

EVOLUTIONARY PATTERNS IN INDONESIAN SHOPPING CENTERS: THE CASE OF JAKARTA

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In the second term of 2006 Jakarta, the capital city of Indonesia, experienced the largest retail growth in the Asian Pacific region. With more than 130 commercial venues in 2010, the growth of Jakarta's shopping centers is not only reflected in numbers but also in their physical size. In part, this evolution of shopping centers reflects the globalization of shopping centers development and major retailers. The location, composition and design of such centers strongly resemble other shopping centers in the Asian Pacific and the United States. At the same time, however, other centers seem more unique to Indonesia. In that sense, it is rather difficult to univocally assign these centers to the categories used in the classification suggested by International Council on Shopping Center Classifications (ICSC).

The purpose of this paper is to describe and analyze the evolution of shopping centers in Jakarta using data from 1960-2010. To that end, the evolution of the shopping center in Jakarta is compared to global milestones in shopping center history identified in the literature on shopping centers. Possible reasons such as the physical impact of the decline in business and influence of the Real Estate Investment Trust (REIT) will be discussed. By mapping the data, it is found that the growth of shopping centers in Jakarta is scattered and generated some new clusters.

In addition to the city-level description of the evolution of shopping centers in Jakarta, a more detailed account will be given of one such cluster. This case study is meant to illustrate that the retail development process is dominantly driven by (semi-)copying behavior. New real estate developers tend to add similar properties that either attract similar businesses serving the same market segment or attract business that serve totally different market segments. Consequently, the properties within the same market segment tend to focus more now on services as opposed to physical appearance and kind of stores.

INTRODUCTION

Globally, the rapid growth in the number of shopping centers has become more varied in terms of location, composition and design (Coleman, 2006; DeLisle, 2009). Although the first shopping center in Indonesia was built in 1962 in Jakarta, it is predicted that by the end of 2011 Jakarta will have almost 120 shopping centers. Several international trends have influenced Jakarta's shopping centre development. Some centres look much alike other shopping centres in the world, while other centres have some distinct features.

The description of the evolution of these centres is hampered by the fact that Indonesia has no classification of shopping centers. The Indonesian Shopping Manager Association (APPBI) does not have a complete record data of shopping centers in Jakarta. Existing data is based on different categorizations, and not all shopping centers are members. Consequently, researchers are faced with the challenge how to organize the historical data of shopping centers in Jakarta from 1960-2010 and analyze its pattern of evolution. The International Council on Shopping Center Classifications (ICSC) who launched a Global Shopping center Directory, has limited its research on Asian shopping centres (Japan is the only country in Asia which is in the 2010's report). Since classifying shopping centers is complex in light of many definitions and classifications of shopping centers, common classification criteria for shopping centers must be resolved in the global market (DeLisle, ICSC Research, 2009). In this context, key variables that have been used in shopping center classifications are size (DeLisle, 2009; Neo, 2005; Guy, 1998); design/appearance (DeLisle, ICSC Research, 2009; Guy, 1998), number of anchors/tenant-mix (DeLisle, 2009; Neo, 2005; Guy, 1998), location and themes (DeLisle, 2009), and ownership (Neo, 2005).

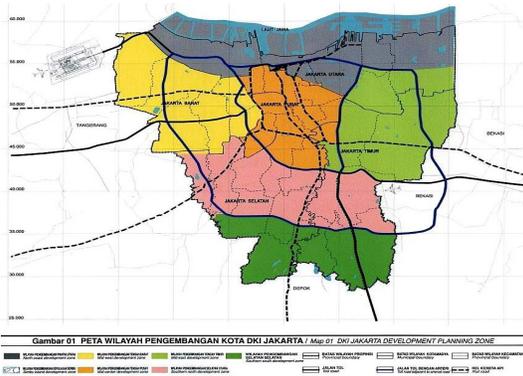
In Indonesia, the terms shopping center, plaza, and mall have the same meaning "*as a place for doing business, trade, recreation, eat, etc. The place is provided for groups, individuals, companies or cooperatives to sell goods and or services, located in the building/space that integrates*" (Indonesian Trade and Industry Department regulation on Licensing for Private Shopping/Perda No.2 Tahun 2002 tentang Perpasaran Swasta). With this general meaning of shopping center, Herlambang (2006) and Shau & Martin (2008) identified almost 130 shopping centers in various categories.

Considering the absence of a classification, the objectives of this study are two-fold. First, we will identify the variables that are important in developing a classification of Indonesian shopping centers. Secondly, based on the resulting classification we will evaluate the pattern of evolution of Indonesian shopping centers .

Jakarta as a Case of Study

The capital city of Indonesia, DKI Jakarta, has an area of 704.3km² and 9.607.787 people¹. It is divided into five *kota* or *kotamadya* ("cities" - formerly municipalities) and *kepulauan seribu* (thousands islands); North Jakarta, East Jakarta, South Jakarta, West Jakarta and Central Jakarta. North Jakarta is the area of the fringe of the sea. This area is mostly for business and recently for some high-class real estate on the waterfront, especially for the Chinese who are running the businesses there. West Jakarta has the highest concentration of small-scale industries in Jakarta. It also has Chinatown, which continues from the North. South Jakarta, originally planned as a satellite, now has the strongest development in Jakarta. It brings the image of the high class area since colonial times until today. The lowest growth in Jakarta is in East Jakarta. Some moderate to lower real estate and industries are built here. The last part, Central Jakarta, is known as Batavia (old of Jakarta) during the Dutch colonization. In the recent time Central Jakarta is the main business area with many office buildings.

¹ Badan Pusat Statistik Republik Indonesia (Statistics Indonesia), 2010



Picture 1. Cities of DKI Jakarta

Table 1. Size Area and Population of Cities of DKI Jakarta

City	Area (km ²)	Population (people)	Density
North Jakarta	142,20	1.468.840	10.329/km ²
East Jakarta	187,73	2.393.788	12.7512/km ²
South Jakarta	145,73	1.995.214	13.691/km ²
West Jakarta	126,15	2.322.232	18.408/km ²
Central Jakarta	47,90	861.531	17.986/km ²

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