This study attempts to explore the socio-spatial dynamics of changing retail environment in developing countries with special reference to Dhaka. Based on the reviewed literature and a field survey, key factors have been discussed in this paper are; (i) Migration and the role of Informal Sector as a potential—response to place specific issues of retailing in developing countries and (ii) The effect of Modernization and the consequent spatial changes in urban retail environment. The study identifies the need and influence of socio-economic variables on the changing retail environment in Dhaka and the spatial outcome of the process. The findings suggest that in a rapidly urbanizing context like Dhaka, the socio-economic aspects are the prime concerns in changing and shaping the urban retail activities in space. The spatial forms of 'spontaneous' retail growth and their spatial variations are the outcome of a dependency relationship among various formal and informal retailer groups. On the contrary, modernization effect in Dhaka cannot successfully express the sense of social and economic forces of a developing context and the new planned retail developments stands as an isolated building in the surrounding urban context. This paper leads to a new level of understanding of the way that urban retail centres and their spatial layout interact as market mechanisms in space in Dhaka.

1. Introduction

The study of retailing in developing countries has been shared amongst a number of disciplines and reflects its multifaceted nature. Marketing scientists have been interested in the broad relationships between marketing and 'modernization'; which cover the evolution of marketing institutions and channels of distribution, and, to a more limited extent, consumer behavior in developing countries (Paddison, et.al, 1990). As markets fulfill important social and economic functions in developing countries, anthropologists have interests in analyzing the economic behavior of the buyers and sellers and the role of retailing in economic development, both in formal and informal sectors, as well as studies of the historical evolution of markets and bazaars (Pourjafar, et.al, 2013) in a specific context.

Architects and urban planners have tried to keep pace with shopping patterns that have undergone change through the modernizing effect (Coleman, 2006). This influenced retail centre design and planning of commercial areas in developing countries; where the place specific socio-economic and cultural issues have most often been overlooked in the design process.
However, geographers have emphasized the study of spatial organization of retailing, but the studies also illustrate the absence of integrating theories linking the spatial with the social structure of the retail environment. Therefore, in recent studies, the understanding of retailing in developing countries from a spatial viewpoint necessitates an appreciation of the global economic and social environment of a specific context.

These thumbnail sketches of the significant issues within the field of retailing environment in developing countries show that there is considerable common ground amongst the disciplines. Therefore, it is very important that the spatial issues of retailing should be seen from an interdisciplinary perspective, yet this is one which is difficult to achieve. The reviews of literature concerned here is related with the socio-spatial structure of retail development to get a better understanding and appreciation of the state of knowledge in developing countries. This research attempts to explore the spatialization process by the influence and effect of two opposite factors: the place specific socio-economic and cultural issues, and the 'modernization effect', in the changing retail environment in developing countries.

This paper investigates the influence of socio-economic factors on urban retail growth with specific reference to a rapidly urbanizing South East Asian developing city Dhaka. Dhaka has experienced tremendous growth of retail developments since the last six decades. Within a complex process of rapid urban growth, this particular building type, either planned or unplanned, are undergoing spontaneous changes. This change raises questions of the relationship between specialization and evolution of socio-economic structures in absence of any retail planning theories like developed countries. Therefore studying the case in Dhaka will provide a framework within which to study the socio-spatial relations of retail developments in a complex socio-economic developing context.

1.1 The Socio-Spatial Dynamics of Retail Environment in Developing Countries

"Retailing in developing countries takes place in an enormous range of contexts. In some places it is literally a matter of life and death, elsewhere it is at the forefront of economic development."

(Paddison, et al. 1990). The statement above portrays the dual nature of the retailing environment in the developing countries. On the one hand retailing acts as a survival strategy for the urban poor by securing job opportunities; on the other hand it reflects the penetration of western consumer values and the consequent changes within a process of rapid urbanization. The nature of migration and the consequent employment problem in the developing countries, gave rise to the notion of informal sector retailing alongside the formal sector.

1.1.1 Effect of Migration and Socio-economic factors on informal sector retailing

The more rapidly the countries urbanize, the more critical becomes the question of provisioning the city. The problem is accentuated by virtue of rapid growth of urban populations in developing countries. Thus, retailing involves a wide variety of institutions in developing countries; which have, for research purposes, often been reduced to the 'formal' and 'informal' sectors (Hossain, 2001). In Dhaka the retail areas are characterized by the unplanned retail centers in majority, which accommodate formal and informal retail activities in the same precinct (Hossain, 2004). Bromley (1978) and Charmes (1982) have shown, the so-called informal sector

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is made up of many different forms of small-scale trading activities in developing countries. The ubiquity of the so-called informal trading activities is both an indicator and an outcome of the dependency relationship, which characterizes the economics of developing nations. Rural to urban migration has continued to be a major contributor to urban growth, whilst the economics of Third World cities have failed to generate sufficient employment for their growing populations. The 'surplus population' has been forced to generate its own employment in the so-called informal sector. Frankman and Charle (1973) and Findlay (1987) have pointed to the importance of the informal sector in urban labor markets especially for migrants. In developing countries, the share of the urban labor force involved in the informal sector ranges between 20 to 70 per cent, and, of this, employment in commerce either wholesale or retail may account for more than 35 per cent of the total (Paddison, et al, 1990, Hossain, 2001). Cities then are the major foci for consumption and, at least in the middle-income developing economy (for example: Latin America and the new industrializing countries of South-East Asia and the Far East) are the core of capitalist world development in which a mass market is emerging most rapidly.

A substantial body of research on internal migration in third world countries points to the fact that the great majority of people move for economic reasons and that economic incentives play an important role in the decision to migrate. Regional disparities, concentration of the opportunities in the cities, worsening economic and social conditions in the rural areas are all causes which bring people from comparatively disadvantaged areas to the urban centers where people find it easier to survive (Mortuza, 1997, Akharuzzaman & Atsushi, 2010). There is ample evidence in many Asian countries where people leave their villages due to deteriorating conditions in the rural areas and move to overcrowded cities (Ahmed and Hossain, 1984; Alamgir, 1978; Breese, 1966; Bromely, 1978 and Hossain 2004). The argument that 'the decision to migrate is a rational response to the economic condition' (Gilbert & Gugler, 1982) itself is evidence in a city like Dhaka which offer employment opportunities which attract people (Bhowmik, 2005). Though the urban areas in Dhaka are characterized by high rates of underemployment as well as pervasive poverty, the fact still remains that people come here mainly in search of jobs specifically in informal sector (Faruque & Haque, 2010) among which retailing always remain a significant one (Akharuzzaman & Atsushi, 2010; Mortuza, 1997).

The informal traders apparently generate cluttered street scenes in developing countries analyzed by Leeming (1977) in Hong Kong, by Owens and Hussain (1984) and Hossain (2004) in Bangladesh, and by Chapman (1984) in Indonesia. In reality, the apparent chaos of the urban retail areas in developing countries is more apparent than real. The apparent complexity of social phenomena frequently bespeaks a lack of theoretical concepts available for their analysis (Mitchell,1966; Akharuzzaman & Atsushi, 2010) A number of studies have been carried out on the spatial patterns of the Indian Bazaar or the Arab suqs, but no adequate framework has yet been established to analyze these spatial patterns from a social perspective.

1.1.2 Modernization and the Changing Retail Environment

However, there are strong conservative or indigenous cultural forces, which ensure a degree of continuity in the spatial patters of retailing in developing countries, there are equally rapid changes taking place resulting mainly from the so-called modernization of retailing through the

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import of western retail institutions and western types of consumer behavior. In the Developing
cities the 'modernizing' effect shapes and changes the urban retail environment in two main
ways. First, through incorporating ideas of western retail institutions; and second, by the
introduction of new goods which either supplement or replace existing items (Paddison, et al,
1990). In both ways international economic forces are transforming the spatial pattern of
retailing in the developing countries. Moreover, local cultural forces have interpreted these
'modernizing' processes in different ways in different regions. Radical development theorists
have tended to interpret economic imperialism as being accompanied by cultural imperialism and
concluded that western style consumer values have spread to the developing world (Cole-
man, 2006). Few would deny that the global penetration of western consumer values has been a potent
force in bringing change to retail environments in developing countries, but considerable debate
continues to surround the mechanisms involved in, and the likely spatial outcome of the process.
The adaptation to modernization effects and the spatial changes are different in different regions
and contexts. Therefore, the understanding of retailing in developing countries from a spatial
view point necessitates an appreciation of a specific socio-economic context.

Business and marketing scientists (Kaynak, 1982) have built models of the dynamics of
consumer behavior under conditions of rising standards of living. These models characterize
the traditional consumer market in terms of its socio-economic attributes, for example, low levels of
disposable income, high illiteracy rates, frequent local shopping trips for the purchase of small
quantities of goods, etc. In contrast, economic growth is assumed to lead to rising disposable
incomes and ultimately towards a so-called 'modern' consumer environment in which literacy
rates are high and personal mobility is high. In principle, consumer decision-making is assumed
to be influenced by buyer, seller, product, and situational characteristics. As a result cultural
differences in consumer behavior have been considered to be a diminishing factor with the
advent of economic growth. Thus, life-style strongly affects the form of retailing in developing
countries. Lower income levels, limited car ownership and inconvenient public transportation, all
affect shopping patterns in particular (Kaynak,1982; Hossain, 2001). These factors generally lead
to smaller purchases, which coupled with shortage of capital, force retailers to keep smaller
quantities of products in small shop units. Inadequacy of public transportation discourages
people from long-distance shopping, thus also justifying the existence of smaller retail units.
Lower and limited income levels in developing nations often guide shopping behavior
characteristics. As such, convenience is not considered as important as. Thus, consumers spend
more time in shopping for a lower price. This situation is completely the reverse in developed
nations, where convenience in shopping attains the highest priority.

There remain strong contrasts between different academic disciplines’ views concerning the
relationship between consumer behavior and culture. One of the most fundamental contrasts in
disciplinary perspectives lies in the difference between those who view 'culture' as a filter
causing deviations from a universal model of consumer behavior and those who seek to interpret
consumer behavior within a specific cultural setting as one manifestation of the way in which
'human nature' is pluralistic (Findlay,1991). To anthropology and many geographers the cultural
context in which retailing occurs is of interest since it underpins the plural nature of consumer
behavior (Findlay, 1991).
1.2 A Conceptual Framework for the Study

The tentative conclusions can be drawn from the above discussion and literature review on the studies of retailing in developing countries; first, the study of retailing in developing countries related principally to the importance of local socio-economic factors. Secondly, the study requires an understanding of the interaction between world economic influences and the consequent modernization effect on the place-specific forms of the retailing environment. However, the interface between socio-economic variables and consumer behavior is taken to be the potent force within retailing and the consequent spatial changes in the retail outlets (Paddison, et al, 1990, Hossain, 2004). The following sections will attempt to develop a framework within which to study and analyze the socio-spatial dynamics of the retailing environment in a rapidly developing city Dhaka. These will enable this research to present an overview of the study related to the spatialization process and the evolving spatial patterns of the retail outlets in Dhaka.

1.3 Methodology

An elaborate literature review was done with a multidisciplinary approach to understand the background of the problem holistically. The literature study acts as a general guideline to formulate a research method for the present study. The methodology included a preliminary field study (Hossain, 2009) to perceive a specific contextual understanding of the social influence on the retail activities and their spatial diversities in the urban context of Dhaka. With this background understanding the study selected the study area in Dhaka which represents the most mature stage of retail concentration and their spatial variation in terms of planned, unplanned and spontaneous growth patterns accommodating informal sector retailing within the same precincts.

The preliminary survey interviews and space use observations in the study area suggested that there exists some kind of relationship between the social aspects of shopping behavior and the spatial properties of the retail developments, which significantly influences the overall functional distribution of retail types and customer behavior patterns. However the first problem encountered was to define the behavioral nature of the various user groups i.e. the formal and informal retailers and the consumers. The interviews for the three user group appeared to be insufficient particularly to identify the strategies of the various retailer groups in creating a pattern of retail clusters of their own and consumer’s responsive behavior in space. So the final field survey included interviews along with an elaborate questionnaire survey for the consumer and the formal and informal retailer i.e. the hawker groups. On the basis of the data collected through a structured questionnaire survey, this study summarizes the behavioral attributes of the three user groups. The survey was conducted as part of a broader research (Hossain, 2009) covered a sample population of 600 consumers, 240 retailers and 120 hawkers in the study area. The questionnaire survey obtained detailed data on the socio-economic and spatial behavior pattern of the three user groups.

This questionnaire tried to reveal the socio-economic relations of the spatial patterns from three view points: first, the consumers’ behavioural dynamics and space preference, second, the
retailers’ profit motivated selling attitude and location strategies in the generation of attraction to different retail functions, and third, the hawkers’ relationship to the formal retailing environment. The questions (Hossain, 2001), are aimed at uncovering the social and spatial dynamics of spontaneous retail growth in Dhaka with the intention of understanding the functional pattern of morphologically different retail developments.

2. Key Factors Influencing the Retail Trends in Dhaka

Dhaka city has been facing an extensive urban growth since the last six decades—This uncontrolled urban growth has been fuelled by the extensive rural to urban migration since Dhaka became the capital of independent Bangladesh in 1971. The government sector could not cope with the uncontrolled urbanization and the increasing demand of rapid urban growth hence an extensive growth of retail centers started to develop through private initiative. In the absence of any effective retail planning theories they grew within a spontaneous process of growth (Figure:1). However, with the formal retail activities an extensive growth of informal retail activities has become a prominent feature in the retail areas of Dhaka.

In the last two decades the private sector of development have undergone major changes in thought process in the name of modernization, which in turn affected the design of contemporary retail centers in Dhaka. The influence of western ideas has influenced the attitudes of policy makers towards the informal sector. The informal sector is perceived to be an inefficient, backward, irrational and frequently unhygienic form of economic activity. In policy

![Figure: 1 Land use map of Dhaka showing growth of retail areas in the last six decade](www.ajhss.org)
terms, there were attempts in both central and local level of government, to restrict the penetration of the informal sector, specifically, to exclude it from the formal retail areas of the city.

The recent and modern shopping developments are planned and follow the introvert planning concept which does not accommodate or invite the small scale retailers of informal sector. Their planning principle do not consider local socio-economic factors, rather these new emerging retail centers in Dhaka are replacing the existing format of shopping which has been developed spontaneously following the needs and wants of different socio-economic class of retailer and consumer within a process of rapid urbanization. However, as mentioned before the study area includes the spontaneous or unplanned and modern planned retail developments (Figure: 2) within the same vicinity. Moreover an informal growth of informal retail activity around the spontaneous retail centers has become a prominent feature in this area.

2.1 Informal Sector – a potential response to place specific issues in Dhaka

Among various types of occupational patterns in the informal sector in Dhaka city, retailing activities as an entry point are attractive to immigrant groups, since they provide the opportunity of self employment with minimal capital investment and technical constraints (Hossain, 2001; Hossain, 2004; Muzaffar & Huq, 2009). These factors contribute to the extensive growth of informal hawking activities within and around urban retail centers in Dhaka. Thus retail areas here are characterized by varying groups of retailers and consumers. These give rise to a variety of spatial structures in the developing retail environment in Dhaka through a so called planned or unplanned nature of development by the public or private sector. Like other less-developed countries, retail outlets with western characteristics seem to coexist uneasily alongside 'informal' traders" in Dhaka. The study on urban retail environment in Dhaka identifies the recurrent pattern of socio-economic behavior and the spatial outcome of the process which is summarized in the following sections.
In general the questionnaire survey shows that, a lower disposable income of the consumers is reflected in their preference for variety of items and greater bargaining power. This has resulted in a wide range of tenant mix and the consequent variety in shop size to accommodate different economic class of retailer. Their specific demand for generative business has attracted shared business within and between different shopping developments in the same vicinity. Consumer’s preference for this functional link has resulted in cluster growth of shopping centers and encouraged spatial linkage among them. Moreover, the variety in travel mode in Dhaka has enhanced this cluster growth of shopping centers in the residential areas where consumer shopping trips are also very frequent. The informal retailers take benefit of this spatial pattern by locating themselves along these circulation routes linking the retail centers in the study area (Figure: 3).

Varied socio-economic class of informal retailers or hawkers characterizes the retail areas in Dhaka. In general 80% (Hossain, 2009) of the hawkers have migrated to Dhaka to secure a job in the informal sector. These migrant hawkers with lower capital investment and financial ability prefer to concentrate within and around the shopping areas where they can get easy reach to the general consumers. These hawkers prefer to locate themselves at the entry points, along the footpaths facing the streets of the market fronts to attract moving people. These accessible locations also permit them easy escape during police raids against illegal hawking. The hawkers employed by the small entrepreneurs occupy larger open spaces near the entry point. They cluster in a group of 10 to 20, in accessible locations due to their selling strategy based on a pseudo competition within the group.

The variety in tenant mix, no fixed module in shop size and extensive growth of shops is further enhanced by the various retailers rent paying ability to possess a shop within a spontaneous shopping development. However the retailer’s ability to acquire a shop depends on their individual economic status, rather depending on the retail type as in a planned centre in developed countries (Simmons and Jones, 1990). This results in an extensive growth of individual shop units with a varying size range. Thus, a compact grid pattern of internal layout to accommodate more shop units in a smaller built area is a common feature of these developments. This phenomenon has increased the building depth from outside. To overcome this spatial problem, the retailers incorporate multiple entryways to offer multiple accessibility to the consumers. Moreover, the lower economic class of informal retailers, possessing a low rent shop at the deeper part of the buildings, employ hawkers at the market fronts where shopper accumulation is much higher. However, these hawkers with very low capital investment failed to generate profitable business, hence they advertise for these informal retailers inside, who used to pay illegal tax to the police to allow these hawkers within the shopping areas. The hawkers benefit by offering variety of items to the general shoppers by selling their own goods along with their employers. This mutual selling strategy allows the informal hawkers and retailers to accommodate themselves with the formal retailers in the same shopping precincts in Dhaka.
The survey findings reveal the fact that, the middle and lower income retailers in the retail centers are taking advantage by employing hawkers and the hawker’s benefit financially by securing a job with a low capital investment. This fact points to the benign dependency relationship between the formal and informal retailing sectors from a socio-economic viewpoint. This ephemeron is strongly reflected through a co-operative space mechanism within and around the spontaneous shopping developments in Dhaka. Here different retail activities - formal and informal, are mutually organizing themselves within the same shopping precincts.

2.2 Modernization effect and the changing retail environment in Dhaka

The study of retail environments in developing countries has suggested that western consumer typologies cannot readily be transported to developing contexts; but there are some cross cultural similarities in consumer behavior. Developing economics often rely on personal friendship and knowledge of businessmen and their activities in the market place (Paddison, et al, 1990). The case of Dhaka, help clarify the effect of socio-economic and cultural influences in shaping the retail environment in developing contexts.
The recent trend of modern and enclosed retail centers in Dhaka, attempt to imitate the internal shopping environment of the developed countries (Figure: 4) These large scale developments do not follow the tenant mix policies, which is a prime concern for a successful retail planning from economic point of view. Extensive number of fixed and similar shop size, grouping or cluster of retail types in different floor levels fails to meet different class of consumer’s preference as explained in the previous section. Limited accessibility and less variety in tenant mix pattern fail to generate customers in the deeper part of the building. These enclosed centers tend to isolate their spatial structure from the surrounding urban environment. To ensure a hawker free secure environment they provide limited entry which do not attract or allow hawking activities within or around them. By ignoring these local socio-economic place specific issues these modern retail developments fails to generate sufficient employment opportunity for all class of retailers and hawkers within a mutual space mechanism.

3. Conclusions

In Dhaka, the spontaneous growth of retail centers evolve as a group of small scale buildings and tend to cluster at nodal points - which is visually unified as one expression. On the contrary, the modern shopping developments here stand alone while disregarding their urban context. In Dhaka, the debate is no more about the open or enclosed but relating to the nature of pedestrian circulation space, connecting different retail functions, and other related uses to the surrounding public network. However, this socio-spatial sustainability has been successfully adopted in the spontaneous growth of retail developments in Dhaka – by accommodating formal and informal retail activities within the same precinct.

In General, the argument could be that, in Developing countries the informal sector retail does not operate in separate economic circuits: indeed they are undoubtedly interrelated with the formal sector, although the spatial form varies in different socio economic context. The informal retailing sector has the potential to play an important role both in providing economic feasibility and impart spatial integrity to the modern retail developments. A spatially sustainable urban retail development could be ensured through a benign dependency relationship between the formal and informal sector characterizing a developing economy. The study points to the need for a dynamic framework for capturing the interaction between socio-economic influences and the spatial formations specific to a particular context. These will help the researchers to develop a conceptual framework within which to study and analyze the socio-spatial dynamics of the retailing environment in the rapidly developing cities in Asia specifically.
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1 The influence of western retail environments has been considered to be an effect of modernization in studies of retail in developing countries.

2 The selection of ‘retail locations’ by Nelson (1958) identifies generative, shared and suscipient business types based on empirical research on consumers decision making process. His defines three business types as follows:
- Generative business – sales secure by the store itself due to its own demand
- Shared business – sales secured by the store as a result of the generative power of the neighboring shops i.e. these stores act as a supportive function to the demand oriented generative retail types, and
- Suscipient business – shoppers are attracted coincidentally which increase impulse buying within a shopping centre

3 Instead of a significant percentage of consumers car ownership pattern, majority (specially female) prefers to travel by ‘rickshaw’ and ‘auto-rickshaw’ (a three wheeled motorized vehicle) to travel short distance as shopping centers are growing within the residential areas and avoid traffic congestion in the central retail area.

4 An interview with the hawkers has shown that, it has become a common practice in retail areas in Dhaka to make periodic attempts towards hawker control via police raids, as informal hawking continue unabated in an almost entirely non-regulated way. This phenomenon is very usual in most developing countries Dewar & Watson (1990).