Distribution System and Urban Space in the 21st Century

Locational Characteristics of Department Stores in the Metropolitan Area: A Comparative Study of Three Major Metropolitan Areas

IWAMA Nobuyuki
University of Tsukuba

In this study, I have examined the locational characteristics of department stores in the Tokyo, Keihanshin, and Nagoya metropolitan areas, and investigated similarities and differences among them.

To achieve my purpose, I classified all department stores into several types according to factor and cluster analysis based on qualitative features of each store (goods characteristics, service characteristics, etc.). I investigated each cluster's distribution pattern by three major metropolitan areas and compared them.

As a result, the following points were drawn as similarities. Department stores' characteristics have changed in proportion to some regional features such as the distance from metropolitan centers and the day time/night time population ratios of the district in which each store is located. The department stores specialized in shopping goods such as women's clothes and accessories have accumulated in the large cities like metropolitan centers, which show a high score in the day time/night time population ratios. On the other hand, stores characterized by convenience goods such as food and commodity goods, and shopping center type stores have located in the suburbs, whose population ratios were lower. The former type can be seen in a 35 km zone beyond the metropolitan centers, and latter type has located within a radius of 11–35 km.

Then I found the regional differences. In Tokyo, numerous stores are located in the suburbs, but in Keihanshin and Nagoya, aggregations are not so distinctive as in Tokyo. We can also identify relationships between store characteristics and their locations. In the Tokyo metropolitan area, stores have characteristically formed a spatially hierarchical structure centering on Tokyo. In contrast, Osaka, Kyoto,

and Kobe have formed relatively independent trade areas. The Keihanshin metropolitan area has formed a tri-polarized structure, centering on the three cities. On the other hand, the Nagoya metropolitan area has tended to monopolize.

The Complementarity of Big-Stores in Metropolitan Areas

GOTO Yutaka
Hirosaki University

Merchandizing of big-stores (containing department stores and GMS (general merchandized store)) are constructed by mutual complementarity at local retail markets. In the results of various store surveys, it was elucidated that GMS had different features in every chain-store, but shared the role of supplying goods with even prices to the whole of their commercial areas. On the other hand, among business conditions of department stores, there is competition between and in commercial accumulation, respectively, and each store gropes to make its own position clear by dislocating each price of goods. It was confirmed that these wholes are constructed by a simple two-layer structure of the buy-around goods at the center, and the highest quality goods in the suburbs, even in the one million class of metropolitan city.

The Locational Characteristic of a Convenience Store in Kyoto City

ARAKI Toshiyuki
WESCO Inc.

The purpose of this research is to clarify the locational characteristic and the locational pattern of the convenience store (CVS) in Kyoto city.

The population of Kyoto city increased by 0.3% in 1995–2000. In the urban core (Kamigyo, Nakagyo, Shimogyo and Higashiyama wards), the population aged from 20 to 29 that related to the locational pattern of CVS increased by 1.3%.

In Kyoto City, CVS are dispersed in the built-up area. For example, CVS are located in the central business district, or near railway stations such as Kyoto, Yamashina and Shijyo-Omiya, or in roadside areas such as Route 1, Route 9 and Route 24.

During the past 25 years, 743 stores were opened and 201 stores were closed. CVS were mainly located in residential districts in the surrounding area of the urban core, but they gradually expanded to the urban core and the suburban areas. In recent years, CVS concentrated in the central business district in the urban core. Therefore the locational pattern of CVS showed the tendency of concentration and suburbanization.

In conclusion, this analysis of the locational characteristic of CVS clarified the tendency to diversification in various areas. For example, CVS expanded to the central business district in the urban core, to industrial districts and mixed districts in the surrounding area of the urban core, and to districts that are distant from residential districts in suburban areas.

Spatial Reorganization of Headquarters in Major Retail Companies

ITO Kenji
Meijo University

There were various changes in office location in this decade. In this study, I focused especially on two aspects. One is the suburbanization of office function, and the other is the increased establishment of the joint holding company, which have caused relocation of headquarters.

Office suburbanization is not very clear in Japan. In spite of the suburbanization of factories and retail outlets, the tendency for offices to remain in the central cities, especially in the CBD, is still dominant. However, some headquarters have moved to the suburbs to reduce fixed costs. One example is the relocation of Uny Co., Ltd. and its group companies. Uny is one of the major retail companies in Japan, and the largest in the Nagoya metropolitan area. The headquarters of Uny moved from Nagoya to Inazawa in 1993. The former headquarters was located in the downtown Nagoya, very close to Nagoya station. Inazawa city is located

in a northwestern suburb of Nagoya, about 15 km from the former location. There were three stages by which the headquarters of the Uny Group moved to Inazawa. The first stage was the relocation of Uny's headquarters. The second stage was in 1996, when Uny opened a superstore, Apita, next to its headquarters and some headquarters of subsidiary companies moved to the building. The third stage was in 2000, as two buildings were constructed, and other headquarters of the Uny Group came to Inazawa from Nagoya or other cities to form a new office complex.

In recent years, establishment of joint holding companies is increasing. For example, Circle K Japan Co., Ltd., which is the fourth largest convenience store company, and Sunkus & Associates Inc., which is the fifth largest convenience store company, established a joint holding company, C & S Co., Ltd. Circle K is a subsidiary company of Uny and its headquarters is located with Uny in Inazawa, but C & S is located in Tokyo. Establishing holding companies is necessary for each company to survive in the industry. But from the viewpoint of most cities, it will gradually become a difficult problem. And it is hard to prevent such headquarters from leaving: only Tokyo will become larger and larger. A remaining problem to be solved is that many Japanese major metropolis maintain headquarters in the city or at least in their metropolitan areas.

Growth and Formation of Store Networks by a Supermarket Chain: A Case Study of Inageya Co.

YASUKURA Ryoji
Ritsumeikan University

This article clarifies how supermarkets have grown using the Inageya Co. as a case study. Inageya Co. operates in the Tokyo Metropolitan Area, and considering the formation of its store network and other factors, is one of the largest supermarket chains in existence. In 1956, Inageya Co. began its self-service system operations. By 1973, there were 13 branches located in the Tachikawa City area and nearby cities. The headquarters were located in Tachikawa city. By the late 1970s, Inageya was opening approximately 10 stores per annum, and its

location area had expanded to include the whole of Tokyo Metropolitan Area as well as Saitama, Kanagawa and Gunma Prefectures. So many store locations could not have been achieved without the existence of the delivery center that opened at Musashimurayama City in 1973. Fresh food needs to be delivered as quickly as possible to many stores. After being processed at the delivery center, it was sent in a mobile refrigerator to each store to keep it fresh.

By the 1990s, Inageya Co. had expanded to Chiba and Ibaraki Prefectures. At the same time, larger, 2,000–3,000 m² stores were built because the Large Scale Retail Store Act managed to deregulate the industry. A new delivery center was built in Chiba Prefecture. At the same time, the late 1990s saw some store closures. The cause of these closures was two fold: after deregulation, a shop with a floor space under 500 m² became uncompetitive. Also, shops located in Gunma Prefecture proved to be too far from the delivery centers.

Inageya Co. succeeded as a large supermarket chain because it had good tactics: from the 1970s, it moved into and took advantage of the densely populated Tokyo suburbs. Now, Inageya Co. differentiates itself from other supermarket chains through the continued expansion of its store location areas and also through the reorganization of its store network.

Convenience Stores Location in Rural Areas, Japan

TSUCHIYA Jun
Nagoya University

This study analyzes the location of convenience stores in rural areas, especially Tokai district (Aichi, Gifu, and Mie Prefectures). The location of convenience stores in Japan from metropolitan area to middle class cities. In rural areas, convenience stores gradually have been appearing at arterial roads since the 1990s. This development pattern was produced by large and aggressive chain stores such as Seven-Eleven, Lawson, and Circle K. In Tokai district, Circle K and Lawson are locating their stores not only in core areas of Tokai district such as Nagoya metropolitan area but also in its surrounding areas. In the northern part of

Gifu Prefecture where large chain stores are few. Timely, one of the small convenience stores chains, constructed a store network to supply several daily goods to rural people.

In rural areas, there are many small stores which will be closed in 10 or 20 years, because such store owners are aged. So rural areas need to locate alternative stores to care of the daily life of rural people. This study indicates that convenience store is one of the important future stores in the rural areas.

Regional Competition of Specialty Retail Chains: Case of Home Center and Mass Retailer of Consumer Electronics

KANEKO Jun
University of Tsukuba

The objective of this study is to clarify the regional competition that occurs in the process of a company's growth, based on the location pattern of specialty retail chains. Specialty retail chains have grown rapidly in the 1990s. Especially, large companies in home center and mass retailers of consumer electronics have expanded the number of their stores during the 1990s. But, at the moment, there are no specialty retail chain companies which have established a national network of stores throughout Japan.

Compared with supermarkets specializing in fresh food, it is more important for specialty retail chains to cut chain operation costs than to maintain lead-time. Thus, the spatial structure of location pattern and distribution system in specialty retail chain differs from other types of management.

The headquarters in home centers are dispersed throughout Japan. They are not only established in large cities, but in small and middle-sized cities. At the beginning of the 1990s, most home centers showed a location pattern that concentrated stores within a prefecture around their headquarters and neighboring area. In this period, there was little competition between home centers based on each region in Japan.

In the late 1990s, home centers continued to locate their stores in existing dominant area. At the same time, the high-rank chains of home center have expanded their network of stores to

the area where older chains have already formed their geographical base. As a result, there has occurred regional competition among several home centers locating stores in the same area.

In the same way as home centers, the high-rank chains of mass retailers of consumer electronics have divided the regional market in various parts of Japan among each company by the early 1990s. The regional competition between companies were not well confirmed. The reason for this was that the biggest company in each market was able to trade with the regional wholesalers under the most favorable terms.

In the late 1990s, mass retailers of consumer electronics have concentrated on the building of national networks of stores to stock goods in bulk and raise their market shares. They have been able to trade with manufactures directly to increase amount of dealings. In addition, some companies have constructed their own distribution system and spread the network of stores beyond the territory of regional wholesalers.

Restructuring of Distribution System by Informatization

HASHIMOTO Kenji

Osaka Gakuin University

Informatization has progressed rapidly in Japan's distribution system since the latter half of the 1980s, in line with the establishment of short-cycle POS management using individual products as units. This, combined with the vast sales authority of chain stores, has accelerated the transfer of the initiative to retailers in distribution channels.

With major chain stores gaining the initiative, their demand level with respect to manufacturers has increased, and has also changed from demand of a specific, one-off nature, such as demand relating to the delivery terms of individual products, to that of a long-term/strategic nature, such as the demand for implementation of proposal-based business and the introduction of higher-frequency delivery in smaller lots. As the business activities of manufacturers has undergone change, information technology, represented by computers and communications networks, has come to play two broad

roles. One is the role of data communication mechanisms by which business information is exchanged among bases, and the other is the role of analysis mechanisms for analyzing the large volumes of business information stored in the form of databases, thereby obtaining knowledge that is useful to business activities. With respect to the former role, business information is routinely exchanged among almost all manufacturers via communications networks and standardized information is exchanged at high frequency via dedicated communications lines; exchange of non-standardized information via the internet is also increasing rapidly. Moreover, at the level of superior bases, such as regional offices, the horizontal exchange of information is frequently being effected among bases, and measures to strengthen this aspect appear to be progressing.

On the other hand, transmission of sophisticated and strategically important information tends to depend to a large extent on face-to-face contacts, thus serving as a factor to generate movement of peoples between bases. With respect to the latter role, there is an increasing tendency to concentrate responses to chain stores, including data analysis, to superior bases rather than to branch offices in order to efficiently utilize both human resources with a high analytic capability, and information equipment.

On the Relationships between Zoning and Retail Location in Japan

NEDA Katsuhiko

Nara University of Education

Compared to other advanced nations, the Japanese retail industry is highly fragmented. There are hundreds of thousands of small retail shops and businesses in the country. The purpose of this study is to demonstrate that the City Planning Act has had a great effect on such retail structure in Japan. The result is summarized as follows:

In the City Planning Act, Urbanization Promotion Areas are divided into three main zones, residential, commercial and industrial zones. The ratio of retail shops in the commercial zone to all shops was over 40% in 1999, while the

ratios in residential and industrial zones were 29.0% and 4.7% respectively. In Japan, there are many shops in the residential and industrial zones because the City Planning Act does not prohibit the location of shops in those zones. For example, retail shop with sales space of less than 50 square meters can locate in exclusive residential zone. In Type 1 Residential Zones, large scale store with sales space of less than 3,000 square meters can be opened.

The ratio of small shops with less than three employees is the highest in commercial and the second highest in residential zones. Most small shops have opened and closed in these zones. But the ratio of small shops in the residential zones has decreased rapidly from 1982 to 1999. Since 1980, many modern retail formats, such as convenience stores and supermarkets, have opened in residential zones. In Nara City, the ratio of retail shops in commercial zone to all shops was over 50%, while the ratio in residential zone was 26.7% in 2000. In commercial zones, many shops are distributed in a scattering outside retail areas. Retail areas are in residential zones, but many shops are distributed in a scattering outside those areas.

I conclude that the City Planning Act in Japan has had a great effect on retail spatial pattern. Retail shops are able to locate outside the commercial zone. That is one of the main causes that the Japanese retail industry is so highly fragmented.

The Internationalization of Retail Space in Asian Urban Areas: A New Dynamic in Spatial Structuring

KAWABATA Motoh
Ryukoku University

Recently many European or American retailers have moved to Asian markets, especially Asian urban areas. For example, Carrefour, a French based hypermarket chain, has already located over one hundred outlets in eight Asian

countries, and Tesco, a UK based superstore chain, has allocated almost sixty outlets in three Asian countries. Furthermore, Netherlands based wholesaler Makro has over sixty outlets in six countries, while the Belgium based supermarket Delhaize has over seventy outlets in three countries.

This phenomenon is greatly changing the competitive retail environment in large Asian cities. Thus some conflicts between foreign retailers and local ones are occurring. For instance, in Bangkok many small local retail owners have demanded that the Thai government regulate the expansion of large foreign retailers, and that new regulative policies be implemented.

What is of more consequence to us is the involvement of foreign retailers bringing about a significant change in the dynamics of spatial structuring. That is to say, at first many hypermarket or superstore enterprises allocated large-scale warehouse format stores in suburban areas and changed the retailing spatial structure in urban areas. Second, many local developers exploited numerous retail spaces and shopping centers inviting foreign retailers. Namely, the retail space supplying mechanism was transformed. Third, large European or American retailers have often entered Asian markets through the M & A strategy and have changed the capital characteristics of acquired retailers. Consequently, the local retailers may change their spatial behavior, especially location strategy, in response to this situation.

The internationalization of retailing has usually been understood through understanding how global retailers behaved in overseas markets. The author, however, suggests that we have to consider another angle: how has the internationalization of retailing changed the retail spaces. This diversion would clarify a new dynamic in the spatial structuring of urban areas in Asia.