

Locational Pattern of Retail Stores in Kathmandu

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Introduction

The arrangement of shops on an intra-scale is basically ascribed to the pattern of accessibility as the arrangement of shopping centres within a central-place system is said to reflect the pattern of accessibility.¹ It has been claimed that the hierarchy of central places associated with the theory of tertiary activity accords closely with the intra-urban system of shopping centres.² An understanding of the location and spatial relationships of different kinds of retail units has accumulated over a number of years through a series of empirical studies.³ Retailing, generally, occupies the maximum point of accessibility. Therefore, profitability decreases away from the city centre. A retailer would wish to be located with maximum accessibility in order to maximise his profits.⁴ In western countries, it has been observed that a retail unit, able to turn accessibility to the greatest profit, preempts the central locations. Other unsuccessful stores, in proportion to their economising ability, distribute themselves around the periphery and other less accessible spots.⁵ Within the shopping area, there appears a pronounced tendency towards the sectionalism, a clustering of like or complementary stores. Through a process of economic selection, the retail area begins to acquire a definite locational pattern.⁶

Objectives

Retail units in the city of Kathmandu are highly concentrated in the central area which corresponds to the 'central business district' in an American city. Shops dealing in convenience goods are widely distributed. The virtual absence of shops in the newly developed residential areas is mainly due to time lag. A major retail core is located in close proximity to the historical core of the city.⁷ This central area represents a major focal point of a wide range of retail outlets of shopping goods. The locational arrangement of shops in this central shopping area has some distinct characteristics. The hypotheses developed for explaining the locational pattern of retail outlets in the western cities are not adequate.⁸ Several local conditions are to be taken into account in explaining the pattern

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of retail location in the city of Kathmandu. The objective of this paper is to make an inquiry in this direction.

Methodology

In the study, only retail stores were taken into account. Retail services like tailoring and catering units were not considered. The sources of customers for different types of shops were ascertained by observation as well as by interviewing the shop owners. Shoppers were interviewed to elicit information on their opinions about buying different types of goods. Rental values were obtained by interviewing retailers.

A cluster of shop types was identified on the basis of continuity. Wherever the continuity of complementary or like stores would break by the presence of two or more other stores, it was taken as the limit of a cluster. A group of four and more complementary or like shops in continuity was considered a clustering. Wherever this condition was not found the locational pattern of shops was treated as random.

A shop unit was used to denote the single occurrence of a store. An establishment was considered as a building which might accommodate one or more shop units. A space without partition, though used for two or more different types of retail goods, was considered as a single unit, if it was owned by the same person. The street was taken as a break in continuity, when there was heavy automobile traffic with two way entry. The streets with minimum vehicular traffic were not taken as breaks.

The study was basically an exercise in the locational pattern of retail units in the central shopping core of the Kathmandu city. The central shopping core was delineated on the basis of rental value. The outer limit of the core was the rental value of Rs. 2,000/- per front foot. In this limit lie New Road, Indrachok, Keltole, Assan, Bhotahity, Makhan Jhonchhen and Vedashing Street (from Indrachok to the first crossing).

Spatial Pattern of Shop Affinities

The locational arrangement of shops in the central area of Kathmandu presents several features. This particularity well reflected in shop affinities.

The most prominent feature of shop affinities is the sectionalism-the clustering of stores of like nature. This has remarkably developed in shop types like clothing stores of Indian variety, souvenir shops, variety foreign goods⁹ and miscellaneous goods (daily use) shops. The clustering of Indian clothing stores occurs in the old heart of the central shopping area. The Vedasing street, Makhan and Indrachok are the places where this particular type of clustering occurs. The clustering in the Vedasing street is a recent development, while in Makhan and Indrachok it is the legacy of the past. There are four major places where the clustering of souvenir shops has developed. These areas include Indrachok, Keltole, Jhonchhen and New Road. The shop types that exist in first four places virtually comparable, and most of the local stores deal in cheap quality souvenir goods. On the other

hand, a part of New Road is a special shopping place of high quality soveniar goods like metal crafts and jewelery goods. The congregation of carpet shops in Indrachok and variety foreign goods in New Road are other notable cases, showing the tendency of clustering of like shops. In the carpet shops, the grouping is vertical, whereas in other cases it is dominantly horizontal, except for carpet shops and a few other exceptions the retail stores in the study are lie markedly in the ground floors.

Unlike clustering tendency in the shops noted above, the foreign clothing stores do not tend to congregate. They are rather markedly scattered. Similiar tendency is associated with electrical goods and radio and casset shops. In these shop types, the locational pattern shows neither complementary character nor the feature of mutual association. Similarly, the distribution of gents' clothing stores is also markedly scattered.

The most prominent feature of shop affinities in the central area of Kathmandu is the clustering of like shops. In this ecological sub-formation, some are traditional, and others are new developments.

Analysis of Shop Affinities

There are several hypotheses which have been postulated to explain the spatial characteristics of shop affinities. The concept of differential rent-paying capability and the concept of the tendency for complementary shops to cluster for mutual advantage are the two popular hypotheses developed for western cities.¹⁰ The clustering pattern of shops types in the city of Kathmandu can hardly substantiate these concepts.¹¹

It is true that the shops which deal in convenience goods such as food grains and miscellaneous goods of daily use could hardly bid for sites in the most accessible part of the central area. But within the groups of shop types located in the central area, the concept of differential rent-paying ability does not explain the pattern of shop affinities. In the central area, the variation of rent is minimal except for lanes. It is found that the average rental value per front foot per year ranges from Rs.2000/- in Jhonchhen to Rs. 4,000/- in New Road. In most cases, the fluctuations of average rent per front foot are within Rs. 3,000/- to Rs. 3,700/-. In terms of rent, shops of the central area can be classified into three categories: (1) rented shops, (2) guthi shops, and (3) owner-occupied shops.¹³ The rent in guthi shops is relatively low and the shop-keeper occupy such stores by virtue of leaving occupied under certain agreements. The rent in owner-occupied shops is unknown. These conditions also complicate the working of the factor of rental values in patterning the location of shops. The fact that differences in rent could not bring about changes in shop affinities is well reflected in several cases. This is remarkably noted in the location of tourist-oriented shops of ordinary types. The tourist-oriented shops of comparable nature are significantly clustered in Indrachok, Keltole and Jhonchhen. But differences in rental values between Indrachok and Keltole on the one hand and Jhonchhen on the other are markodly high. The variation of average rental value is about Rs. 1,000/-

per front foot per year. It is relatively low in Jhanchhen and high in Indrachok and Keltole. Similar shop types are grouped together in Indrachok and Vedasing street in the context of stores of Indian clothes notwithstanding variation in rental values by more than Rs. 200/- per front foot per year. The rental value is higher in Indrachok than in Vedasing street. The shop types located in Assan and Bhotahity also reflect the absence of direct relationships between differential rent-paying ability and shop affinities. These spatial characteristics of shop affinities do not substantiate the concept of rent-paying ability.

The second concept of the tendency for complementary shops to cluster for mutual advantages does not seem to be an explanation for the city of Kathmandu. The shop affinities of complementary character is perceptible only in the context of retail services and shops.¹³ But the retail outlets alone can hardly substantiate the tendency of the clustering of complementary shops. Therefore, the conditions prevailing over Kathmandu call for the formulation of alternative hypothesis.

The one alternative hypothesis could become the variation of building structure, together with ground floor. In the main shopping streets, shops dealing in cheap quality goods of central nature¹⁴ tend to occupy the ground floors of old traditional buildings are replaced by modern structures, shop types change, and retail stores associated with cheap quality goods disappear, giving place for high grade tourist-oriented shops, foreign clothing stores, and variety foreign goods and jewelry shops. In Dharma Path, New Road, Indrachok, Vedasing and Keltole, the relationship between shop types and building structures is clearly discernible. In these places, tourist shops dealing in expensive goods like metal crafts and jewelry, variety foreign goods, high grade clothing stores and others of like nature are located in new modern buildings, whereas the old traditional buildings in the same places are occupied by low grade shops. For illustration, Dharma Path can be taken. On the eastern side of this street, the modern buildings have association with different types of high grade shops in contrast to low grade shops like book stalls, stationery shops and small medical stores in the ground floors of old buildings on the western side. It is true that rental value rises up with a change of building structures in individual lots. This holds true only in terms of per front rent. When the rental value is computed for per square foot differences in rents become insignificant. Since the new buildings have usually spacious ground floors with greater depth and height. As a result rental values in new and old buildings do not differ much. The second hypothesis related to the pattern of shop affinities in Kathmandu is the tendency of the clustering of like shops. This tendency has developed in most of the shop types such as stores of ladies' Indian cloths, tourist-oriented shops and variety foreign goods shops. Foreign ladies, clothing stores, gents' clothing stores, shops dealing in electrical goods and outlets associated with radio and cassettes are scattered. These tendencies are closely related to shopping behaviour of customers. In the stores of Indian cloths, the shoppers are predominantly females. It is hypothesised that female shoppers like shopping, and they prefer to have a wide range of selection and make comparison. This accounts for the tendency of

the clustering of like shops in such cases. Besides, the frequency of buying of Indian cloths is relatively high. It is also reported that price variations may occur from one shop to another. As a result, female shoppers visit more shops, compare prices and make selection and bargaining before making final decision to buy. This provides a good explanation for the clustering of these like stores. In variety foreign goods shops, the dominant shoppers are Indian tourists. These customers also visit several shops and make careful selection before they decide to buy. The sub-formation of souvenir shops and retail stores selling utensils, shoes, iron goods and caps also substantiate the concept of shopping behaviour of customers. In case of ladies' foreign clothing stores, shops are scattered. The items purchased in these shops are relatively expensive as well as occasional. Moreover, price is standard. As buying of such cloths are occasional, females do not hesitate to walk and take round in visiting other shops for choice and comparison of goods. Similarly, the scattered location of gents' clothing stores, electrical goods shops, and retail units of radio and cassetts is also attributable to shopping behaviour. In these outlets, the shoppers are mostly males. The shopping habit of males differs from that of females. Males do not enjoy shopping. Careful selection and comparison are not important for them. They have their own pre-conceived brand. They buy goods, when they find their brand. The scattered locational arrangement of these shops substantiates the concept of shopping behaviour of males.

There are very few cases where cosmetic shops and clothing stores are located in close proximity. Similar association is found in few places in the context of grocery shops and miscellaneous shops. These cases are the examples of the tendency for clustering of complementary shops for mutual advantage. But these appear as exceptional features in view of dominance of other types of shop affinities.

The another hypothesis that can be postulated is the concept related to the local tradition. As noted earlier, there are a number of "guthi" shops in which the same shop-keeper tends to have holding right by virtue of having occupied under certain agreements. Guthi shops, generally, charge low rents. The location of low grade shops even in the heart of the central shopping area has to be explained with reference to this special factor. This is applicable to owner-occupied shops also.

Conclusion

The shops affinities in Kathmandu have the characteristic features of indigenous stamp. The concepts developed for western cities to explain the spatial characteristics of shop affinities do not hold good in Kathmandu. Change in building structures, shopping behaviour of the local character, and guthi system are the major factors which explain the locational arrangement of shops in this city. Therefore, in understanding the nature of shop affinities in Kathmandu one has to consider the local conditions involved in the process of spatial sub-formation of shop groups.

Notes and References

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3. For detailed information on this see K. S. O. Beavon, *Central Place Theory: A Reinterpretation* (London: Longman, 1977).
4. P. Scott, *op. cit.*, Footnote 1.
5. For detailed information on this profit aspect see R. U. Ratcliff, *Urban Land Economics* (New York: McGraw-Hill, 1949).
6. *Ibid.*
7. R. Suwal, B. Bajracharya, C. B. Shrestha and U. B. Malla, *Kathmandu Valley Town Planning and Its Impact* (Kathmandu: CEDA, 1979), pp. 66-67.
8. For information about the limitation of Western Techniques to explain the Spatial Pattern in Developing countries see C. B. Shrestha, "Hierarchy of Urban Centres in the Arniko Rajmarga Area", Unpublished Ph. D. Thesis (1980), T. U.
9. Here the term "foreign" is used to refer to overseas countries.
10. See P. Scott, *op. cit.* Footnote 1; also see R. U. Ratcliff, *op. cit.*, Footnote 5.
11. For another approach in rent paying capability see R. Stoddard, "Spatial Characteristics of Tertiary Activities in Kathmandu", *The Himalayan Review* (1979), pp. 27-44.
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13. *Ibid.*
14. For information regarding central functions see R. E. Murphy and J. E. Vance, "Delimiting the CBD", *Economic Geography*, XXX (1954), pp. 189-222.