

Growth Pattern of Shopping Centres in the City of Kathmandu

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1.1 Introduction

Retailing measured in terms of intra-city structure, locational arrangement and changes had been a neglected aspect of urban study till the publication of Christaller's Central Place Theory.¹ The original system of Christaller's central places is basically concerned with central places on an inter-city scale.² Later, it has been claimed that the hierarchy of central places accords closely with the intra-urban system of central places, i.e., shopping centres.³ Such studies have been linked with the theory of tertiary activity.⁴ The pioneer works along this line include empirical investigations made by Proudfoot,⁵ Canoyer,⁶ Ratcliff⁷ and Garrison.⁸ Shopping centres on intra-city scale are dynamic. Changes take place in structure, shop

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1. W. Christaller, Central Places in Southern Germany translated by C. W. Baskin (Englewood Cliffs: Prentice Hall, 1966)
2. Ibid.
3. B.J.L. Berry and W.L.G. Garrison, "Recent Developments of Central Place Theory" Papers and Proceedings of the Regional Science Association (1958), pp. 117-20.
4. Ibid.
5. M.J. Proudfoot, "City Retail Structure" Economic Geography, Vol. 13, (1937), pp. 425-28.
6. H.G. Canoyer, Selecting A Store Location (Washington: Government Printing Office, 1946).
7. R.U. Ratcliff, Urban Land Economics (New York: McGraw-Hill, 1949).
8. W.L. Garrison, "The Business Structure of the Consumer Tributary Area of the Fountain Square Major Outlying Business Centre of Evaston". Unpublished Ph. D. thesis, Northwestern University, Evaston.

types and locational association. Several ecological forces are involved in these changes.⁹ They also reflect changes that occur in shopping behaviour, new developments and fashion, accessibility and city growth.¹⁰ It is in these lines that the study of intra-city structure of shopping centres in Kathmandu has been made.

1.2 Objectives

The objectives of the present study are as follows :

- [a] To analyse the changes that have taken place in the system of shopping centres in the city;
- [b] To assess the changes of shop types in the shopping centres ;
- [c] To analyse the changes in the locational arrangement of retail units in different shopping centres in the city.

1.3 Methodology

The conceptual framework of this study is related to the theory of tertiary activity.¹¹ There are two components of the theory of tertiary activity: [1] hierarchical structure and [2] the behaviour of consumers.¹² The rank-hierarchy of shopping centres has been basically identified on the basis of sources of customers.

The information about sources of customers has been obtained from the shop-keepers. When the majority of the sampled shops in a cluster would become patronised by specific sources of customers the clusters have been placed in specific tier. At the apex there is the central shopping centre, the sources of customers for which are the entire city and the hinterland. The clusters where shops get customers from certain parts of the city and the hinterlands are designated as outlying shopping centres, while the shop cluster dependent on certain parts of the hinterland for their customers are labelled as thoroughfare shopping centres. The identification of outlying shopping centres has become difficult simply on the basis of the sources of customers. Therefore, another criterion was also used. It is found that in such centres there are retail outlets dealing in furniture, construction materials and high quality jewellery and tourist goods, which are complementary character to the shops of the central area. This very character was

9. R.D. McKenzie, "Ecological Processes Determining The Internal Structure of Community" in R.E. Park, E.W. Burgess and R.D. McKenzie (eds.) *The City* (Chicago: Chicago University Press, 1925), pp 73-79.

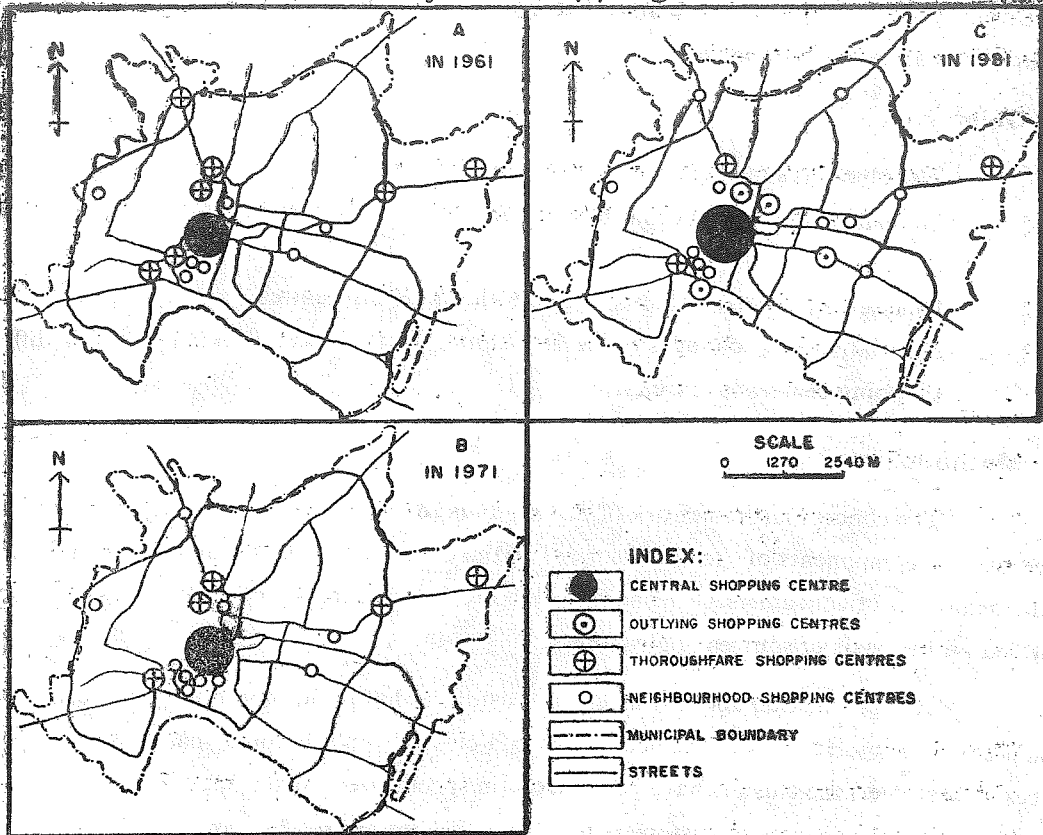
10. See R.E. Park, E.W. Burgess and R.D. McKenzie (eds.) *Ibid.*

11. K.S.O. Beavon, *Central Place Theory: A Reinterpretation*, (London: Longman, 1977) pp. 5-16.

12. For detail information on Theory of Tertiary Activity see K.S.O. Beavon *op. cit.* Footnote 11, pp. 8-10.

KATHMANDU Rank-Hierarchy of Shopping Centres

FIG. 1



taken as the additional basis in recognizing the outlying shopping centres. The neighbourhood shopping centres are those shop clusters where customers are basically local. In such cases the neighbourhood residential areas have been defined within the limit of five minutes walking distance from the centre of neighbourhood shop clusters. Obviously, isolated shops are those which are widely spaced without association. the customers in such cases are basically local. But the isolated shops located in main streets get customers from traffic flow as well. However, the numerical strength of such shops is relatively low. Individual shopping centres have been delimited on the basis of continuity. The limit of the continuity of a shop cluster has been fixed at the minimum front space distance of sixty metres. This is justifiable in view of the nature of shop types and their courses of customers. The presence of other commercial establishment has not been taken into account in consideration of continuity.

The data informations have been collected from the field survey. Questionnaire has been administered. In addition, observation has been carried, by using large scale maps. Discussion has been made with resource persons. Three different years of 1961, 1971 and 1981 have been taken for identifying changes. The selection of these years is justifiable in view of the intensity of changes which has appeared after 1961. The change, though present before 1961, is relatively imperceptible. In different shopping centres of the city, the random sampling of ten percent of the total shops, which existed in 1981, has been taken.

1.3 Retail Structure in 1961

In 1961, there were four rank hierarchy of shopping centres in the city of Kathmandu [Fig. 1 A]. These include one central shopping centre, seven thoroughfare shopping centres, seven neighbourhood shopping streets and isolated shops. The K-values¹³ of successive grades are not regular [Table 1].

Table 1

Rank-Hierarchy of Shopping Centres in 1961*

Rank	Centre	Number	Ratio
1	Central Shopping Centre	1	7.0
2	Thoroughfare Shopping Centre	7	1.0
3	Neighbourhood Shopping Centre	7	

Source - Field Survey 1981.

* Isolated Shops are not shown.

The central shopping area was the confined to the central heavily populated historical core. The centre was limited in spatial extent. Shops were concentrated in Asan, Indra-

13. For information about variable K-values see A. Lösch, The Economics of Location, (New Haven: Yale University Press, 1954).

chouk, Bhotahity, Thanhiti, Makhan and the present Sukrapath. The ground floors of all the residential houses along the important streets of the area were occupied by shops. The district then accommodated nearly forty-eight percent of all the shop units of the city. The shop types located in this area reflect the source of customers and the general situation prevailing over the country. The country had just contact with outside world and the impact of modernisation was just beginning. These conditions did basically control the types of shops found in this centre. The city was still the important shopping focus of rural inhabitants of the country. Shops with colourful coarse quality of cloths, traditional utensils traditional household goods, miscellaneous household goods like salt, kerosen, cigarette, tobacco were predominant in this central shopping area. These shop types combined together accounted for about fifty one percent of the total shops of the central area. The traditional clothing stores alone represented nineteen percent [Table 2]. Shops dealing in fashionable goods and tourist-oriented goods did not exist. Specialised shops dealing in leading in ladies' saries, which are so dominant at present, had not developed by 1961. Female shoppers were then uncommon. The share of modern clothing stores was only two percent.

Chable, Bouddha, Chhetrapati, Shorhakhute, Kalimati, Maru-Bhimsensthan and Balaju were seven thoroughfare shopping centres. These were the traditional routes of entry into the city centre. These shopping centres developed along the major routes which linked Kathmandu with different parts of its service area. These centres were not evenly spaced. The locational arrangement of these centres was also not conditioned by the direction of the expansion of the city. The relative importance of these centres was determined by the intensity of pedestrian traffic flow from the surrounding areas. This was well reflected in the commercial importance of centres like Shorhakhute, Chhetrapati, Kalimati and Chabel which were the main routes of entry from the western and northern hill areas falling exclusively under the influence of Kathmandu. These thoroughfare shopping centres were characterised by the presence of shops dealing in convenience goods and catering establishment [Table 2]. Food grains shops and restaurants were dominant in most of these centres [Table 2]. Retail units associated with shopping goods were quite unimportant. The centre of Chabel stands as an exception. In this area the traditional clothing stores constituted thirty-three percent of the local shops [Table 2]. In the thoroughfare shopping centres, these were shops of neighbourhood character also.

Chikanmugal, Jhochhen, Lagan, Dillibajar, Thamel, Naxal and Soyambhu were the neighbourhood shopping streets. Some of these centres were located in the central area and some on the outskirts. Nearly sixteen percent of the total retail units were located in those streets.

Retail units dealing in food grains, spices, green grocery, traditional ready food items were predominant in these streets. Chikanmungal, though appeared as neighbourhood shopping centre, was associated with a number of shops, which were of the thoroughfare character.

About eight percent of the total retail units then distributed as isolated shops in different parts of Kathmandu.

Ecological sub-formation of shop types was clearly discernible in both the central shopping area and thoroughfare shopping centres. In the central shopping centre the shop affinity of competitive rather than complementary character was relatively dominant. Thus, there were sub-centres exclusively occupied by traditional clothing stores and metal goods. Makhan, New Road and part of Indrachouk were examples of the former and part of Indrachouk was the representative of the latter. In these areas shops dealing in complementary goods were rare. Shop association in the context of traditional clothing stores and metal goods was also notable. This form markedly developed in the Indrachouk area.

Unlike ecological sub-formation of competitive retail stores in the central shopping area, shop affinity in the thoroughfare shoppings centres was characterised by association of complementary shops. Thus, in several cases a cluster of shops dealing in traditional clothing, miscellaneous good and food grains existed. Frequently such clusters had an addition of traditional restaurants (Bhatees) also. Moreover, in some cases congregation of competition retail units were reported. For instance, the clusters of restaurants in Baudha, traditional clothing stores in Chabel, food grain shops in Balaju and Shorhakhute can be taken as good examples. The ecological site grouping of tourist-oriented shops even in 1961 was present in Boudha [Table 2].

Table 2

Distribution of Shop-Types
in 1961
(In Percent)

Shop - Types	RETAIL CENTRES													
	Central shopping centre	Thoroughfare shopping centres						Neighbourhood shopping centres						
		a	b	c	d	e	f	g	h	i	j	k	l	m
1] Drug stores	2													20
2] Clothing Stores (Traditional)	19			20		33								
3] Clothing Stores (Modern)	2													
4] Foodgrains and Miscellaneous	18	25	55	54	20	25	50	55	25	60	50	50	86	80
5] Household goods (Traditional)	8			15	10									
6] Miscellaneous	21	62	34	8	20	17	40	20	25	50	75	14	20	
7] Restaurants	6	13	11	15	30	42	45	15					25	
8] Make-up goods	4													
9] Utensils (Traditional)	6													
10] Utensils (Modern)	-													
11] Tourist oriented goods	-						33							
12] Construction materials	4													
13] Furniture	2													
14] Others	8			8						20			25	

Source - Field Survey
 Note - Isolated shops are not shown
 [a] Kalimati, [b] Maru-Bhimsensthan, [c] Chhetrapati, [d] Shorha-khute, [e] Bouda, [f] Chabel, [g] Balaju, [h] Chikanmungal, [i] Dillibazar, [j] Jhochhen, [k] Naxal, [l] Soyambhu, [m] Thamel, [n] Lagan.

1.4 Change in Retail Structure Between 1961—1971

The construction of new highways linking the city with other parts of the country, the expansion of the city built-up area, the inflow of increasing number of tourists, modernisation, change in shopping behaviour etc. have considerable impact on the retail structure in the city during the decade 1961-1971. The remarkable impact has been due to tourist inflow into the city.

The most remarkable structural change has been the expansion of the central shopping area, (Fig. 1 B). There has been both horizontal and vertical expansion. Though the actual number of shop units has increased, there has been decline of the percentage of shops from forty-eight percent in 1961 to forty percent in 1971. It partly reflected that the central functions other than shops increased during this decade in the central shopping area of the city.

The number of thoroughfare shopping centres has decreased from seven to five, whereas the number of neighbourhood shopping streets and isolated shops increased. There were ten neighbourhood shopping centres in 1971, while the number was only seven in 1961 (Table 4).

Table 3

Retail Structure, 1971*

Centres	Number	Ratio
[1] Central Shopping Centres	1	5.0
[2] Thoroughfare Shopping Centres	5	2.0
[3] Neighbourhood Shopping Centre	10	

Source - Field Survey 1981.

* Isolated Shops are not Shown.

The decline of thoroughfare shopping centres was mainly due to decrease of pedestrian traffic, which was caused by the introduction of modern mode of transportation. The increase in the number and the importance of neighbourhood shopping centres was obviously attributable to the growth of the city. This also accounted for the isolated shops.

The change was equally prominent in the retail types. Retail units dealing in rural-oriented traditional clothing and garments and household goods were replaced by more competitive other retail units. The relative importance of the traditional clothing stores, food grains and household goods measured in terms of the numerical strength has declined (Table 4). The percentage of traditional clothing stores has decreased from nineteen in 1961 to eight Percent in 1971. On the other hand, modern clothing stores has increased from two percent to eleven percent during this decade (Table 4). The growth of tourist oriented retail units (4%) and variety foreign goods (3%) was notable as such establishments did not exist in 1961 in the central shopping area (Table 2). The drastic decline of shops dealing in convenience goods was another feature of change.

The number of retail establishments in the thoroughfare centres has increased but the percentage of retail establishments has dropped from twenty-eight in 1961 to twenty-one in 1971. Moreover the characteristic features of shop types have also changed. In Kalimati new shops oriented to increasing vehicular traffics rather than to pedestrain ones have emerged. The growth of restaurants has remarkable (Table 4). Though Chetrapati and Shorhakhute thoroughfare centres have mentained their former characteristics to a great extent, many shops serving neighbourhood areas have developed. But these areas could not attract shop types oriented to vehicular traffics as in the case of Kalimati. And they remained dependent virtually on pedestrain traffics. In Boudha more new shops oriented to tourism have development (Table 4). In the case of Chabel, the new residential development in this area has given rise to increasing number of shops serving the local customers rather than the people of the hinterland.

In neighbourhood shopping centres, the percentage of shop units has increased from sixteen percent in 1961 to twenty seven percent in 1971. There have been recognisable changes in shop types in these centres also to meet new needs and standard. These changes are clearly visible from Table 4.

In response to the expansion of built-up area the number of isolated shops also rose significantly.

The change in the locational arrangement of shops is also notable. Generally, the nature of changes, that has appeared during the decade 1961-1971, has distorted the traditional ecology of retail units in most of the major shopping centres in the city. New addition and changes which have come in response to new developments and fashion could not, however, replace the traditional pattern of location of shops. Therefore, the locational arrangement that

Table 4

Distribution of Shop - Types in 1971

(In Percent)

Shop - Types	RETAIL CENTRES																
	Central Shopping Centre	Thoroughfare Shopping Centres						g	is								
		a	c	d	e	f	b		g	h	i	j	l	m	n	o	
1) Drug Stores	2							8									8
2) Clothing Stores (Traditional)	8		20	7	25												
3) Clothing Stores (Modern)	11																
4) Food grains and miscellaneous	18	22	40	18	37	20	38	14	46	25	18	55	66	75			
5) Household goods (Traditional)	4		7	10													
6) Miscellaneous	21	39	40	40	13	60	29	15	25	25	50	9	17				
7) Restaurants	8	39	30	25	25	10	62	28	31	13	33	50	17				18
8) Make - up goods	3																
9) Utensils (Traditional)	2																
10) Utensils (Modern)	2																
11) Tourist-oriented goods	4		7	50						25		9					
12) Variety foreign goods	3																
13) Construction materials	2					10											
14) Furniture Store	2																
15) Others	10		6				29		12	8	9	25					

Source - Field Survey

Note - Isolated Shops are not shown

[a] Kalimati, [b] Maru-Bhimsenasthan, [c] Chhetrapati, [d] Shorhakute, [e] Bouddha, [f] Chabel, [g] Baleju, [h] Chaikamungal, [i] Dillibazar, [j] Jhochhen, [k] Narai, [l] Soyambhu, [m] Thamel, [n] Lagan, [o] Khachhapokhari.

was discernible in 1971 was transitional in character. In the central shopping centre, the shop-groups of metal goods and traditional clothing Stores were invaded by tourist oriented shops, modern clothing stores and modern variety stores. As a result, the original form of shop affinity has changed. Owing to the time lag in the new ecological sub-formation, the pattern of shop-association was characterised by mixed form, hence complicated in arrangement. Similar transitional trends have been associated with other shopping centres as well (Table 4).

1.5. changes in Retail Structure between 1971-1981 .

During the decade 1971-1981 change has been highly prominent. The change which is reflected in the structure, shop types and shopaffinity is attributable to the factors like increasing inflow of tourists, development of modern transportation and communication, links of the city with foreign countries and other parts of the country, the growth of population, physical expansion of the city, and new fashion and outlook.

In 1981 five rank-hierarchy of retail centres has developed (F. g, 1 c.). The structure conforms very closely to the empirical model of proudfoot¹⁴. The structure consists of central shopping centre, outlying centre, thoroughfare shopping centre, neighbourhood shopping centres and isolated shops. The number of shopping centres follows a pattern in the first four higher grades in the order of 1: 3. 3; 11. This differs markedly from the norm of Christaller's model¹⁵.

Although rank-hierarchy of shopping centres has been recognised on the basis of sources of customers as noted above, neat demarcation between successive ranks cannot be made. Differences which are reflected in shop types are marginal in some cases. Even the variation in the sources of customers is not high. Chabel which now ranks as neighbourhood shopping centre still contains many shops which are characteristic of thoroughfare shopping centres. For instance, about twenty-two percent of the total local shops represent traditional clothing stores which are characteristic of thoroughfare shopping centres. Similarly, Soyambu should be interpreted as a neighbourhood shopping centre of special nature as it is dominated by tourist-oriented shops. However, there are several other shops which are of neighbourhood character, and the majority of the customers are local. Therefore, the step-like arrangement of

14. M. J. Proudfoot, *op. cit.*, Footnote 5.

15. See E. Ullman, "A Theory of Location For Cities", *American Journal of Sociology*, XLVI, (1941), pp. 835-64.

different groups of shopping centres should be interpreted with due consideration of the limitations.

The most important structural change during the decade of 1971-1981 has been the rapid spatial expansion of the shopping centres. This is especially prominent in the central shopping area. The adjoining allies which were previously associated with isolated shops and neighbourhood shopping centres have become continuous parts of the central shopping area. Old buildings are replaced by new ones to accommodate new functions. Vertical expansion is reflected in the infiltration of retail and other commercial uses into the residential parts of upper floors. As the process of the outgoing of people from this noisy and congested part of the city to suburban area has started, the process of change in the uses of building existing now as institutional deserts is going with full speed.

In the outlying and thoroughfare shopping centres, the expansion has been axial. As a result, the detached clusters have become physically linked. This is clearly seen in the case of Shorhakhuta and Chhetrapati, Kalimati and Teku, and Dillibajar, Bagabajar and putali Sadak. However, vertical expansion except for the location of few business establishments and professional services is not well perceptible in these shopping centres.

The change in shop types is highly notable. In the central shopping area, the traditional clothing stores have virtually disappeared by 1981, while in 1961 and 1971 these outlets represented nineteen and eight percents of the total shop units in the central area respectively. The relative importance of modern clothing stores has slightly declined during this decade (Table 5). The most remarkable increase has been in the case of tourist-oriented shops (12 percent), variety foreign goods (10 percent) and modern restaurants (11 percent) (Table 5).

The shop types which have developed in outlying shopping centres during the decade of 1971-1981 vary from centre to centre depending on the location. In Durbar Marga and Thamel, tourist-oriented shops are highly dominant. Such shop types do not exist in Dillibajar-Bagabajar and Teku. Food grain shops and outlets dealing in miscellaneous goods have developed in Dillibajar-Bagabajar and Thamel, while they do not exist in Durbar Marga at all. Therefore, the Durbar Marga area should be taken as a special outlying shopping centre. On the other hand, Teku is predominantly associated with shops dealing in construction materials. Restaurants are numerous in all these centres (Table 5). Stores like furniture and construction materials, which require large space, have developed in these centres except in Durbar Marga which has

become associated with two specialized outlets, tourist-oriented units and restaurants (Table 5).

In thoroughfare shopping centres, food grain stores, miscellaneous shops and restaurants are found in all centres. Traditional clothing stores still continue to exist in two centres (Table 5). Boudha is different from other two in the sense that tourist oriented shops, which do not exist in other two centres, are highly dominant in this place.

Generally, places located in the vicinity of tourist spots have become increasingly the focal points of tourist-oriented shops, while places associated with hinterland-generate pedestrian traffic continue to have traditional clothing stores, food grain and miscellaneous shops.

In neighbourhood shopping centres, the dominant shop types are food grain stores, miscellaneous shops and restaurants, while in some centres located along the streets with tourist traffic have attracted some tourist-oriented shops (Table 5).

There have been notable changes in the locational arrangement of shops also. In the central shopping area highly specialized shop groups have developed by completely replacing old clusters. The pattern of shop affinity developed by 1981 is quite different from that of 1961. There are spots exclusively occupied by tourist-oriented shops, variety foreign goods stores and modern clothing stores. Such places include Jhachhen, Indrachouk, Makhan, New Road and Kamalachi. The hypothesis which could be postulated to explain this pattern would be competition and shopping behaviour. Shops of competitive character have grouped together. This is well explained by rent paying capability and shopping behaviour of customers who prefer to have careful selection in buying shopping goods including costly tourist-oriented outlets. The ecological sub-formation of ladies' series is notable in Indrachouk. There has been increasing number of female customers who are very particular in selection of brand. They normally visit several shops before making final decision in purchasing. This explains well the pattern of shop affinity developed in several places of the central shopping area. The same explanation applies to the shops which deal in costly tourist-oriented goods.

In outlying and thoroughfare shopping centres, shop affinity pattern varies from place to place, hence a single hypothesis can not explain it. In most cases, it is found that the locational arrangement of shops is complementary rather than competitive. The lack of specialized sub-groups is partly due to limited numerical strength of the individual types of shops. The

Table 6
Distribution of Shop - Types in 1981

(In Percent)

Shop - Types	RETAIL CENTRES																		
	Central Shopping Centre	Gutlying Shopping Centres				Thoroughfare Shopping Centres				Neighbourhood Shopping Centres									
		i	m	p	t	a	d	e	b	c	f	g	h	k	l	n	q	r	s
1) Drug Stores	2	4			20	7		5	8										
2) Clothing Stores (Traditional)	2				4	14		9	22										
3) Clothing Stores (Modern)	14																		
4) Food grains and miscellaneous	16	35	22	8	22	19	24	34	39	22	36	31	7	17	28	55	25		
5) Household goods (Traditional)	1							11	10										
6) Miscellaneous	15	20	4		32	7		33	29	28	27	28	15	26	43	29	17	25	
7) Restaurants	11	21	11	10	25	23	18	11	17	27	25	23	33	34	29	28	25		
8) Make - up goods	2																		
9) Utensils (Traditional)	1																		
10) Utensils (Modern)	2		3																
11) Tourist-oriented goods	12	54	82		48			5	25	57	24								
12) Variety foreign goods	10			25															
13) Construction materials	5	4	3	50	5	3	8												
14) Furniture Store	1	3																	
15) Books and magazines	2	3	3																
16) Electric and Electronic Goods	1	10																	
17) Arto-accessories					14			16	5	12	15								
18) Others	3				13														

Source - Field Survey

Note - Isolated Shops are not shown
 [a] Kalimati, [b] Maru-Bhimseasthan, [c] Chhetrapati, [d] Shorhakhute, [e] Boudha,
 [f] Chabel, [g] Balaju, [h] Caikanmungal, [i] Dillibazar - Bagabazar, [j] Jhochhen,
 [k] Naxal, [l] Soyambhu, [m] Thamel, [n] Lagan, [o] Khichhapokhari, [p] Darwar
 Marga, [q] Kamal Pokhari, [r] Batisputali-Baneswor, [s] Panipokhari, [t] Tokhu.

complementary character in the location of shops is more clearly seen in the neighbourhood shopping centres than in the outlying and thoroughfare shopping centres.

1.6 Conclusion

There have been fundamental changes in retail structure in the city of Kathmandu during the period from 1961 to 1981. The development of retail land uses is seen in both the number of shopping centres and the increase of the spatial extent of the existing centres. The change in shop types has been predominantly from the traditional clothing stores and metal goods shops to tourist-oriented shops, modern clothing stores and variety foreign goods shops. Equally important is the change that has taken place in the pattern of shop affinity. Thus, there have been fundamental changes in retail structure of the city during the last few years.