

# Master Thesis

## Is there a mutual effect of shopping centers between Austria and America?

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## **Abstract**

There is often the question: „How will we shop in the future and what will happen with our shopping centers? “

This is exactly what this paper is about and in the end, people will know what they can expect in the next few years.

First people have to understand how shopping center were developed and which types were in the past.

Then it will show how the current situation in America and Austria is. How people are shopping today, what are the differences between these countries and how different the stores try to catch new customers.

Furthermore, what will the future bring? This question is answered next to the current situation. Which technology will be in the future and how will it influence the consumer behavior.

To make it clearer how the shopping behavior is right now, there is a comparison between two cities of similar size, one in America and one in Austria.

In the end, there is a summary about all these topics and what America and Austria can learn from each other to improve the shopping center development.

## **Kurzfassung**

Es wird oft über die Frage: "Wie werden wir in Zukunft einkaufen gehen und was wird aus den Einkaufszentren werden?" diskutiert.

Das ist genau der Aspekt, welcher in dieser Diplomarbeit behandelt wird. Am Ende dieser Arbeit wird man wissen was man sich in den nächsten Jahren erwarten kann.

Als erstes muss man mal die Geschichte und Entwicklung von Einkaufszentren verstehen und welche verschiedenen Arten es in der Vergangenheit gegeben hat.

Danach wird die derzeitige Situation in Amerika und Österreich behandelt. Wie kaufen die Leute heute ein, was sind die Unterschiede zwischen diesen Ländern und wie unterschiedlich legen es die Geschäfte an um neue Kunden anzuwerben.

Des Weiteren, was wird die Zukunft bringen? Diese Frage wird, als nächstes nach der derzeitigen Situation, in dieser Diplomarbeit behandelt. Welche Technologien wird es in der Zukunft geben und wie werden diese das Kaufverhalten beeinflussen.

Um das derzeitige Kaufverhalten etwas deutlicher darzustellen, gibt es einen Vergleich zwischen zwei Städten von annähernd gleicher Größe, eine in Amerika und eine in Österreich.

Zum Abschluss gibt es noch eine Zusammenfassung über diese Themen und was Amerika und Österreich voneinander lernen können um die Entwicklung von Einkaufszentren zu verbessern.

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# 1. Introduction

This Paper is about the discussion how the shopping center industry is living today.

There will be the answers of the questions:

“Are shopping center still alive?”

“Are they still build shopping center today?”

“How will the future be for shopping malls?”

These are only a few questions, which will be answered in this paper.

Firstly, there is a short overview of the History of shopping centers. How was the beginning, what liked the people in the past, what did they thought about the future of shopping centers. How important was Victor Gruen in the development.

Secondly, this paper is about the current situation of shopping centers. About online trade, the combination of online and brick and mortar stores and how this influence the development of new Malls. Furthermore, it shows the current situation in America and Austria, what is different between them and which country is further in the evolution of shopping centers.

Thirdly, it shows how the shopping center industry will change in the future. What will be change in the physical appearance of stores and centers, what new technology will come up and how will consumer work with it and how it will help them making shopping easier and more attractive.

Furthermore, there is a comparison between two cities of similar population size, one is in California, America, and the other one is in lower Austria, Austria. This will show how different the construction types are, how the public transportation system is developed and what types of shopping center they have and why.

In the end is a Summary of the main points of this paper and what these two countries can learn from each other.

## 2. History of Shopping Centers<sup>1</sup>

### 2.1. The Beginning

In the past, Cities were mostly built around a central area that was more or less planned for commerce. In the early twentieth century where the society was dependent on horses, transit or feet, there was one keyword called “central”. In a City, the downtown area was the most activity area. There were the shops and markets, so that people were not far away from home, so they could go there by feet or horse. However, in the last Century the developments have brought dramatic changes in the way people shop and live.

The start of the development was around the beginning of the twentieth century, the earliest suburbs had been dependent on the transit network, but later streetcar strips or low-rise commercial developments next to a streetcar routes were developed. The shops near the street became known, because they were among the homemakers in the area. There were established shops like groceries, sundries, textile business, etc. The shopping areas were built without Parking space, because there were no cars at this time.

In the 1920, the automobile grew in popularity and some developers got the idea of a new concept of shopping areas. They thought about a Country Club District for a planned community with its own small retail centers and about a major shopping district, which could compete with the downtown shopping area in the City.

In 1923, the first

Country Club Plaza opened and it is regarded as America’s first large centrally planned and managed shopping Center.

A great deal of attention was given to the parking situation, because it was assumed that most of the people, who come to the center, would come by car, so they need enough space to park.

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<sup>1</sup> David Gwynn, The History of the American Shopping Center, 2008,



At the same time, some Cities were experimenting with new formats of shopping Centers. Some Groceries tried a drive-in market, which had buildings in an L-shape. There were shops like grocery, butcher and baker. The all were at one place, surrounding a private parking lot.

Bigger shops like Sears or Roebuck were experimenting with a new style of their shops. They tried to expand from its mail order base into retail stores. They opened many new stores not in the traditional zone downtown, but in outlying districts and streetcar strips.

## 2.2. The Diffusiveness

In the end of the 1920, the number of chain stores exploded and the great depression sealed the fate of many independent merchants as their financial picture and ability to compete with the chains became more and more bleak.

In the 1930s, there were a tremendous increase of the number of planned shopping centers in the US. They were not large, often only housing one or more small grocers, a butcher, a drug store, etc... The Centers were mostly located in a streetcar strip and had a similar size, the only difference were the parking lot and the coordinated design.

In the 1930s, centers that are more elaborate also opened like the original Westwood Village complex adjacent to the University of California, Los Angeles. Sears was the only department store, who was willing to locate in suburbanizing areas of South California, although some opened “branch” locations that were essentially nothing but small clothing stores. The impact of that were that retailers were beginning to take note that the suburban centers began to grow and so from the shops in downtown were taken a distinct trend toward to parking, attention to aesthetics and modernization and they also wanted a centralized management in downtown shopping districts.



With the beginning of the World War II, only the shopping centers were constructed during the war, because most of the commercial construction was cancelled for the duration of the war. The shopping centers were constructed to serve new residential districts built to house defense workers. The most of this shopping centers were only build for the duration of the war and disappeared after it, only a few are still standing, for example Linda Vista in San Diego, were built to last, and were even featured in design profiles of the era.

### 2.3. The 1940s

Richard Longstreth, an architectural historian from the U.S., wrote a book about „City Center to Regional Mall: Architecture, the Automobile, and Retailing in Los Angeles, 1920-1950”, which won some prizes. He also has done studies of the early postwar centers in the late 1940s in Los Angeles and Washington areas. In this era the Centers were larger, had supermarkets and were beginning to draw full-size department stores as anchor tenants. One of these Centers was the Broadway-Crenshaw Center in Los Angeles. It was one of the noteworthy Centers of the period because there were two massive department store anchor and they paid attention to detail with which the center was built. For example, about the facades, the stores had one façade to the main traffic artery and the other to the big parking lot on the back of the center. The stores were delivered through underground tunnels. This center was successful with the type that a competing center with another large department store opened adjacent to it.



Figure 2: Baldwin Hills Crenshaw Plaza – Loomis Dean

URL: <http://ridley->

[thomas.lacounty.gov/Arts/index.php/architecture/#baldwin\\_hills\\_crenshaw\\_plaza](http://thomas.lacounty.gov/Arts/index.php/architecture/#baldwin_hills_crenshaw_plaza) -

Architectural sites that define our Community – Dan Rosenfeld

## 2.4. The Constitutor and golden age

The golden age of American shopping Centers were in the 1950s. The shopping centers were not anymore the same like before. They were springing up everywhere, become bigger than ever, and had more regional in scope. This boom came from rapidly suburbanizing population with unprecedented buying power combined with federal tax advantages.



Figure 3: Victor Gruen, URL:  
<http://digitalcollections.uwyo.edu:8180/luna/servlet/detail/uwydbuwy~109~109~3261862~280649:Victor-Gruen,-undated>

At the begin of the 1950s, an Austrian architect, Victor Gruen, better known as the pioneer in the design of shopping malls, began to build some shopping centers in Seattle, Detroit and San Francisco. They were large, had dozens of specialty shops in it, and also two big supermarkets, plus a theater and office building. It was designed that the shops are faced each other across an open-air courtyard so that the people who walk through can see all stores.

In the mid of the 1950s, Gruen built a new shopping center in the suburban of Minneapolis. He had utopian notions, that shopping centers can be a social and civic gathering place, where people can stay the whole day without getting bored. Therefore, the next step was to bring the people to the mall however, the weather will be.

Therefore, Gruen made the logical step and put a roof over the Courtyard and so he created the first enclosed regional mall of America. This mall called Southland Center was opened in 1956. Furthermore, he had planned some other community facilities but most of them were never built.



Figure 4: Southland Center – URL: [http://mall-hall-of-fame.blogspot.co.at/2008\\_05\\_01\\_archive.html](http://mall-hall-of-fame.blogspot.co.at/2008_05_01_archive.html) - Mall hall of fame

James Rouse, another pioneer of shopping malls from America, was beginning his career at the same time like Victor Gruen and built an enclosed mall only two years after Gruen's first mall. Rouse also developed the first enclosed mall in the south, the Charlottetown mall in Charlotte, North Carolina.



Figure 5: James W. Rouse  
URL: <http://www.enterprisecommunity.com/james-w-rouse-society> - James W. Rouse Society

At that time, new streets were invented, like the new interstates to bring the people back to the downtown retailers and centers. Nevertheless, the effect of the interstate was that the shopping center were constructed along the interstate so that the people went shopping there and did not go to downtown. So the retailers and manufacturers began leaving the city and built there stores outside next to the interstate and shopping centers.

The downtown district was beginning to die because the people left the city to go shopping outside at the centers.

The cities had to stop the decentralization of downtown, so they developed some methods to make the city more attractive to the people. One idea was to close the main street for the automobile traffic, so that you get a pedestrian zone where you can walk and have the stores on each side.

Other cities asked Victor Gruen for help so he designed an enclosed mall in downtown. One of the first was Midtown Plaza in Rochester, New York.

Other towns thought about to convert the completely downtown district into a pedestrian zone, but this were never fully realized.

In the late 1950s, the enclosed malls were getting more and more popular and there developed different types of it. There were the large enclosed malls with some anchor tenants, supermarkets, clothing stores and also theater or something for the entertainment of the people. But there were also the small enclosed malls, without a supermarket or anchor tenants, they only had some small regional stores and also the now-defunct Woolco and Richway chains were common tenants and developers of these centers.

The Terms “neighborhood”, “community” and “regional” were now associated with this centers. People now had expectation, which was why the original open-air centers had to do something that the people still come to their shops. That is why most of them were converted to enclosed malls in the late 1960s, like the Atlanta’s Lenox square.

In the smaller towns, the community centers continued to be built as well. The typical L-shape or the linear centers were still popular in these cities, because there were often one or two supermarkets, a drug store, maybe some small branch department and a variety store. All this stores were faced to the big parking lot in front of the center that the people can park directly in front of their favorite store.

## 2.5. The Early 1970s

In the 1970s, the shopping centers had become somewhat standardized, because most of them were on two levels, had another layout (cross-shaped), had a large central court and more anchor tenants than the centers before.

These modifications were the reason why, despite of the recession at this time, the enclosed shopping malls growth and the people more and more frequently went to this centers. Most of these malls had some special service, like a supermarket at the parking lot and other service outlets.

While the centers were getting bigger and bigger, more people are interested to add some different parts, not only stores. That is how the, so called, MUD (mixed-use development) were invented. That are centers, which included not only stores but also offices, housing and retail. The wanted to create a center like a little city, where you can live, shop, and work at one place. However, these ideas were not often completed. More frequently did arise a sort of mixed-use development, like the Tyson's Corner, outside Washington, DC. It was proclaimed from developers as the largest enclosed shopping mall in the world when it opened. There were not only stores, the also had many office buildings and hotels in the landscape.



Figure 6: Tysons Corner

URL: <http://www.bizjournals.com/washington/slideshow/2012/05/17/historic-photos-of-tysons-corner-center.html?page=49> - Historic photos of Tysons Corner Center

There are some negative effects of the growth of the regional malls outside the cities. Mostly it came at the expense of the center cities, because the centers in downtown were leaving the city to the malls outside so the people did not come in the city because the stores were no longer attractive for them. The big department stores were closing off the upper floor and reducing hours or closed their stores at all in the city center, because they made to less profit, so they opened a store outside at the regional shopping malls.

The 1970s were not an easy time for shopping centers, because their entertainment offers like theaters, skating rinks and other amenities were attracting to the teenagers of this time. They began to find much of their social lives revolving around the mall. They just used the free entertainment, but did not shopped in the stores or went to any other institution in the center. The teenager just went there to loiter and meet with some friends, but did not left money in the center, so the mall owners began using sometimes-controversial methods to distribute them.

## **2.6. The further development**

In the late 1970s and early 1980s there were years of recession, changing demographics and also much larger stores, which make troubles for some suburban shopping centers. In addition, the big supermarket chains had problems with their older centers in less prosperous areas.

For the larger centers, it was not such a problem, because they had enough money that they could demolition and reconstruction some parts of the center. They were also mostly in a better area than the small centers, so they had more people and earned more money. The big shopping malls had the choice to change the tenant mix if they would. The earliest and most influential regional centers, which were bulldozed completely to create enclosed malls, were the Stonestown in San Francisco and the Broadway-Crenshaw in Los Angeles.

The 1980s were the beginning of a new type of shopping center. The so-called outlet centers were malls to sell low-cost alternatives to chain stores, but you also could say that this was the way that the manufacturers began making their own branded stores in centers so that they could sell it directly to the people.

Another type was born in this era, the so called “power centers”. This is similar to the traditional shopping centers, but they are more concerned to build around the movement and access capabilities of private vehicles. These Centers had often some massive stores from chains, like Toys R Us or Walmart and some small regional shops. This type is one of the most dominant form of American shopping center construction.

In the late 1980s, there were a new kind of shopping centers opened. In downtown of Boston were an old marketplace from the 18<sup>th</sup> century. James Rouse made out of the old place a new urban shopping center with food, entertainment and special retailers. This new type worked so good in Boston, that many other cities from America wanted the same in their city, so Rouse duplicated the concept in some cities, but not in every city it had success.

## **2.7. The 1990s**

In the 1990s, many people thought that the traditional regional mall was dying because the other types like power centers and outlet malls began to get bigger and bigger. Many traditional centers were replaced by new and bigger Centers of the new types, like the Fashion land, outside San Francisco was replaced after only fifteen years of operation. Thru some mergers of department stores, there were some empty anchor spaces in the shopping centers, so the mall managers wanted to fill it with some attractive shops, so they filled it with “big box” stores, like Target or Best Buy.

The department store Wal-Mart had another idea, opened his stores in empty shops in some urban market, and seized a lot of space, so that small regional markets could not open a store in a center because nothing was free. That was why many people were against this bid stores.



Around San Francisco were other malls demolished and replaced from some big box stores. People made a Website where they could upload photos and stories of malls, which were dying or were already dead. Nevertheless, shopping Malls were still opening in this era, one of the most famous and still biggest shopping center in America called Mall of America. It was built near the city of the first enclosed shopping center in the 1950s, called Southdale.

In the Late 1990s and early 2000s, there was a new trend at shopping centers, so they came back to the city. Some big box retailers like Best buy and Target were closer to the center city than ever before. They often were built near older centers, which were already down. This big box retailer were often as part of a development that featured housing, entertainment and restaurants. This trend was coming up because the opinion of public had changed.

In the following years the shopping habits were changed from just going to a shop to buy some things and go back home to let us spend a whole day in a shopping mall because there are many different stores, different kind of foods and a lot of entertainment like cinemas, theaters or public shows, etc... Therefore, it is easy to spend with a family or friends a whole day in a shopping mall, because there are enough offers that you always have to do something at any time.

This new format is called hybrid centers, because it is a combination of a shopping mall and leisure facilities. So nowadays in America and all over the world, people shop no longer in normal shopping malls or cities, they shop in shopping malls which look like cities and cities which look like shopping malls and that is the result of the suburbanizing downtowns and urbanizing malls.

## 2.8. The new Century

In the new Century came the idea of not only shopping centers with the newest and most expensive shops and clothes, because the people could not afford these products. Therefore, some big Clothes stores began to sell their “old” Clothes from the last years fashion trend, cheaper in some stores. Therefore, the nowadays-called Outlets were developed. First, the fashion companies build their own stores near a city, just for themselves, but over the years, more and more companies began to sell their last years clothes cheaper, so Factory Outlet Malls were created. Nowadays there are big Outlet malls outside the cities in America and in Austria.

For Example the Big Outlet mall in Camarillo, California. It is one of the biggest Outlet malls in California and there are 160 Stores located. There are brands like Tommy Hilfiger, Ralph Lauren or Michael Kors and much more.



Figure 7: Camarillo Premium Outlets

URL: <http://www.mobilemaplets.com/showplace/9828> -



Moreover, an Example for Austria is the most famous one, Parndorf Designer Outlet, near Vienna. This is the biggest Outlet Mall in Austria and there are over 170 international designer brands.



Figure 8: Parndorf Designer Outlet  
URL: <http://www.styled247.com/parndorf-outlet-close-to-vienna-austria/> - ParndorfOutlet close to Vienna / Austria

### 3. What do people think about shopping center?

Contemporary many people in the world think about that, shopping centers have already died or will die soon, because of the internet trade, the global recession in 2008 and that people have less time to shop. That is just a fable, because the number of shopping malls are increase all over the world and play still a major role in improving the quality of life in town and city centers around the world.

The year 2014 was the best economic year over the past few years. Because the real gross domestic product growth everywhere on the world. In Western Europe and America, the growth was much higher than in Asia. Important for this growth was that the income and employment increase much quicker than in the year before so the consumer had more money to spend.

The United States of America dominates the gross leasable area (GLA). Overall they have in the year 2014, 618,3 Million square meter GLA contained in 35 590 shopping centers. No other country in the world have such a size of the GLA as America has. All European Countries have together only a quarter of the size like the US has. European have 153.8 million square meter GLA contained in 7 178 shopping centers. Asia as continent has only 83.9 million square meter GLA contained in 1 591 shopping centers and from this GLA they had built in the years 2012 & 2013 one quarter, because in this two years they had built 23.1 million sq. m.. So you can see that Asia have the influence of America and want to get as big as America.

Overall, in the 51 countries tracked by Cushman & Wakefield, there is a total of GLA (Year 2014) of 924.5 million square meter contained in 46 846 shopping centers. As you can see in the Chart below this text, America is first of the GLA, next is with a big distance between Europe and the smallest GLA has Asia.

### 3.1. Global development

In 2014, there were many shopping centers in their construction phase, which ended before 2015. America has the highest number of new shopping centers, but Asia led in GLA. To show it with numbers, all in all were built 1 134 new shopping centers and a gross leasable area of 38.3 million square meter.

From begin of 2014 until the end of the year 2016 there should be 1 831 new shopping centers all over the world which contain 79.4 million square meter GLA. Asia by itself will build 610 shopping centers containing 53.2 million square meter in this time, that are only a third of the number of shopping centers, which the American continent will build, but it is nearly the triple of GLA, which America will have. That shows that Asia will build big and modern shopping centers, with a lot of entertainment to make the shopping experience attractive to the consumer. For example, the Lotte Suwon shopping mall in Seoul, the capital of South Korean.

There are three important facts for the business of retail. First, it is the globalization, because nowadays it is easier to travel the world and people like it to see their favorite shops all over the world. The second point is the technology, because it is able to build big shopping centers all over the world, like in hot places like Dubai and Abu Dhabi or in seismic zones like Japan, so that is a reason for the global development too. The last fact is the demographic change, because people are getting older, the population on earth rise and we need more stores because small towns are getting bigger and bigger. Therefore, the expansion and further development of shopping centers creates a very good sphere for retailers for spreading their brands all over the world.

The physical store is still the preferred mode for customers, because they like to see and try their preferred good and a Store is a social point too, where you meet people and you go with friends to have fun.

Therefore, people do not want just to shop alone online at home in front of their computers or tablets. It is more common to go with friends to a store, to look for some stuff and get the opinion of your friends before you buy something new. That is how people combine the social part, like meeting their friends, with the shopping parts. Nowadays where the shopping center get more entertainment and get more and more of

new stuff, people have every time they go there, something new to discover.

In the last few Years the global development got strong in the Asian area, where the focus is on Tokyo, Taipei and Singapore and the expansion in the middle east is also as strong as before, like in the cities Abu Dhabi and Dubai. In the middle East are some of the largest shopping malls in the world, they have nearly everything you can imagine in it, like ski slopes, cinemas, a 3 store high aquarium and much more. Therefore, these malls are attractive for the brands to expand there, because they can see that in this cities are quite enough rich people.

In fact of the expansion in Asia and Middle East, the traditional shopping Cities, like London, New York or Paris are getting overtaken and losing their powerful position as Shopping Cities in the World. In addition, if this Trend continues, any time soon a new city, beside this three will be the biggest shopping City in the world.

## 4. How do shopping Center work today?

Since the recession in 2008, the shopping center development got more carefully about their locations and spaces, because they had to be at the right space and right location to meet contemporary consumer. Therefore, the market shifted in the focus of retail-related building activity against the redevelopment, refurbishment and extension of existing stock.

### 4.1. The online world

The online purchase is an important tool in the consumer buying process of finding a product. Main advantages of online shopping are the opening hours that you have a big product range and often you have a better price for the product than in a brick and mortar shop. This is the reason why the offline shops are creating homepages and web shops, so that they get more attractive for people. So people can get information about the products in the internet, can look what the shop afford and what you really need. So if the Consumer's come to the shops, they are better informed and know how the price for the products are, so they often decide at home what they want and go to the shop to buy it.

In the Chart below, you can see that people like it to be online and offline, so to have an Omni-channel Store because in the different stages of the buying process the consumer's prefer to have an online and offline store.

For Example, on the one hand, as I mentioned before, the price is often better if you purchase in the internet than in the store or also that you can shop every time you want on a day because the online shop never close.

On the other hand, the product judgment is better in an offline store, because you can hold the product in your hands, you see it in real and often you can turn it on and try it how it works.

So on this chart you can see where people think it is better to shop online or offline and that, if you want to be competitive.



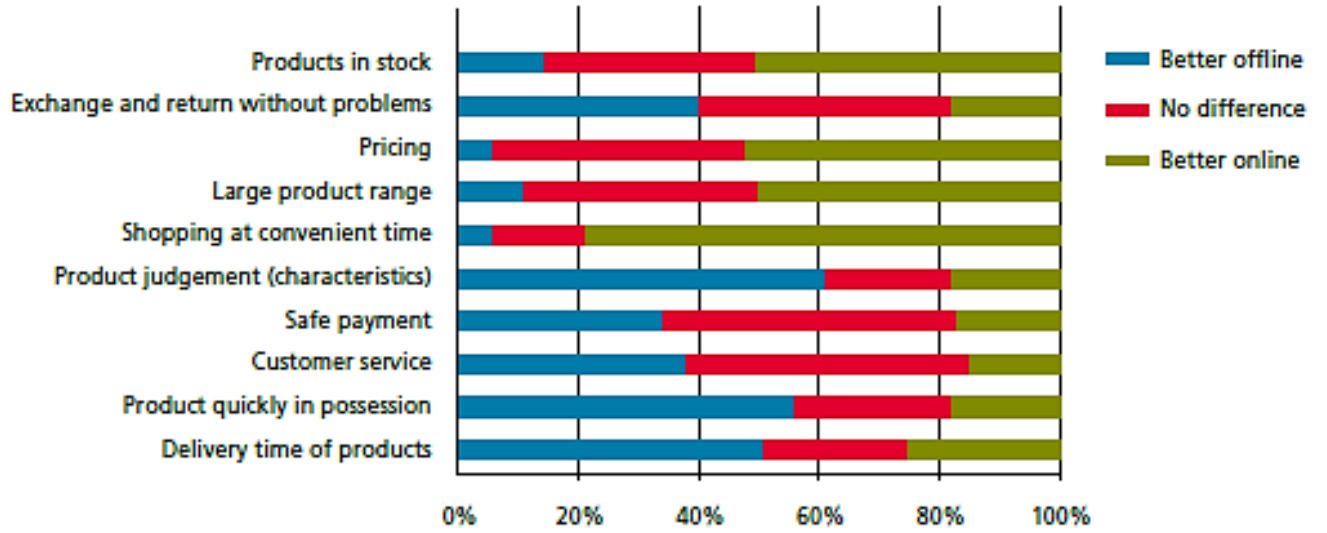


Figure 9: Kaj Deana, Bouwfonds IM Research, Refurbishment – the way forward in European ,brick and mortar’ retailing, Netherlands, 2013, Bouwfonds Investment Management

## 4.2. Americas shopping center Trends

Although many reports say that shopping centers are dying and disappear, shopping centers are growing. After the recession in 2008 the industry is as strong as before and getting stronger. In a chart from the International Council of shopping Centers (ICSC) is shown that the rent prices are getting nearly the same level like before the recession and the capitalizing rates are both down and reach nearly the pre-recession low. This increasing of the rates are encouraging, but this are also very good indicators that the real estate market is health and vitality.



Figure 10: ICSC Research, *Shopping centers: America's first and foremost marketplace, USA, 2014*, International Council of Shopping center, Inc.

There are few barometer of the industry's strength like foot traffic. This barometer shows that if more people are coming to stores and malls, the sales will rise. Nevertheless, nowadays people are time-pressed and so they are looking for a new shopping behavior, like looking in the internet for their goods and then just go in the shop, look for it and make an in-store purchase. So in the future benchmarks will change to new standards like shopper frequency, conversion rates or dwell time in shopping center productivity.

This all shows how shopping center are shaped from nowadays to the future and show the long-term viability. Owners and managers of shopping center introduce new technologies to strengthen themselves and the properties they occupy.

#### **4.2.1. Shopper's behavior**

Before the recession, the shopping behavior of American people were bad, because they had a free-spending behavior. Nevertheless, nowadays they think about these habits and are optimistic that they let it behind and think now about the money and only buy what they really need. Earlier they never thought about saving money, always when they got the money at the begin of the month, at the end of the month all the money was gone. Now people think about to save money, so that they have some if they need it, like when the car breaks or they need a house renovation or for vacation.

Americans also rethought their preferences on their stuff, because now before they buy a new product they think about the usage of it. Does it somebody else use or is it only for me, like when you buy just one bottle of shampoo for the whole family so that not everybody has their own bottle. Therefore, they are trying to stretch their money as good as possible.

Other interesting changes are that people are changing their time for going to a haircutter. Before the recession, people went more often to a haircutter than now, because they do not want to pay so much for it. Next thing is that when they go to work, they take their lunch with them from home, so that they do not have to go somewhere in a restaurant to eat and can save money.

#### **4.2.2. Moderation of Retail space**

The United States of America has in the year 2014 a total GLA of 698.5 million square meter located in more than 114 000 shopping centers. Not every State has the same amount of shopping centers, depends on the size and the population in the State. So for example is California one of the State with the highest GLA with 83.5 million square meter contained in 15 197 Shopping centers. That is 12 % of the total GLA that have only one State. The average of GLA is around 1,3 % of the total GLA, so like the State Nevada with 9.3 million square meters contained in 1 332 shopping centers. And there are also some state with less shopping centers, like Montana with 1.1 million square meter, so that is only 0.2 % of the total GLA, contained in 127 shopping centers. Therefore, there is a big differences from state to state.

The total growth of the GLA in America is decreasing in the last years. The peak was in 2006 were the total GLA growth from 2005 to 2006 about 2.91%. That is the highest increase since the year 2000. In addition, after 2006 the GLA is slowly increasing as you can see on the Chart below. In the year 2014 there is only a growth of 0.42%, but is still growing.

In the year 2014 there were finished and opened 508 new shopping centers containing 7.5 million square meter. The average size of a center is around 14 800 sq. m and the most of this center were built in California, Texas and Florida.



Figure 11: Cushman & Wakefield, Global shopping center development report, USA, 2014, Cushman & Wakefield inc.

### **4.2.3. New Store Concepts in the Works**

In the last few years some retailers aggressively increasing their store counts. Most of these retailers are fast-fashion brands, like H&M or Zara, but also normal brand label like Victoria's Secret Pink or Footlockers.

For example, the Staples stores offer a new Concept in some select stores, which any other store have right now. This is a 3D printer, so that their customer and some business are able to create some personalized products. Many other retailers will copy this Concept, because everybody want to have their own created product, so this is a great invention.

An Example for a new concept of a shopping center is the American Dream Center is currently under construction and will be open in 2016. It is one of the largest shopping center in America and will be the largest on the North part of the U.S. It will contain more than 400 retailers, restaurants and services, also an indoor amusement and water park, an indoor ski and snowboard park, an observation wheel, a performing art center with 2500 seats, an ice rink with the size of a NHL-size, a movie complex for more than 5000 people, an aquarium with more than 10 000 "sea creatures" and last, because it still is not enough, they will have a 18-hole miniature golf course. The center contains 247 000 square meter gross lease area. This Center try to offer as many entertainment as people like to have to spend a whole day in the center and spend a lot of money there without getting bored.

#### **4.2.4. Online moving to physical locations**

beside the fact that the stores are getting a new concept, there is another trend, which is quite popular right now. Those online retailers are going to open a brick-and-mortar location. In America are quite a lot online retailers who did it in the last years, for example BaubleBar, Piperlime or Bonbons. These companies wanted to give their customer a chance to try to interact with their goods and do their purchases on their own terms. One fact why many online retailers are opening a physical store is that the acquisition cost, as shipping fee, are increase and customer who get their goods in store do not have to pay this costs, so they like it more to shop in brick-and-mortar stores.

*“We had tested offline in a few different pop-up concepts, but last summer we saw a couple of customer behaviors that made us realize we needed to move fast in terms of offering physical retail to customers. A lot of online- first brands have seen this happen.”*

— Amy Jain, co-founder of BaubleBar, an accessories e-tailer

#### **4.2.5. Population Trend**

The population trend is already changing in the United States of America and will continue changing in the future. Nowadays, the facts for a growing population are the birth rates, the crude death rates and the net migration. During the people are getting older and work longer, the birth rate will continue to remain positive for the next years. The shopping center space per capita was in the year 2014 at 23.6 square feet. This rate is already decreased to the peak of 2009 at 24.1 square feet and will still decrease in the next years because of the population growth.

### 4.3. Europe shopping center Trends

In Europe the household consumption is a major component of the European economy, it has nearly a part of 55% within the Eurozone. For accelerating the recover the economy, it is important that the consumer strength is always high, so the European central bank made some policies, which improved business and consumer confidence. Also in the year 2008 during the recession these policies have resulted that the euro was still stimulating growth and so the danger of stagflation was reduced.

At this time the lower oil prices and the low inflation was good to improve the disposal incomes and to increase even modest wage to be positive in real terms.

In the year 2008, the total retail sales in Europe (excluding Croatia) reached around 2.59 trillion euros, before the recession began. In the next year it only achieve a high of 2.46 trillion euros, but the steps from the European central bank and also the lower oil prices and low inflation in the years after 2009, let the total retail sales reach an all-time high of 2.761 trillion euro in 2014.

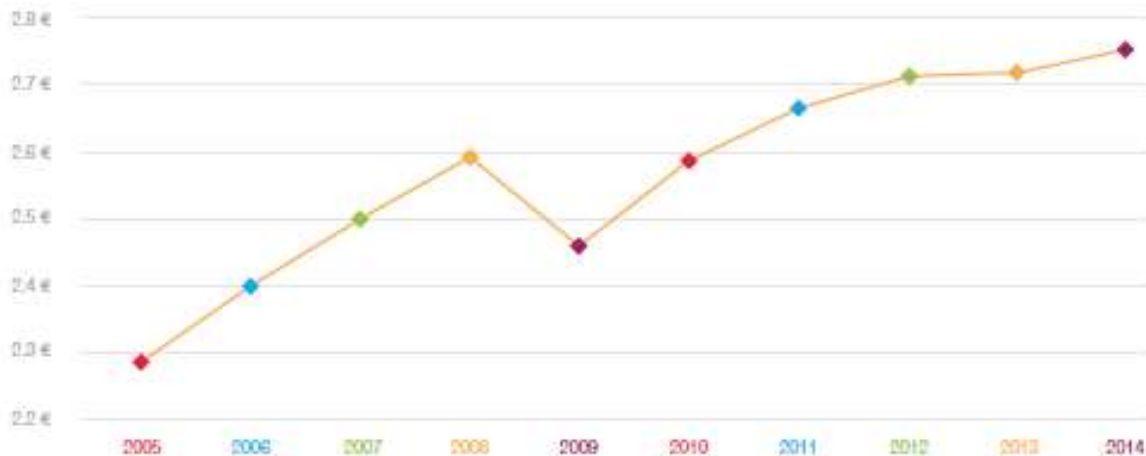


Figure 12:EU-28 Total Retail Turnover(less autos)  
 ICSC Research, the socio-conomic contribution of european shopping centres, USA & United Kingdom, 2015, International Council of Shopping Centers, inc.

In the years 2015 and 2016 the private consumption will still grow across the most European Countries and this will also decrease the unemployment rate and will stimulate the interregional trade. So when new shopping centers will be build, it is as good for the economy of the country as for the people, because they create new jobs and so the unemployment rate will decrease.

At the chart below, you can see the European Countries and their private consumption growth from 2014 and the expectations until 2016. Austria will grow, but only a little bit, but other countries like Estonia, Norway or Poland will increase their private consumption very strong in the next years.

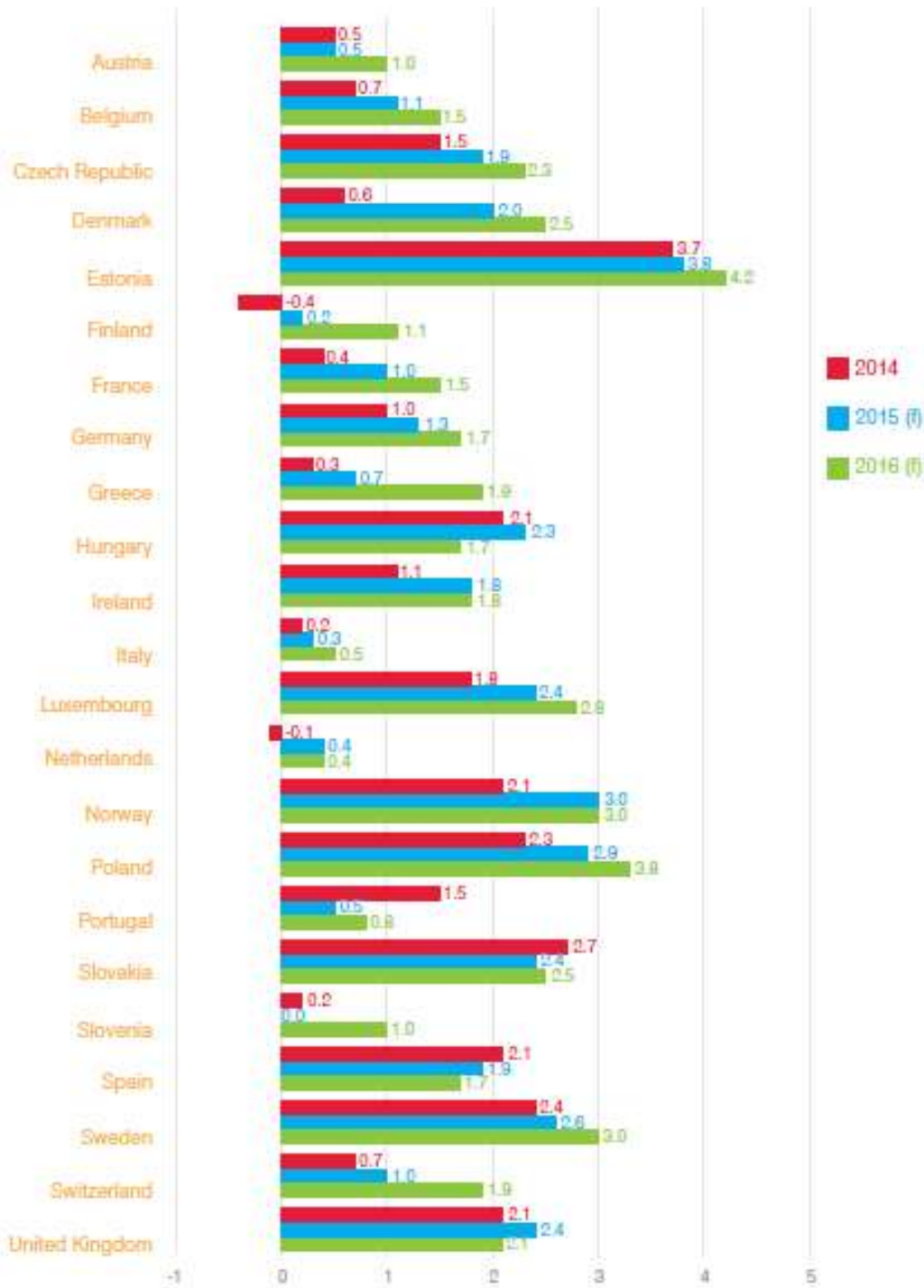


Figure 13: Real private consumption growth  
 ICSC Research, the socio-economic contribution of European shopping centres, USA & United Kingdom, 2015,  
 International Council of Shopping Centers, inc.



In the year 2014, people across the European countries spent more than 520 billion euro in shopping centers, which is a 2.7% increase over the year 2013. In Europe is a big difference between the countries, for example is France the number one of spending money in shopping centers with 123.1 billion euro and Bulgaria one of the lowest countries with only 0.6 billion euro.

A good comparison between the Countries is the shopping center-inclined sales per capita chart.

As you can see in the chart below, Bulgaria has the lowest rank with only 78.23€ spent per person at shopping centers and Luxembourg takes the top with 2 980,59€. That shows how different the income is at the countries. The best countries are mostly located in west Europe, as Austria on rank 9 with around 1 000€ shopping center spending per person. The lower Countries are mostly in the east, like Romania, Greece, and Slovenia.

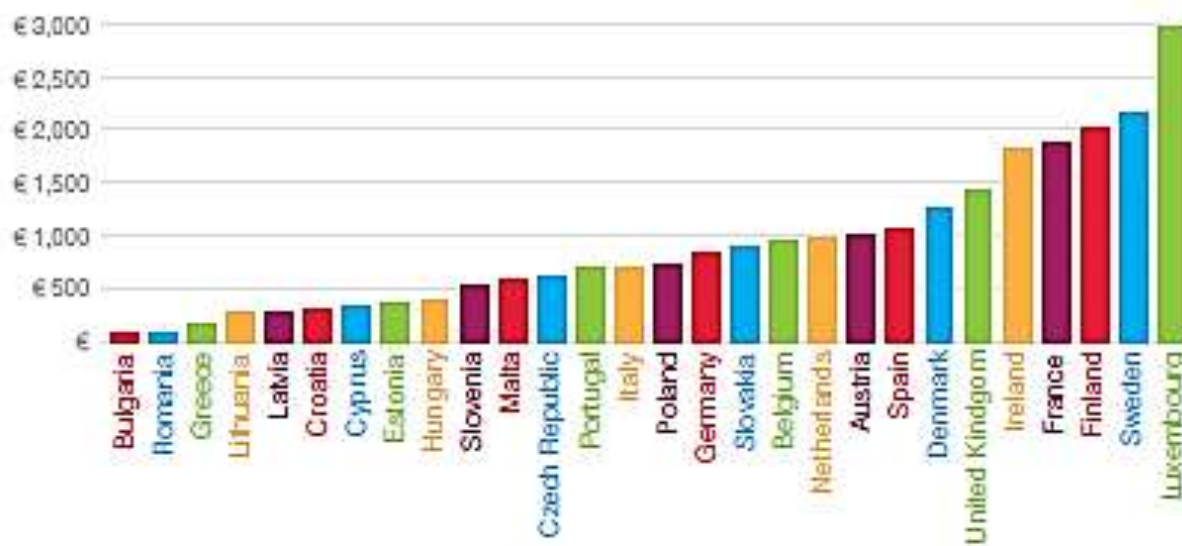


Figure 14: European Shopping Centre-Inclined Sales per Capita (2014)  
 ICSC Research, the socio-economic contribution of European shopping centres, USA & United Kingdom, 2015, International Council of Shopping Centers, inc.

Many people believe that shopping centers are dying in the next few years, because of the internet trade, but the vital signs are strong. The shopping centers are changing to a new era and there are differences between the countries as well but overall is the retail real estate performing well. Retail real estate makes a quarter of the total commercial real estate space in Europe, so it is an important part of Europeans economy.

As mentioned before, the shopping centers make a big part of the European economy. In the chart below you can see that in whole Europe we have a gross leasable area (GLA) of nearly 190 million square meter in shopping centers. The strongest countries are France, United Kingdoms and Germany. These three countries have already 37% of the total GLA of Europe.

Austria has 3.8 million square meter GLA containing in 233 shopping centers, which are divided into 148 Traditional shopping centers, 6 Factory outlets and 66 retail Parks.



**2015 European Shopping Center Count and Gross Leasable Area by Center Type**

Country	Traditional Centers		Retail Parks		Factory Outlets		Total	
	Number of Centers	Gross Leasable Area (Square Meters)	Number of Centers	Gross Leasable Area (Square Meters)	Number of Centers	Gross Leasable Area (Square Meters)	Number of Centers	Gross Leasable Area (Square Meters)
Austria	146	2,787,790	81	893,340	6	120,000	233	3,801,130
Belgium	64	1,298,161	70	1,060,029	4	62,230	138	2,420,420
Bosnia and Herzegovina	19	261,263	--	--	1	17,000	19	278,263
Bulgaria	25	759,684	5	137,873	NA	NA	30	897,557
Croatia	50	1,275,769	4	67,774	2	25,253	56	1,368,796
Czech Republic	86	1,579,106	52	449,563	2	47,600	140	2,076,669
Denmark	105	1,760,151	1	44,000	3	40,500	109	1,844,651
Estonia	39	750,897	--	--	--	--	39	750,897
Finland	103	2,187,734	8	150,400	--	--	111	2,338,134
France	792	17,740,291	332	5,612,856	23	451,347	1,147	23,804,494
Germany	590	14,538,022	158	3,144,557	14	192,500	762	17,875,079
Greece	31	606,125	6	190,880	8	96,850	45	893,655
Hungary	60	1,367,472	19	467,400	2	29,900	81	1,864,772
Ireland	101	1,642,170	56	804,259	2	24,758	159	2,471,187
Italy	758	13,871,644	68	1,193,330	23	589,516	849	15,654,490
Latvia	47	633,906	2	46,000	NA	NA	49	679,906
Lithuania	44	936,712	5	142,650	--	--	49	1,078,362
Luxembourg	12	283,545	8	93,857	--	--	20	377,402
Malta	9	111,024	--	--	--	--	9	111,024
Netherlands	502	6,111,703	7	92,583	3	81,400	512	6,285,686
Norway	323	4,613,571	NA	NA	1	15,000	324	4,628,571
Poland	395	9,487,539	52	980,940	12	187,000	459	10,655,479
Portugal	116	2,805,244	29	366,850	6	236,860	151	3,408,954
Romania	124	2,936,421	16	214,242	1	11,000	141	3,161,663
Russia	394	16,275,277	2	61,900	3	77,124	399	16,414,301
Serbia	27	433,400	6	199,850	3	55,500	36	688,750
Slovakia	49	863,153	33	255,144	1	15,000	83	1,133,297
Slovenia	41	786,575	2	46,100	--	--	43	832,675
Spain	428	11,310,191	76	1,999,844	15	214,316	519	13,524,351
Sweden	222	4,069,211	84	3,143,290	2	31,875	308	7,244,376
Switzerland	189	2,809,594	3	63,466	5	71,300	197	2,944,360
Turkey	304	8,612,874	9	292,453	49	1,369,542	362	10,274,869
Ukraine	NA	NA	--	--	--	--	NA	NA
United Kingdom	717	17,079,308	911	10,492,842	37	640,155	1,665	28,212,305
<b>TOTAL</b>	<b>6,911</b>	<b>152,584,527</b>	<b>2,105</b>	<b>32,708,472</b>	<b>228</b>	<b>4,693,526</b>	<b>9,244</b>	<b>189,986,525</b>

Figure 15: ICSC Research, URL: <http://quickstats.icsc.org/ViewTablesCharts.aspx?id=411>, 2015

Of course there are differences you can not show in a chart, like that enclosed mall formats are more likely to people in the north where the weather is always cold and icy, so they prefer to shop in a warm and heated shopping center and the opposite is for example in Italy where people like to walk outside in the sun and only go in the stores to shop, so that is what you can not really compare.

Other difference is the wealth of the European countries, so there is also a difference in the density of shopping centers per capita. Another thing is that people who earn more money are looking more for sustainability in their shopping centers and are willing to pay a little bit more for their stuff, as long as is sustainable. Other people with less income just want to buy their stuff and they do not mention if it is good for the economic or not, they just want to buy their stuff as cheap as possible.

Europe is one of the favored region for expansion of the big companies. Around 42% of all retailers have as their first target the region of Europe for their expansion. From the top 20 retailers in 2014, a quarter wanted to expand to Europe. For example fast-fashion brand want to expand in Europe and all over the world, like H&M.

To increase their profit and to maintain the attractive of their products, many retailers are involving new store concept. The often use limited release of pop-ups in target markets to find out how people accept the new style. If they get positive results of their test, they begin to introduce the new concept to their stores all over the world.

Because of the internet trade, many stores appeared online, because they thought that people only want to buy their things online. Nevertheless, as they did not know, that people still prefer to go to a physical store, to try to see the product before they will buy it. So some of the online stores disappeared after some time, because they were not able to open a physical store and as mentioned people do not like just an online store. So many online stores moved into a physical store and people welcomed the opportunity to interact with their favorite product and the customer service staff.

A famous example for it is Google, because they opened a brick and mortar store in London where people can interact and look at their products, like phones, tablets and get more information of the products from the customer service staff, before they will buy anything.

### **4.3.1. Tenant mix**

Tenant mix is an important word if you are talking about shopping centers. If a shopping center has a good tenant mix, it is more attractive to people and so it will have more consumer than shopping centers, which have only one or two shop types. You reach more people if you have different types, because so it does not matter if people have different favorite shops, because you will have everything there. In the past, the tenant mix accrued only of textile, electronic, cosmetic, etc... However, in the last years it has changed a lot, because nowadays people do not want only shops to buy things. They also want to get entertained in a shopping center and want also to spend time there, maybe with the family or friends, so newer shopping centers include in addition to the old shop mix, also food corners, entertainment services, fitness and spas or also medical and dental services. So nowadays people can go to a shopping center and can nearly everything do what they need.

### **4.3.2. Demographic trends**

The total population in Europe, as all over the world, will rise in the next years. It is different from Country to country, but for example in the UK, the population will grow until the year 2050 around 20%.

The reason why the population is growing are that the life expectancy is getting higher and that more migrants will come to Europe.

The life expectancy is growing in fact of different reasons.

The living standard is getting higher, so people will earn more money and can live in better circumstances as nowadays. In addition, the medication will get better, so that it is able to heal more diseases.

That are reasons why people are getting older and owners of shopping centers have to rethink their offers in the shopping centers.

The percentage of the total population of people who are older than 65 is in the year 2013 18.2% and will increase to the year 2050 to around 29% of the total population.

That shows that shopping centers have to care the same for older people as for the younger ones.

The other reason for a growing population in Europe is that more and more migrants will come to Europa, to live and work here. So in the next years the population of inter-regional migrants will grow strong, because the migrants who are already in Europe is only the first generation, their kids are the second generation and so they will spread in Europe and our population will rise.

#### 4.4. Shopping center employment

Retail trade, as already mentioned before, is the third-largest employment sector in the EU. It is measured by the working age between 15 and 64, so 8.9% of all employments are working in the retail trade. That means that around 19 million jobs or about one of every 11 jobs in Europe is on in the retail industry. About 4.2 million retail employees are located in shopping malls. In the chart below, you can see how the 4.2 million employees are divided on the European Country. First is the United Kingdom within 862 726 jobs, followed by Germany, with a big distance, with 680 604. Austria is in the middle with 72 003 employees in the retail industry.

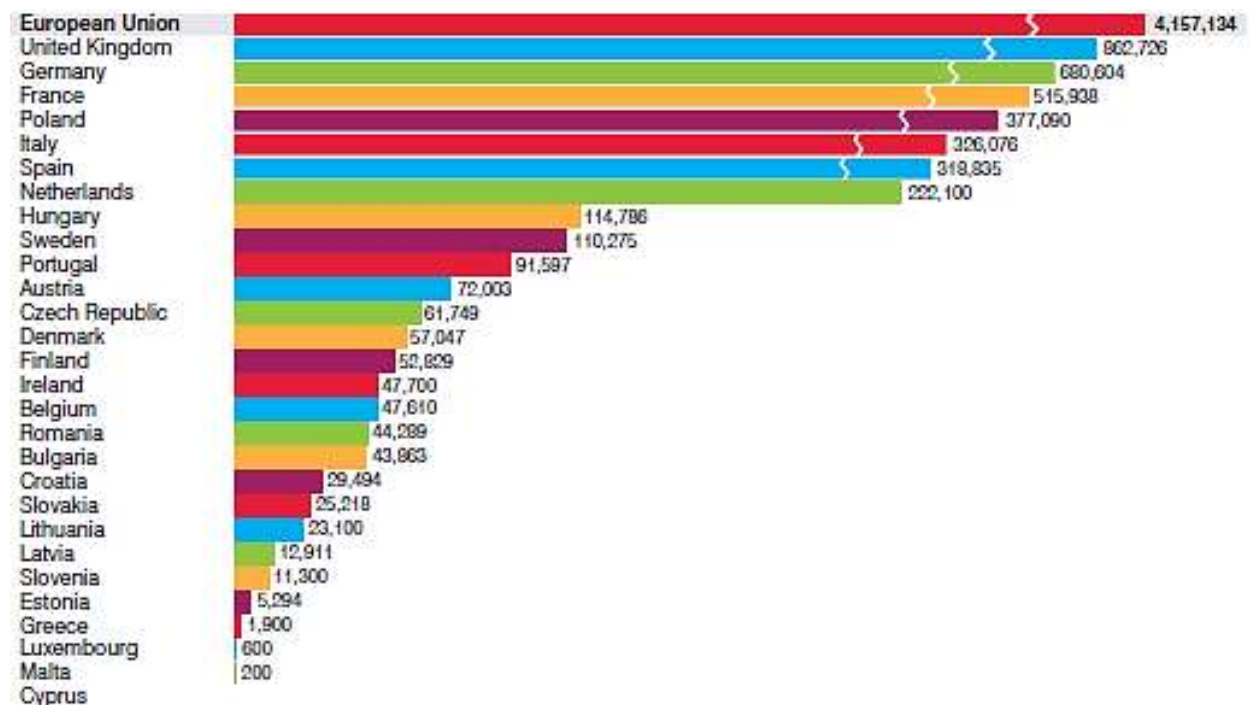


Figure 16: European shopping Center-Related Employment (2014)  
 ICSC Research, the socio-conomic contribution of european shopping centres, USA & United Kingdom, 2015, International Council of Shopping Centers, inc.

These Employees are only the people who work directly in a shopping center; there are not the service sector. This sector includes bars, restaurants, doctors, gyms, fitness facilities, also cinemas, and entertainment options. That is exclude of the Chart, but should be in to rectify the number of employees in shopping centers, because they are also a part of it.

#### **4.4.1. Revenues**

Shopping centers are an important factor for the economics of a country because they make billions of Euros from tax collections on real property, sales and income.

In all European countries, you have to pay the VAT (Value Added Tax) Tax. VAT-registered traders collect it on their supplies of goods and services effected within the State, for consideration, to their customers. It is not in every country the same, like for example in Hungary, you have the highest with 27% and in Luxembourg you only have 17%.

Overall, the European Union earned in the year 2014, 575.7 billion euros of the VAT Taxes from the countries. Austria paid a part about 2.2% or 12.2 billion dollars.

The VAT Tax is the biggest part of Taxes, but the shopping centers have to pay more Taxes than this. The Employees have to pay the income taxes and national security tax. Employer have to pay corporate and payroll taxes and if you have a land or a building, you have to pay property taxes.

Therefore, as you can see, if the shopping centers will be gone, the Countries and the European Union will loose a lot of money, which they badly need. And it is not only about the money, it is more about the people who work in the shopping centers, because they will loose their jobs and get unemployed, so that do not help anybody of us.

Shopping centers are not only good for the European Union or for the Country; it is also a big business for the area around the center. They are good for the long-term regeneration of areas. This happen in fact of that people are coming to this area for shopping in the center, but on the way there or back, they might see some other interesting things to do in the area and spend some money there. Therefore, a center always bustling the area around it.

In addition, there are separate taxes to pay in a city or town, which help to grow the economics of this area and bring capital investment there. For example, like cross-border real estate investment. In the year 2014, across all European countries, 48.7 billion euro were invested in retail assets, of which 20.6 billion euro were directed towards shopping center and of this 20.6 billion euro were the half of it from cross-border sources.

That shows that shopping center are important for the European economy, because they will bring investors and money to Europe.

#### **4.4.2. Net benefits**

There are different ways to maximize the net benefits of a shopping center to towns and cities and their communities. It is important if you build a shopping center in an area, that all participants, like developers, architects, owners, work together to create a center, which contains all existing retail offers, support the development of local business, fits with the town planning and to create urban spaces for visitors.

Furthermore, the developers and owners of shopping centers recognize that the tenant mix is important, to have different shop types and sizes of stores in your center, that it is attractive, so many owners of shopping centers support small- and medium-sized businesses. Therefore, in the last years the small-sized business have problems with the low levels of consumer spending and that they have only reduced access to affordable finance.

#### **4.4.3. Adapting to new opportunities**

since the last few years, the technology was grown fast and nowadays you can not imagine a world or shopping without technology. For some owners of shopping centers and developers is the technology perceived as a threat. The owners have fear that people only buy their goods in the internet and not in their stores so that the consumer behavior will be completely changed. That is partly right because the consumer behavior is changing with the technology, but the owners have to grow and live with the technology, they have to integrate the technology into their shopping centers, so that it still be attractive to people. Nowadays a purchase may include a pre-, during and post-purchase as consumer's research, compare, explore and review products and services. So owners have to understand how people shop now and has to improve their own

Omni-channel retail environment. They have to create places and areas for consumers in the center and online on their shopping journey.

#### **4.4.4. Changing role of the store**

The role of a typical store where you drive, get in, look for the stuff you need, pay and went home, is changing in the last years. With the technology, the stores are changing to Omni-channel stores with online connections. Most of the shops offer a click-and-collect system, which mean that you are looking for your goods online on the website of the shop, buy it online, but pick it up in the store. So there is no delivery at home, you just go to the store and pick it up. The consumers are more flexible and autonomy than home delivery. For example, in the Report of Kantar Retail in January 2015 with the name "The Multichannel High Street: Winning the Retail Battle in 2015", they report that John Lewis's click-and-collect service rise around 60% from year to year. So that shows that people like the new service to shop and stores just have to jump on this train to make success.

Another new method of the technology era is that stores are changing more to showrooms of their goods. Nearly like 80% of consumers look and search for their stuff online at the website of the shops and go to the shop for try and test the goods, how they feel and fit, but then go back and buy it online. So that is why many stores are small and don't need to carry the same inventory level than it was before the internet, because they show all of their goods online on their websites and offer same- or next-day delivery to their homes.

#### **4.4.5. Changing role of shopping centers**

As the role of a store changes, so too is the role of shopping centers changing in the last years. The owners have to look that the centers stay attractive to the consumers with enhanced services like free WIFI in the center or as I mentioned before the click-and-collection services or that you have collection lockers for online retailers like amazon. Shopping center manager and owners got more active in the last years in using the new technology and the social media to understand the new customer base, what they like and want to get a better connection between the new customer base and the owners and managers. For example, the Shopping City Seiersberg owner created a smartphone app, so that everybody who have a smartphone can download the app free. This app



enable customer to look which stores are located in the shopping center, they also can look for the opening hours and you get some discounts and promotions from stores with this app. This application can also identify the location of the customer if he allows turning on the GPS-usage. Therefore, the app can identify the location within 1 meter and can show him the fastest and best way to the store he wants. The app shows you also the discounts from the stores near you.

#### **4.4.6. Brick and mortar solid ground**

Other than the most people think that the number of physical stores will decrease because the online store is getting stronger, two-thirds of the consumers rely on brick and mortar stores. In a Survey of A.T. Kearney, 90% of all retail sales are transacted in stores, so only 10% are transacted online. The reason for that are that the price in the web shop is often better than in the physical store, but you get a better support in the offline store and you can take it right after your purchase with you.

95% of all retail sales are transacted in stores with a physical presence, so only the half of the online purchases are made in online shops without a brick and mortar shop.

The physical stores are in some department better than the online stores, like that, there are a boarder mix of products purchased or also that people a more spontaneous buying if they are in an offline store than in an online store.

That allocates that the brick and mortar stores are still important and will remain in the future.

“Which methods do you use now?”

- Use a catalogue / mail order
- Go online on a tablet
- Go online on a smartphone
- Go online on a desktop / laptop
- Visit a shop

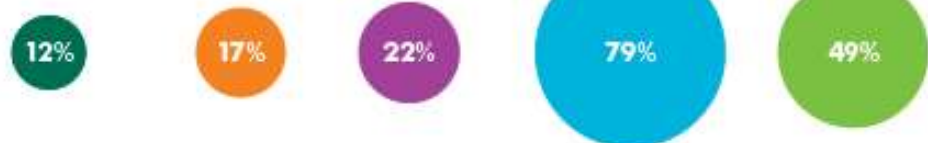
When browsing generally for products I...



When looking for something specific I...



When checking prices or product details I...



When buying products I...



**Note:** Percentages may not sum to 100% because respondents may report more than one method.

Figure 17: Peter Gold & Neil Blake, Ph.D.; How consumer shop 2014, United Kingdom, 2014, CBRE

## 5. What will the Future bring?

In the future, the retail sector will change rapidly. We anticipate that there will be more changes in the next few years than there were in the last few decades. Nevertheless, not every Trend who will appear, will survive for long, so they will just show up for a short period to try them. There will be various retail formats like entertainment centers, lifestyle centers or festival marketplaces, but they are not working everywhere in the world, they need some specific circumstances and conditions that they will work well. So there is no perfect solution for a shopping center, you always have to look first what is the best technique in this area to make the shopping center more attractive to the people, so that they want to go shopping.

More precise of future shopping center will be the tenant mix. As I mentioned before in this paper, the current situation is also changing the tenant mix as it was a few years ago, but this change will not stop in the future. Today they combine cinemas, theaters, food and beverage with the traditional tenant mix in a shopping center. In the future, there will be more various shop types in a mall. People have already time pressure, so they do not have much time to go and spend time for shopping. However, this time pressure will not get better in a few year, I think it will get worse than now. That is why owners of shopping center have to think about, how they still bring the people to their centers to purchase there. The solution will be that you bring everything a customer will need, to your mall, so that the people do not have to drive with the car to different places to shop. The new tenant mix will contain grocery stores, spas, body sculpting, fitness center, cinemas and much more combined with the traditional tenant mix. This should show the people that they just have to come there and have everything they need in one center. I think this Type of shopping center will not really envelope in Europe or Austria, because our country is too small, that we do not have long distances to the shops. However, I think this will be a great success in America and Asia, because their consumer behavior is different to the Europeans and they have to cover a big distance to their shopping centers, so they want to have everything there, when they come to shop.

Furthermore, not only the shopping center itself will change their image, the store will also change the design of it. Today in a typical shop there are their products, like in a fashion shop, there are T-shirts, trousers, pant and much more. In addition, there are few pieces of every product, because the product can be in different colors and different size. Therefore, you can look if the size you need is offered, take it and go to the dressing room to try if the product fits. Nevertheless, in the future, the shops will only hang one piece of a product in there shop, and if you like the style, you can open on your smartphone the app of the shop and look if this product is available in different colors and size. If you find the right product, you just press a button and it will deliver into a dressing room where you can try it. That works, because instead of a big show room, because it goes smaller and the stockroom gets bigger, where all different types of the products are. The stockroom will have a special technology that if somebody choose a product, a fully automatic system brings the right product to a dressing room for the customer. In further consequence, if you like the shirt or whatever, you can pay right in the dressing room with your smartphone and save time because you do not have to go to a cashier and wait in line until you are next. If you do not like the product, you just have to place it on a chute and it will get back to the stockroom.

That all sound a little bit crazy and makes us a little bit scary, but the future will show us that something like this will develop and introduce. The disadvantage is, like in most of the industry where technology is the future that many people will loose their jobs, because you do not need them anymore if everything is working fully automatically.

## 5.1. Future Trends

### 5.1.1. Size of shopping center

Nowadays shopping malls are at the maximum size, which people like to walk from one end to the other end of it. There is a maximum way each consumer will walk in a Center, it changes between each consumer, because one is more sport active and another one do not like to walk too much.

If we look at the centers today, they are big, you only walk once in both direction and if you forget anything, you do not walk back through the whole Mall. That is why the owners of shopping malls have to think about a transportation system, which brings the people from one end to the other, because the shopping centers will not stay at the nowadays size, they will get bigger.

There are some ideas you can manage the transportation problem.

First idea is, that you build the walkway between the shops a bit bigger, that you can drive through with a electronic train where people can go for free. If there are few stations in the center and the train drives continuously, the consumer would like it and certainly agree it.

Another method would be to build moving walkways as they are on airports or big exhibition halls. It is a simple system, you do not need employees like you need for the train, and people are able to go faster from Point A to Point B.

Next method would be to offer transportation vehicles, like Segway or golf cards, but they are expensive and if something happens, the owner of the shopping center has to be responsible fo it. That can be a problem, because there are enough people who can not handle it. Nevertheless, the idea of offering a transportation system where people can drive at their own would be great.

So there are few ideas, owners of shopping centers have to think about when they want to build bigger shopping centers than now.

### 5.1.2. Lifestyle centers

A lifestyle center is difficult to describe, because everybody understand something different of this term. In general, it is a consumer-oriented center with strong supporting of the fast fashion sector and the food and beverage sector and it should be open-air and modestly sized. That is the main imagination of most of the people. Nevertheless, it

is not that easy to create a center like this, because there are different Consumer behaviors, so that you have to look which stores you have to bring to this area and to respond the enthusiasm of customers for a great experience in the center. Mostly the design of the centers are developing with visual variety, so that not all the centers look like the same.

### **5.1.3. Pop up stores**

Pop up stores get more and more important in the future, because the shopping malls are getting bigger, so there are more shops in it. Nevertheless, it is not that easy to fill all the dead space with shops who will rent it for a long period. So instead the free space is empty for few month, you let it be that a pop up store rent it just for a short period until you find a tenant for a long time rent. They are also good for shops to test a new product and give the consumer's of the shopping center a feeling that something is new there and they have to go and see it.

This is a good strategy for filling the dead space in shopping centers, but the disadvantage is that more and more shops just want to rent a space for a short term, because for them it is easier than to sign on for a five or ten year contract. In the last years, the pop up stores just opened for some special vacations or celebrations, like Christmas, Halloween or the Independence Day in America. Nevertheless, it can be that this trend will spread out.

If this happen, the whole industry will change, because than every store in a shopping center will to have a short term lease, like just for one year, so they can cancel the contract every year. That is a problem for the owner of the shopping center, because he has to find a new tenant and that is too much effort if you have to do it every year for one or more shops.

#### **5.1.4. Design Trends**

There are some trends in the design sector of shopping centers. It is not only the infrastructure and the offering who make shopping malls attractive to customers. There is also the visual design who is important that people come to shop in a center. This need a good creativity and innovations to redesign a center. There are some parts to redesign it, like with new materials, new devices, new structures, new façade, etc.... This is a big advantage if it should be not so expensive than creating an entertainment center, so you get a “new center” image for a cheaper price.

#### **5.1.5. Industry oriented shopping center**

This can be the next step in the shopping center development. Nearly everybody know the problem that you are looking for something special, for example in a construction market because he or she has to build something at home. The market does not have the right stuff the person is looking for, so this person have to go to another construction market, but as we all know, they are not really near to each other. That is what can be changed in the future, that more markets of the same branch are standing next to each other, that it is easier for the people to find everything they need. If one shop does not have the right good, you can go to the next one and do not have to drive with the car. That would be great for the environment because you do not have to drive that much with the car and for the consumer too, because they save time if everything is at the same place.

Another idea of it can be if there is a construction market that there is a furniture store too next to it. Like when you are moving to a house or flat and you need new stuff for it, you can buy the construction things, like well color or lamps or something for the garden in the construction market and furniture stuff, like tables, a couch or chairs in the furniture store next to the construction market. Therefore, you will have all at one place. That is how it can work in the future for industry oriented shopping center.

### **5.1.6. Technology Trends**

Technology Trends are always hard to describe, because you do not know what the electronic sector will develop in the next few years. Nevertheless, we can be sure that the technology, we have right now, is only the beginning of it, because they will be improved and advanced in the future. There are already some interesting things scientists have already developed. However, these Trends will change our consumer behavior and will change the way to shop.

There are few new methods, I will describe a little bit.

#### **5.1.6.1. POS System**

POS stands for Point of Sale and this Trend is already in use, but only a small part of it. This System makes it easier for stores to take the money of the consumer, to print receipts and to use tablets, smartphones or normal computers for it. It is an electronic cash register system, who makes it easier for the storeowner and the customer to collect and pay for the goods. People can pay in a store without their wallet, without money or a credit card, they just use their Smartphone or tablet to purchase.

POS is the newer version of the Old cashier system, where all the receipts were on paper and the shop owner had to collect them for the authority, but nowadays you can save everything on an electronically devise, so that nothing gets lost.

The Problem for now is that it is still expensive to change the System in a Store to this new POS System, but it will get cheaper in the future and so everybody will use it. You can also expand the system that you can see and practice the whole shop management with one device. Therefore, you can do the inventory tracking & management, service management and much more you need in a store.

This Trend will change the current shopping experience because it is going easier to pay for the goods, and you just need your smartphone or tablet for it without cash or credit card.





Figure 18: Pos System for iPad

URL: <https://www.barcodesinc.com/news/?p=10010#more-10010>, How to select a receipt printer for mobile POS, 2014, Barcodes Inc.

### 5.1.6.2. Beacon System<sup>2</sup>

The Beacon System is similar to the POS System, because you can also pay contactless in a store and so speed up the checkout. Nevertheless, this system can more than this, because it is like an Indoor mobile Communication between the Customers and the store itself.

When you entrance into a store, there are nowadays people who welcomes you and ask if you need help or if you are looking for something special.

First, that customer can use the Beacon system, the Store itself has to be stocked with this System and the Customer has to have a Smartphone with the Beacon app on it.

Then the beacon app is similar to the staff who work in the store, because when you enter the shop, you will get a message from the store on your smartphone, who says “hello” and give you an overview of the inventory and also information about the actually deals and coupons. Therefore, you do not have to run around in the store and look for

<sup>2</sup> Korber Sabrina, Retail's ‚beacon‘ of hope: Shopping that's personal, CNBC, 2015  
URL: <http://www.cnbc.com/2015/05/26/retails-newest-brick-and-mortar-bet.html>

the deals, because you get all of them directly on your phone. The App can also recognize if you wrote a shopping list, and there are products on it, which you can buy in this store, it will call you attention on it with a small message on your phone.

Today you only get a normal message of the deals and coupons of the store, but beacon will improve their system, that these messages get personalized and so to improve the shopping experience of every single customer.

Some stores offer a special deal, if you visit the store often and make a purchase. For example, if you go ten times to the store you will get a discount on one good at your next purchase It may sounds a little bit creepy, because its new and really personalized that they know if you are in the shop or not. However, that will be the future, so that you are “followed” by your smartphone and your GPS Signal.

Today this system is mostly in shopping malls in America, but it will get all over the world in the next few years and that will change the whole shopping experience and also the customer behavior.

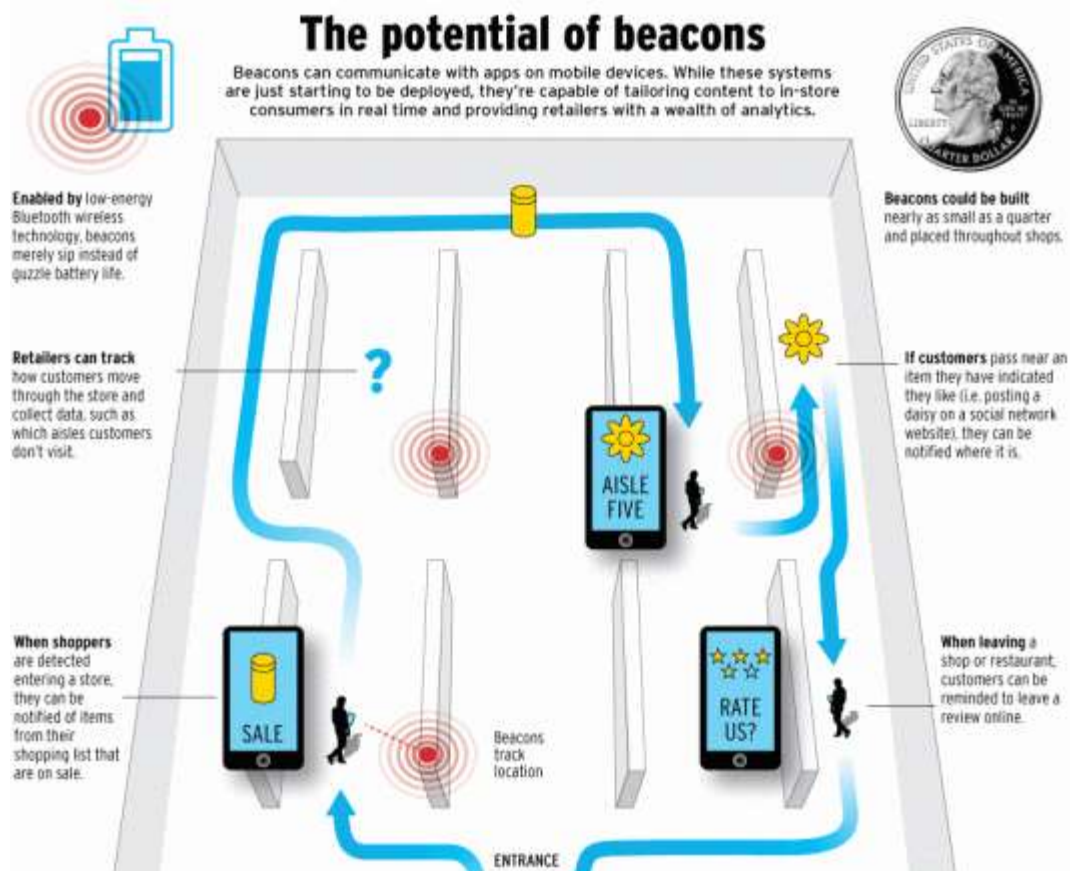


Figure 19: Beacons System,

URL: <http://onlinemarketing.de/news/beacons-lenken-hungrige-besucher-und-eroeffnen-neue-werbechancen>, Beacons lenken hungrige Besucher und eröffnen Werbechancen, Stefan Rosentraeger, 2014

### 5.1.6.3. Facial and Body Scanner

This System is already on the market, but only at the beginning and immature.

An Example what a facial scanner is, you just have to go on a website, which offers sunglasses or optical glasses, because most of them have already a System where you can use a Webcam for scanning your head. If this step is done, you can try every glass you want and which is offered, on your head, so that you can see if the spectacles are too small or big or how it looks like if you would carry it and so on.

Another example is the facial recognition software, which can only use governments and police that you can look for somebody, just with a photo of the person. For Example, if they are looking for a criminal you can use this to find him faster.

Body scanners instead you can already use in some fashion stores in America that you can do the same like with the sunglasses, so that you are standing in front of an intelligent mirror and you can see how the clothes will look like if you wear them without trying it and changing the clothes.

The Problem with this system is that they just show you how you look like, but do not tell you if it also fits on your body. The technology will be improve in the next years, that you make once a profile, where the measurement of your body will be save. Therefore, if you go through the mall, you will get a message if a store has clothes who will fit on your body and so you know exactly where you can go if you need trousers, shirts, or something like that. That will save time, because you do not have to run through different stores to see if they have clothes for you or not.

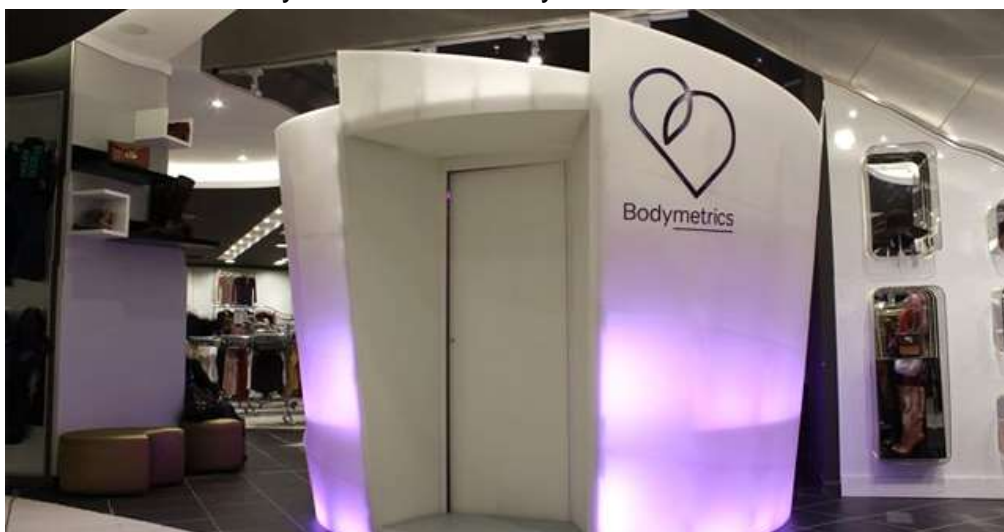


Figure 20: Body Scanners

URL: <http://gizmodo.com/5853065/clothing-store-body-scanners-know-your-every-curve>, Clothing store body scanners know your every curve, Andrew Liszewski

#### **5.1.6.4. Mobile Apps**

There will come other Systems, than just the Beacon or Pos system, too. Because some shops will their own app, which only works in their stores, so that they have the feeling to be unique.

One App can be an app for Coffee shops that you can place your order with your smartphone and just pick it up at the counter. If you go more times to this coffee shop and you order mostly the same thing, you can save it in your app, so that every time you come to this shop, your order will appear and you just have to press the button “order”. If you want to get a different coffee, you can see the menu on your app. In the end, you can purchase right on your smartphone, so you do not have to go to the cashier.

Another App can be that when you are in a fashion store, you can see on your smartphone the inventory of the shop and which products are mostly sold to the people, what other people like. And that the app will recognize where you spend a lot of time and in order to that the app suggest you other stores with the same style of the products and so you know which shops are interesting for you.

#### **5.1.6.5. Conclusion**

Technology is now a little bit creepy for many people, because you do not know how much information on your phone or computer is send to anybody. The privacy is not that good like without technology and that is why many people are scared of new inventions and the modern technology. However, you can not stop this development, so you have to look that you agree with it and be careful what you are clicking on your Computer or Smartphone.

The Younger generation until the age of 25 is not so pessimistic than the older generation, because they grew up with this technology. That is why they see what you can do with it, what the advantages are and how it important it is for their life. The disadvantage is that they do not know how it was before all this technology were developed. Therefore, they can not imagine living without their phones or without a computer. Some do not know how to write letters or be social, because they are always playing with their phones. That is what the older generation still know, that technology is to a certain extent really good for the world, but it will get more and more bad in the future when the technology is continuing spreading everywhere on the planet. However, there are so many different parts you can use technology that we never can imagine which developments will come in the next decades. Just think about what happened in the last 15 year in the technology sector. First the Laptops came, than the phones got better and better and finally we had the smartphones with internet connection and GPS signal. Nobody thought in the last Century that something like that will happen in this short time, so I can not imagine what awesome things will happen in the next 20 Years.

## 6. Comparison between two Cities – One American and One Austrian City

### 6.1. General Information

The different things I wrote before in this paper are the about the situation in the America and Austria. How the development was, and how the situation is right now and how it will be in the future.

Everybody can write some things about the current situation and how it looks like, but I think you have to compare it in real where you can see if the theory is really in use and that cities do these things.

For Example as I wrote before, American Cities try to revitalize the city center with shopping streets and making pedestrian zones for people walking around without the fear of a vehicle. Instead of that does Austria still building shopping centers out of town because it is easier to reach by car and public transportation and it is cheaper to build than in the city center.

There are much more differences like this between America and Austria, like the GLA per Capita or the price per square meter and so on.

### 6.2. Mindset

What are the big differences in the mindset of American and Austrian people? This is a good question and everybody who was already in America know what the differences are.

First, most Americans do not think about the environment and the air pollution. That is the problem why the public transportation system is bad. As in San Luis Obispo, where you can not live without a car, because the public transportation system is the worst system I ever saw. You have nearly no chance that you can go to a shopping mall or into the city without a car. That is no problem, because Americans love it to drive their cars, do not matter what they cost and how much exhaust gases they produce.

On the other hand, if we look in Austria, for example Saint Polten, the transportation system is well developed. You can go shopping without using a car and that is what we

need in the future to help and clean the environment. Most of Austrian people think about the problems on earth and think about how we can help to save our planet. This thinking is what I am missing in America, because I think if they have a better public transportation system, they will not use it because they have their cars. Moreover, that brings me to the next problem with American mindset, because they are proud on their things they own. For example the car, this is a status symbol for Americans, because they have to show that they have money and can buy everything they want. That is a big problem in their mindset, because it does not matter which car you drive and if you are rich or not, you shall not think always about yourself, you have to think about other people and other countries. Without this thinking, nothing will change in the world. Austrian think about their surrounding area, about other people, we do not drive if we do not must. We think twice before we use the car for something senseless. We are much further in our Mindset about thinking the future than Americans.

Another big problem we all know about American people is that they love it to eat fast food and no healthy food. I mean we have people like them in Austria too, but they are just a little bit of our population. In America, many people love it to eat fast food, because they are too lazy to cook something healthy or even worst, they do not know what healthy food is, because they never learned it from their parents. 'This is why in America living a lot of big and overweight people.

If we compare the Austrian and American mindset, the Austrian one will win with a big advance and I hope that Americans begin to think about other people and not only about themselves. That will make the world better and help the whole environment to get better.

### **6.3. Opening Hours**

For Austrian people it is unusual if you come to America and walk around at the evening or on Sunday and all the Shops and stores are open. In America you can shop nearly every time you want, it does not matter if it is weekend or in the evening, because you can go in most of the shops every time. A good example which everybody had already in the past is, if you are at home on Sunday and you want to cook something or to drink something special, you are not able to do it because you have to wait till Monday when the shops open. This problem you do not have in America. The normal Opening hours in California and San Luis Obispo are every day from 7 a.m. until 10 p.m. and sometimes

there are shops, which have open for 24 hours, 7 days a week. These Opening Hours are for all shops, does not matter if it is a fashion store, a grocery store or a sport shop, everyone have this opening hours.

If we will compare it with Austria, there is a big difference. Firstly, we do not have the shops open on Sunday, only some special grocery stores at Airports or Train station, but not the normal stores in a shopping center. Secondly, the shops are different, because grocery stores are open at 7 a.m., while fashion or sport shops are opening at 9 a.m. The grocery stores open that early, because the people who have to go to work and need something for lunch buy it in the morning on the way to work. Nevertheless, all other stores are open later, because they think that people do not like shopping for new clothes or sport stuff in the morning.

The closing hours of shops are nearly the same, because most of the stores close at 7 or 7:30 p.m. That is because many people are working until 5 or 6 p.m. and go shopping on their way home, but do not like to shop for longer time, because they have to wake up early next day for work, so it does not make sense to stay open until 10 or 11 p.m. On Saturday, there are also different Opening Hours against the week from Monday to Friday. On this day the shops mostly open at the same time, like 9 a.m. and closes at 5 or 6 p.m.

I think that neither America nor Austria has the perfect Opening Hours for their shops. There are advantages and disadvantages in both of this systems and I will explain them a little bit in detail.

### **6.3.1. Advantage**

The advantage of long opening Hours like in America is that you do not have to think about what day or time is, because the shops are always open. It does not matter if you want to have chips, beer, or clothes in the morning or evening, because you can have it. If you have a job where you work until 7 or 8 p.m., it does not matter the shops are still open.

Another good think of late opening hour is that people like students or also parents like it more to work in the evening. For students if they have their courses in the afternoon they can go working in the evening after the course or for parents, if one is working during the day, the other one can look at their children, and in the evening they change and the



other parent unit can go to work when the children are sleeping. Therefore, there are people who can only work in the evening and like it to work to this time.

### **6.3.2. Disadvantage**

The problem with the long opening hours are that only the big shops win, because the small shop can not effort the overtime which they have to pay for their employees. The big shops do not matter because that is no problem to pay more employees even if they do not earn so much money with it. But the small shops will get bankrupt if they do not have the same opening hours like the big shops, because then the people do not come to them shopping.

The argument that students can work in the evening and parents can be positive and negative, because not every employee in the evening will be a student or parent. The rest of the employees are normal people who have a live outside their work and that will be minimized when the person always has different working hours. They have to be flexible and can not have fixed dates once a week, because they do not if they have to work at this day. That is why long Opening hours are bad for the employees.

### **6.3.3. Conclusion**

It would be the best if you combine the American System and Europe System that the shops will open at 8 o'clock in the morning and closes at 7 o'clock in the evening. That would be a nice solution for both countries and for the employees and the consumers too. Just for grocery stores, it would be nice to change a little bit, because they are more important for people as fashion or electronic stores. These can be open a little bit longer, maybe until 9 p.m. and open at 7 a.m.

## **6.4. Construction Types**

There are some differences between Austrian and American way to build a house or a shopping center.

Austria is a country in no seismic zones, so the earthquakes which are measured in Austria a minor important than other things. We measure earthquakes only on our computers, because mostly we do not feel it. That is why we do not calculate the houses with earthquakes, because the snow factor and wind factor is more important and necessary for the construction system.

For this Calculation, we have clear rules, which we can find in our codes we get from Austria and Europe. There is everything defined which you need to calculate a building and which aspect you have to pay attention.

In Austria we build mostly with concrete, bricks and steel framing, because this Systems are good for absorbing the weight of snow and is resistant again the wind power which is coming from the vertical direction and press on the house. That is why the houses can be build higher and bigger because we use the right technique to absorb these acting forces.

In America, especially in California, is a high earthquake risk because of the San-Andreas fault, which is a continental transform fault from Mexico to the north of San Francisco. As I already mentioned in Austria the houses have a heavy mass, because it is more resistant against the weather there. Nevertheless, houses with much mass is handicapped against an earthquake, because it will collapse easier than a light mass house. That is the reason why Americans build houses out of stick framing and sandwich panels. Therefore, a house do not have much mass and can compensate the earthquake vibrations better than houses in Austria.

Another great difference between our countries is the climate. While we have in Austria a cold winter with more than -5 degrees is in California the coldest day in winter with around +6 degree. The If we compare the annual average temperature of Saint Polten and San Luis Obispo, we can see that in Saint Polten we have an average of 9,2 degree and in SLO 15,16 degree, that are nearly six degree higher. That shows that houses do not need massive houses who can save the heat in the house when it is cold outside, because there it is never that cold like in our country. Another reason why there are different construction types in these Countries, because they are adjust to the climatic conditions.

On the following pages, I describe the differences of the techniques and what why these cities use it for building shopping centers.

### 6.4.1. Sandwich panels

In Austria we have some different systems, which are often used, but one of the fastest and most used technique to build a shopping center is the steel framing structure with panels between the columns. It is a fast way to build a Center, a little bit more expensive than the traditional system with concrete and bricks, but you can open the center earlier and so you will earn more money.

Now I will explain the panels more exactly. These are elements, which are produced in the factory. Before you order it, you have to know how high, long and thick the panel should be. That you will know after you have your steel structure designed and calculated how thick the panel should be to get a good U-value.

There are different companies who produce panels, but most of them are similar, because only the thickness is changing. A Panel is made up of multi-layer. From the inside to the outside, it begins with the surface on the indoor side it depends what you want to see because you can see just an aluminum surface or you can prepare it for rendering the wall. The next layer will be the thermal insulation and the thickness of it depends on the U-value you want to reach. It depends how the climate will change in the year, is it going cold in the winter, like in Austria or is it still warm like in California.

The next layer is similar like the indoor layer, where you can choose what you want to see outside. You can just put an aluminum sheet on it or also prepare it for rendering the outside.

This is just a similar sandwich panel, but it shows that they are simple to produce and can build easy and fast on the construction site. You just have to take the panels off the truck and pull it with a crane to the place you need it. Once set on the right place you just have to fix it on the ground with an angle and screws and fix it with other panels.

As I already mentioned, this is a system, which is used in both countries. The Americans will use it with a smaller thickness, because for example, in San Luis Obispo there is the coldest temperature around 10 degrees in the winter. Therefore, they do not need a good thermal insulation.

Whereas in Austria we have temperatures in the winter around -5 and colder degrees and that is why we need a good thermal insulation that we do not have to heat too much for a store.

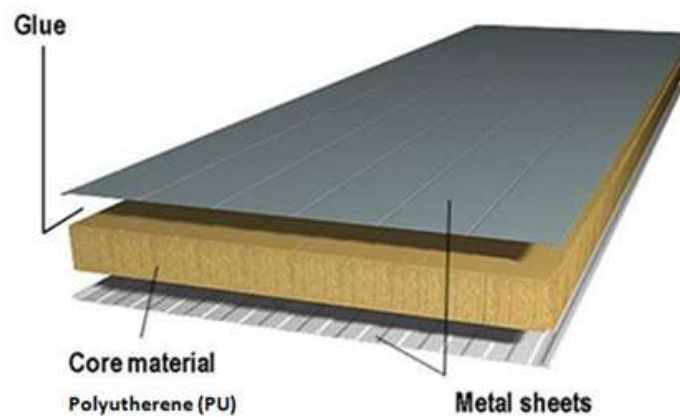


Figure 21: Sandwich panel – URL: [http://www.sqanda.in/sandwich\\_panel\\_homes.html](http://www.sqanda.in/sandwich_panel_homes.html), Steel sandwich panel homes

### 6.4.2. Traditional System in Austria

There are some new inventions nowadays, but the system and outcome is nearly the same than in the past.

It is not only that reinforced concrete is easy to handle, you also can build some awesome things you can not build with panels or bricks. For Example if you want to build a cantilever arm on a roof it is easy to build it with reinforced concrete because of the steel in the concrete it is possible to absorb the forces of the cantilever arm into walls to bring it down to the ground. You can also use this method in various temperature areas. It does not matter if it is cold in the winter or hot in the summer, you have just to put some chemicals in it that the concrete has the perfect setup for the weather conditions.

A newer System of concrete is that the producer can build a wall already in their factory and deliver it with a truck to the construction site. There a crane just have to lift it to the right position. There are different types of prefabricated concrete walls and ceiling construction.

Firstly, we have the cavity wall element, this you have to fill up on the construction site when you have it at the right position with concrete. It is delivered with a concrete plate on both sides of the element and in the middle is the rebar steel already fixed. If it is at the right place, you can fill it up with concrete and let it get cure.

Secondly, we have element wall where the isolation is already in place on the outside. On the indoor side of the element is a concrete plate and on the outside is an isolation you want like a 20 cm expanded polystyrene (EPS) plate. Just in the middle of these two layers, you have to fill up concrete on the construction site. This system is similar to the normal thermal insulation composite system (WDVS).

Thirdly, we have the last system and this can be a fully filled reinforced concrete element. This you just have to lift to the right position and fix it on the ground and to other elements with screws and angles. That is the fastest way to build, because you just have to bring elements in the right order to their place and fix it and your house is build.



Figure 25: Hohlwandelement, URL: <http://www.oberndorfer.at/produkte/wandsysteme/hwe-hohlwandelemente/>,



Figure 24: Beto-Therm Wand. URL: <http://www.oberndorfer.at/produkte/wandsysteme/beto-therm-wand/>



Figure 23: Vollbetonwandplatte, URL: <http://www.oberndorfer.at/produkte/wandsysteme/beto-therm-wand/>



Figure 22: Elementdecke, URL: <http://www.oberndorfer.at/produkte/wandsysteme/beto-therm-wand/>

### **Traditional System California**

As I already mentioned, shopping center in California are often build out of sandwich panels, because it is easy, cheap and for the conditions in California perfect.

Nevertheless, there is also another method, which is often used. This method is called Stick Framing Construction.

The construction is mostly make out of wood sticks, but sometimes also out of steel. It depends if the wall is a primary structure or just a demising wall between two rooms.

The walls are standing on concrete foundations.

Americans often build this system because it is better earthquake resistant than a wall fully made out of concrete. The rule for earthquakes is that more mass the building has, the easier it will collapse because there is more mass to shock into oscillation.

Stick framing starts with the wood stick structure, than you have to fix an OSB plate on the outside and you can fill it on the inside with isolation, after the electric and plumber put in the pipes he needs. After the isolation, you put another OSB plate on the inside to close the wall. You can render the wall on the in- and outside or you put a façade on the outside that it looks nicer.

That is a typical wall in America, because this system does not prevent the store on cold days and it does not rain so much in California, so you not really need a vapor retarder.

The problem with this system is that the wood can rot and mold if it rain more than the average because than the moisture will get into the wall and affect the wood. If you want to be save, you can make the wood moisture-proof before you use it.

## 6.5. Gross leasable area per Capita

I compare the gross leasable area between America and Austria, because this will show you how many shops get build in the countries and how the offer is for the population to shop. I will compare the State California and the City San Luis Obispo against Austria and the City Saint Polten. Therefore, I will get four indicators of which you can see which country is building more shopping centers. This Comparison is done with the GLA of shopping centers and not of single shops, because there are too many shops and you can not get the GLA of every small shop in a City or Country. This is why I calculated it with all types of shopping centers.

On the one hand, we have San Luis Obispo, which has a lot of shopping Opportunities. I calculated the GLA per capita to see how it looks like in numbers and compare it with the GLA per capita of California. We have 46 377 people living in SLO and 123 707m<sup>2</sup> GLA. That makes 2,67m<sup>2</sup> per capita, which is quite a lot. If we compare it with the GLA of California State, SLO is a little bit higher than the Average of the State, because there it is 2,16m<sup>2</sup> GLA per Person. That shows that SLO has many shops and that the offer is good for the people.

On the other hand, we have Saint Polten in Austria, which is a City in lower Austria in the Northern part. It is an elongated shape city with 52 935 people living and working there. Saint Polten has a GLA of 70 999 square meter in their shopping centers. That makes a GLA per capita of 1,34 square meter. Austria itself has a GLA per capita of 0,44 square meter. It is not surprising that the GLA is higher in the City than in whole Austria, because we do not have many shopping centers anywhere in the rural area and we do not have so much cities with shopping centers in Austria.

If we compare it with San Luis Obispo and California, Saint Polten has nearly the half of the GLA per capita, as the similar city San Luis Obispo. That shows that Americans like to build more shopping center and have a bigger offer to choose where they go shopping. In addition, the whole state California, which also have many rural areas, has much more of GLA per capita than the City Saint Polten in Austria. It is crazy to see that in America are so much shopping center and rental centers. That is quite too much and that is the problem why some of these shopping centers will go bankrupt, because there are too many of it in America.



As we all know, the perfect indicator for shopping malls are, if the supply and demand are on the same level and the people are happy. In Saint Polten it is nearly in balance, but in San Luis Obispo and California is too much supply for such less demand and that is the Problem.

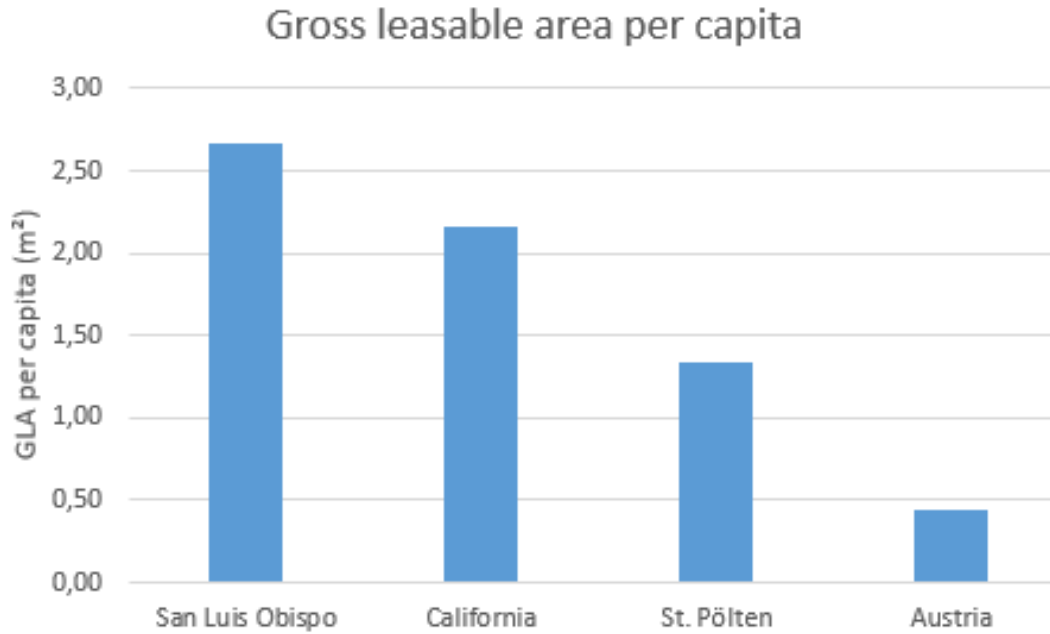


Figure 26: Gross leasable area per capita, Florian Kuess

## 6.6. San Luis Obispo, California, United States of America

### 6.6.1. General Information

San Luis Obispo, called SLO, is a City in the sunshine State California on the west coast of the United States of America. It is a nice City, around 15 miles away from the Coast and in the middle between San Francisco and Los Angeles. It is not the biggest town, it has nearly 46 000 people in the year 2015, and it will continuing growing in the future. SLO is a city where one of the biggest universities in California is placed. It is called California Polytechnic State University (Cal poly) that is the reason why there are so many young people around in this city. Around 42 percent of the population is in the Age between 18 and 30, so there are living many students as you can see on the chart below. Therefore, you have to make the City popular and in the fact that there are living so many people, they organize different events on the University Campus as in the City too.

One of the most distinguished sector at the Cal Poly is the Civil Engineering sector. It is one of the best in America and win often prices all over the whole nation. This shows also the goblets at the entrance to the civil engineering office.

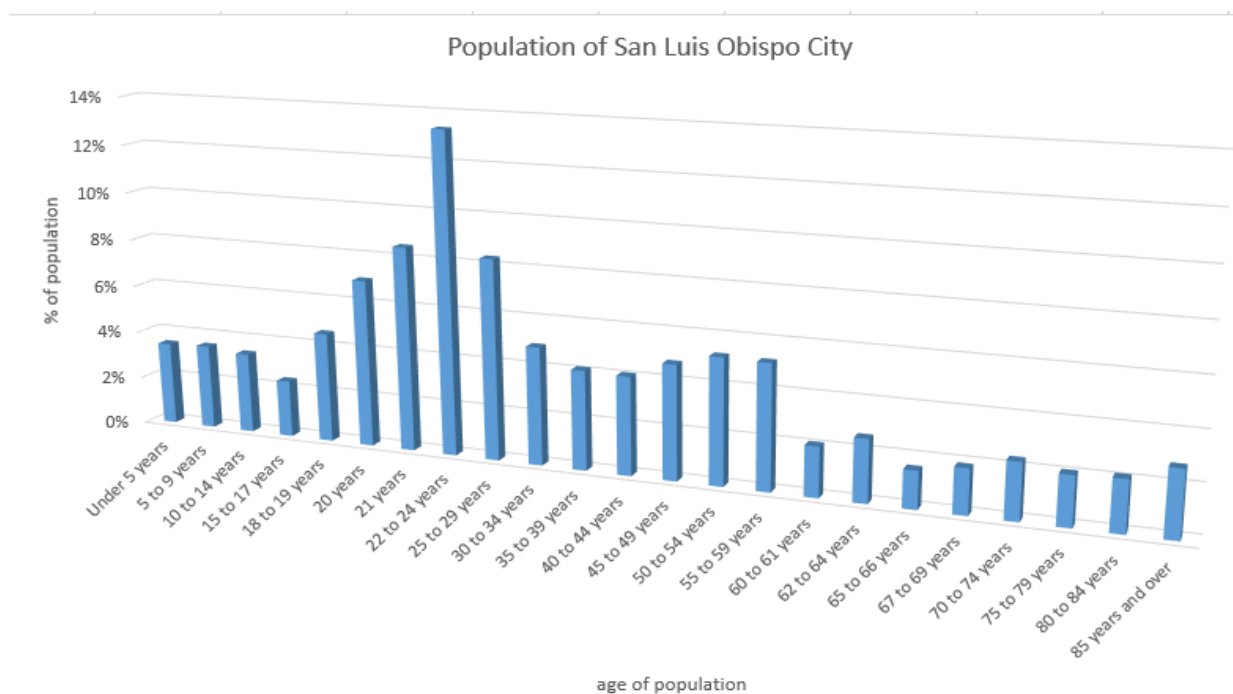


Figure 27: Population of San Luis Obispo, Florian Kuess

### 6.6.2. Map

San Luis Obispo City, because the District is also called San Luis Obispo but this includes other cities too. San Luis Obispo City has an Area of 33 489 km<sup>2</sup>. Thru the city there is the Highway number 101 (sometimes called Camarillo Highway), which is the connection between Los Angeles and San Francisco. So this means that SLO has many people coming thru on their way to the north or south.



Figure 28: Map of San Luis Obispo with shopping opportunities, Florian Kuess

### **6.6.3. Shopping opportunities**

In San Luis Obispo are many shopping Opportunities. I just want to show some of it and in the end I will show a map with every Shopping center to present how much they built for only 46 000 people.

At least in SLO there are just two types of shopping center. One is the Main Street shopping with storefronts and the other type is the Open-Air Center. San Luis Obispo is too small for a big closed shopping center with hundreds of shops and entertainment. I think that the solution with some retail centers and the strong city center is very good and exactly fitting for it.

#### **6.6.3.1. City Center**

SLO has a City center, which is constituted of one street in the middle. It is called the Higuera Street and is the only Street in the City where fashion stores, restaurants and bars are. This is a typical example how you can bring the people to the city center and spend time there. The tenant mix is good and the parking situation too, so you do not have to look long time for a parking space. The public transportation System is not the best in America, so the same in San Luis Obispo. There is a bus driving around, but not very often and there are not so many bus stations too. This is the reason why many people are driving around by car, bike or walk.

This Area is good ordered and everything is in this one street, so you do not have to walk too much.

What can people do in this City Center? There are different things to do, you can go eating somewhere because there are nice restaurants with different style, so you can choose between typical American, Italian, Chinese or higher prized restaurants. They are all good and well situated.

If you just want to go shopping, there different types of stores there. You can shop for fashion in stores like Victoria Secret or banana republic; else, you can in Electronic stores like apple store purchase something and in small regional Stores of people from the surrounding area. There is also a store of the Cal Poly University where you can buy stuff of it like pullovers, T-shirts, trousers or decoration things with the emblem of Cal Poly.

If people just want to hang out with friends and drink something, there are different Bars and Pubs, like the

Some Pubs are open in the night that young people can go out and celebrate with friends and make party there. SLO is small, so there are not many options for young people to go out at the weekend that is why these bars are open so long.

In this City Center are also some entertainment stuff, like a cinema or a library. There are also some Events in the summer, like the Farmers market every week on Thursday where the Street get closed and people arrange some booths where they can sell regional food, vegetable, fruits and self-made decoration stuff, like bracelets, necklace or rings. There are also live bands and dance performance of some groups to show what they offer in their courses.

This are nice methods to bring people to the city center and resurrect it for the people.



Figure 29: Map of City Center San Luis Obispo with stores and parking lots, Florian Kuess

### 6.6.3.2. *Madonna Plaza*

They name comes from the Street nearby, the Madonna Road. This is shopping center next to the Highway 101 that people who drive thru SLO can stop there drink, eat something, and continue their trip.

This is an Open-Air Center in a semicircle shape with a big Parking place in the middle and some shops who are separate. The Land Area is around 110 thousand m<sup>2</sup> and the rentable Area around 30 thousand m<sup>2</sup>.

There is a good tenant mix, because there is a big grocery Store in it, called Ralphs, you have an electronic store, called Best Buy and a big sport store, called Big 5 Sporting Goods, and some other branches like a hairdresser, restaurants, fashion stores, a coffee and a Bank.

Next to this Center is already the next Center, but it is not that big and there are some stores empty, so the Madonna Plaza is working well.



Figure 30: Madonna Plaza with stores, Florian Kuess

### 6.6.3.3. *Laguna Village Shopping Center*

This Center is same like the Madonna Plaza an Open-Air Center, but it is smaller. It is in a traditional L-shape form and is near some high traffic streets. The Parking lot is in front of the Stores and the center is only one story high.

It was built in 1964 and was renovated in 1999. The Style of the Center is Simple and adapted to the surrounding area. It is not like a typical retail Center where big halls are build and everything looks like an industry. The Façade is build out of stones and concrete and looks like bigger houses. That makes it familiar to the people who come here to shop. The Center has at all a rentable Area of 4 000m<sup>2</sup>.

The tenant mix contains grocery stores, a pharmacy, a bank, a laundry, a gas station and some restaurants. You have nearly everything you need in this Center.

As I mentioned before, the Laguna Village shopping Center is near high traffic streets. One of it is the Los Osos Valley Road, where people who live in Los Osos and work in San Luis Obispo or somewhere else in this direction, have to drive by this Center. This is a good place for a shopping center because so the people will come to shop there in the evening when they drive home from work. The next high traffic road is the Madonna Road where people from Los Osos or from the west side of the Laguna Lake, have to drive when they want to the SLO Center.



Figure 31: Laguna Village Shopping Center with stores, Florian Kuess

#### 6.6.3.4. *Marigold Shopping Center*

It is one of the most outlying shopping center of the City. However, it is also working well and has good tenants. It is in the south east of the City and has a rentable Area of 16 258 m<sup>2</sup>. It was built in 1997 and the Style is interesting, because the front of the shops seem like normal houses with a typical span roof and a classical façade. However if you are in the Stores or see an aerial picture you can see that it is a normal industry hall.

The tenant mix is well because there are grocery stores, sport shops, coffees, a bank and a pharmacy.

The Center itself is in a U shape and has a big parking lot in the middle of it with some green areas.

I am not sure why they build this center such far away from the city, but it works and the people still go there for shopping and there is also a small living area around the city.



Figure 32: Marigold Shopping Center with stores, Florian Kuess



## 6.7. Saint Polten, Lower Austria, Austria

### 6.7.1. General Information

Saint Polten is the capital of the state lower Austria. It is in the North of Austria and around one hour away by car of the capital city of Austria, Vienna.

Saint Polten has around 53 000 people who are living there. It is a nice city, situated at the river called Traisen, which passes through it.

May you can say that this City is an industrial oriented City, because there are many international companies who have sub-offices around it. For example, there is a Norwegian Company, who has two production halls near Saint Polten, which produce Isolation plates for the construction branch. Nevertheless, there are also a paper factory or a production company, which produce the machines for paper factories. That shows that this city is interesting for the industry and so there are living many people, who need something to shop.

In the fact that there are many companies, where many people are working, the population is made up of every age from young to old. Instead of San Luis Obispo where many young people are living and studying at the University is in Saint Polten that there are every aged population have nearly the same share of the population as you can see on the chart below.

Saint Polten is built around the city center, which creates the old town with very nice and good restored buildings and a big pedestrian zone. There are some public buildings as the town hall or the church and a big main square.

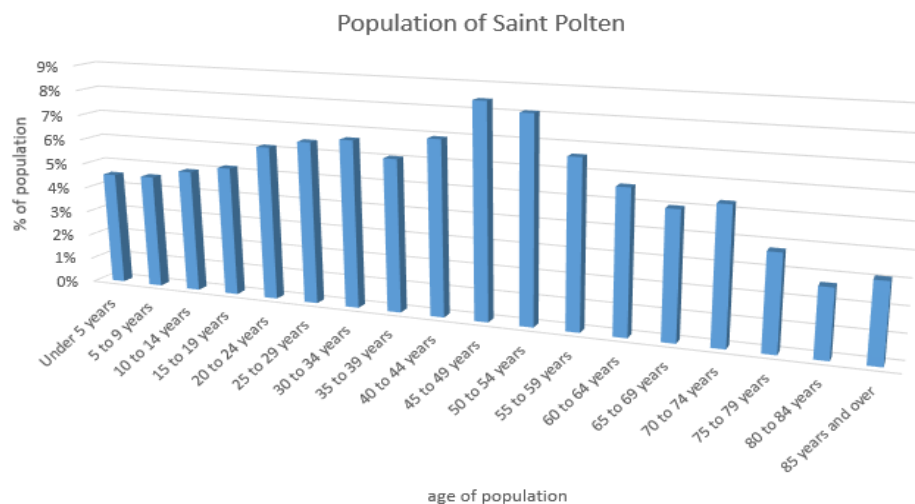


Figure 33: Population of Saint Polten, Florian Kuess

### 6.7.2. Map

As you can see on the Map, two shopping center are a little bit outside the City center. The Promenade and the City Super Center are near the main railway station. The City Center is made up of a pedestrian zone of few streets. If you are living in the City, you do not need a car, because all the shopping opportunities can be reach by walking there and if you want to go to the Traisen shopping Centers, there is a good public transport connection.

Saint Polten itself is between Vienna and Linz, the Highway A1 is going thru the City from East to West, as you can see on the map.

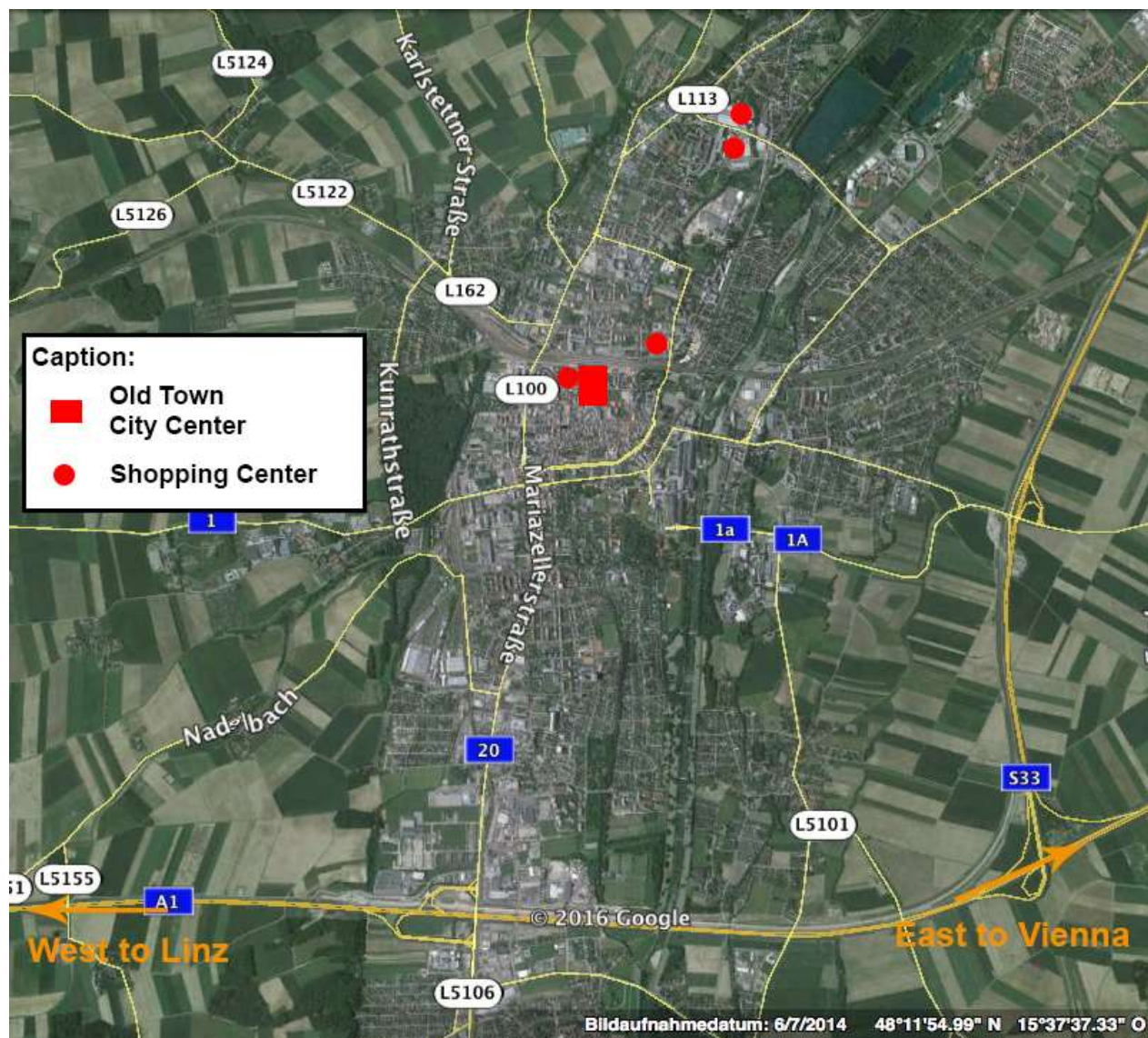


Figure 34: Map of Saint Polten with shopping opportunities, Florian Kuess

### **6.7.3. Shopping Opportunities**

In Saint Polten, there are some Shopping centers and a City Center where people can shop. That means that there are three types of shopping Centers in this City. First, there is the City Center, which is a pedestrian zone and people can walk around and see all the storefronts. Furthermore, there is an Open-Air Center, where you also have to go outside to change the Stores and at least there are three closed malls. As you can see on the next pages, the type of shopping center is different to California and the amount of shops for nearly the same population as in California, is quite less. There are a little bit more people than in California, but there are less shops, because you do not need so much.

Next is that the public transportation is quite better in Austria than in California, because normally you do not need a car in the city. You can reach everything by foot, bus or train and it is cheaper than by car.

### **6.7.4. City Center**

It begins on the opposite of the main railway station, it is good for the tourists who are coming by train to the city, get welcome by a nice city center when they come out of the train station.

The City center, or also Old town of the City, can be recognize of some old buildings of different stylistic eras, and in most of this buildings are shops in the ground floor. It is nice to walk through and look at the storefronts. The disadvantage of the City center is that there are not the popular and big shops, which everybody likes, because they are in the shopping centers to get more people. In the City Center are only small and regional Stores that mean that this area is not attractive for people to go for shopping. It is a nice are to walk around and see the old houses, but not for shopping and that is the problem that you do not have many people in the City, instead of San Luis where are many popular and interesting shops are in the city center that the people come there.

### 6.7.5. Promenade Saint Polten

The Promenade Shopping Center is at the beginning of the pedestrian Zone of the City Center in Saint Polten. It is a small closed shopping Mall with only 18 shops and a Rentable Area of 6,600 square meter.

The Mall has two stories and is next the main street through the City. There are anchor tenants in it, which makes the Center attractive. It is built in 1994 but looks still new, because the owner takes care of it and always looks for a good tenant mix. For example as anchor tenant is a grocery store and a big fashion store chain in it. The rest tenants are out of the fashion branch, hairdresser, Cafes, Restaurants, a shoe store and a tobacconist's.

Beside the shopping center is a parking Lot where the people can park for one hour free and if they shop in the Promenade Center, they get their parking free. This Parking lot is also in use for the City Center, because it is perfect to park there and walk in the City. For the connection to this Promenade Center the same is true as for the civic center, it is easy to come here by bus, train, foot or car, that is attractive for the consumer.



Figure 36: Map of Promenade - First Floor, URL: <http://www.promenade.at/shops>



Figure 35: Map of Promenade - Ground Floor, URL: <http://www.promenade.at/shops>

### 6.7.6. City Super Center

This is a closed shopping mall near the main railway station and the city Center. It is built between a living area of some housing complexes and opposite of the job center of Saint Polten. That is the reason why many people come here for drinking coffee or eating in a restaurant because at the job center are many people working and making courses for further training and the people of the housing complexes will come there to meet friends and hang out for talking and spend time together. These reasons are a good advantage for the place of the shopping center.

The city super Center is bigger than the Promenade Center and has a very good tenant mix as good as the Promenade Center. There is a big grocery store as anchor tenant in it, which is also the owner of this Center. Furthermore, there is a sports store, some cafes, a restaurant, fashion stores and a dog shop. This Center has a rentable area of 15 100 square meter and was built in 1987 but were sometimes refurbished that the style of the center is still new.

The parking situation is well developed, because there are many parking lots in front of the center on the same level as the ground floor and there is a parking garage under the shopping center. The whole shopping center is with an underground level for parking the cars. That makes enough parking space for the people.

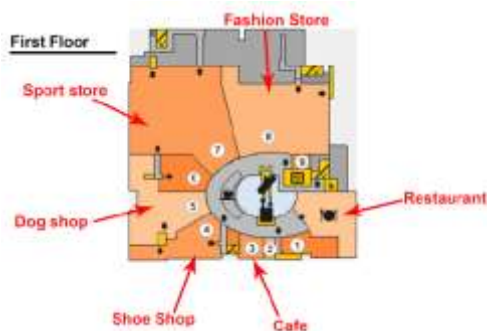


Figure 38: City Super Center – First Floor, Florian Kuess



Figure 37: City Super Center – Ground Floor, Florian Kuess



Figure 39: Map of City Super Center and surrounding area, Florian Kuess

### 6.7.7. Traisen Center

The Traisen Center is situated in the north of Saint Pölten, a bit outside the Center, but the public transportation is well developed. This Center is on the opposite of the Traisen Park, which is on the next page.

This Center is an Open-Air Center with a rentable Area of 16 100 square meters. It was built in the millennium year 2000, but does not seem that it was ever renovated. The façade looks old and there is nothing what looks fresh and new. If you come there, you will think that this center is closing, because it really does not look good.

The shape of the Center is in a U and in the middle of it are the parking lots. The tenant mix is not that good, there is a grocery store as anchor tenant and some fashion stores, but there are no cafes or restaurant, only a Fast food restaurant. A Fitness Center is there too, which freshens the Center a little bit.

This Center does not work well only of the physical appearance; the problem is that there is also the Traisen Park on the other side of the street.

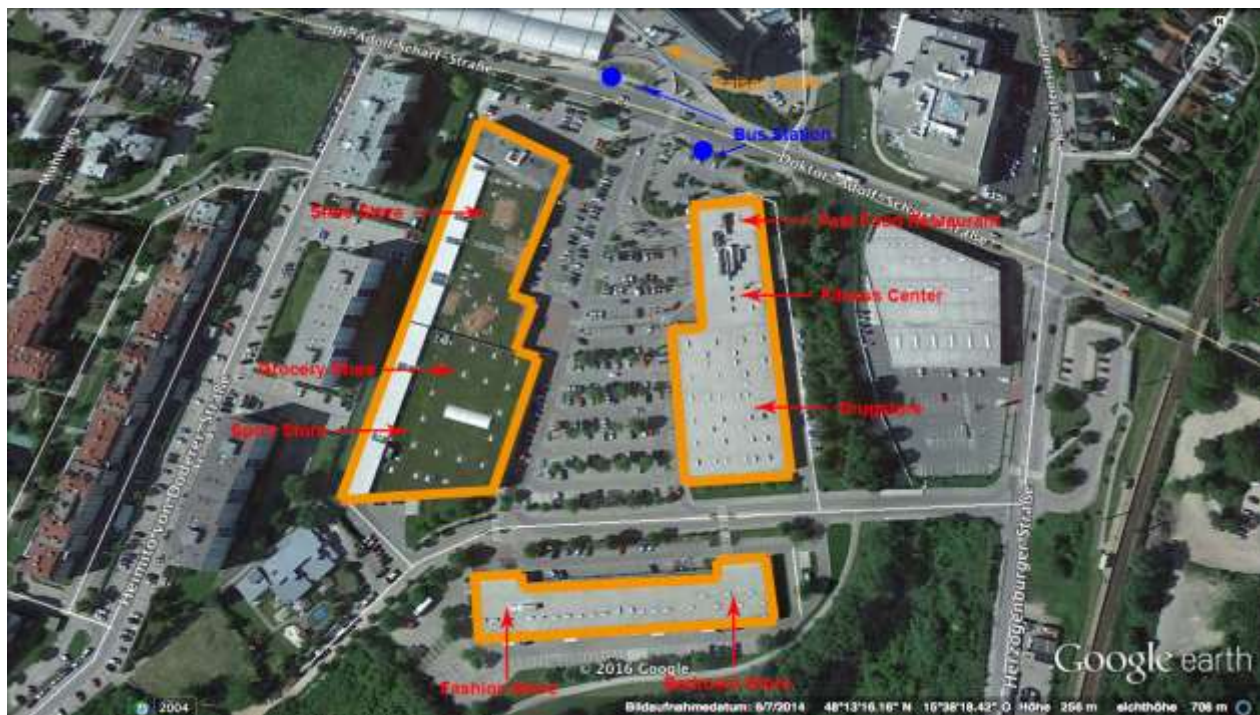


Figure 40: Map of Traisen Center with stores, Florian Kuess

### 6.7.8. Traisen Park

This is the biggest shopping Center in Saint Polten. It is located, as the Traisen Center, in the north of Saint Polten. The Type of it is a closed shopping mall.

The Tenant mix looks good, because there are many different types of shops in it. There are some anchor tenants, like a big grocery store, some well-known fashion stores and a sport store. Further on, there are many smaller and regional fashion stores, some telecommunication stores, electronic stores, show shops, jewelries and hairdresser.

This Center contains, as it is typical in America, a Food court. There are not so many different restaurants as we know from America, but this food court is a little bit separate from the main center. It is place behind some stores that not everybody who is running through the center can see the people who are eating. This makes the people feel to have more privacy instead of feeling to sit in a shop window where everybody look at you.

This Center was built in the year 1992 but got renovated 2002 and later. At the moment, they build a new part of the center and get bigger. The rentable Area of the center nowadays is 33 199 square meter, but with the new part they will get more than 40 000 square meter.

This Center is combine with an office tower, where a health center and different companies have their offices there. For example, TÜV Austria, a personal service, a security company and the police, and much more, has their offices in this tower. In the health center is a dentist, eye specialist, a vascular surgery and much more. That is a good combination for the Shopping mall, because the people who go to this office tower will mostly go through the center. That makes them stay there for drinking or eating something or go shopping.

The Center has an elongated shape and along this center is the parking lot in front of it. It is a parking garage with more floors and around 1000 parking lots. It is also the parking garage for the office tower that is why the people, who go there, have to go along or through the shopping mall.

This Center makes a very friendly and good physical appearance, because the parking lot at the street front is disguised with orange perforated metal plate, which makes it fresh and friendly looking. Nevertheless, the Center itself looks new renovated inside and there are some plants standing around which makes it more comfortable to spend time there.

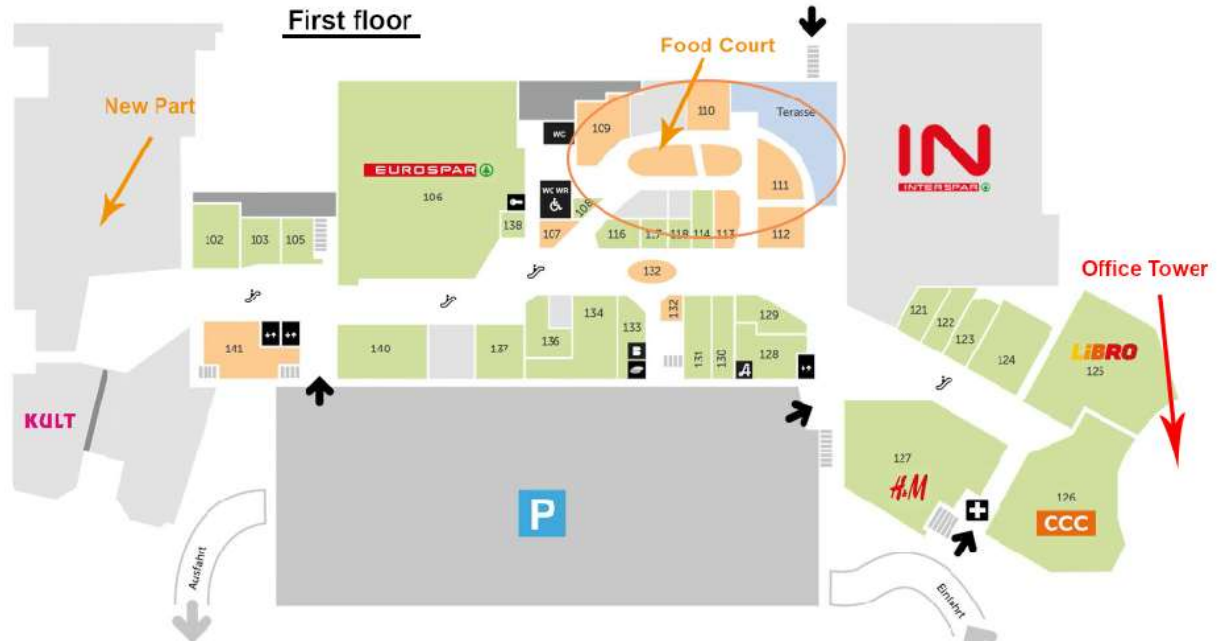


Figure 41: Traisen Park – First Floor, Florian Kuess

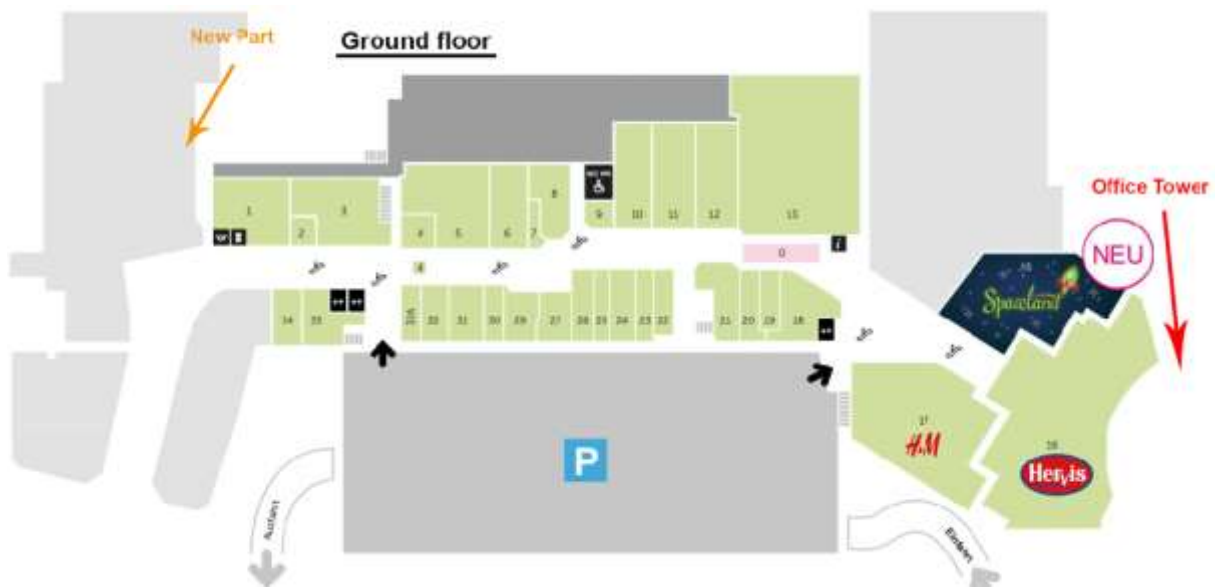


Figure 42: Traisen Park – Ground Floor, Florian Kuess



## 7. Recapitulation

It is not easy to make a good comparison between the American and Austrian shopping centers, but I think there are some parts where we can learn from each other. Each System has his own advantages and disadvantages and some things should be changed in both Types. For me it was surprising how people think about shopping center and how important they will be in the future. I always thought that the shopping centers were decreasing and will disappear from the screen, but the work for this paper let me see something different. Now I know that the shopping centers, when they are good situated and organized, they will never disappear.

There are some differences between America and Austria and I will summarize some points and how we can make it better.

I will begin with the shopping center itself, the surrounding area and then go to the consumer mindset and how we have to change the mindset of them.

### 7.1. Public Transport

This is a strong topic for everyone on this planet. It is not only that you have good connections from Point A to Point B, it is an improvement of helping our planet to stay clean and against the much discussed global warming.

Everybody know how cars work and how much greenhouse gases they emit. This let the greenhouse gas concentration raise and that is mostly the reason for global warming. However, this is just a part why we should improve the public transportation system. Another reason is that we do not have infinite fuel on this planet.

Nevertheless, this is no campaign for saving our planet and reduce the greenhouse gases, it is just that the people who read this start to think about this problem.

If we have a better public transportation system to our shopping centers, people will use it more often and let stay their cars at home. It is more social if you drive with a bus or train, because you can talk and meet new people.

Austria has one of the best public transportation system, as we can see for example in the City Saint Polten. There you can come into the City center to the main railway station by bus and can use there a bus directly to the different shopping centers. The buses are driving every 15 minutes to the malls, so you do not have to wait for a long time.

Nevertheless, it is not only in Saint Polten, we also have great connections between the Cities, if you want to shop in Vienna for example. You can go to many places and shopping center in Austria by public transportation Systems. Sometimes it can be a little bit better, but you can every system update.

On the contrary, in America you have a partly good connection between two cities, but you do not have a good public transport system in the cities itself. In big Cities like San Francisco, Los Angeles and New York the public transportation is good, but they have to, because there are millions of tourists every year. Nevertheless, in the smaller Cities, where not often Tourists come, like the City San Luis Obispo, have a poor system. In San Luis Obispo there is one bus, driving around somewhere and do not drive often on one day. You have to be lucky if you get it and it brings you to the right point where you want to go. The public transportation system is that bad in America, because they do not want and need it, because they love it to drive with their cars and not with other people in a bus. This attitude have to be change in America. People have to understand that it is not good to drive always with their cars. They also drive a way of 2 minutes by car although you only need 5 minutes if you walk. However, they are too lazy to walk, because they have a car, which makes it easier than walking.

Therefore, in the end I think that America have to look at Austria and how our public transportation system works in small towns, and have to improve it in their country.

## **7.2. Construction type**

The construction types and the construction methods are not easy to compare, because every country has different weather conditions, different rules for building a shopping center in their codes and different forces to persist.

That makes it important, before a house or shopping center is built in a country, to look in their codes and ask for the standards of the government and the environmental influences.

There are different forces in America and Austria. In America, especially in California, which I determined, has a big problem with earthquakes. Every house have to absorb the earthquake forces, this is a big influence in the method you build a house. Against these forces, it helps if the house do not have much mass, which is why the Stick framing construction type is mostly Polted for houses and shopping center. This type can

move and absorb the vibrations, which are during an earthquake instead of a heavy mass building. If you have a house build out of concrete, the plausibility that it collapse is much higher than the stick-framing house.

Another reason for the different construction type is that in California, especially in San Luis Obispo, they do not have snow, or a cold winter. A day with 5 degree is extremely rarely in the winter and is the coldest day in California. Normally there are temperatures around 10 degrees in the winter and 30 degrees in the summer. This makes a big difference of their building type, because their buildings do not have to absorb snow on their roofs or need a lot of insulation on their walls.

Whereas in Austria we have earthquakes too, but they are minimalist and insignificant in the calculation for our buildings. More important in our Country is the influence of the wind which comes from the horizontal direction and press on the building. We have to build our shopping centers resistant against it and that is mostly out of concrete or bricks because these materials have much more mass, than a stick framing construction and can not blow away that easy by the wind.

Another reason for our construction types are that we have, opposite to San Luis Obispo, a winter with cold temperatures and often much snow. How much snow depends where in Austria you live, but we always have snow. That is why we need Constructions, which can absorb the forces of the snow on the roof. Nevertheless, not only the snow is a problem, there are also the cold temperatures and that is why we need walls made of materials, which can save the heat in a house. For this are concrete and bricks much better than just sandwich panels between a stick framing construction. In addition, you put isolation on your walls to save the heat in the house on cold days in Austria.

Therefore, in the end, you can not compare these two systems and I think the systems are well developed for the functions they have to fulfill.

### 7.3. Consumer behavior

The people are thinking different everywhere in the world and have different attitudes to their shopping behavior. Some people love it to go shopping every weekend with friends and always buy the newest stuff. Others just go to a shopping center when they really need something. It depends on the people itself and their attitude.

For example, we all know how crazy most of the women can be when they go to a shopping center or see something new in stores. They love it to spend much time in a shopping center, walking around and looking for new stuff they can try. Instead, most men go to a shopping center because their wives or girlfriends coerce them to come with them. Normally many men just go to a shopping center if they need something special and know exactly where they will get it and what they want. Therefore, they just need few minutes to buy something.

This is an overall look of men and women and is just a prejudice which concern some people and some people not.

However, I investigated the difference between American and Austrian consumer behavior.

In America, the consumer behavior has changed a lot in the last few years because of the internet trade. First, before the internet came, people loved it to drive to a shopping mall and spend their time there, walked around and looked for new things. Nevertheless, the time pressure became more and worse and today people do not have much time for shopping. That is why the internet trade was booming when it came out. However, from time to time, people realized that they miss something if they only buy their stuff in the internet. They can not look, feel or try their goods they want to buy and that was a problem. This was it why they return to the shops and use it to interact with their favorite things. Nowadays American people looks for their goods in the internet, inform them about it and then go to a shop, look at it, try it and touch it and then buy it at home in the internet. That is how most American people like it to shop, because you often have a cheaper price when you buy it online. Next step is that they do not let it deliver to their homes, because you have to pay for the delivery, so they send it to the store near of them, and pick it up there. This system calls Click-and-collect. Therefore, they do not pay delivery costs, and if they do not like it or something is wrong when they pick it up,

they can send it pack directly in the store. This is the newest and most popular shopping trend in America.

Instead, in Austria, we also like it to look online for our goods and purchase it there, but let them deliver to our homes. Mostly you do not have to pay for the delivery if you spend more than a certain amount of money and you do not have to drive somewhere to pick it up. The advantage is that you do not drive your car and it is better for the environment, but the disadvantage is that you can not fell, see or try it before you buy it. Another disadvantage is that you get lazy and will lose the social part of going somewhere to shop. More and more people will get lonely, because you do not have to go out of your house and meet people.

Overall, I think that both systems are good, but the Click-and-collect system will have a future in Austria too, because we have, as I mentioned before, a good public transportation system, that you do not have to drive with your car to the shopping center to pick up your product. America has to improve their public transportation system and then this system will work well and is good for the environment.

#### **7.4. Mindset**

There are many differences between America and Austria. There are always some exceptions, but most people have a similar mindset.

Everyone, who was already in America know that for American people, their country and their home are the most important things. They love their lives, defend their country and government and think that everything is perfect. They know that there are nice and beautiful places in the world, but America is the most beautiful and best country for them.

Instead, Austrian people know that Austria is beautiful and that we can be happy to live in a country like ours. Nevertheless, we are open-minded against new things and stuff, against new people who are coming to our country, against other countries. We also love our country, but we know that there do not happen only positive things here, we know that our government has many problems. However, we try it to solve and do not connive about the bad stuff in Austria.

Another thing is that many of American people want to show what they have. If they have more money than others do, they have to show it, with a bigger house, a bigger car

or buying always the newest stuff. They want to show how good they are and how much they can afford for their family and themselves.

However, in Austria most people who have a good job and earn much money do not share it with everybody and want that they get jealous. There are enough people who have a lot of money, but you do not know it, because the person does not brag about it. We are happy if we have money but nobody need to know about it.

Furthermore, in San Luis Obispo the people are friendly and want to help you whenever you need something. Nevertheless, the problem is that if you really need something, they do not call you back or do not want to help you. First, they play a show and want that you see how friendly and nice they are, but if you need them for something, they do not help you and disappear.

Whereas, in Austria people really like to help each other. If a friend has a problem, we try to help him and solve his problems. We do not brag how friendly and good we are, we just do it if anybody need help, but do not want a price for it.

In addition, the last point that American people have to change in their mindset against Austria is the attitude against the environment. Americans do not think about what influence their actions nowadays will have in the future. It does not matter, because they are living now and want to have and do whatever they want now, because in 50-100 years they do not live anymore. They want to enjoy their life now, and that is the problem. We also have to think about our future where our kids will live. Americans have to think about their cars, they do not need cars with the biggest engines, which you can not buy in Austria or Europe, because they are too deleterious for our planet. In America, nearly every third car has an engine like that.

In Austria, we think about what we are doing and using. We want to save our planet and if we can enjoy our life too, although we are looking on our planet. We drive with cars with a minimal engine and try to change on Electric cars, because it does not matter if I have a good sound when I accelerate with the car, it only brings me from Point A to Point B.

I think that Austria and Europe are way ahead of America with our mindset and that they have to change a lot to get on the same level like us. Because what they do, with showing how good they are, ignoring problems in their country and driving the biggest cars, is a bad mindset and have to change, because they can live without that all.

## 7.5. Conclusion

In the End of this Paper, I have to say that I found out a lot of interesting things and points, I never thought about. I saw how different the people are in America and Austria and what we can learn from each other. It read many interesting Articles and books and spoke with many people about this shopping center topic.

Finally, there is to say that shopping center will always be important for people, they will never disappear and I will increase in the future. The population in the world is rising and small towns will rise to big towns and there we will need new shopping opportunities for the people there. That is why shopping centers are always topically in our society.

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