbed. If the business attempts to maintain lower costs, without improving technology, it typically results in the exploitation of labor. With employment opportunities constrained, labor has to accept, and is forced to resort to alternative sources of effective income. Beleaguered municipalities shoulder the burden and administer public assistance, while battling against lower tax collections on labor. Consumer credit goes up and stores are able to maintain employment, consumption and lower costs at the taxpayer's expense. Both the local town and consumers are caught up in a cyclical exchange where the goods and wages are controlled from a singular economic entity creating an ever greater level of dependency. However nefarious, it was the formula for success which other retailers could or would not resort to, which led to their inevitable demise.
Power Centers

The first power center was opened in Colma, California, during the 1970s, bringing five medium size discounts together, in a 330,000 square foot “promotional center.” Within a decade the industry analysts referred to these shopping centers as the “murderers row” of malls and category killers (Spector 2005). By the early 2000s, power centers were dominating the industry in sales and square footage rates of growth. There had been a cultural flip in consumer demand, where department stores were replaced by category killers, warehouse clubs and large general discounters. The glorious era of department store design, innovation and communal experience had turned out to be a price consumers were not willing to pay.

Consumer appeal for power centers grew with the inclusion of category killers and general discounters into the overall mix of stores. By agglomerating complimentary large format retail types together, consumers were able to reduce total travel time through multi-purchase trips. Uncertainty about pricing was reduced by having retailers with product overlap encouraging comparison shopping. A major advantage for power centers over regional malls, was the option to include larger home improvement stores and warehouse clubs. General merchandise discounters account for a higher percentage of sales when including dry foods goods; these anchors pull in more frequent shoppers, often remaining longer and spending more in the long run (Beyard, Casey and O'Mara 1996). Regional centers’ sales suffered the most as power centers were the nearest competitors in the industry successfully vying for consumer patronage. New mall openings decreased precipitously and vacancy rates grew. The glut of 1980s speculation mall development was particularly harsh for department stores, who lost their coveted anchor position to discounters willing and able to pay higher rents just to secure a position in a power center.
With the surge in regional center vacancies, and power center growth in the 2000s, came a niche market opportunity for a developer based, high end shopping center. Despite the relatively small fraction of industry share that lifestyle centers capture, the typology represents the most realistic candidate for repurposing vacant down-market retail. By the later end of the 2000s, developers had been working on retrofitting vacant open regional shopping centers and enclosed malls with mixed use boutique retail (Bodzin, Greenberg and Sobel 2002). Adopting New Urbanism principles seems to be gaining currency in the market, attracting higher income baby boomers willing to spend more time and money in these reproduction main street retail enclaves.
Diagram 2. Author. Source: ICSC Shopping Center Classifications

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<th>Center Type</th>
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<th>Store Mix</th>
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Attempting to predicate ex ante developments in the retail industry beyond ten years is an endeavor I, and most professionals would hazard to guess, but after reviewing interviews with industry leaders in retailing, real estate design, development and investment trusts against historical trends in American demography, I offer a speculation of best estimates on discrete trends at various categories of geographical units for retail types, center types and markets. Three emerging typologies are of considerable note: Mall Remix (see diagram 3); Peg + Podium (see diagram 4); and Wrapper (see diagram 5). Regional units considered: Midwest (see diagram 6); Northeast (see diagram 7); Southeast (see diagram 8); Southwest (see diagram 9); West (see diagram 10). Some of the factors, constraints, and opportunities for areas with the highest propensity to attract retailing, and possibly repurposing of existing retail, will be discussed. The purview begins at the national level to indicate weighted interregional shifts, eventually scaling down to the specific zones in the city with the highest receptiveness for planning engagement.
Mall Remix

LIFESTYLE CENTER

RESIDENTIAL
OFFICE
RETAIL

ANCHORS

6 DISCOUNTERS

PREEXISTING

DEFUNCT MALL

BELMAR_CO

ELKUS/MANFREDI ARCHITECTS
CONTINUUM PARTNERS: DEVELOPER

Diagram by Author.

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<th>UNIT</th>
<th>SITE AVAILABILITY</th>
<th>COST DELTA</th>
<th>TRANSPORTATION</th>
<th>REGIONALISM</th>
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<td>MILD</td>
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PROGEM PROGRAM

RESIDENTIAL 1300 CONDOS/RENTALS/LOFTS ~250,000-900,000
OFFICE 222,866 SQFT
RETAIL 100 SHOPS + BIG-BOXES
ANCHOR CA. KILLERS
SITE 47.6 ACRES [SUBURBAN/METRO]
**PEG+PODIUM**

**URBAN CENTER**
- **RESIDENTIAL**
- **RETAIL**

**ANCHORS**
- **4 DISCOUNTERS**

**PREEXISTING**
- **INDUSTRIAL**

---

**REGO PARK, NY**

EHRENKRANTZ ECKSTUT: ARCHITECT
VORNADO REALITY T.: DEVELOPER

Program:
- **Residential**
  - 450 condos [1-3BD]
- **YET TO BE BUILT**
- **PARKING GARAGE**
  - 7-STORY [589,000 SQFT]
- **RETAIL**
  - 4 BIG-BOXES [450,000 SQFT]
- **ANCHOR**
  - CA. KILLERS [550,000 SQFT]
- **SITE**
  - 6 ACRES [URBAN]
- **UNIT SITE AVAILABILITY**

**Transportation**

**PREFERENCES**

**Density**

**Region**

Diagram 4. Author.
REGO PARK_NY
EHRENKRANTZ ECKSTUT: ARCHITECT
VORNADO REALITY T.: DEVELOPER

Diagram 3. Author,

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PROGRAM
RESIDENTIAL
4 50 CONDOS [1-3BD]
1 ET TO BE BUILT
PARKING GARAGE
7-STOREY [589,000SQFT]
RETAIL
4 BIG-BOXES [450,000SQFT]
ANCHOR
5 CA. KILLERS [550,000SQFT]
SITE
6 6 ACRES [URBAN]
Retail success is strongly correlated with sales, which should be considered an act of consumption, and as a function of a shopper’s respective purchasing power. As such, it is best to consider the types of goods being sold by differentiated retailers, in areas with the requisite volume of shoppers, broken down by levels of disposable income. The United States Census Bureau has income data at the county level and should be considered if attempting a fine grain study of discrete choice by income cohorts in relevant statistical areas. The Bureau of Economic Analysis (BEA), defines disposable income as a measure of personal after tax income, with the addition of savings. Disposable income can be split further by accounting for households expenditures on the essentials for living, such as, mortgage, food, clothing and inflation. Residual income is the potential amount of income remaining for discretionary purchases, thus considered by retailers as household discretionary income. As previously discussed, the marginal propensity to consume increases with longer term and higher income, so demographics with increased wealth, such as baby boomers, aged 47 to 65, represent the most significant cohort for consumption power for retailers. Within twenty years, approximately 75 million baby boomers, or roughly 25 percent of the United States population will be eligible for social security, and more importantly retirement.

As these individuals exit the workforce, we are likely to witness migration towards regions with spatial, weather and financial externalities. The Sun Belt, below the 36th parallel, has historically attracted retirees seeking warmer weather, mild winters, lower costs of living and communities catering to their demographic. Accounting for the 8 of the 10 fastest populating metropolitan statistical areas (MSA), the Sun Belt seems the likeliest geographic land area to attract retailers following in-migrating baby boomers. The surplus of vacant and lower priced housing supply should be an
### Projections for Midwest

#### Propensity Gauge
- High - Medium - Low
- Income Level

#### Diagram 6. Author

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87
attractive feature for buyers, moving away from higher cost, slower growing, northern agglomeration economies. William Wheaton, Professor of Economics, Massachusetts Institute of Technology (MIT), has stated that the residential inventory glut should be absorbed within three years, and that new construction should return to historical averages, around 1.2 million homes per year by 2014. Based on that demand, we expect to see manual labor migrating into the Sun Belt from contiguous countries and regions. Areas with growth rates ranging from 10 percent to 25 percent, having populations over 2,000,000 residents, locating in both central cities and the surrounding metropolitan areas, represent the broadest market potential for retailers serving both higher and lower income cohorts. Florida boosts two such areas with the Tampa and Miami MSAs attracting both full time retirees and snow birds flying south for the winter to second homes.

Having accounted for the greater volume of high and low income cohorts moving to the southern states, the other large cohort to watch is the Echo boomers and their search for employment. Born between 1976 to 1994, this cohort represents 73 million individuals with some type of formal introduction into computer technology coupled with internet before exiting high school. With greater educational demands, they typically enter the professional workforce in their early to mid-thirties, seeking job growth and higher wages. Southern cities, connected to larger metropolitan areas providing lower capital inputs and constraints are destinations for both employees and employers.

Innovation industries can play a significant role in regional growth when connected to supply and demand nodes in an agglomeration economy with the spatial externalities and capacity for expansion. Firms entering monopolistic markets, require
### PROJECTIONS FOR NEW ENGLAND

#### PROPENSITY GAUGE

- **High**
- **Medium**
- **Low**

#### INCOME LEVEL

- **High**
- **Medium**
- **Low**

### GEOGRAPHICAL UNIT

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### RETAIL TYPES

- **Discount**
- **Super Regional**
- **Urban Power**
- **Brownfield**
- **Retrofit**

### SHOPPING CENTER TYPE

- **Community**
- **Regional**

---

**Diagram 7. Author.**

- **Boston**
- **New York**
- **Philadelphia**

**Income**

- **Edges**
skilled labor which induces demand, creating a cyclical growth effect. Furthermore, higher income labor cohorts in these cities not only add to the demand side, but more importantly, act as magnets for firms when adding to the supply side of this regional agglomeration economy. Innovative network industries, such as biomedical, media and information technology, balance on the cutting edge, where a high turnover for labor and the products they can imagine has become a normative condition (Bauman 2007). With such volatility for both labor and employer, it behooves each to locate in a region where the pool of substitutes is largest. Workers hedging against unemployment or underemployment are drawn in, increasing growth, as are employers. The expected utility works for both groups and allows an ease of transition where labor has less “drag” on a company and workers are not concerned about having to continually relocate to maximize their wages and utility.

Economies of scale, external to the firms, play a large role in the increasing demand to locate in an agglomeration economy, which in turn perpetuates the growth of that region. However, the amount of growth may be constrained by the spatial capacity of the city, therefore larger cities with greater amounts of connectable space will continue to grow through spatial externalities (Johansson and Quigley 2004, 165). Not all regions have the inputs and attributes necessary for high-technology and knowledge-intensive industries to locate (Markusen 1999). Dominant regions typically include, nationally larger cites with the capacity to provide the requisite variety, quantity and quality of goods and services needed for network industries (Johansson and Quigley 2004, 165). Retailers thrive in these higher growth areas, where minimal competition exists, granting first mover advantages and possible monopoly pricing depending on consumer travel distance to the next substitutable retail location. As residential housing settlements are planned, we see larger commercial land alloca-
## PROJECTIONS FOR SOUTHEAST

### GEOGRAPHICAL UNIT
- **METRO**
  - **CITY**
  - **SUBURB**
  - **TOWN**
- **INCOME**
- **EDGES**

### RETAIL TYPES
- **DISCOUNT**
- **WAREHOUSE**
- **KILLER DEPARTMENT**
- **SUPER REGIONAL**
- **POWER**
- **NEIGHBORHOOD**
- **LIFESTYLE**
- **RETOURPASED MALL**

### SHOPPING CENTER TYPE
- **COMMUNITY**
- **SUPER REGIONAL**
- **POWER**
- **NEIGHBORHOOD**

### SITE
- **GREENFIELD**
- **RETOURPASED MALL**

---

Diagram 8. Author.

Atlantic Miami Tampa
tions granted for larger footprint retailers, having to provide consumers with a larger of assortment complementary goods to reduce consumer travel time and comparison shopping durations. This wave of development type can spread from the smaller city centers across connectable land parcels to the extent that potential home buyers are indifferent about location with respect to equitable opportunity costs of capital between driving an extra ten minutes versus paying $10,000.00 less for a home. This idea of compensating differentials for housing demand in proximity to amenity destinations (work, family, consumption) is particularly evidenced in southern MSAs where agricultural land plots are still within the residential growth boundary. That lower cost of land is typically not sufficient to attract a population seeking employment, so it should be considered in connection with growing or higher paying job sectors. Places with established industries connected to national defense, higher education and information technology, typically serve as an initial anchor for firms co-locating with a major institution propped up through continual public investment. These investments then attract employed households and retail.

Industries in the Sun Belt have historically been dominated by agriculture, transportation and energy, but as communication technology has allowed companies to disperse operations, the southern regions have experienced higher rates of growth from in-migrating firms and employees from the information and services sector. Four MSAs in particular, have exceeded past national income and growth averages leading into 2007. Houston excels in aeronautics (NASA), health care and is recognized as the destination for America’s energy industry. Dallas has attracted telecommunications (AT&T) as well as, energy industry information, trading and holding companies. Atlanta is a nationally well connected city, housing the world’s busiest airport, which is a daily destination for a number of employees working among the 4th larg-
PROJECTIONS FOR SOUTHWEST

Diagram 9. Author.

<table>
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PROPENSITY GAUGE
HIGH - MEDIUM - LOW
INCOME LEVEL
est concentration of fortune 500 headquarters. Phoenix MSA has a mix of industries including, computer technology (Intel), mining, corporate headquarters, and one of the largest student populations attending the universities in the area. If these industries have continued demand induced growth, younger professionals will migrate into these MSAs, pushing up wages, demand for housing and consumption, there by enticing retailers to co-locate (DiPasquale and Wheaton 1995). To meet the demand of housing, the construction sector should pick up, bringing low to medium income working cohorts to these MSAs who will settle in either the denser, more concentrated areas of the city with accessibility to public transportation or possibly with the intersecting boundaries of poly-centric settlements (Gleaser 2000). I think the urban poor, or concentrated lower income cohort, represent the greatest untapped domestic market for a few large format retailers and I will discuss this emerging condition and my concerns when considering the cities in the North, as the New England and upper Midwest regions represent somewhat of a flip-side to this domestic migration.

As one region progresses, it may entail a transference of human and monetary capital from a declining region already suffering from a brain drain due to the lack of higher-skilled employment opportunities. City metros such as Detroit, Cleveland and Pittsburg continue to hemorrhage populations as their economic base has been decimated by international competition and more flexible economies of scope. Retail establishments suffer as working cohorts migrate out of the area, forcing closures and long term vacancies. As international competition increases, government regulators attempting to balance hyper-urbanization, conurbation against regional stagnation and depopulation will face steepening challenges (Markusen 1999). Globally, governments are shifting away from textile and manufacturing and pushing towards technology based enterprises (Markusen 1999). As such, locations which actively
### PROJECTIONS FOR WEST

**Propensity Gauge**

- **High**
- **Medium**
- **Low**

**Income Level**

- **High**
- **Medium**
- **Low**

---

**Diagram 10. Author:**

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**Los Angeles**

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**San Francisco**

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**San Francisco**

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push the frontier of knowledge and innovation hold a prominent structural position for the diffusion of the embodied knowledge in that region. Locations such as New York and Boston, have benefitted from higher education concentrations and the ability to offer greater employment opportunities despite deindustrialization. Minneapolis, St. Louis, Chicago, Philadelphia and Washington D.C. have been able to remain productive through sector diversification, sector dominance or combinations of education coupled with sector growth.

In the West, Denver, has become a destination for work and leisure, attracting a good mix of younger and older, wealthier demographics taking advantage of geographic, and geological amenities. As a central location for transnational transportation coordination, Denver’s economy has grown with that industry,. Additionally, the access to resorts, lodges and secluded towns has attracted outsiders who are in the market for second homes. Denver is one of the call cases, featuring a high tendency towards repurposing defunct malls into mixed use, lifestyle centers for wealthier cohorts with a panache for walkable settlements. A good portion of this demographic may have their business based in the Los Angeles (LA) MSA, typically within the film industry. LA even more so than New York, continues to attract both low and manually skilled workers, a predominate number of which are unregistered, yet account for a substantial component of the overall population. This in-migrating labor, has themed architecture and a design vernacular reminiscent of Spanish Colonialism.

Stylistic application to residential design exists along the southern regional tracks, extending from the west coast, down the gulf side and into Florida. Speaking with planners in Los Angeles confirmed my intuition that themed design in retail mixed
use, especially in areas with an identifiable regionalism, has a stronger attraction than the 1980s and 1990s generic retail facade. Its my inclination that there was an eventual backlash against the large box image, which perpetuated the lack of distinguishability between retail types, and lumped together the large floor plate retail industry into big box. WalMart, has received the greatest amount of negative press, and has pursued a public relations campaign which included the changing of store signage, color themes and facade treatment, towards a more locally recognized identity. In New England, smaller areas, with stronger historical roots to the forming of the republic, have had a similar affect on exterior design. Retailers, such as Target, Home Depot and Lowes have covered the typically exposed CMU block front facade with either red brick or prefabricated concrete panels with brick pattern, to gain the acceptance of the local community and attempt to make a stronger regional connection. As many retailers attempt to distance themselves from the negative press portraying retailers such as WalMart as nefarious international corporations without local bonds, design adjustments will follow, attempting to gain a higher rate of acceptance from locals. Although I am not particularly fond of this method to conceal commodification behind cardboard columns, planners, communities and designers may be able to influence how these retailers present themselves in the built environment. Ironically, it is the New Urbanist designers, who seem to suffer from similar aspersions of commodity packaged design, who are working with retailers to truncate their corporate identity. Using neo-traditional design vernacular, designers are attempting to spatially unify mixed use, denser residential and civically engaged communities outside the city in lifestyle centers.
Mall Remix

Developers are working with designers, communities and retailers, to reconsider vacant shopping centers as a potentially transformable device to market a more complete retail product to consumers. Using themed design in various guises, dependent on demographically significant patrons, developers attracted a range of consumers, at segmented incomes and respective regional identities. Defunct malls, outcompeted by grouped category killers and power centers, provide ample parking, transportation links and building footprints for mixed use redevelopment. The net operating income cannot be supported by retail alone, so we see complimentary uses, such as office, entertainment, and residential, mixed together and visually connected through a continuously designed wrapper. For the Denver and Los Angeles areas, Spanish Neo-Colonialism is the style, in New England and Florida, Neo-Traditional or Dutch Neo-Colonialism draws the crowds. Lifestyle centers are a contemporary reinterpretation of Gruen’s communal shopping centers. With stronger markets, developer’s are able to bring walkable, mixed use settlements into suburban areas where commerce is reunited with community. As a small fraction of shopping centers, I should point out the possible determinants of its applicability. In addition to income, regional image, location and cost, weather plays a prominent position, since these centers are open air, and subject to inclement weather. Additionally, lifestyle centers are typically developed for wealthier income groups, primarily baby boomers who have the spending power needed to justify development.

Peg + Podium

Highly concentrated urban areas have been the most difficult market for discounters to penetrate, forcing retailers to adjust the look and fit of their stores. Some category killers have successfully adjusted store operations to the skinner, multiple floor level buildings along vibrant commercial corridors. I thing there is a strong
market for retailers who continue to experiment with floor plate sizes and adjust to existing constraints without maligning the building’s structural for the next possible tenant. Much of the success is attributable to the developers, architects and retailers able to conceive of longer term designs. Since, large format discount store designs are so specific to the retailer’s unique operation, merchandise turnover and demographic groups, planners should concern themselves with the applicability of the Peg + Podium typology.

Mixing residential towers with large footprint discount retailing was successfully implemented in Vancouver’s Central Business District in 2007. The warehouse club Costco received little public resistance to develop in the city despite the massive push to keep WalMart from opening there just a few years prior; certain retailers may have higher public appeal or disapproval which may trump cost savings benefits. Since then, a number of developers have built vertically stacked complexes comprised of multiple discount retail types. In New York City, it has been a matter of finding higher population densities in low income areas which have abandoned industrial land earmarked for Enterprise Zone subsidies. The Bronx, Manhattan and Queens are three boroughs which have varying degrees of de-industrialized areas and have received the highest proportion of foreign born immigrants since 2000. Matched neighborhoods in these areas stand the best chance for developing stacked large footprint retail. This ability to capture wealthier metropolitan commuters, local low income labor groups and middle to high surrounding cohorts leads me to believe that a limited number of these typologies will be successful.

Recently, there has been an attempt to merge these two types into a multiple level, vertically stacked retail base with a residential tower. I hesitate to support the Peg +
Podium for three reasons. First, before the 2008 financial crisis, a stacked 5 anchor project with a residential tower was planned for Rego Park, Queens. Currently, the tower is on hold as developers wait for the market to rebound. My skepticism lies with the resiliency of the residential tower to maintain occupancy levels given the possibility that the stacked retail base loses its tenants within 5 to 10 years. Second, the capital asset values, construction costs and property life cycles for the different real estate products are quite divergent. Typically, urban residential towers are designed to last well beyond 100 years, whereas larger format retail buildings are usually worth less than their land value within 10 to 15 years of opening. Third, large discount retailing floor plates are difficult to fill with alternative uses, albeit with tenants able to generate the rents required to cover debt and operational services. To hedge against failure, this typology's structural system should allow for future adaption, which requires preliminary design conditions considering the possibility of future adjustments. As discounters push towards urban penetration in higher income areas, we are likely to witness an experimentation with flexible floor plate designs, which may yield insights for planners working with developers on these potentially difficult to relet stacked urban retail.

Wrapper

In South Borough North Carolina, a Lowes home improvement store was wrapped with a mixed use, residential and office development around the building's perimeter. Since the residential and office units are separated and not physically integrated into the retail building it is fair assumption that even in the case of Lowes' departure, those products would continue to be successful. In my view, the construction of the elevated parking deck above the store presents the largest problem. It represents a high capital cost with an extremely selective use, which in the case of Lowes' de-
parture and potential community or market desire to build more residential units on the site, serves as an impediment to development. With such an expensive price tag, limited flexibility and singular purpose, it would be a major deterrent to alternative uses.

Many of the issues concerning the future of discount retailing and repurposing are indicative of the planning and design professionals distancing from developers of these typologies. Instead of working together during the preliminary stages we arrive after the fact and scramble to assemble plausible solutions. I feel that much of this stems from our biased view of contemporary capitalism's products. Yet, we find ourselves shopping in the places we professionally castigate. It seems as if we operate from a Marxian condition condemning the things we can not do without.
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