Emerging Commercial Landscapes in Nanjing: Reciprocal Impacts between Caishi and Supermarkets

Yun Fang

A Thesis

in

The Department

of

Geography, Planning and Environment

Presented in Partial Fulfillment of the Requirements

for the Degree of Master of Science (Geography, Urban & Environmental Studies) at

Concordia University

Montreal, Quebec, Canada

October 2011

CONCORDIA UNIVERSITY
School of Graduate Studies

This is to certify that the thesis prepared

By: Yun Fang

Entitled: Emerging Commercial Landscapes in Nanjing: Reciprocal Impacts between Caishi and Supermarkets

and submitted in partial fulfillment of the requirements for the degree of

Master of Science (Geography, Urban and Environmental Studies)

complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Signed by the final Examining Committee:

______________________________ Chair

Dr. Damon Matthews

______________________________ Examiner

Dr. Norma Rantisi

______________________________ Examiner

Dr. Zhixi Cecilia Zhuang

______________________________ Supervisor

Dr. Pierre Gauthier

Approved by______________________________

Dr. David Greene
Chair of Department

____

Dr. Brian Lewis
Dean of Faculty of Arts and Science

Date ______________________________

Abstract

Emerging Commercial Landscapes in Nanjing: Reciprocal Impacts between Caishi and Supermarkets

Yun Fang

Concentrating on eight Caishi (former farmer's markets) and nearby Suguo supermarkets in the southern districts of Nanjing, China, the present study focuses mainly on the morphological, social and economic impacts of a new commercial landscape, the supermarket, on Caishi.

A documented overview of Nanjing's commercial history and policies gives this research a theoretical background regarding Caishi and supermarkets and indicates the policies which have directed the transformation of Caishi and direction of supermarkets. Building a typology of three Caishi types, documenting the genesis of the Caishi landscape, investigating the production of each commercial landscape, analyzing Caishi's geospatial relationships with nearby residential developments, supermarkets, other Caishi and adjoining commercial landscapes, provides an understanding of how shifts in political economy influence the built environment and market trends. The qualitative methods employed in the interviews section drew forth views and opinions based on the interviewees' individual perceptions. The subsequent quantitative methods adopted in questionnaire analysis and economic data analysis allowed a more objective examination of relevant issues from the customer's perspective and was complementary to the interviews. The results suggest dialectic between the social and economic dimensions of commercial landscape building and material and physical layouts.

Keywords: Caishi, supermarket, commercial landscape, food price, retail, survey, questionnaire, economic data, morphology, policy, updating, impact, population, income, Nanjing, China.

Acknowledgements

My first great gratitude goes to Prof. Pierre Gauthier, the supervisor of my Master study from Geography, Planning and Environment Department, Concordia University, whose help, stimulating suggestions and encouragement helped me in all the time of research for and writing of this thesis. He gave me the opportunity to work in a very interesting area, provided me with a relevant and challenging problem to address, and supplied the tools and direction required to solve them. His support, trust, respect, and skilled scientific guidance made this research a truly enjoyable and rewarding experience throughout the period of my study. His inspiration and willingness to motivate me contributed to this research and greatly worked in urban areas. Again, sincerely thanks to my lifelong supervisor.

Many thanks go to all my thesis committee members for their guidance and suggestions to my thesis. This gratefulness extends to the entire faculty, staff, and peers in the department of Geography, Planning and Environment. Everyone's help and support has contributed to my progress and success in academia at Concordia University.

I wish to thank the Nanjing Bureau of Commerce, the Nanjing Qinhuai District Bureau of Commerce, the Nanjing planning and design bureau, Nanjing archives, Nanjing city construction archives and the Architecture and Planning Department of the Nanjing University of technology, the Kexiang and Yingbin Caishi, and the Suguo Supermarket Group for granting me permission to use their sales data. I further wishes to thank all the interviewees for their cooperation in making themselves available for interviews and providing their valuable views. I am particularly obliged to the officers of Nanjing Bureau of Commerce, Nanjing Qinhuai District Bureau of Commerce, and professor in the planning department of the Nanjing University of Technology for all their help, support, interest and valuable hints. And I take this opportunity to acknowledge all the respondents who participated in my questionnaire survey for contributing their time and opinions to my research.

I would also like to thank my colleague Miss Kun Zhai for her encouragement, reminders and views on my research.

Finally, my deepest gratitude goes to my family for their love and invaluable emotional support. In particular, I would like to thank my parents for their help, consideration and patient love throughout my life, and my late grandmother for her encouragement and participation in my survey. Most importantly, I would like to devote this thesis to my husband Liang and my daughter Sherry, for their true love, continuous encouragement and support through the good and more difficult times in this journey.

TABLE OF CONTENTS

Chapter 2 Methodology

Chapter 3 General conditions of policy and history

Chapter 4 Field survey

LIST OF FIGURES

LIST OF TABLES

LIST OF ACRONYMS

Acronym	Full expression
CBD	Central Business District
CCSEs	Community Commercial Service Establishments
CNP	Chinese Nationalist Party
CPI	Consumer Price Index
CVS	Convenience Store
GDP	Gross Domestic Product
GIS	Geographic Information System
Ha	Hectare
k-ton	1000 metric tons
M	Money Income
P	Price
P*	Equilibrium Price
PCDI	Per-Capita Disposable Income
Q	Quantity
R	Revenue
RMB	Ren Min Bi (Chinese Yuan)
SOC	State-Owned Commerce
SOVMs	State-Owned Vegetable Markets
TNCs	Transnational Corporations
U.S.S.R.	Union of Soviet Socialist Republics
WWI	World War I

Introduction

Incentive

Along with the rapid economic growth and population increase, the level of urbanization in China's large cities has reached a level exceeding that of many developed countries. The fast urbanization process led the Chinese government to further consider the functionality of the cities in dealing with growing populations (People's daily online, 2010). The unprecedented urbanization challenges that China is currently undergoing result in major transformations of urban structures (Xinhua, 2010). Recent economic reforms have changed China's obsolete planned-oriented economy to a market-oriented economy. Along with these ongoing social and economic transitions, the economic restructuring is of concern to government planners and officer (Yan and Ding, 2007).

The traditional commercial landscape has been gradually transformed. The traditional Caishi (former farmers' markets) have been updated and this may transform the marketing of professional raw and fresh foods supermarket in the future. The chain supermarket's emergence and the retail landscape's progress along a western retail landscape development track seek to satisfy a growing demand for consumption. Supermarkets have occupied some portion of the food retailing market of major Chinese cities by using its irresistible advantages to draw clientele. These advantages are: convenient location, one-stop consumption, fresh processed foods, a modern high efficient consumption process and extra service.

Nanjing is an important city in China. It is the capital city of Jiangsu province and has a long commercial history. It is located in a geographic advantageous location, with convenient land and water transportation access and a good commercial and industrial environment. Thus Nanjing provided the basis for the development of both Caishi and chain supermarkets. In recent years, supermarkets — represented primarily by the domestic chain supermarket Suguo — have already melded into many Nanjiners' daily life. Shopping in supermarkets has already become a life habit of the residents. Over 90% of Nanjingers go to these new commercial establishments at least once a week (Nanjing Bureau of Planning and Design, 2004), and this shopping style has gradually become a social activity, with leisure and communication aspects that go beyond simply shopping. The new commercial landscape development has influenced the traditional commercial landscape to some extent, and it is these reciprocal impacts between them and the exploration of future trends in the retail landscape which are in need of study.

The traditional commercial landscape under study is represented by the Caishi, an institution which is tightly enmeshed in people's daily lives, while the new commercial landscape is represented by the domestic Suguo chain supermarket, since it embodies the local supermarket development and its diverse retail types distributed everywhere in Nanjing. The Caishi and chain supermarket constitute a food retail web which has greater convenience to residents. Surveying three old southern districts of Nanjing (Baixia, Qinhuai and Jianye), the study identified eight Caishi with retail areas exceeding 2000 m^2, and nearby Suguo supermarkets which have 500 m retail coverage radii which overlap with those of the Caishi, as well as nearby residential and commercial areas.

Objectives

The study sought to explore the impacts of the new commercial landscape (supermarket) imposed on the traditional landscape (Caishi) by proposing an examination of policy, layout and geography, morphology, economic data and an exploration of the social dynamics effects on both Caishi and supermarkets. It intends to provide a framework to understand the commercial landscape transformation and its process, reasons, as well as factors driving it, by answering the question "who does what, how and why".

The major objectives of this thesis were to:

1) Study and document the general conditions of commerce history and policies in

Nanjing, especially to take a closer look at the supermarket and Caishi，in order to shed light on the nature of recent transformations.

2) Through field surveys to document and analyze eight Caishi according to three different types and related nearby supermarkets, and also try to discover the influences of other adjacent commercial landscape on the Caishi.

3) Document and analyze the results from semi-structured interviews.

4) Undertake a statistical analysis and comparative analysis on the data collected from responses to questionnaire surveys on both Caishi and supermarkets.

5) To study and statistically analyze economic data from Caishi and supermarkets by using microeconomics concepts. Here a comparative analysis would also be applied.

Thesis structure

This thesis is organized into nine sections: (1) one section of general introduction; (2) one chapter of theoretical framework; (3) one chapter for methodology; (4) one chapter of commercial history and policy; (5) one chapter on field surveys; (6) one chapter on the qualitative analysis of interviews; (7) two chapters of quantitative analysis including questionnaire surveys and economic data analysis; (8) one chapter of general conclusion.

The introduction section introduces the incentives, overall project objectives and structure of this study. Chapter 1 presents a literature review that informs the theoretical framework. Chapter 2 provides the methodological approach of this study. Chapter 3 reviews information related to the commercial history of Nanjing, Caishi and supermarket development. It also lists the relevant policies that directed the Caishi and supermarket setting, arrangements and transformation. Chapter 4 discusses the morphological construction, layout and geographic location of the eight Caishi under study, as well as the surrounding commercial landscape. It identifies and classifies three types of retail forms of Caishi by an analysis and comparison on their morphological characteristics. Chapter 5 analyzes the results from semi-structured interviews and tries to find some social factors that influence the development of supermarkets and Caishi. Chapter 6 studies the results from the questionnaire survey. A comparative analysis is made based on data gathered from respondents at Caishi and supermarkets. Chapter 7 presents the economic data from Caishi, supermarkets and government, and addresses some issues from an economic perspective. It also examines some of the former chapters' results. Chapter 8 is the final chapter and describes general conclusions drawn from the present study.

Chapter 1 Theoretical framework

1.1 Introduction to Nanjing

The three fastest developing cities in China — Beijing, Shanghai and Guangzhou — are those which will first come to a Westerner's mind. However, it is time for the city of Nanjing to receive some attention. Over the last 30 years, many efforts have been made to modernize and improve Nanjing so as to render it more livable. In order to understand these recent developments, it is necessary to outline some of Nanjing's history.

One of the most important cities in Chinese history given its capital city stautus over six dynasties, Nanjing is known within China as the Six Dynasty Capital City. In 212 AD Nanjing, then called Jianye, became the capital city of the Wu dynasty. Thereafter the Dongjin, Song, Qi, Liang, and Chen dynasties made Nanjing — then called Jiankang — their capital city. Some time after the six dynasties, the Ming Empire (1368 AD) made Nanjing its capital city and changed its name to Nanjing (Xu, 1984). Nanjing's situation during the Ming dynasty is illustrated in Figure 1.1. From 1919-1949, Nanjing served as the capital city of the Republic of China, the last regime prior to the present day's People's Republic of China.

1.1.1 Current situation of Nanjing

Nowadays, Nanjing is the capital city of Jiangsu Province and benefits from its favorable geographical location. A map of Jiangsu province (Figure 1.2) shows Nanjing to be located within a plain in the middle lower reaches of the Yangtze River. Facing the Ocean to the east, the city is located 300 km away from Shanghai. Nanjing is now the second largest business centre next to Shanghai in southeast China.

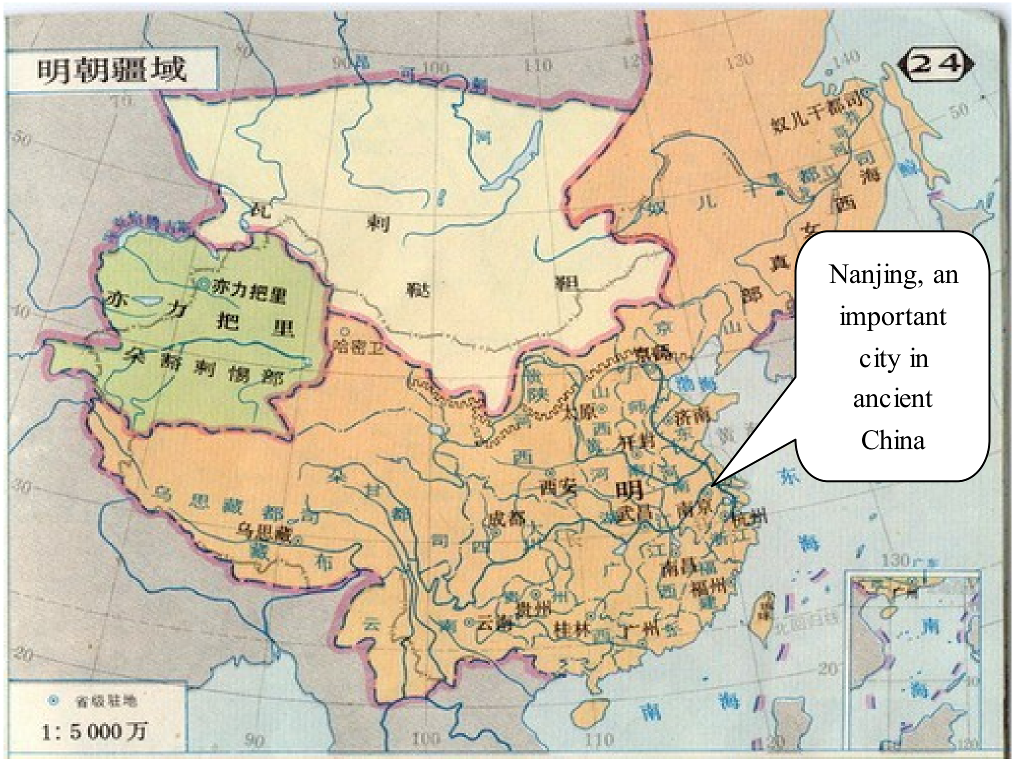


Figure 1.1 Map of Ming dynasty, AD1368 (Ding, 2006)

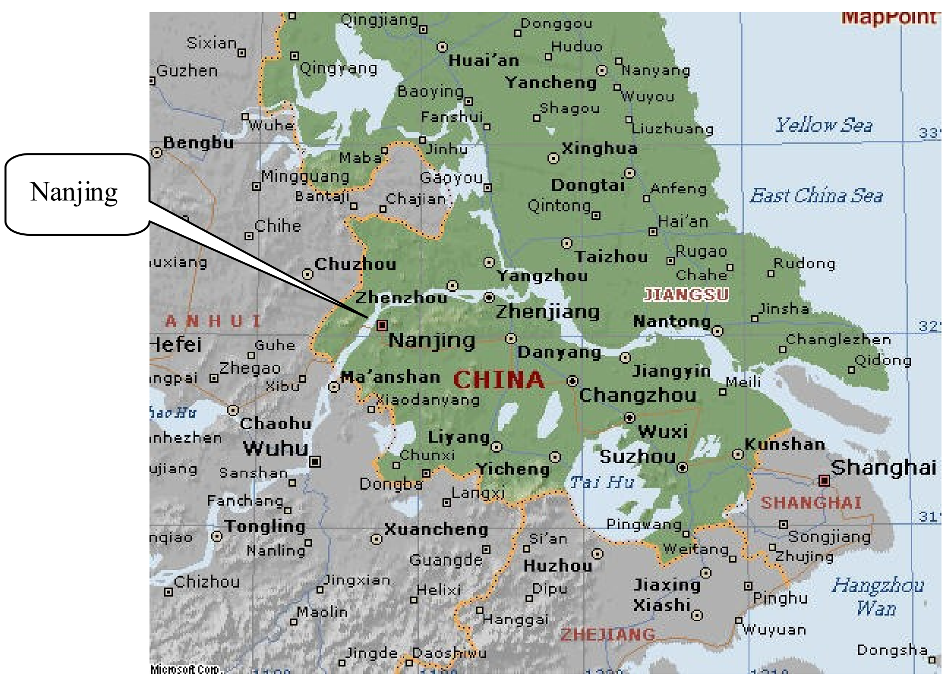


Figure 1.2 Map of Jiangsu Province (World Atlas)

In 2007, Nanjing's GDP reached 300 billion RMB (42 billion $US) (Kou, 2008). Nanjing is rapidly becoming one of the most important economic centres of China. Nanjing occupies an expanse of 6597.6 km^2, and has a population of 7 million. The Yangze River flows through the city of Nanjing over roughly 95 km of its course. This part of the River is quite wide and deep, thus the river way is navigable year-round for ships of up to ten thousand tons tonnage (Zhao, 1999).

Nanjing city has grown very quickly in recent years, it has several advantages that make it suitable to be a thriving economic centre, including its excellent location, and its well developed transportation grid. Nanjing is served by five modes of transportation: aviation, railway, highway, water carriage and subway. Nanjing is also one of China's scientific research and education centres. Finally Nanjing is also an industrial centre. The city and region have a comprehensive industrial base, with the prominent presence of electronics, automobile, and chemical industries, along with a group of products with local characteristics. (Zhao, 1999)

Over Nanjing's 5000 year history, housing styles has changed many times. After 1919, under the Republic of China, Nanjing was designated China's capital city, and several master plans were proposed. Indeed, between 1919 and 1949 the Nationalist government prepared seven such plans, of which the 1929 plan was the first official master plan in Nanjing's planning history. The 1929 plan's road construction program constitutes today's Nanjing road grid. After Nanjing entered the People's Republic of China, the government prepared seven further master plans for Nanjing. Two of them are very influential. One occurred after the Chinese Culture Revolution, with the government preparing a Nanjing city master plan (1981-2000) in 1979. The second was prepared after 10 years of market-oriented economy, when the government prepared a new master plan (1991-2010) for Nanjing to fit its fast-growing economy (Nanjing Information web). This plan was modified in 2001 and the city prepared another city master plan in that year.

Presently, Nanjing has a huge subway (metro) construction plan, which includes the construction of 4 main lines and 3 branch lines, over a total length of 132.86 km, by 2012 (Xici Hutong, 2006). The Master Plan for Nanjing's Metro System (Figure 1.3) illustrates how that the metro lines are narrowly interweaved in the inner city in order to constitute a high coverage web, while some lines will even extend to the suburb. The metro system is integrated with Nanjing's bus transportation network, resulting in Nanjing's public transportation system being very advanced.

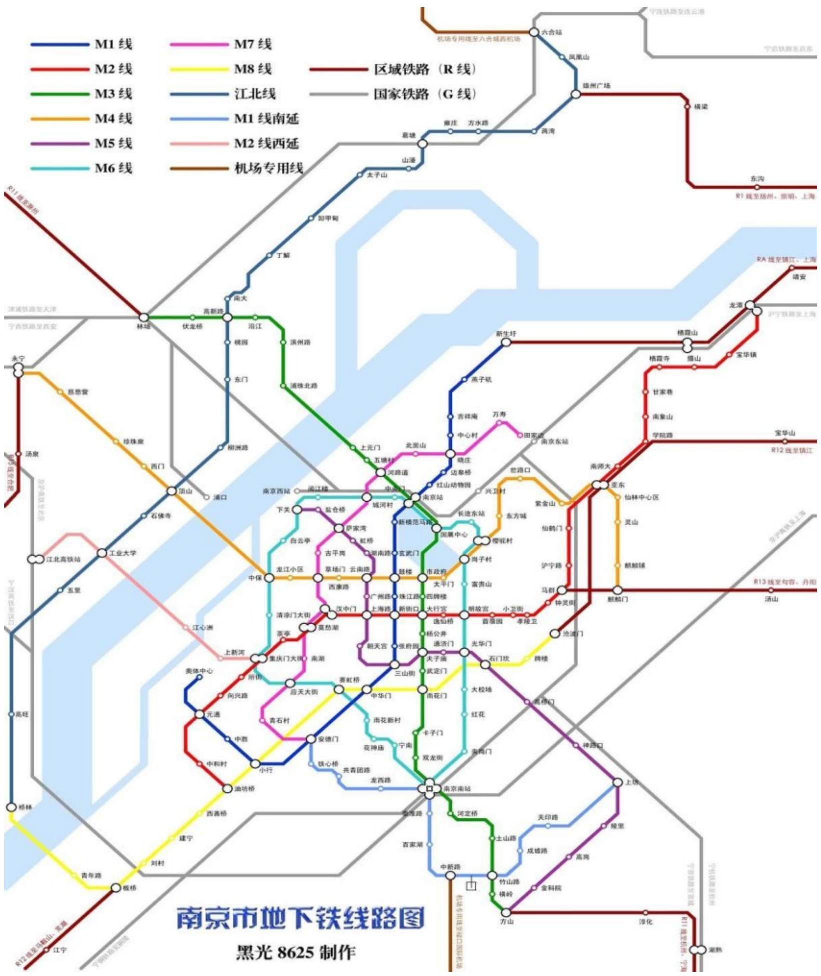


Figure 1.3 Nanjing Metro Master Plan (Xici Hutong, 2006)

1.1.2 Urban form of Nanjing city

1.1.2.1 Housing type and situation in Nanjing

The old housing style in Nanjing city is complex, not only does it include traditional courtyard housing, but also the Lilong style. The traditional courtyard housing includes Ming-Qing style housing, which can be found today in the Niu Shi district (Figure 1.4). The Qinhai style (Figure 1.5) is another very famous traditional housing style, particularly prevalent in the southern districts of the city of Nanjing. The Qinhai style housing is named after Nanjing's very famous Qinhuai river. It is constituted by its own special Matou walls, wells, and lanes. The Lilong housing style was popular during the Nationalist reign. The words "Li," meaning neighborhood, and "Long" means lanes, combine to describe an urban housing form typical of Southeast China (Qian, 1996). In many westerners' eyes, Lilong is the representative style of Shanghai housing. In fact, the Lilong style is also well developed in Nanjing, and until recently many people still lived in this type of housing in Nanjing.

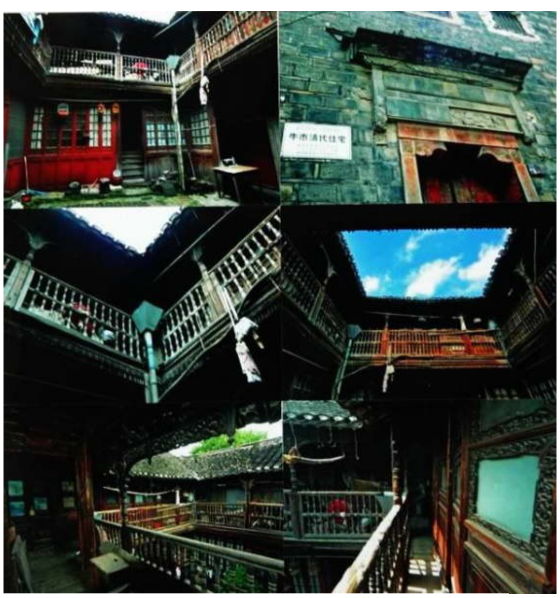


Figure 1.4 Niu Shi, Ming-Qing style housing (Lu, 2006)

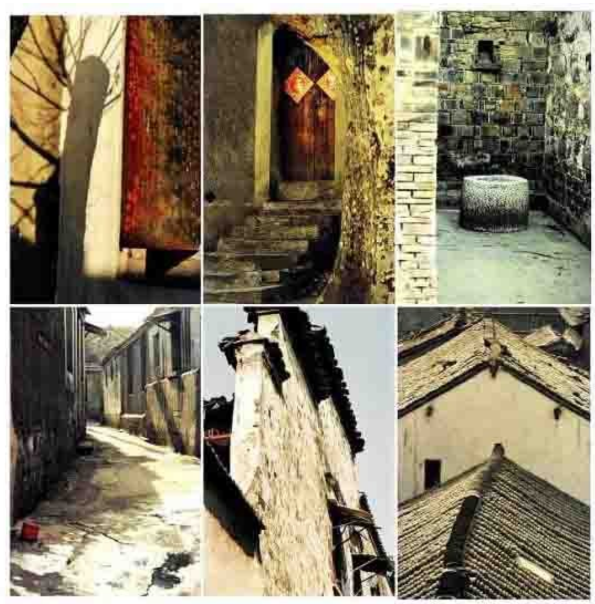


Figure 1.5 The constitution of QinHuai style housing (Lu, 2006)

The Lilong style (Figure 1.6) as a low-rise, ground-related housing pattern has many advantageous features: "a hierarchical spatial organization network, separation of public and private zones, a high degree of safety control, and a strong sense of neighborly interaction and social cohesiveness, etc." (Qian, 1996). These factors make the Lilong neighborhoods a pleasant place to live and hence they have been enthusiastically adopted by local people for half a century.

Figure 1.6 Wen Chang Xiang, Lilong housing (Feng)

Nanjing now is undergoing tremendous urban renewal in the inner city. A lot of old housing will be subject to removal, due to its age, and resulting poor infrastructure and basic services. Extensive slums in the city centre, which are seen as interfering with the city centre's overall development and the city centre's modern feel will likely be removed (Chen et al., 2004). Another reason for this plan is that high land value of these areas which the government would wish to see used more profitably. This would include integrating the subway and public transportation so as to constitute a large CBD, and converting the housing in these areas to modern high-rise buildings.

1.1.2.2 Commercial streets or areas in Nanjing

Located in the southeast of China, Nanjing is a water city. So the traditional life style of people revolved around bridges, water, and houses. Traditionally, most people lived in the traditional courtyard housing and Lilong style housing, so the original shopping habit is that people buy everything from Xiangzi commercial streets. Located at a walking distance, Caishi is representative of the local commercial streets, where people buy their daily foods such as vegetable, rice and meat. Besides, the old people in Nanjing have the habit to buy the bird food and plants from the pet and plant streets. Some courtyard housing people use the room facing the Xiangzi run businesses like grocery stores, bookstores, restaurants, breakfast shops, etc. This original shopping habit and the Xiangzi commercial street connected the residents' social relation, economic relation, and mutual help in a friendly neighborhood. In some old residential districts, people who live in the first floor also use one room facing the street to do business: this kind of commercial street brings a lot of convenience to the local residents, some of them transformed to nowadays the commercial street.

Commercial streets have also changed a lot in Nanjing city. Commercial streets can embody the centralization and radiation functions of a city. A commercial street is one mainly devoted to commercial endeavors, and which has retailers in relatively high density. A wide variety of shops located in the same street, can improve the city's overall image and function, and be good for the city's overall competitiveness. (Yan et al., 2006) Commercial streets in the city centre usually integrate a wide variety of amenities such as the commerce, restaurant, entertainment, culture, leisure and service, etc. The commercial landscape is characterized by many shops, stores, restaurants and some related services such as financial, cultural and communication enterprises, thus forming commercial streets in some particular proportion and layout. It is believed that multi-function, multi-industry, multi-form commercial integration enhances the ability to attract consumers. Among the characteristics worth mentioning: (i) distinct advantage in location; (ii) many stores and a wide range of products; (iii) high degree of specialization; (iv) a prominent cultural value; (v) an information centre, which can reflect consumer information like offer and demand, changes of lifestyle, consumers trend, and updates in technology, etc. (Wang, 2006)

By 2003, Nanjing had 8 main commercial streets: (i) Xinjiekou, which is a commercial Pedestrian Street, in the CBD area of Nanjing city; (ii) Hunan Lu, a boutiques street; (iii) Zhujiang Lu, a high technology street; (iv) the Confucius Temple Tourism Street; (v) Taiping Nanlu Commercial Street; (vi) Damin Lu, known as the automobile street; (vii) Rehe Nanlu, the agricultural products street; and, (viii) Jianning Lu, a commodity street. These 8 commercial streets have their own distinct characters and strong market impacts. Together, these commercial streets include 3160 shops, mainly dealing in trade, tourism, hostelry, restaurants, electronic products, automobiles, finance, etc. The total business area covers over 3 km^2, and the total commercial turnover in 2001 was 24 billion RMB (Li et al., 2003). More commercial streets have been built in recent years in Nanjing. For example in 2005, 11 commercial streets were built, which include the biggest jewelry centre in China, a Finance street, an upholstering material street, an entertainment street, a restaurant street, etc. (Zhang et al., 2007). By the end of 2007, Nanjing has build up 16 commercial streets and the city has planned to build another 11 commercial streets in the following 2-3 years (Huang and Huang, 2007).

1.2 The evolution of Nanjing

1.2.1 Socio-economic transformation

1.2.1.1 Population transformation

With the Chinese economic system's transformation following the 1978 reforms, Nanjing city's population structure has changed substantially. The total city population has almost doubled (when including the “floating” population). Nanjing’s population urbanization level rose from 37% to 57% between 1978 and 2000 (Cheng et al., 2001). By 2005, this level had risen to 68%, and continued its increase to 83% by 2009 (Table 1.1; China data on line).

According to the Nanjing Statistical Yearbook of 2006 and China Data On Line, by the end of 2005, the registered population of the city of Nanjing was 5.958 million (Table 1.1). These numbers do not include those people who do not have a Nanjing “hukou,” which are termed the ‘floating population.’

According to a report prepared by vice Mayor Daoqiang Jing in 2006 (Jing, 2006), the floating people have actually become the central factor driving the recent increase in the city’s population. Nanjing’s population reached 7.72 million at the end of 2005. It was estimated that by the end of 2006 the floating population alone would reach 2 million, and would have thereafter increased by 0.3 million yearly. In the early 1990s, the floating people made up only 0.3 million of Nanjing’s population (Fei, 2006), while the permanent population numbered 5 million. The increase in the floating population has greatly changed the population structure of Nanjing.

The floating population in Nanjing has risen from 0.1 million persons in the early 1980s, to 0.27 million in 1987, 0.32 million in 1990, 0.47million in 1999, 0.6 million in 2002, 1.04 million in 2003, 1.3 million in 2004, 1.76 million in 2005, and 2 million in 2006 (Feng et al., 2001). From 2000 to 2006, the increase in registered floating people was about 30% per year. Over the same period, the permanent population with a Nanjing Hukou only increased by 0.1 million person per year. Now, the floating population constitutes over 30% of the city’s total population.

The increased population poses many challenges to the government, particularly in terms of city safety, sanitation, education, welfare, housing, transportation, consumption, water supply, electricity supply, medical service, etc. All of these needs require a well-considered approach to city planning. The increased population also brings advantages to the city. The floating population reinforces the connection and increases communication between the city and the countryside. It offered also a huge market. The floating population became a part of the labor employed in city construction and production. It currently constitutes the main source of workers for China's labour-intensive industries. The floating population has also stimulated the tourism and commercial industries.

Table 1.1 Change in population holding a Nanjing Hukou in Nanjing city (Nanjing Bureau of Statistics, 2006 and 2009)

	Total population (million)	Non-Agriculture people (million)	Natural growth rate (‰)	urbanization level (%)
1949	2.567	1.020	13.09	39.74
1955	2.803	1.153	19.94	41.11
1960	3.226	1.595	0.23	49.45
1965	3.453	1.533	25.58	44.38
1970	3.605	1.325	20.76	36.74
1975	3.930	1.456	9.53	37.05
1978	4.124	1.564	8.84	37.92
1980	4.359	1.833	8.08	42.06
1985	4.658	2.267	4.56	48.67
1990	5.018	2.362	9.18	47.07
1995	5.217	2.590	2.62	49.65
1996	5.254	2.649	2.63	50.41
1997	5.298	2.701	2.16	50.98
1998	5.323	2.762	6.09	51.89
1999	5.374	2.870	2.00	53.41
2000	5.449	3.095	2.48	56.80
2001	5.530	3.239	1.59	58.56
2002	5.633	3.394	0.74	60.25
2003	5.722	3.917	0.08	68.45
2004	5.836	4.184	2.29	71.69
2005	5.958	4.353	2.31	73.06
2006	6.072	4.714	2.16	77.63
2007	6.172	4.813	2.82	77.99
2008	6.245	5.172	2.49	82.83
2009	6.298	5.238	2.17	83.17

1.2.1.2 Citizen income change

In 1955, the mean annual employee salary in Nanjing was 571RMB. This number decreased to 560RMB in 1978 (Nanjing Bureau of Statistics, 2006). After 1978, the income of the average Nanjing citizen has been continuously growing (Table 1.2; Nanjing Bureau of Statistics, 2006). By the end of 2005, the annual income of a typical Nanjing employee reached 29,344RMB, a 52.4-fold increase compared to 1978.

Figure 1.7 Disposable Income of Nanjing citizens. (Searchina)

A citizen's average Per-Capita Disposable Income (PCDI) has also increased over the past 30 years, with the salary growing in recent years (Figure 1.7). According to the Jiangsu provincial statistics bureau, the 2004 PCDI of the average Nanjing citizen was 11,602RMB (Hu, 2005), 14,997RMB in 2005 (Nanjing Bureau of Statistics, 2006), and 20,317RMB in 2007 (Nanjing Bureau of Statistics, 2007). Within 4 years, the PCDI of the average Nanjing citizen almost double. This explains the rapid rise in retail businesses.

Table 1.2 Nanjing state-owned companies and collective enterprise employee number and the salary in different years (Nanjing Bureau of Statistics, 2006 and 2009)

Year	Total salary (Million RMB)	Total employee number (Million people)	Average income (RMB/year)
1955	104	0.18	571
1960	238	0.43	548
1965	231	0.36	646
1970	232	0.40	582
1975	410	0.75	546
1978	546	0.98	560
1980	804	1.10	730
1985	1566	1.38	1131
1990	3348	1.43	2349
1995	10438	1.49	7016
1996	11726	1.46	8013
1997	12808	1.45	8847
1998	12816	1.20	10661
1999	13579	1.14	11931
2000	14699	1.06	13913
2001	16165	0.98	16574
2002	17499	0.91	19147
2003	19507	0.88	22190
2004	22289	0.86	26063
2005	25846	0.88	29344
2006	29960	0.92	32459
2007	33153	0.92	35907
2008	39495	0.99	39878
2009	47689	1.09	43623

1.2.2 Urban form transformation

1.2.2.1 City centre transformation

As mentioned earlier, the city was first established in 472 BC, during the Yue Dynasty. Within its 2500 years history, the city centre of Nanjing changed many times. In ancient China, city planning was done according to traditional urban construction regulations. The urban form at that time usually can be described as an inner part and outer part: the inner part was the city centre, the outer part was the suburbs, with the two parts divided by the city gates. In the city centre, the front part was the palace in the South, the back part was the market in the North. The residential area integrated commercial streets and lanes. This layout was further shaped by the city development which occurred after the Song Dynasty. Along with commercial development, markets formed the open commercial streets along with the market trade which was centralized in the temple. The citizen's entertainment sites usually depended on the religion fanes and beautiful vistas (Papa information web).

The traditional city planning of Nanjing not only embodied the traditional spatial order, which used the palace as the city centre, it also formed a special urban form, which was influenced by the city's traditional water planning. In the Ming Dynasty, the city of Nanjing was divided into three functional areas: the eastern city housed the palace, which was the main planned area at that time; the southern city was the residential area and the commercial area, it housed the core economic activities synthesis area and included the two bank of the Qinhuai River; the northwest portion of the city was the military affairs area, which was the political activities synthesis area (Yang, 2006).

In the contemporary period, the most recent changes having occurred before 1978 can be traced to the 1930s', when Nanjing was the capital city of the Republic of China. The Chinese Nationalist Party (CNP) devised a Master Plan for the city of Nanjing in 1928, and in the following decades, much construction took place in Nanjing. The Xinjiekou area in the city centre was developed at this time. The CNP was built and Zhujiang, Guangzhou, Shanghai and Mochou streets were expanded, for a total of more than 10 main refurbished thoroughfares in central Nanjing. The, city centre of Xinjiekou is located on a North-South axis, at the intersection of Zhongshan road and Zhongzheng road (South Zhangshan road now), and on an East-West axis at the intersection of East Zhongshan road and Hanzhong road. This city layout survives today, although city renewal has changed the city a lot, but the city centre and the main roads had remained. A map of Nanjing in 1942 is presented in Figure 1.6.

As in most Chinese cities, between 1949 and 1978, residential and commercial construction almost stopped in Nanjing. After 1978, the main effort at city renewal was put into housing renovation and the building of new housing. Since the 1980's and up to 1994, because the city transportation system could not adapt to the growth of Nanjing, city renewal initiatives started to funnel large investments into the transportation system. During a 10-year period, the total length of roadways in Nanjing downtown has grown to 1049 km. (Lao, 2008)

In the early 1990's, the city of Nanjing's government announced its plans to expand the city's urbanized area. The city urbanized area rose from 76.34 km^2 to 186.73 km^2 in 1995 (Lao, 2008), effectively doubling the area of Nanjing. The growth of the city did not stop there, but continued even faster. In the latest city master plan, the city's government wants to create new city centres around the main city of Nanjing. These new city centres would be called satellite cities, which will have specific functions and be aimed at supporting the main city.

The city centre has always been characterized by the busiest streets. It is the centre of the city's commercial and social activity. Xinjiekou, which is surrounded by hundreds of different stores, it is the most important commercial area of the city of Nanjing. When developing Xinjiekou, as a suburb of Nanjing in 1934, the Nationalist Party built the Zhongyang Shangchang, which was the biggest department store in China at that time (Figure 1.8). This development marked the beginning of the Xinjiekou commercial circle (Qian, 2007).

Nanjing has different commercial streets or commercial areas. Sun (2002) compared the business area surrounding 8 commercial streets in 1985 and 1995 (Figure 1.9). The Xinjiekou area can be seen to have grown the most during that interval, and become the most important commercial area of Nanjing. The trend in city centre transformation is toward the development of large-sized commercial services and integration. By 1995, there were 530 shops in the Xinjiekou area, which represents only 1% of those in Nanjing city, but the commercial area per se represented 10% of the total city area. The turnover at the top 11 shops in this area represented 20% of the entire city's retail sales.

Figure 1.8 1942 Nanjing map and the city centre Xinjiekou (Yuan)

In 2004, Nanjing's Xinjiekou Commercial Street was declared the third most important commercial street in China. Its commercial density makes it No.1 in China.

The total area of Xinjiekou street is less than 1 km^2, but the total number of shops is about 1600, and the number of customer reached 0.4-0.5 million per day in 2004. The total turnover in this area was 12.6 billion RMB in 2004, a number which rose to 19.0 billion RMB in 2007.

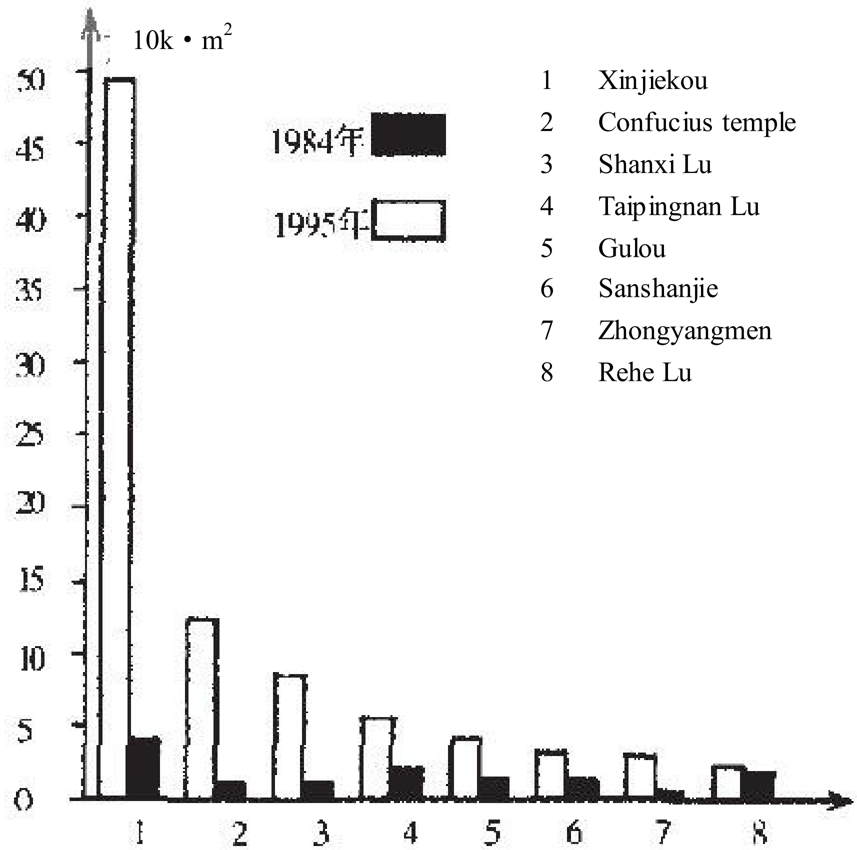


Figure 1.9 Comparison of the 8 main commercial street business areas in the city of Nanjing in 1984 and 1995. (Sun, 2002)

1.2.2.2 Change in suburban areas

Since 1978, Nanjing has continued to expand into suburban areas, and the city's periphery is changing; farms are shrinking or have disappeared. Along the national road 312 extending north from Nanjing to northern Jiangsu province (Jiangyin) and to south Jiangsu (Suzhou), one is surprised to find houses lining the road side. One can seldom see the farms along the hundreds of kilometers of road. Even in the countryside area, in the new economic zone, factories or small towns are present at every few kilometers. It can be difficult to believe that this region can still be called the periphery; however, this is the case, and is currently the case in Jiangsu Province, including the capital city, Nanjing.

The city farm area is decreasing. The total farm area of Nanjing was 252.9k ha in 1949, but this area had decreased to only 170.46k ha in 2002 (Chen, 2004).

1.2.2.3 Change in types of housing

Before 1978, courtyard housing and Lilong housing were the traditional housing types in Nanjing, and where most of the people lived. From 1978 to 1993, most Chinese cities, along with Nanjing, built large numbers of "Danwei" housing. Danwei housing was usually built close to where people were working. The Danwei or "work-unit" were meant to offer public facilities like medical, education, entertainment, etc, in addition to housing; however, the efficiency of the system was called into question. The allocation of the dwellings was based on the seniority of the employees. A general allocation plan was based on the needs of different companies. The supply of Danwei housing was far from enough for the living requirement of the workforce and could not really solve the housing problem *per se* (Wang, 2008).

In Nanjing, Danwei housing in this period normally consisted of 4-7 floor concrete-slab buildings. Such buildings had better electrical and water systems than the old traditional housing, and it also had one bathroom per apartment. Normally one building had 2-3 units, with each unit housing 10-21 apartments. The apartment area was based on the location of each Danwei. Based on the Chinese law, residential buildings higher than 7 floors must have an elevator, so these buildings were normally built from 5 to 6 floors and each floor had 2-3 apartments.

At the end of this period, around 1990, some cities began to build "Zhuzhai Xiaoqu", which can be translated as "Residential Community". When residential communities first appeared, the housing belonged to several Danweis, and housing mainly consisted of the usual 5-7 floor buildings. This kind of Zhuzhai Xiaoqu was built because some of the Danwei did not have enough space to build housing for their employees near their workplace, so the government found some place and put several Danweis together to create a Zhuzhai Xiaoqu (Wang, 2008).

In 1994, the State Council of the People's.Republic of China made a decision to reform the housing allocation system by implementing a policy termed "San Gai Si Jian" (meaning 3 Changes and 4 Build-up). The government set up the Housing Provident Fund. This was an important policy for the development of the Chinese housing market, and represented the beginning of the commercial housing stage (Wang, 2008).

With the new policy, residential housing was increased both in quantity and quality. New housing was built mainly in residential communities and did not belonging exclusively to the Danwei. Indeed, private housing became the major part of such developments. At the same time, the government and Danweis begin to sell the public housing to the residents. Property management companies were constituted to deal with the issue of maintenance. At this stage, high-rise buildings appeared in Nanjing city and some of them really can be called skyscrapers (Wang, 2008).

Since 1998, The Chinese housing market went into a new stage. On July 3rd, 1998, Chinese government passed a new edict regarding the housing market. This policy announced the end of the welfare housing allocation system and transferred all the housing into the market. Thus the new housing market time was inaugurated.

High-rise buildings between 8-14 floors became more popular. Their construction cost was lower and building speed faster. Their popularity was the result of a balance between the investment, living condition and market requirements. Town houses, single-family houses and villas have appeared in Nanjing. They are a strong symbol for rich people (Wang, 2008).

Recently some newly-built residential buildings have been designed for the commercial use of their ground floor, so they can be termed mixed-use residential buildings. These types of buildings seem to become the norm in newly-built modern residential districts.

1.2.2.4 Commercial streets and commercial areas change

The development of commercial streets in Nanjing has been very fast. As a large historical city, Nanjing has many old commercial streets which suit the nearby resident's daily life. With the development of the city, the quality of life is more and more a source of concern for the average people. They change their consumption habits and seek a shopping environment and specialty products to meet their new needs. Commercial streets' function no longer exclusively service nearby residents, but become a commercial centre of an area or of speciality retail.

Nanjing's 8 main commercial streets in 2003 were different that its 8 main commercial streets in 1995 (Figure 1.9). Some old commercial streets like Gulou and Sanshanjie for instance were not as important as before. Gulou even cannot be called Commercial Street anymore as some shops were removed as a result of general city planning. New commercial streets continue to appear. By the end of 2007, 16 commercial streets existed in Nanjing, including the biggest jewellery centre in China, a financial street, an upholstery material street, an entertainment street, a restaurant street, etc. In the government plan, another 11 new commercial streets will appear in the following 2-3 years in the city (Huang and Huang, 2007).

1.2.3 Urban renewal policy

China does not have its own modern "planning theory" (Wei et al., 2005). All of the contemporary Chinese planning theory is based on western planning theory. Within 5000 years of Chinese history, many large cities appeared in China. Chang An, for example, which was the capital city of the Tang dynasty 2000 years ago, had a population of 1 million. The ancient people organized the city according to traditional principles. After the communist revolution, European planning ideas were introduced to China by Soviet planners. In the last 30 years, after the Chinese Economy changed, new Western theories and approaches to city development were introduced into China. Chinese urbanization stepped into a period of extremely rapid evolution, during which the Chinese were learning, and at the meantime, tried to find a suitable way to develop their cities. The New Urbanism became the model emulated by many Chinese cities in the last 20 years, but after 2000, new questions appeared and many Chinese cities are trying to find some way that is particularly suitable to themselves (Wei et al., 2005).

1.2.3.1 Urban planning before 1978

From 1949 to 1978, all urban planning was based on the planned economy system, so that the government's economic plans would directly affect city planning. The city was regarded as the base of production and living, and city growth was driven by the national construction industry. In this period, urban planning was an extension of the planned national economic budget. Planning was a rather passive as its mission was dictated by the planned economy and its requirements were determined by a rationale outlined at the national level (Zou, 2005).

The urbanization in this period did not account for much of the country's development, and actually there was very little formal city planning conducted in cities.

1.2.3.2 Urban planning after 1978

An important year in modern Chinese history, 1978 saw the dawn of a new era in national policies, including urban planning. Chinese planners began to take measure of the changes affecting the country and to develop suitable models. The great changes that took place can be illustrated by some statistics.

From 1980 to 2003, the number of cities grew from 223 to 660, and the number of towns grew from 2,800 to 20,226 (according to the definition of Chinese law in 1984, town is defined as the place where the county government located or with total citizen number 20,000 and non-agriculture people more than 2000.). Over the same period, the population living in cities and towns increased from 191.4 million to 523.76 million, and the urbanization rate grew from 19.4% to 40.5% (Zou, 2005). Comparatively, such a rise in urbanization rate (20% to 40%) took 120 years in England, 100 years in France, 80 years in Germany, 40 years in the United States, and 30 years in Japan and the former U.S.S.R. Considering China took only 23 years to achieve this change, and given the huge population, this is remarkable development.

Such growth not only affects the number of cities and the population, but also leads to significant improvements in municipal functionality. For example, the average living area grew from 6 m^2 *per capita* in 1980 to 23 m^2 per capita in 2003 in the cities, this is an amazing achievement (Zou, 2005).

China's rapid growth constitutes a great challenge for urban planning. The most significant change was that of urban planning shifting going from a "passive" to a more "active" engagement targeted to developing "initiatives". With the growth of the market economy, the government changed the work of planners from "planning" to "directing". The purpose of urban planning also shifted towards creating a good environment for city development. Chinese urban planning over the last 30 years can be roughly separated into two stages: a first one from 1978 to 1990, and a second after 1990.

From 1978 to 1990, which marked the beginning of contemporary Chinese urban planning, planners began to think, discuss and to learn from other countries. Discussions unfolded at different levels, from the central national government to municipal governments, from associations to universities, even normal citizens had their say. People realized the need for a good city development plan, and the concept of urban planning became better accepted by Chinese people (Zou, 2005).

The decade of the 1990s marked a new stage in Chinese urban planning. The government passed its first law regarding urban planning — the "City Planning Law of the People's Republic of China." Following the passing of that law, many cities drew up their own city planning regulations. Passing an urban planning law showed the government's new attitude towards urban development, and that more work still needed to be done by local governments.

As previously mentioned Chinese urbanization is booming. While the planners tried to make good plans for cities, in most cases before 2000, such plans always lagged behind city growth. Because few people could imagine what the city would be like in the future and how fast it could grow, most of the planning was ineffective or only partially effective. Sometimes even right after the plans were made public, the situation had already changed. One cannot simply blame the planners, as nobody dared to imagine a city doubling or tripling in size within 10 years (Zou, 2005).

The 20 years of Chinese urbanization from 1980 to 2000 were marked by the problem that large scale city renewal happened everywhere; local governments and developers were especially keen on centre city housing projects, and many historical areas were not protected during the city renewal. Many places simply copied the western city, building Chinese cities with a "western layout". The city renewal put too much emphasis on the functional separation of urban activities and the building of high rise units in the centre city. Sustainable development was largely ignored, and environment protection during the city renewal phase was sadly lacking. In the older parts of cities, the damage to the historical heritage was the worst problem (Li, 2004). Fortunately, at present, planners are apparently learning from these errors. Chinese planners are slowly finding their own way, a way which is suitable to the Chinese situation.

1.2.3.3 Urban planning in Nanjing city

Nanjing has a deep cultural background and a rich heritage. At the beginning of the current period of development, Nanjing grew a little bit slower than the nearby cities of Shanghai, Suzhou, and Wuxi. Fortunately, this gave more time for the Nanjing government to develop better city planning. In recent years, the growth of Nanjing has been extremely fast, and has required the government to work more efficiently.

In recent years, Nanjing developed two important city master plans, one in 1991, and another in 2001. In 2004, the local government produced the City Planning Regulation of Nanjing, which is the first regulation to establish rules related to city renewal.

In the 1991 plan, planners wanted city development to be following the concept of "making the centre city a core, and construct different small centres around the city". This concept implied the construction of satellite cities around the centre city. For a number of reasons this plan did not really, and Nanjing developed a new city master plan in 2001.

In the 2001 master plan, the city emphasized the concept of "Big Nanjing," and outlined a strategy focused on: axis development, functional division, multiple centres, and open development (Nanjing Information web, 2007). This plan proposes to create different agglomerations along the Yangzi River, which will sustain different city functions. Green lands would be maintained between the agglomerations and rapid mass transportation facilities would connect them. The new plan clearly brings to the fore the concept of "reducing pressure on the old city centre" and "conferring new tasks to the new agglomerations". In the old centre city, the key point is to enhance the general environment and culture background, while the new satellite cities of Xianlin, Dongshang, Pukou would be the main areas under development. Figure 1.10 shows the planning map drawn from the 2001 plan.

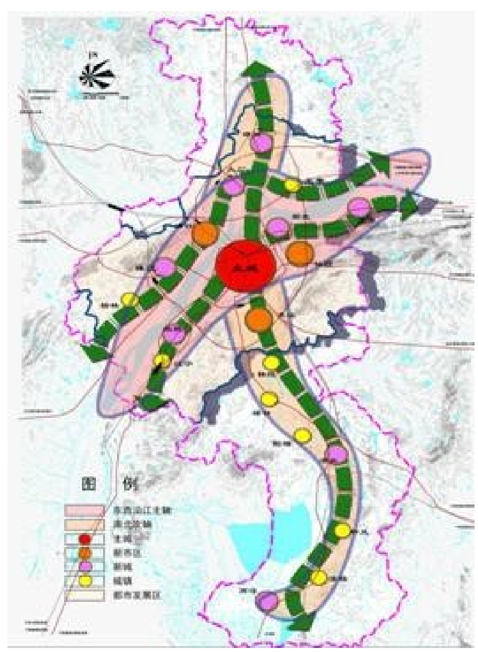


Figure 1.10 Nanjing 2001 master plan map
(Nanjing Information web, 2007)

1.3 Retail geography of Nanjing Caishi and Supermarket

1.3.1 Introduction to retail geography

The quintessential retail form and 'landscape of consumption' which we will consider in greater detail, is infused with insights into the landscape design and layout, incessant spatial reconfiguration of in-store space and displays, manipulation of customer circulation patterns, and disorientation of shoppers to induce consumption. These concepts were used in programs to update Caishi and supermarkets so as to create a magical dream-like consumer paradise. It also captures with considerable sensitivity facets of the rise in a consumer society in world cities and some of the relationships existing between consumer culture, economic factors, areas of consumption and urban forms in cities (Domosh, 1996). The approaches to the geography of retailing is about definitive account of location approaches to analyzing the retail environment, and the valuable description of retail modeling and market area analysis linked to the modern techniques like Google Earth or GIS (Longley and Clarke, 1995; Birkin et al., 1996).

'Retail geography' is defined as the study of interrelations between the spatial patterns of retail location and organization on the one hand, and the geography of retail consumer behavior on the other hand. Studies in this field investigate the process of retail restructuring, in a wider social, cultural and economic context that is expressed in simple retailing and consumption (Johnston et al., 1994). These studies also showed how a reconstructed retail geography, which took both its economic and cultural geographies seriously might look (Wrigley and Lowe, 2002).

The purpose of this chapter is to provide an appreciation of the dynamic nature of the transformation of retailing and the processes of retail restructuring. The reconfiguration of corporate structures in retailing, the character and shifting power, organizational and technological transformations lay the essential groundwork for 'a more sophisticated understanding of the reciprocal nature of the relations between space and corporate retail activity' (Clarke, 1996). The spatial switching of retail is related to the configuration, manipulation and contestation of retail space (Storper and Walker, 1989). It manipulates spatial layout and design to induce consumption, which reconfigures an inherited spatial configuration via a process of capital switching, and gets locked into existing geography, as the retail 'actively explores and penetrates specific spaces at a number of scale' (Ducatel and Blomley, 1990).

In China, the process of selling places rest on their co-modification and their conversion into attractive products, and these products can then be advertised, sold and consumed. This is particularly true of food products which are necessary to people's daily life and which they consume in greater quantity than other products in the competitive markets (Broudehoux, 2004.). In this chapter, the detailed geographies of consumption spaces and places, is focused specifically on the Caishi, and local Suguo supermarkets. The aim is to show these two quintessential consumption sites which related to food retailing are 'actively produced, represented and contested' (Blomley, 1996).

1.3.2 Retail geography of Caishi

1.3.2.1 The introduction of food retailing

During the 1980s, Britain experienced the emergence of a small group of food retail corporations which came to rival the largest industrial firms of its economy. The retail revolution of the 1980s, consisted not only in retail concentration, mergers and acquisitions, but also the rise of the mega-chain through which the retailer gained the ability to control supply relations. It represented a shift from the manufacturer's economies of scale to the retailer's economies of scope (Robin, 1989). However, the problem is that retailers may pass on the lower prices on products they obtained from producers (Wrigley and Lowe, 2002.).

The five broadly defined competitive forces in the "competitive strategy" are: the bargaining power of the supplier, the bargaining power of the buyers, the threat of new entrants to the industry, the threat of substitute products or services, and rivalry among existing competitors. Porter (1980) proposed a scheme whereby each food retailer should find a position that it can best defend against these competitive forces or that it can influence in its favor.(Porter, 1980) The roots of the bargaining power of the large food retail corporations lay in three factors: (i) their ability to deny food manufacturers access to the retail markets vital to the sale of their branded products; (ii) their ability as buyers with increasingly large volumes of any particular product, to demand 'discriminatory' price discounts; and (iii) their increasingly ability to take control of their own distribution systems, which are centralized, logistically efficient, quick response systems (Wrigley and Lowe, 2002). In Britain, the image of own-label, in food retailing particularly, was successfully shifted towards high quality and innovation—the own-label products became retail brands (de Chernatony, 1989) which offered several strategic advantages to the food retailers (Leahy, 1987). This is the case with some vegetable brands in China now.

The food retailing is the most important form of retail since it is tied to people's daily lives. In UK, food retailing in particular had been unevenly stripped out of parts of British cities or repositioned downwards in terms of quality in those areas (Thomas and Bromley, 1993). Known as food deserts, these policies brought public health problems to those areas and showed an important link to the retail access, social exclusion and health inequality in the UK at the late 1990s (Wrigley, 2002).

1.3.2.2 The introduction of Street

The street is the original centre of urban retail life and the retail space most often at the heart of our everyday experience as the flâneur in urban life (Wrigley and Lowe, 2002). Though the USA has many large-scaled chain supermarket, the process of rediscovery of the 'street' by US retail involved taking many of the architectural features of the urban 'street', and rebuilding parts of their retail centres to look like the Greenwich Village neighborhoods of New York captured by Jane Jacobs (Jacobs, 1961), catering to a disenchantment amongst particular groups of affluent consumers towards chain store retailing. For the poor people, the streets were workplaces (Glennie and Thrift, 1996).

Now, the streets are also the hallmarks of 'socialities', as Zukin mentioned. 'ordinary shopping districts frequented by ordinary people are important sites for negotiating the street-level practices of urban public culture in all large cities. A commercial street is nearly always the "heart" of the modern city' (Zukin, 1995). The image of flâneur gives us valuable perspective on geographies of display in contemporary shopping streets. The streets as a key consumption space plays a major role—'there are a large number of purchasers who bought goods in open markets and fairs, or directly from hawkers and chapmen, consumers of almost all social strata routinely acquired goods in face-to-face interaction with vendors in public settings' (Glennie and Thrift, 1996).

From this definition of consumption on the streets, the social nature of shopping has been preserved, the sheer accessibility of the street enables the activities of various groups in this public space (Wrigley and Lowe, 2002). Like Jane Jacobs mentioned, the function is determined by the purpose it serves, and should accord with the actual economic and social functions of an urban area, and the individual needs of its inhabitants. She highlighted how street diversity, cross-use and complexity, as well as the mingling of residences with shopping areas and workplaces makes neighborhoods more interesting, convenient and desirable. The higher foot traffic make streets relatively safe which is also a complex, highly developed form of order, and this foot traffic type is stimulated by an animated and colorful neighborhood which in turn has economic effects on commerce and property values, and the popularity of a district always related to its economic success. The mixed primary uses are synergistic with diversity and density. She stressed that a diverse neighborhood is more sustainable, since the diversity of its commercial "bets" not only makes it less vulnerable to economic downturn, but also provides many opportunities for economic growth in upturns. She pointed out that the street has a great deal of human activity, and the type of minimal degree of continuity, social networks, and "street-terms" acquaintanceship required to knit together an urban locality. One thing that should be noticed here is that the Jacobs's planner consciously makes room for the unexpected, small, informal, and even nonproductive human activities that constitute the vitality of the "lived city" (Scott, 1998). This gives us some insight into the free Caishi street now in existence at a nearby Caishi, compared to the face-to-face layout of Xiangzi planning, development or administration.

1.3.2.3 An introduction of cluster

Clusters are geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition (Porter, 1998). The Caishi is a type of clusters where many small food retailers are now located in an indoor environment, though in the past these small retailers usually set up their counters along the small settling of Xiangzi. This type promotes both competition and cooperation since the business environment provides a microeconomic foundation. Porter (1998) proposed that 'a cluster of independent and informally linked companies and institutions represents a robust organizational form that offers advantages in efficiency, effectiveness, and flexibility. The beneficial aspects are that the clusters have a better access to suppliers and gain in efficiency by having complementary and somewhat mutually dependent businesses nearby, such as hotels, restaurants, etc. These complementarities can make buying from a cluster more attractive for customers, since the buyers can see many vendors in a single trip, and may thus perceive their buying risk to be lower. Moreover, as single location provides alternative suppliers which allow the buyer to multisource or to easily switch vendors if needed (Porter, 1998). As some areas around the Caishi house a wide range of restaurants and hotels, the proximity and social familiarity of personal relationships and face-to-face contact brings advantages to these businesses, as these businessmen can directly purchase from the nearby Caishi fresh foods at a good price, since they can compare the quality and price among many retailers in the Caishi. Restaurants located near Caishi usually work well, and one's good performance can boost the success of the others.

Local rivalry is highly motivating, the competitive pressure, peer pressure and constant comparison of clusters which motivates retailers to improve their quality and allow the clusters to develop in a positive direction. The economic activity may be geographically concentrated in the clusters, but this economic geography is normally characterized by specialization and dispersion (Porter, 1998). The Caishi is related to the people's daily life since everyone needs food. The Caishi has long been the main shopping location where nearby residents purchase food products, and has long been part of a Nanjing citizen's standard life style. When a cluster forms, a self-reinforcing cycle promotes its growth, especially when local institutions are supportive and local competition is vigorous. Since the health of the local business environment is important to the health of the cluster, so the upgrading of clusters should be part of any management agenda. Driven by a free market vision of economic development, upgrading guided by the local interests would be best served by lifting the dead hand of regulation (Broudehoux, 2004).

As the main impetus in cluster upgrading, the national government should promote cluster formation and upgrading, as well as the buildup of public or quasi-public goods that have a significant impact on many linked businesses (Porter, 1998). Since it is the government's role to provide high quality public goods and services to citizens, it must direct and guide the significant improvement in Caishi, such as have occurred in recent years in Nanjing. With government support, Caishi can present a better face and develop in a more positive direction, not only providing better foods, but also a better shopping environment and improved services to residents, compared to the situation before the updates. Distance is the key factor to clustering, since geographic, cultural, and institutional proximity leads to special access, closer relationships, better information, powerful incentives and other advantages that are difficult to tap from a distance (Porter, 1998). From this point of view, the main advantage of the Caishi — an example of a food product cluster in the Chinese context — is that in its original form it is very close to the residential areas, and resembles doorstep retailing as it gives people a sense of convenience and familiar social interaction.

Social science consumption research places an emphasis on why normal people tend to choose to shop in the Caishi. As du Gay (1996) proposed 'exploring the ways the economic folds into the cultural in the practice of retailing'.

1.3.2.4 Retail geography of Caishi in the city of Nanjing

Caishi, a transliteration from the Chinese, means the place to buy and sell vegetables. Normally it is a place where many vendors and retailers gather, mainly to sell vegetables and meats. Caishis are located near residential areas where the population density is high and it is convenient for the nearby residents. In the 1980s, Caishis were called free markets, since these markets, located in the cities and suburbs were areas for freely buying and selling agricultural and sideline products. At the beginning of reforms and the era of opening up policies in China, the government took a more favorable view of free Caishi, which had previously been seen as the "capitalist's tail." The citizen facing shortages due to economic problems and the desolate state of state-owned green grocery shops, happily accepted the appearance of free Caishi. In the free Caishi, where people can buy fresh agricultural and sideline products, customers can choose their preferred products and bargain on the price. This constitutes the competitive relationship amongst retailers. In this system prices can fluctuate along with the market. Following the development of free Caishi all over China, the breakdown of state-owned green grocery shops and subsidiary foodstuff shops soon occurred (Liu, 2008).

There are more than ninety thousands commercial establishments now in the city of Nanjing city, and the total business area is about 9.75 km^2 (Nanjing Bureau of Planning and Design, 2009b) The Caishi that individually exceed 0.2 ha cover a total business area about 1.05 km^2. The total number of Caishi in Nanjing was 198 by 2007 (Table 1.3), representing a total business area of 0.9408 km^2. Of these, 176 were between 0.2 and 1 ha in extent, and represented a total business area are 0.578 km^2. Caishis exceeding 1 ha in extent numbered 22, and covered 0.3628 km^2.

Table 1.4 shows the number and total commercial area of Caishi in different districts of Nanjing. The distribution of existing Caishi and those whose planned addition should occur before 2020 are shown in Figure 1.11.

Table 1.3 Distribution of Caishi sites of over 0.2 ha in Nanjing in 2007 (Nanjing Bureau of Planning and Design, 2009b)

Classification	0.2-0.6 ha		0.6-1.0 ha		> 1.0 ha		Total	
	Number	Business Area (km^2)	Number	Business Area (km^2)	Number	Business Area (km^2)	Number	Business Area (km^2)
Commercial sites	363	1.12	79	0.58	180	4.77	622	6.47
Caishi	158	0.45	18	0.13	22	0.36	198	0.94
The proportion of Caishi to total commercial sites of Nanjing city (%)	43.25%	40.4%	22.8%	22.14%	12.2%	7.6%	31.67%	14.55%

Table 1.4 Number and area of Caishis exceeding 0.2 ha in the different districts of Nanjing in 2007(Nanjing Bureau of Planning and Design, 2009b)

	Baixia	**Xunwu**	**Jianye**	**Xiaguang**	**Qinhuai**	**Gulou**	**Xixia**	**Yuhua**	**Jianglin**	**Liuhe**	**Pukou**	**Lishui**	**Gaochun**
No.	16	14	13	7	6	10	16	20	32	17	12	9	26
Business Area (ha)	4.1	5.1	11.1	1.8	1.7	5.6	3.5	11.1	24.3	6.8	5.1	4.0	9.8

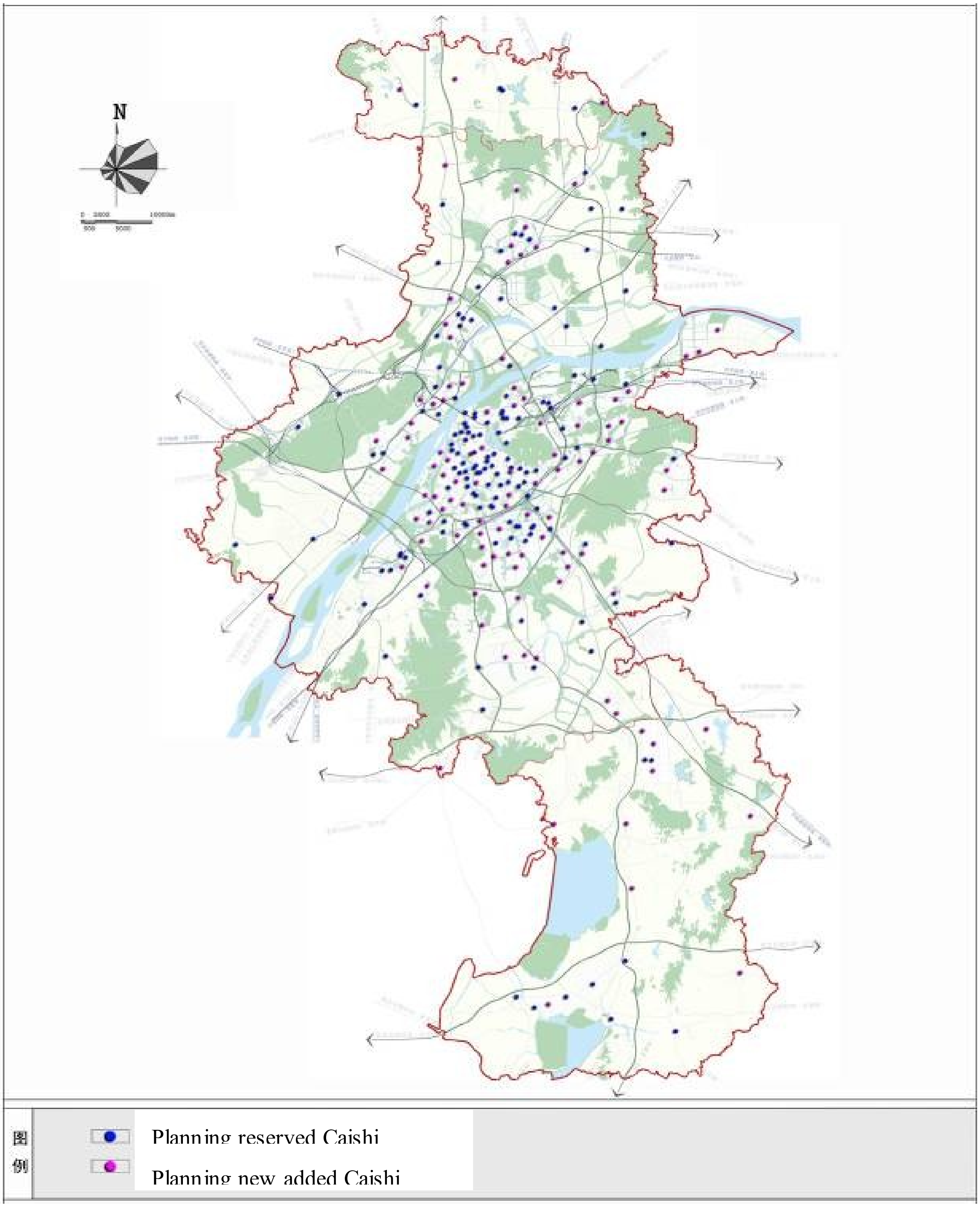


Figure 1.11 Nanjing Caishi distribution and planning map 2007-2020. (Nanjing Bureau of Planning and Design, 2009a)

1.3.2.5 Retail geography of the Caishi under study.

In this study, eight Caishi mainly located in three old districts (Baixia, Qinhuai, and Jianye) are investigated. The Caishi under study belong to different types: old free-Caishi street transformation, old Caishi of Nanjing, Caishi built for the residential districts. While they have experienced different transformations, belong to different types and were set up for different reasons, these Caishi had a common purpose, to serve nearby residents and make their lives more convenient. No matter whether they are old or recent, informal or formal, they continue the tradition of the Caishi, with their traditional consumption habits and practices, thus making the commercial landscape more diverse.

A map of Nanjing and the distribution of selected Caishi shows these to be located in the south part on Nanjing (Figure 1.12), the Caishi name related with the number in the map are:

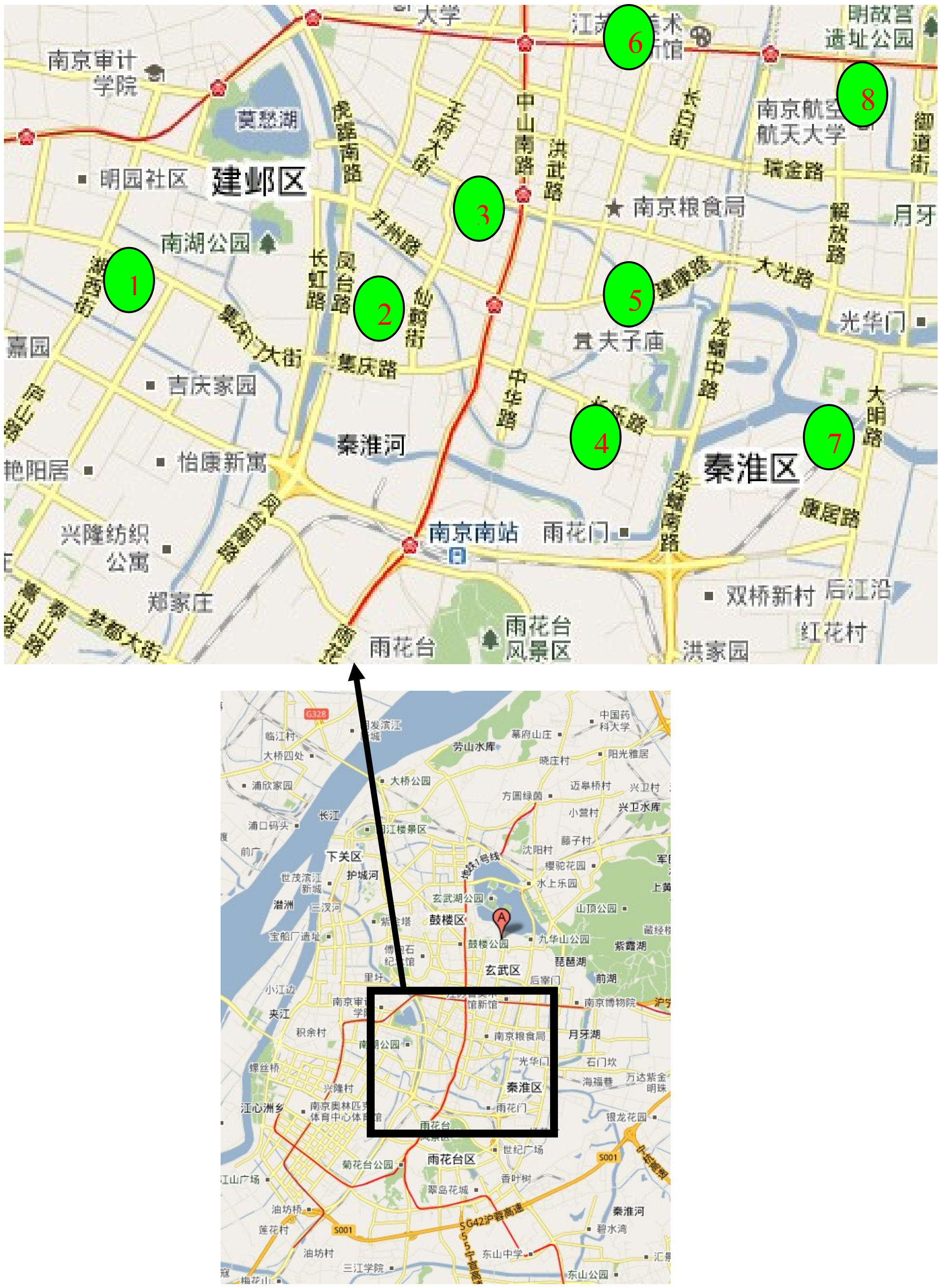


Figure 1.12. Map of Nanjing and the Caishi locations under study. 1 – Yingbin Caishi, 2 – Suhong Laifeng Caishi, 3 – Caixia Jie Caishi, 4 – Tiandun 378 Xiang Caishi, 5 – Fuzimiao Caishi, 6 - Kexiang Caishi, 7 – Tiandun Qinhong Caishi, and 8 – Ruijin Lu Caishi

1.3.3 Retail geography of supermarkets

1.3.3.1 The introduction of supermarkets

Bowlby (1997) proposed that "the nineteenth century was the department store, but the twentieth century was the supermarket century". It is the shift away from neighborhood stores to chain stores which is most representative of the large-scale reorganization of the grocery store industry (Rodriguez, 2009). The food superstores, continental-European hypermarkets and supercentres spread rapidly across the USA during the 1990s and became the fastest growing sector of US retailing at that time.

At the beginning, supermarkets had relatively little price competition with other stores, but they offered credit, delivery and other services. The reasons of the supermarkets' dramatic expansion were: (i) a 'no credit' policy which decreased the bad-debt losses; (ii) bulk buying and physical distribution; and (iii) more efficient management (Wrigley and Lowe, 2002). Other reasons proposed include their wholesaling functions and the integration of chains into the area of food processing (Conner and Schiek, 1997). The key element of self-service selection, coupled with the economies of scale derived from higher volume sales leading to lower prices in the warehouse supermarkets have contributed to the supermarkets' success (Conner and Schuek, 1997).

Some major food chains in the USA began convert to supermarkets in the 1930s and 1940s under the challenge of existing supermarkets and a want to share the market (Adelman, 1959). The next upward shift in format was in terms of size, from conventional supermarkets to superstores, *i.e.*, single-level, self-service stores with a larger sales area, selling a wider range of food and related items, and supported by adequate car parking. Superstores in the UK provided rapidly increasing sales and profit levels to major food retailers' during the late 1980s and early 1990s, which lowered costs expressed as a percentage of sales and generated higher profit margins than the smaller supermarkets they replaced. The advantage of superstores are: (i) the ability to stock a much wider product range, (ii) more ‘value-added’ lines, (iii) the higher average ‘customer spend,’ indicating consumer preference, and (iv) ‘one-stop’ shopping.

The new form of retailing as supermarkets represented the ‘new retail geography’ of the 1990s, and is exemplified in the range of regional expansion strategies undertaken by the leading Suguo retail chains as they grew from local to multi-regional during the 21st century (Wrigley and Lowe, 2002). The Suguo supermarkets’ regional expansion of retail chains occurred through a process of merger and acquisition of other local supermarkets and small grocery stores.

Besides the scale and transformation of supermarkets, customer care and customer service strategies were among pioneering approaches to retail selling which forcefully emerged in the 1990s, and encouraged selling techniques more attuned to gender and class (Benson, 1986).

1.3.3.2 Retail geography of Suguo chain supermarkets in Nanjing

The first Suguo supermarket was built on July 18th, 1996, and arose from the fruit department of former Jiangsu Fruit Grocery Corporation. The name “Suguo” was drawn from its former corporate name. The Suguo supermarkets are now the biggest chain supermarket in Jiangsu province, and have continuously ranked amongst the top ten chain stores in China over the past eleven years. In 2010 Suguo’s sales were reported to have reached 36.8 billion RMB, from a network of 1905 stores covering six provinces (Jiangsu, Anhui, Shangdong, Hubei, Hebei and Henan) (Suguo official website, 2010a). With the rapid development of chain supermarkets in China, the Suguo supermarket chain in Jiangsu province has become a good point of comparison with other brands. Suguo supermarket development has already gone into its mature period, it shows the characteristics of many outlets, spacious distribution and large scale.

Suguo insists on developing their own specialities, according to the local traditions, and be close to the people’s daily life in building their chain store type. It uses the

"Chinese Suguo, people's life" as their business concept and position, using "serving people, being convenient to people, and benefiting people" as its policy, promising quality and "savings for customers" as its pricing regulation, which satisfies the customers (Baidu Baike, 2010).

1.3.3.3 Analysis of the Suguo chain supermarket's special character

Suguo chain supermarket chain-store type, with their concept of "cheap prices, satisfied customers and self-service," represents a particular type of retail business. The Suguo chain supermarket is made up of many outlets, and its use of a standardized administration, unified ordering, centralized distribution, universal clearing, and separation of purchase and sale functions constitutes in mode of business operations. Suguo chain supermarket is centered on the chain store policy as its axis, which widely spread the outlets as its market supporting, using the centralized purchase as its business mode, trying to decrease the cost, dig the sale profit, and building the multi-function, centralized logistic centre to decrease the products inventory and exploit the logistic profit (Zhou et al., 2004).

1.3.3.4 Suguo chain supermarket scale and outlets types and distribution network

Until the first half of the year 2006, Suguo owned a total of 1574 outlets, of which direct distributors had 443, and others adjoining stores made up the rest. Nanjing was its main market, but distributed to networks in other provinces. Suguo always chooses site in densely populated residential districts. It wants to be as near residents as possible, to fight off competition from large foreign-capital supermarkets, to make customers feel its special character as "their own Suguo...Suguo is nearby", and to try its best to embody its convenience. Now, Suguo occupies a roughly 50% market quotient in Nanjing given its diverse retail types (Zhou et al., 2004).

In Nanjing, Suguo in using multi-types stores to provide convenience to customers has developed six main types of stores:

- **Howdy CVS**. Its concept is to be "modern and dynamic" by providing products associated with modern city modern life and provide more convenient service items, thus satisfying modern consumers' individual requirements.
- **Suguo CVS**, which is a convenience store, with a service policy centered on "warmth and convenience", and embodying Suguo's business concept "for people, convenient, and of benefit to people". In Nanjing, everywhere Suguo CVS appears becomes a bright scene in Nanjing.
- **Suguo Superstore.** It is a kind of life supplies supermarket and it is also the Suguo's earliest retail type. It gave the promise of quality and a combination of refined products and convenient service, upholding the concept "China Suguo, people, life," which is deeply rooted in every customer's heart.
- **Suguo Community Store.** This is centered on "freshness and best value". The large sale of raw and fresh foods is its distinguishing character, and has brought a new life style concept to local residents. These stores allow the customer to experienced Suguo's all-around service and fresher, more convenient, more comfortable life.
- **China Resources Suguo** is Suguo's hypermarket, which has "more categories of products, and cheaper prices" as its slogan. It is characterized by good quality and the best values for abundant products, spacious and comfortable shopping environments and the diversity of business areas in which it appears. These stores meet customers' "one-stop" consumption needs and daily activities, and brought "fresh, good quality, cheap, thoughtful and satisfying" all-around service to customers.
- **SG** is the recently built high-end brand under the Suguo group. It meets the needs of middle to high income families. Its purpose is to enhance this kind

of people's life quality. Its advantage is the advanced design concept, elegant modern shopping environment, and exquisitely high quality products, which bring an abundant and satisfied choice to customers. SG pays more attention to life quality, and understanding these people's needs. They display natural green foods, fresh vegetables and fruits, upper-class meats, live and fresh aquatic products, high-quality commodities and famous wines to customers and made them happy consumers through the outstanding quality of the products they provided (Suguo official website, 2010b).

The above six main types of Suguo outlets each have their own special function and different orientation. The Howdy CVS and SG are mainly oriented to middle and high-end customers, while the Suguo CVS is targeted at the normal consumption group, and provides them daily with good products at cheap prices, while the Suguo Community Stores mainly provide products and services to nearby residents. These sell the daily foods and commodities and compete with the local Caishi or sometimes supplement or substitute for local Caishi.

The joining-in stores (the stores managed by other people and pay brand fee to Suguo company, they must run as the Suguo mode and all the products must be supplied by Suguo company) of Suguo began in the year of 1998, the retail types of joining-in stores appeared multi-retail types development mode, the joining-in stores types include: convenience stores, standard supermarkets and some large scale community stores, of which the largest covered an area of 14,000 m^2. Seven joining-in stores had annual sales exceeding 100 million Yuan RMB up to the year 2010 (Suguo official website, 2010a).

Suguo's expansion into other provinces mainly used its community stores retail approach. The Suguo direct distributor stores are usually large in scale, with an area ranging from 0.6 to 0.8 ha, and housing 20,000 categories of products, including raw and fresh foods, a food processing area and a leisure area, and which cater to citizens' one-stop shopping. Suguo's expansion was so fast that they were able to achieve a dense site coverage, form a network and benefit from the resulting advantages. The trends of Suguo's network development are illustrated in Table 1.5 (Zhou et al., 2004). At the end of the year 2010, the total number of stores joining-in Suguo reached about 991, with a total business area of 580,000 m^2, a total workforce of 25000. This generated a network covering several provinces, with sales reaching 10.53 billion Yuan RMB. Figure 1.13 shows Suguo's distribution network at the end of the year 2010 (Suguo official website, 2010b).

Table 1.5 Suguo supermarket network development trends (Zhou et al., 2004; Suguo official website, 2010b)

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of retail sites	13	80	201	416	663	931	1162	1345	1503
Number of direct distributors	13	30	86	142	213	241	316	384	428

Figure 1.13 Distribution networks of Suguo stores up to Dec. 2010 (Suguo official website, 2010b)

1.3.3.5 Retail geography of other large-scale chain supermarkets (TNCs)

Besides the local chain Suguo supermarkets, there are some other large-scaled chain supermarkets, including: (i) foreign capital chain stores (Wal-Mart, Carrefour, Metro, Trust-Mart, etc); and (ii) the joint-venture chain supermarket RT-Mart. These types of supermarkets have also played an important part in both Nanjing commercial history and retail geography, and represent another minor factor which has influenced Caishi development. These supermarkets together with Caishi and local Suguo supermarkets constitute the retail distribution network in Nanjing, and dictate the types of retail establishments, as well as offering consumers greater product diversity and convenience.

During the late 1990s, the world retail supermarket business began to be transformed by acquisition and merger-driven consolidation. This led to the rapid emergence of an elite group of multi-national and transnational corporations (TNCs). Emerging markets throughout the global economy were transformed by the reach of rapidly emerging retail TNCs. Wal-Mart was well advanced along the path of internationalization and entered most of the main countries in the world, such that by the end of the 1990s 17% of its sales came from its international operations, whereas this had been less than 4% before. The late 1990s were characterized by the rapid market entry and expansion of an elite group of international retailers in the emerging markets of south-east/northern Asia, with this small sub-set of firms increasingly at its core (Wrigley and Lowe, 2002).

Attracted by the booming economy and urbanization China has seen in recent years, many TNCs have entered the Chinese market in recent years. TNCs wishing to occupy some portion of the market by analyzed the advantages of local Caishi and began to study at them, combined with TNCs themselves advanced logistics and administration and good shopping environment, with which they had already established their position in the market. The retail giant Carrefour, already in the Chinese market over 10 years, spent $10 million in research fees to study traditional Chinese Caishi (Zhou et al., 2004), so they could update localized merchandising of raw and fresh foods. Local Caishi's poor shopping environment incited modern supermarkets to attempt to replace it ; however, Chinese consumers pay more attention to food freshness and are very sensitive to price. Consequently, compared with local Caishi, the supermarkets' raw and fresh foods did not represent an improvement with respect to these two aspects, and foreign capital retail giants found it difficult to occupy the market share of the local Caishi.

Based on statistics from the Jiangsu Bureau of commerce, by the end of 2010, Carrefour, Wal-Mart, Tesco, and RT-Mart had set up a total of 89 supermarkets in Jiangsu province. Among the 89 outlets, RT-Mart has 40, Carrefour has 21, Wal-Mart has 17, and Tesco has 11. These foreign-capital supermarkets are attracted by the strong consumption market of Jiangsu province (Qian, 2011).

1.3.3.6 Retail geography of other large-scale chain supermarket (TNCs) in Nanjing

As Nanjing is located in the Yangtze Delta Area, many foreign-capital supermarkets want to occupy the Nanjing market, but this is not an easy undertaking. Carrefour opened its first supermarket at Daqiao, Nanjing in 1999, but by 2008 had only expanded to three supermarkets in Nanjing. An officer of the Nanjing Bureau of Commerce stated that in the first quarter of 2008, two foreign-capital large-scale supermarkets went bankrupt (Qian, 2011). Wal-Mart faced the same dilemma as Carrefour. Before, the impression Wal-Mart gave people was that once it opened a supermarket, surrounding retailers could not easily survive. The situation in Nanjing was that no matter whether it was Carrefour or Wal-Mart, once they opened a supermarket, they were immediately surrounded by their competitors. According to the officer, this resulted in supermarkets going bankrupt since the Nanjing retail market was already close to saturation, regardless of foreign or domestic capital. If a retailer could not adapt to the character of the local market competition, they would fail. The other reason is that the Suguo group implements strategies like the "honeycomb battle." As one administrator of a foreign-capital supermarket mentioned: "the Nanjing market is always crowded, since Suguo outlets are distributed everywhere in Nanjing, from Xiangzi to avenue" (Li, 2009).

The statistics from the Linkshop website show that the number of current foreign-capital supermarket outlets in the Nanjing market include 4 Carrefour outlets, 3 Auchan outlets, 3 RT-Mart outlets, 2 Trust-Mart outlets, and one outlet each of Wal-Mart, Metro, and Lotus. Tesco will open its first outlet in the Hexi area after several years' consideration and hesitation (Li, 2009).

1.3.3.7 Retail geography of large-scale chain supermarket (TNCs) in the Caishi area under study

In the Caishi areas under study, the Caishi are not only influenced by local Suguo community supermarkets, but also by some large-scale foreign-capital supermarkets. In some areas, Suguo supermarkets and other TNCs appeared at the same time. Though at some sites, Suguo supermarkets are the main influence on local Caishi, the TNCs also have some impacts on them.

There are four foreign-capital supermarkets located in the area investigated in the present study: (i) Trust-Mart, located close to the Tiandun 378 Xiang Caishi, (ii, iii) Wal-Mart and Carrefour near the Kexiang Caishi, and (iv) RT-Mart nears the Ruijin Lu Caishi. These four foreign-capital supermarkets are headquartered in different countries or areas: Wal-Mart is an American corporation, Carrefour a French corporation, while Trust-Mart and RT-Mart belong to Taiwanese groups. There are some interactions, competition, and comparisons to be made between local Caishi, Suguo supermarkets and foreign-capital supermarkets since they all sell the daily foods. No matter if the impacts are big or small, they all contribute to transformations and improvements in the Caishi system, since after such updating, the Caishi would have more advantages to compete and rival with them. The TNCs providing another place for consumers to choose to shop forced Caishi to provide good quality and better priced products and thoughtful services to customers. The diverse multi-faceted commercial landscape has led the development of Nanjing's retail sector in a good direction.

1.4 Theoretical framework

The theoretical framework provides background information related to the thesis. The chapter discussed such matters as Nanjing urban form transformations, demographic and economic changes, urban policies as well as the retail geography in China and more specifically in Nanjing. All such information informed the following analysis.

In the context of Chinese economic reforms and of global economic transformations, a new retail landscape is emerging that sees among other things the development of supermarkets. The advent of such spaces for consumption is often seen as a predictable outcome of the creation of a market economy and as a consequence of an increased in disposable income and of rapid urbanization. New consumption options stimulate a demand for new products and help set new standards. The Caishi, the traditional farmers' market is evidently impacted by such transformations, but the question is: how? At a first glance, one could be led to believe that such an old retail form couldn't compete against large capitalistic enterprises that set new standards, and that its disappearance is just a matter of time. But, the situation might be more contrasted than that. As indicated in this chapter, Caishi provides access to the local market for local producers with very few intermediaries, without requiring a complex distribution cold-chain. As such, a Caishi serves nearby residents while accommodating local consumption habits and regional culinary and cultural contexts. On other side, the supermarket uses its centralized purchase, logistic advantages and dense distribution network to occupy the market and compete with the local Caishi. Recent retail landscape transformations are multifaceted; to such considerations as consumers' choice and modes of distribution and merchandising of food, one has to add, in the Chinese context, the role and actions of local authorities.

This study posits that the dynamics between supermarkets and Caishi in Nanjing illustrates some of the complexities involved in the transition towards mass consumption and a market economy in China. The reaction of local authorities to the challenges posed by the advent of supermarkets on the traditional local farmers' market indicate their willingness to use methods developed in the context of a planned economy to intervene to reform and upgrade a traditional retail system that serves well the interests of local producers as well as the perceived interests and needs of certain categories of local consumers.

In order to study the interaction between Caishi and supermarket as well as the impacts of the administration and public policy on both of them, this study analyses some documentation on the commercial history of Nanjing as well as the pertinent planning and public policy on Caishi and supermarket.

In order to explore the morphology, layout and geographic location influence between Caishi and supermarket, the field surveys are conducted.

For acquiring the people's insights and empirical knowledge from the high level, detailed semi-structured interviews with key informants are adopted and the results are analyzed, it also sets about measuring the perceptions of the users of the Caishi and of the nearby supermarkets.

A questionnaire survey was developed that aims at exploring the perceptions of customers and find the factors that influenced people's choice and reactions to the recent Caishi upgrading policies.

For acquiring solid scientific data support, this analysis is assessing the respective situation of Caishi and of the nearby supermarkets as well as addressing some issues from a microeconomic perspective which findings also examines some of the former chapters' results.

All the findings from different chapters revealed the conclusion.

Chapter 2 Methodology

2.1 Research design

The aim of this research was to study a traditional commercial landscape tightly linked to people's daily lives — Caishi, and a new commercial landscape which has emerged in China — supermarkets. The relationship between these two modes of commerce and their impacts under the particular background and context of a major Chinese city will be explored. The morphological transformation and improvement of Caishi under government policies, and the layout of raw and fresh foods areas in the nearby chain supermarkets which have brought many challenges to the traditional commercial landscape of the Caishi will be investigated. To define and understand the influential factors, it is necessary to conduct a study which is both descriptive and analytical and includes social aspects, geographic distribution and economic data. Research would encompass the main research question: what are the impacts of newly built supermarkets on nearby Caishi? The reasons of how they do presently coexist are also of interest and concern.

The research methodology employed was three fold: a field survey, a qualitative analysis of interviews, and a quantitative analysis of data acquired from a questionnaire survey and economic statistics from Caishi and supermarkets. The qualitative research, while more subjective, may reveal more facets of a problem, and conversely, while the quantitative research may be objective and precise, it may sometimes be unreliable. In consideration of this, to obtain an accurate assessment of the situation, a diversity of qualitative, quantitative and mixed-methods approaches should be used (Creswell, 2003). The comparative analysis was applied in the quantitative and qualitative analyses.

2.2 Data collection and analysis

The present study applied five principal modes of research: 1) document and textual analysis of commercial history and policy related to Caishi and supermarkets in Nanjing; 2) field surveys taken systematically in the Caishi area under study; 3) semi-structured interviews conducted with administrators, retailers of Caishi, supermarket manager, government officers and an university professor; 4) questionnaire surveys administered to local dwellers, passer-bys, customers in both the Caishi under study and nearby supermarkets; and, 5) economic data analysis using freely accessible data for both Caishi and supermarkets to explore the impacts of nearby supermarkets on Caishi. The data collection and the analysis processes were different. The following sections present how each of these processes were conducted. As Yin (1994) indicated: "There are three tasks in this stage that must be carried out for a successful project: *Preparation for Data Collection*, *Distribution of the Questionnaire*, and *Conducting Interviews"* (Tellis, 1997).

The "Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study" (Yin, 1994). The author will divide and analyze the data according to its quantitative or qualitative nature, and also use mixed methods to draw a final conclusion. Since a "Quantitative approach, in which the problem is identifying factors that influence an outcome; the utility of an intervention; understanding the best predictors of outcomes; testing theory or explanation. Qualitative approach, in which the problem is: understanding concept or phenomenon; understanding on little research done on its; understanding on problem that important factor is unknown; understanding the particular sample or studied group that existing theories do not apply for; in natural setting. A mixed methods approach, in which use both quantitative and qualitative approach because of wanting of both generalization and detailed view of the meaning of phenomenon or concept for individuals" (Humwong, 2004).

2.2.1 Document and textual analysis of relevant commercial history and policy related to Caishi and Supermarkets

In this part, the author documents and textual analyzes the general development of commerce in Nanjing and develops a detailed history related to Caishi and supermarket as well as some main influential policies. The detailed commercial history of Nanjing is documented from 6000 years ago to recent times. This long commercial history highlights the commercial environment of Nanjing, the historical policies and the different retail landscapes linked to today's traditional retail landscape and leading to today's commercial landscape transformation. This historical knowledge gives a general background of the commercial environment in Nanjing, especially the history of the development of Caishi and supermarkets, and displays the interwoven retail landscape and geography of traditional and modern commercial landscapes. This can be thought of as the fundamental basis and background of the author's research.

Three main influential government policies and some related policies enacted with respect to Caishi and supermarkets are sampled and studied. These policies were "prepared by the government after public consultation to explain statutory provisions and provide guidance to local authorities and others on planning policy and the operation of the planning system." (Tendring district council, 2008)

The textual analysis of these planning policy frameworks was adopted in order to understand the factors which had impacts on Caishi and supermarkets under the recent transformation of the commercial landscape in China, particularly since these policies were back by powerful authority and had a significant effect in guiding and directing their planning. These policies provided the theoretic basis to subsequent chapters, and towards further understanding the generation of the retail landscape and the impacts between them.

2.2.2 Field survey

This phase consisted of data collection and morphological analysis of the Caishi through field surveys, map and floor plans. It reveals the morphology of the traditional retail landscape and of new retail landscapes. Moreover, it shows the environment created in recently upgraded Caishi and argues the impacts between Caishi and nearby supermarkets based on their retail coverage areas.

In the field survey, the author personally went to each Caishi to take field notes and gathered floor plans. "Field surveys should be planned to represent the range of physical environments. The aims of field survey are three-fold: firstly, to identify each feature of interest; secondly, to locate representative areas of each feature in order to generate spectral signatures (spectra) from the imagery; thirdly, to generate adequate additional data to test the quality or accuracy of the image classification" (Green et al., 2000). In this part, the author conducted photographic surveys to provide visual references for the research and gain an understanding of the distinct material and social environment of each Caishi.

Morphological analysis was applied in this portion of the study. "Urban morphology is the study of the form of human settlements and the process of their formation and transformation. The study seeks to understand the spatial structure and discern the underlying structure of the built landscape" (Green et al., 2000). The current study developed recognizable categories of Caishi based on abundant data collected first hand by site surveys and mapping. By linking the spatial patterns and distributions to various types, it provided an understanding of the material manifestation of impacts between traditional commercial landscapes and emerging commercial landscapes.

2.2.2.1 Sites

This research set out to find Caishi in three political districts located in the southern part of Nanjing city. The three districts were: Baixia, Qinhuai and Jianye. Eight Caishi were selected in these three districts. The business area of all the Caishi under study exceeded 2000 m^2.

2.2.2.2 Building a typology

The study first classified the eight Caishi in the study area into three different types based on their characteristics, transformation progress, and construction aims. The study identifies every Caishi studied by examining four main characteristics: the façade, the manner of circulating through them, their dimensions and their geospatial distribution. In particular, the study provided observations on the characteristics of the Caishi façades by examine the style and openings, which gave the summary impression of each Caishi in terms of its retail landscape, and helped distinguish the Caishi types. The observation of the manner of circulating through the Caishi provided an understanding of the layout in terms of how it contributed to the convenience of access to the counters or zones of each Caishi. The Caishi floor plans, field notes and records were used in this part of the study. Photographs were used to document the façade, circulation and surrounding areas of each Caishi, as they displayed visual and objective scenery which contributed to the study. The dimension data was collected from Caishi and Bureau of Commerce, which allowed the author to confirm the scale of each Caishi, and to study the impacts the surrounding commercial landscape on each Caishi beyond that of nearby supermarkets or Caishi. Through a careful comparison and morphological analysis, the study sorts these eight Caishi into three recognizable categories. In addition, the study illustrates the geospatial relation between Caishi and nearby supermarkets, as well as highlights other nearby (within a retail coverage radius of 500m) Caishi and other commercial landscape which would influence the Caishi under study. The geospatial distribution of each Caishi is explored through the spatial relations between these commercial landscapes. The study tried to assess impacts between the Caishi, supermarkets and surrounding built environment from a spatial and geographic perspective. It also sought to identify any continuity in the transformation of the commercial landscape under study.

2.2.2.3 Surveying and Mapping

The surveying and mapping strategy allowed a direct observation of each Caishi by walking to take photographs and fieldwork notes. Upon arriving in the area of study, the author normally walked through each Caishi and the surrounding area, took photographs for each area and even recorded footage on DVD. The survey details of each Caishi, like location, orientation, scale, façade situation, retail landscape in Caishi, including the zone and counter arrangement of Caishi and the distribution of surrounding commercial landscape were noted. When mapping the Caishi and surrounding areas, a 1:2000 map scale was generally used. For some special maps, when the Caishi and surrounding area could not be shown clearly or completely, a scale of 1:10000 was selected. The geographic and spatial distribution of Caishi and nearby supermarkets was done at a scale of 1:50000. The Caishi and supermarket service radius of 500m were marked as circles, as the intersection of these retail service areas indicated the extent of influence, which can be used to explore the impacts of nearby supermarkets and other Caishi as well as on people's choices from a geographical and spatial perspective.

2.2.3 Interviews

This part consisted of interviews and the analysis of data from interviews. A series of semi-structured interviews were conducted with the key informants and questions were prepared for the agents involved in the Caishi. The interviews allowed the author to acquire first-hand information and different insights that would not have been available from statistical data. These were followed by an analysis of the interview transcripts. This step aims to explore the key social determinants and attitudes to consumption in Caishi and supermarkets as well as the impacts between them.

The open-ended questions were adopted in the qualitative manner of the interview, since “the most useful interview format for conducting qualitative research is often ‘semi-structured’ (sometimes called ‘moderately scheduled’). Semi-structured interviews offer topics and questions to the interviewee, but are carefully designed to elicit the interviewee’s ideas and opinions on the topic of interest, as opposed to leading the interviewee toward preconceived choices. They rely on the interviewer following up with probes to get in-depth information on topics off interest.”(Zorn, 2005)

This part of the study aimed to explore the social dynamics and insights of these social agents, and was based on the open-ended question which focuses on the economic impacts, the impacts on the material and physical layout of Caishi, the policy impact to Caishi and supermarket and their future changes.

2.2.3.1 Sampling

Theoretical sampling is adopted in the interviews entailing sampling interviewees on the basis of the emerging theoretical focus. Sampling is a very complex issue in qualitative research, particularly in the case of purposeful and theoretical sampling (Coyne, 1997). It is a hallmark of grounded theory methodology (Draucker, 2007). In this study a total of 12 participants who were either directly or indirectly relevant to my research objective. These included administrators and retailers of Caishi, supermarket manager, officers in the Nanjing Bureau of Commerce and Qinhuai District Bureau of Commerce, and a professor in the planning department of a local university.

2.2.3.2 Interviewing

The commercial landscape transformation and the emerging commercial landscape involved a number of people, thus a qualitative approach of semi-structured interviewing technique was used in this part of study. The interviews with informants were conducted at times and places based on the availability and preference of the participants, and the interviews were conducted in Chinese and also in Nanjing dialects since these are the native languages of the participants. Cultural differences were irrelevant in this research since the author was a native of Nanjing. The list of topics and questions were prepared before the interviews to guarantee a fully coverage of the topics (Appendices I, II and III). Three kind different lists of questioning were used in different interviewees who respectively from Caishi, supermarkets and government. Relevant questions were prepared and used from interviewee to interviewee for comparison and validation.

Every participant was forewarned that the information and material discussed were to only be used in an academic setting. At the beginning of interviews, the nature, the main purpose and the objectives of the research were fully described. (See ethics forms in Appendix VI) Each interview took from one to two hours. The interviewees had the right to discontinue the interview at any time if they felt uncomfortable or worried about some benefits lost since they are in some positions.

An auditing approach was adopted which make sure that all phases and information of the research process of this interview could be recorded completely, the explanation and expansion on some questions of interviewees can be thought of as "empiricism" or "practical knowledge", and "it was as economical and accurate as it needs to be, no more and no less, for addressing the problem at hand."(Scott. 1998) To some extent, the practical knowledge has the same importance as hard scientific knowledge, as it can let us find first-hand information that cannot be found in documents. Caishi are a special place, but most Caishi are not extensively documented. As Scott (1998) mentions: "those who do not have access to scientific methods and laboratory verification have often relied on mētis to develop rich knowledge system that are remarkably accurate." (Scott. 1998) In fact, although the information provided by interviewees may be subjective and unilateral because of their positions, we still can explore some rules, trends and clues to dig for deeper information, which like the "snow ball" effect would lead to finding relevant persons or places to acquire further data and information. This part's results will be examined and compared with data obtained through quantitative methods to drawn an overall conclusion.

With the permission of all the interviewees, each interview was recorded with a digital voice recorder and some of them by handwriting.

In the progress of interviews, an effort was made to keep conversation relaxed, active and interested. Sometimes the author extended some of the questions which might have raised the interviewees' interest, so that they provided more detailed information or background knowledge. However, overall the interviews were conducted in a formal manner.

The consent forms of university were translated into Chinese and distributed to each of the interviewees to sign. (See Appendix VI)

In order to deal with the records of interviews, every answer of interviewees was written down word for word. The answer management allowed the author to precisely record the information and analyzed it, though it was an extremely time-consuming work and needed a huge quantity of paper work.

2.2.3.3 Grounded theory in data analysis

Grounded theory is a vital approach used in qualitative analysis to inductively derive a theory. The three basic elements of grounded theory are concepts which arise from conceptualization of data, not the actual data *per se*, but categories and propositions (Pandit, 1996). Grounded theory is not generated *a priori* and then subsequently tested. As Strauss and Corbin emphasized that it is "inductively derived from the study of the phenomenon it represents. That is, discovered, developed, and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon. Therefore, data collection, analysis, and theory should stand in reciprocal relationship with each other. One does not begin with a theory, and then prove it. Rather, one begins with an area of study and what is relevant to that area is allowed to emerge." (Strauss and Corbin, 1990)

The data collection, ordering, analysis and comparison make up the analytic phases of grounded theory (Pandit, 1996). A grounded theory study works through mostly-overlapping phases, as Dick (2005) concluded, “it begins with a research situation, the task mostly through observation, conversation and interview. After each bout of data collection, the key issues were noted ‘note-taking’. Constant comparison is the heart of the process. Firstly, it compares interview to interview, so the theory emerges quickly. When it has begun to emerge, one compares data to theory, the results of this comparison are written in the margin of the note-taking as coding. As one codes, certain theoretical propositions will occur. As the data collection and coding proceeds the codes and the memos accumulate. The order of sorted memos provides the skeleton of the thesis.”(Dick, 2005)

In the research phase, the questions began as being peripheral to the research theme. The main questions were the actual situation of Caishi and supermarkets and the impacts of supermarkets on Caishi, as well as the influence of policy such as upgrading programs on Caishi. The interview notes were reviewed and managed and general categories were established; then, along with the research developed and more data collected, the initial categories were further refined and became better delineated and easier to ascribe to a given category, Finally, a comparison between the interview data from the note-taking by using a statistic method like Excel and tables to produce the distribution and trends of each category, drew forth the conclusion revealed by the interview data.

2.2.4 Questionnaire survey

This part of the study mainly examined normal Nanjing citizens’ views on both Caishi and supermarkets. Two comparative questionnaires for Caishi and supermarkets were prepared, and many responses were gathered from different people in these two sites. Excel 2003 served to statistically analyze and compare differences or similarities between Caishi and supermarket. Since “a good questionnaire is a vital tool. A questionnaire covers anything and everything you need to know, encourages you to really think about what you are asking and what data you want to find out." (Brace, 2008)

The term 'questionnaire' is also often used to describe a set of questions administered face-to-face or by telephone in the form of a structured interview. The function of a questionnaire is measurement. What a questionnaire measures depends on the issues under investigation, the aims of the study, and the research design. (Oppenheim, 1992)

In this research, the survey was conceived to collect quantitative data which could be used to examine the results of other parts of the study. All surveys were conducted face-to-face in the studied areas. The surveys were carried out by the author, the sampling was completely random, the target respondents were people over the age of 18 walking or strolling in my study area.

The questionnaire consisted of seven sections, dealing respectively with: 1) demographic information, 2) the relationship and reciprocity among residents, Caishi and supermarket; 3) the economic issues, 4) effect of consumption habits and practices, 5) general estimation to Caishi and supermarket, 6) transportation method to the shopping site, and 7) the impact, perception and the potential future of Caishi and supermarkets. The questionnaire was translated from English to Chinese, and was reviewed and approved by Concordia University's Ethics Department (see Appendices IV and V for the complete questionnaires in English and Chinese).

Two questionnaires, designed especially for supermarkets and Caishi, were administered in different places. A total of 207 respondents of the Caishi questionnaire were collected from 8 studied Caishi, and 110 respondents of the supermarket questionnaire were collected from nearby Suguo supermarkets. The data were analyzed by Excel 2003 to ascertain the role of Caishi and supermarkets in the citizens' lives, the factors having an impact on them, and the direction in which they were developing. Most of respondents did not want to write down their answers to open-ended questions, but just answered orally, so the author wrote down these responses and took notes.

Statistics were applied to each of the designed questions. The comparative analysis as to the percentage of responses from the supermarkets and Caishi according to the seven sections of the questionnaire was listed above to get the results. The conclusion of this part indicated the factors that decided people's attitudes, consumption practices, choices and trends of Caishi and supermarkets also embodied the influence of government policies and the impacts of nearby supermarkets.

2.2.5 Economic data analysis

In this part, the economic data which acquired from Caishi, supermarkets and the Bureau of Commerce were analyzed. A variety of mathematical and statistical tools were used to analyze economic data collected from various sources. This provided quantitative ways to explain economic theories, allocate resources to achieve favorable outcomes, and predict the future direction of the economy (Hall, 2011). The quantitative analysis adopted a method from a microeconomics perspective to understand the economic factors under study. As Scott proposed: "The discipline of economics achieves its formidable resolving power by transforming what might otherwise be considered qualitative matters into quantitative issues with a single metric and, a bottom line: profit or loss" (Scott, 1998). These scientific results can be used to verify the trends and results developed in former chapters.

The microeconomics is the main analytical approach used in this part of the study, since "The strength of microeconomics comes from the simplicity of its underlying structure and its close touch with the real world. In a nutshell, microeconomics has to do with supply and demand, and with the way they interact in various markets. Microeconomic analysis moves easily and painlessly from one topic to another and lies at the center of most of the recognized subfields of economics. At the root of everything is supply and demand" (Harberger, 1993). The impacts of supermarkets on Caishi and their interaction were discussed in this chapter, based on the economic data.

Microeconomics knowledge relevant to the further data analysis was introduced in the beginning of this portion of the study. The first part was an economic data analysis of the Keciang and Yinbing Caishi which are of an equivalent scale, but with different history and locations. These particular Caishi were chosen for reasons of accessibility and integrity of data ten years of economic records. Another portion of the economic data analysis involved Suguo supermarkets, which are a domestic chain of supermarkets scattered all over Nanjing, and which evidently have an impact on nearby Caishi. For proprietary reasons obtaining economical data of six supermarkets located near six of the Caishi under study, could only be accessed by permission of Suguo supermarket administrators.

Prices of 19 kinds of daily foods at the Kexiang Caishi in October of the years 1999-2009 were made available by the Nanjing Bureau of Commerce and Kexiang Caishi. Since the Kexiang Caishi is a well-known large-scaled Caishi, its prices displayed the general price change and trends in these years. These trends may influence the quantity and gross revenue of two Caishi sampled, as may be discovered in the after analysis of the two Caishi.

Excel 2003 was used to draw the price curve and show the distribution. Two other important factors in Microeconomics: the quantity and gross revenue of two sampled Caishi were also studied. The price effect on the quantity and gross revenue were studied and the impacts of supermarket on Caishi were also studied.

The positive externality of the Caishi updating program of 2007 was examined. Changes in the supermarkets' economic data showed the impact of Caishi upgrades on supermarkets. In addition, other factors such as the population growth, and demand elasticity should be considered in the analysis of these two Caishi data. The six Suguo supermarkets' economic analyses were based on total gross revenue, food products gross revenue, raw and fresh food gross revenue, total customer number, the ratio of raw and fresh food sales, and food product proportions in total gross revenue and total food products gross revenue. The analysis was mainly concerned with the years that Caishi saw significant price change, elasticity of demand, the built of the nearby Suguo supermarkets and the impact of Caishi upgrades. The statistics and the graphs of each analyzed category of six Suguo supermarkets show the distribution, fluctuation, and trends for these supermarkets.

Some comparison between two Caishi sampled and their nearby Suguo supermarkets were conducted and the actual increase in gross revenue of sampled Caishi and supermarkets were revelatory of their actual market proportion. An analysis using statistics and graphs of the ratio of raw and fresh food, and food product proportions with respect to total gross revenue and total food products gross revenue of Six Suguo supermarkets revealed the food market share of supermarkets and their trend towards the future given externalities' impacts.

The conclusion revealed impacts and interrelations of Caishi and supermarkets, and confirmed that the price was just one influential factor to Caishi and supermarkets, and the externalities generated by Caishi and supermarkets had some influence on both of them. The impacts of the built of supermarkets and of Caishi upgrades were examined through quantitative analysis which allowed scientific data to support the aims of the present research.

Chapter 3 General conditions of policy and history

Nanjing is a city with a long and important place in Chinese history, including serving as the capital city for over 13 dynasties. This chapter will serve as an introduction to the history of Nanjing's commercial development, the development of supermarkets in Nanjing, the evolution of Caishi throughout history, and the current policies regarding Caishi and Supermarkets in the context of present-day Nanjing commerce.

3.1 Commercial history

Since a city's prosperity is closely related to its local commercial and economic background, the developmental history of Nanjing is also closely tied the history of its commercial development. Nanjing is not only a very famous historical and cultural landmark, but also an important commercial city in Yangze River region, given its convenient transportation, abundant products and excellent human resources, all factors which drive its commercial development.

Nanjing commercial prosperity began over 300 years ago. The following chapter will describe how Nanjing's commercial history has progressed over this period.

3.1.1 Appearance of commerce in Nanjing

Nanjing's commercial history can be traced back to 6000 years ago (Hou and Cui, 1999). The suitable natural conditions, weather, abundant land and water resources drew many aboriginal residents. The ancient Qinhuai river, stretching from Nanjing to the Yangze River, provided water and conferred a region advantage which attracted people to come and engage in planting, fishing and cattle feeding. They lived here from generation to generation. When the residents had some surplus products, they did some exchanges, which let to the earliest commercial activity.

In the fourth year of East Zhou (472 BC), the "City of Yue" was built up. At that time, the two banks of Qinhuai River were densely populated, some artisans began to appear, and the division of work became more evident. For the needs of life and production, people evolved from a barter system to use the currency as the commercial business medium. Because the north side of city was generally the site of product exchange and product trade in ancient China, so the two banks of the Qinhuai River, located in the northern part of the city of Yue became Nanjing's earliest commercial market (Nanjing Difangzhi Office, 1986).

3.1.2 Commerce in Nanjing during the "Three Kingdoms" period and during the Jin Dynasty

During the Wu dynasty (AD 229), Nanjing was called Jianye, and was located in one of the three countries of the famous "Three Kingdoms" period in Chinese history (Hu et al., 2009). Sun Quan built the Wu dynasty and Nanjing was a national capital for the first time. In upgrading the palace of Sun Quan, the city's quickly increasing consumption needs required the rapid development of commerce. Originally, product exchanges and trade were carried out in the "Shi" (market). The Shi not only had a fixed site, but was also enclosed in a wall or wood fence. The Shi had special administrators to open and close the Shi at fixed times. Sun Quan set the "Da Shi" and "East Shi" as the commerce activity center which led to a profusion of commerce. After the first two Shi were set up, Sun Xiu (3rd emperor of Wu dynasty) set up the "North Shi". The Qinhuai River had many Shi, and commercial activity soon spread into Nanjing. The commerce diversified in form and landscape, *e.g.*, "Pinshi trade", "Jun Shi", "Hu Shi" and "Hui shi." This led to competition between retailers and a greater circulation of products. Meanwhile, Nanjing also maintained some foreign trade channels (Hou and Cui, 1999).

In the Don Jin Dynasty (AD 317), Nanjing remained the capital city, and was named "Jiankang". Given the population increased, the consumer market expanded, and commercial businesses were more prosperous than in the Wu dynasty. At that time, inner-city trade occurred in the appointed Shi, while county and village trade occurred in

"Hui Shi," open trading sites without walls or fence, opened on stated days. Commerce expanded to the countryside of the suburbs, increasing the spatial area of commerce, and "Cao Shi" was set up, which not only flourished within the suburban economy, but also became the precursor of the Chinese bazaar (Hu et al., 2009).

3.1.3 The commercial of Nanjing in Southern and Northern Dynasties period (AD 420-589)

During the war torn Southern and Northern Dynasties (Song, Qi, Liang, and Chen dynasties), Nanjing remained the capital city except for a 3 year period during the Liang dynasty (Hu et al., 2009). During the Liang Dynasty, many northern people, escaping the war, came to Nanjing and brought substantial commerce development. The foods and agricultural products trade was also stimulated by the traffic trade development. The arising of Di Dian (a place provided the place for storage, accommodation, and wholesale) also contributed to commercial activity. During the Liang Dynasty a thriving commerce developed, notwithstanding the impact of several wars. During the Chen Dynasty, the markets tended to be quite vibrant. The six-dynasty period of the Wu, Dong Jin, Song, Qi, Liang, and Chen represented the 'first brilliant tide' to have had a deep influence on Nanjing's commercial development. Even now, some people still call Nanjing the "Ancient capital of the Six Dynasties" in memory of that period.

3.1.4 Commerce in Nanjing from the Sui to the South Tang period

The Sui Dynasty destroyed the Cheng Dynasty, which not only ended the prosperous commercial of the six dynasties period, but also destroyed the city, infrastructure, and surrounding farmland. This brought about a severe downturn and near stop of commerce in the city of Jiankang, and only recovered gradually after 300 years of the Sui and Tang Dynasties (Hou and Cui, 1999).

In AD 937, after the Tang Dynasty in China, the South Tang dynasty set its capital in

Jinling (now Nanjing), it repaired and built up the city on several occasions, adopted a low tax policy, and pressed on at developing agriculture, industry and commerce. This resulted in the trade of products increasing significantly in the market, and the Di Dian being generally open. The channel of Qinhuai River returned to prosperity, with the Chang Gan docks, a region of intersection between land and water situated outside the south city, being the site of heavy trading in rice, agricultural products, subsidiary foods and textiles. Meanwhile, the traditional commercial landscape of the Shi underwent some changes, with some stores in the lanes, especially on holidays, opening at night. At that time, Jinling became the commercial center of southeast China, but this period could not last, and after the mid-dynasty emperor Li Jing succeeded to the throne, Jinling's national power gradually declined, and an economic turndown ensued (Hou and Cui, 1999).

3.1.5 Commerce in Nanjing during the Song dynasty (North Song and South Song, AD960-1279)

During the North Song dynasty, city commerce activity proceeded in the closed Shi. With gradual socioeconomic development, industry and commerce also eventually prospered (Hou and Cui, 1999). After the reign of emperor Song Tai Zong, Jiangling broke the bondage of the Shi landscape, all the lanes and houses could open stores and do business, which got rid of the fetters that restricted commercial development, and allowed people to carry out business freely. This was the greatest progress achieved in the Song Dynasty. At this period, the trade in transportation between south and north became vibrant.

In the South Song Dynasty, the political center moved to southern China (Nanjing Difangzhi Office, 1986), which allowed the commercial development of southeast. Though the city of Jiankang (Nanjing) was destroyed by war and the commerce in the city adversely affected, it soon recovered its former share in the market. The government at that time adopted a "supporting businessmen" policy and also enacted regulations favorable to them, which resulted the agricultural and subsidiary agricultural products, along with handicrafts reaching the market in huge quantity. The transportation trade was very active, the categories of products significantly increased, so the magnitude of business transactions increased. The bank of Qinhuai River was the site of more than ten “Shi,” including Liu Shi, Ma Shi, and Yu Shi, while the inner city also had some streets called “Yu Shi” and “Hua Shi.” To adapt to the requirement of commercial development, the market began to circulate paper currency termed “Hui zi,” which made wholesale deals more convenient than before. Meantime, the rural economy blossomed, and trade in the county and villages developed in an obvious manner. The area of Jiankang’s commerce prosperity was second only to the capital city of South Song, Lin’An (now Hongzhou) in these thriving times, and became the biggest commercial center in the Yangze river region (Hu et al., 2009).

3.1.6 Commerce in Nanjing during the Yuan dynasty (AD 1271-1368)

In the 90 years of the Yuan Dynasty, the main products of Jiankang commerce were foodstuffs and silk. The Yuan Dynasty tightly controlled this commerce, and monopolized foreign trade. Since the rulers of Yuan Dynasty were Mongols, privileges such as duty-free trade were accorded to Mongolian businessmen. A number of Mongolian businessmen were major traders, as well as practicing usury. Local businessmen were not only subjected to heavy taxes, but also tyrannized and exploited by Mongolian businessmen. At that time, businessmen at Jiankang and in the Yangze river region developed “Hang Hua” (or “Shi Hua”), a form of trade-specific slang intended protect and maintain the secrecy of commercial information, and allow competition with others. It was a difficult market situation, which continued for many years (Hou and Cui, 1999).

3.1.7 Commerce in Nanjing during the Ming dynasty (AD 1368-1644)

In the early years of Ming Dynasty, Ming set Nanjing (then called “Ying Tian”) as its capital city (Nanjing Government web, 2010) saw a new start in the history of Nanjing's commercial development. Under a policy of recuperation and expansion, with support to agriculture and commerce, agricultural products were abundant, the price of foods went down, the trade transportation thrived again, and the market developed in a positive direction and thrived. On the one hand, the Ming dynasty made business more convenient, while on the other hand it strengthened the administration of markets. Ying Tian had special officers to administrate markets, such as revising the balances and estimating prices. As the capital city, the population of Ying Tian increased greatly, as did its consumption of goods. In the 31 year reign of the Ming emperor Taizu Zhu Yuanzhang, the population of Nanjing increased from 95,000 to 470,000, making it the most developed city of China, with the greatest population and best economy. The Ming government regulated the sale and purchase of products, setup relevant special areas (zoning), and pushed for similar retailers to trade in centralized area. The major Shi trade was set up under the "Lang" layout, which was typical of the landscape of the Ming Dynasty. The trade was located on both sides of the street and it had awnings and shelters on the sidewalks, so that sales and purchases under the "Lang" could proceed in an area shaded from the sun and sheltered from rain. In Nanjing, even nowadays, some streets are still named "Lang," as the Zhubao Lang (jewelry street), Chouduan Lang (silk street), and Guyi Lang (clothes street), etc. Besides the Lang, handicrafts were centralized in "Fang" which followed a "Qian Dian Hou fang" layout, where stores were in front, while production occurred in the back. The famous and centralized "Fangs" were the "Gong Jian Fang" (produced the products of bow and arrow), "Tie Zuo Fang" (produced iron products), "Yin Zuo Fang" (produced silver products), and "An Pei Fang" (produced horse-related products). The thriving handicraft industry also stimulated commercial development. Some specialized businessmen appeared who did not produce, but were middle-men who only bought and sold, which is called this "Pu trade" and it centralized according to its specialty so as to provide the citizens widely needed products. These included the “Hua Pu (flowers), Chuang Pu (beds), Zhi Pu (paper), and Shan Pu (fans). The commercial landscape of the Ming Dynasty represented a clear, hierarchical diversity of form. After the Ming emperor Cheng Zu moved the capital to Beijing, the businessmen got rid of the heavy burden of taxes, Nanjing’s transportation trade developed very well, such that trade in foods, cotton, silk, wood, paper and china were mainly centralized in Nanjing, before being transported to other areas of China. Many businessmen with abundant capital came to Nanjing and set up businesses in the transportation trade, which resulted in the unprecedented prosperity of Nanjing’s markets in the middle and late phases of the Ming Dynasty, and constituted another high tide of commercial development (Hou and Cui, 1999).

3.1.8 Commerce in Nanjing during the Qing dynasty (AD1644-1911)

At the early years of Qing Dynasty, the status of Nanjing diminished under the influence of war, this heavy burden putting market into a depression (Hu et al., 2009). In the year 1681, under the reign of the emperor Kangxi, the market situation improved, rural and village trade and the transportation trade recovered, silk products began to thrive which drove every business in a positive direction. By the middle phase of the Qing Dynasty, the commercial landscape was diverse and the endless stream of commercial traffic on the rivers indicated that Nanjing’s commerce had recovered. The appearance of specialized Pu (stores), such as the “Xinhuo Pu” in the area of Yaojia Xiang and Lishe Qiao which sold the commodity, showed that the commercial market had gradually shifted towards specialization. The “Guozi Hang” in the area of Sanshang Jie to Doumen Qiao centralized the sale of fruits in China; the “Yu Shi” and “Cai Shi” in southwest Nanjing sold fresh fish, vegetables and firewood; the Sanshang Jie area set up the “Chouduan Pu” (silk products) and “Zheshan Pu” (folding fan) markets, which embodied the specialties of Nanjing (Hou and Cui, 1999).

In March 1853, the Taiping Uprising set up its capital in Nanjing (then called

“Tianjin”) for a period of eleven years (Nanjing Difangzhi Office, 1986). Though the adoption of a special act regarding the economy, running counter to the rules of economic development, all commercial activity was stopped, and products like foods and other commodities no longer required money to buy, but were distributed in a unified manner by the government. This action resulted in a shortage of foods and obtaining supplies was very difficult. The Taiping Uprising, though it only went on for a short period in Nanjing, proved to be lesson in commerce was very profound. In the last years of the Qing Dynasty, commercial activity recovered gradually.

In the 1890’s, under some regulations implemented under ‘unequal treaties’ with western country, Nanjing opened its port, and “Xiaguan” formally became the foreign trade port (Hu et al., 2009). The foreign products used their low tax privilege to enter the Nanjing market, the local domestic industry and commerce were impacted, and there was a serious deficit in foreign trade. After Nanjing opened its port, it provided advantages to products from hinterland areas, mainly in terms of the export of agricultural and subsidiary agricultural products. This led to the development of the transportation network, and of Nanjing’s status as the distribution center of Yangze river region products (Hou and Cui, 1999). In the last years of Qing Dynasty and early Republic, Nanjing’s economic radius extended east to the ocean, west to the riverside cities in Anhui and Jiangxi provinces, south to the Taihu drainage area, and north to the Huai river drainage area.

3.1.9 Commerce in Nanjing during Republic of China (AD 1912-1949)

After the revolution of 1911, the situation in China was one of turbulence, the war between warlords led the Nanjing market into a depression. During WWI, many European countries were busy with the war and released their economic grip on China, such that the domestic industry and commerce had a chance to development. Since the people’s economic life and consumption habits had been influenced and changed by popularity of modern 'European style' commerce, some traditional commerce lagging in its development was transformed into something akin to modern commercial practices. In 1927, Nanjing was the capital city of National government of China. The population increased substantially, many government departments with substantial needs for goods gradually expanded. Until 1933, stores in the city — excluding some unregistered stores — reached 13000 (Yang et al., 2011). On January 12, 1936, the Zhongyang department store opened in a three-floor building, the first and second floor being devoted to business, while the third floor housed the offices of the department store. It sold all the people's need necessities, commodities and foods. This was a milestone, as it represented the transformation of Nanjing's traditional commerce to a new modern form of commerce. It not only provided a site for shopping, leisure and sightseeing to Nanjing citizens and tourists, but also drove the Xinjiekou region and the city's commercial development. With Nanjing commercial enterprises committed to modernization, in December 1937, Japan invaded Nanjing, killing 300,000 Nanjing citizens. Nanjing's commerce was again destroyed by this war. In the Wang Jinwei administration period, 'war time economy regulations' were implemented, and in collusion with Japan, the region was plundered for materials without restraint. This constituted the colonial commercial market under Japanese occupation (Yang et al., 2011).

When WW II ended in 1945 to when Nanjing was liberated in April, 1949, Nanjing commerce experienced a recovery which resulted in a boom to bust scenario, followed by a more level period, over a period of more than three years. During this time American products were dumped in great quantity, and comprador capital manipulated a monopoly. Notably, in 1947, 500 stores in Nanjing went bankrupt, the consumption market developed chaotically, speculation prevailed, and rampant inflation resulted in prices increasing several times a day (Yang et al., 2011). The market was in a very chaotic situation, and retailers did not have the products to sell and were thus unable to do business.

3.1.10 Commerce in Nanjing in the People's Republic of China (after AD1949)

In the April, 1949, the Chinese People's Liberation Army occupied Nanjing. Nanjing commerce entered a new era. In the early years after liberation, every industry was in depression, the citizens' disposable income was very low, and commerce faced many difficulties. From the inception of the People's Republic of China to 1953, the economy recovered as the government firstly struck down speculation, stabilized prices, rehabilitated the market system, and stabilized the consumption mentality of people. The government then adjusted the city's commercial framework, built the state-owned and cooperative commerce, supported the national economy and commodity supply needed for people's livelihood. Finally, they adjusted the relation between public and private business, the labour relations and the relation between producing and selling, and stimulated enthusiasm for private commerce. On May 2nd, 1949 the Nanjing trade company created the first state-owned commerce (SOC), DanWei (Nanjing Difangzhi Office, 1986). It set four branch companies: the first branch managed the foods; the second branch managed the cotton and textiles; the third branch managed the oil, salt and local special products; and the fourth branch managed other commodities. During this period, the government organized three city and village communication material conferences, which enhanced communication between cities and villages and rural regions. These conferences led to a recovery and the development of product circulation channels. After more than three years' work, in 1952, the city of Nanjing's sales of social products reached to 193.54 million Yuan RMB, three times greater than the 46.59 million Yuan RMB achieved in 1949. Commerce had recovered quickly and had further developed (Zhang, 2009b).

From 1953 to 1978, China experienced many unexpected changes as the new government made many efforts to sustain commerce, some of which led to improvements and some which damaged or slowed it down. A detailed history of this period can be easily found in many publications, so we will limit ourselves here to a recap of the major events in the period (Zhang, 2009a). Under China's first five year plan (1953-1957), a new economic system was built under the communism concept and the planned economy played an important role in this period. Commerce in Nanjing slowly recovered under the strict rules of the time. From 1958, China began the three year 'Great Leap Forward,' with the commerce department blindly buying and selling large quantities of goods. A combination of government functions and cooperative enterprise management shifted Nanjing's commerce to a SOC, which destroyed the commercial network, ended the free market, and suffocated circulation of products. Moreover, it made it difficult for citizens to act as consumers, as everywhere people had to line up in the streets to get what they needed. From 1966 to 1976, 'The Cultural Revolution' storm swept Nanjing, the market was in chaos, commercial administration institutions did not operate, industrial and agricultural production stopped, the market supply was under long-term tension, and domestic trade was destroyed. These ten years of turbulence brought much adversity to Nanjing commerce. In October 1976, the 'Gang of Four' (Jiang Qing, Zhang Chunqiao, Wang Hongwen and Yao Wenyuan -- ringleaders of the ultra-leftists in the Cultural Revolution (1966-1976)) was deposed, and the 'Cultural Revolution' ended. In the two years before the end of 1978, people were confused and the future was not clear to anybody (Hou and Cui, 1999).

In December 1978, China's central government held 'The Third Session of the Eleventh Central Committee of the Party' which decided to put the emphasis on modernizing the economy, and announced a 'reform and opening up policy.' This great transition had a profound meaning for Nanjing's commerce, which entered a new period of development. From April 1979, the government adjusted the commercial framework, reformed the circulation policy, carried on the big reform of "Three Multi and One Little" policy, which were multi-channel circulation, multi-economic sectors, multi-business modes, and little circulation tache, it corrected the former excessively tight control, shortage of channel and single operation dull situation (Lu, 2008). On December 1st, 1983, when nearly thirty years of having to use tickets to buy textiles ended, purchase and sales in Nanjing improved substantially, as they did in 1985, when 31 years of meat tickets ended. By 1986, for most commodities tickets had been canceled, and by 1993 the system was completely abolished, after a nearly 40-year 'ticket era' (Nanjing Bureau of Commerce, 2008a). Thus products having required tickets to be purchased were gradually open to unrestricted sale, and the commodities and food products supply in the stores and subsidiary foodstuff stores gradually grew (Nanjing Bureau of Commerce, 2008a). This indicated the shift from a planned-oriented economy to socialist market-oriented economy. At the end of 1985, the city's retail sales totaled over 3.7 billion Yuan RMB, over twice what they had been in 1980 (1.7 billion Yuan RMB) (Lu, 2008; Nanjing Bureau of Commerce, 2008a).

In the 1990s the reform of commercial enterprises and the further opening-up of trade increased. The commerce of foods, vegetables, materials, supplies and the emergence of cooperative marketing increased substantially after the many years of management by a small circle or single person, Pluralistic and multidirectional management came to center their professions. The state-owned large retail enterprises pushed for property reforms, and became joint stock companies. The department of domestic trade adopted a 'bringing in and going out' method to participate in open economy activities. During the eighth five-year plan period (1991 to 1995) Nanjing's commerce developed fastest and was at its peak. There were abundant products in the markets, buying and selling were thriving, and more and more people embarked in the management of commercial enterprises. The city's total retail sales reached 24 billion Yuan RMB in the year 1995, a 2.3-fold increase compared to 1990 (Lu, 2008).

Now, products are abundant in Nanjing markets, prices are stable and the supply is stable. Historically this is the best time for commerce in Nanjing. After 60 years of rebuilding markets are now thriving, and Nanjing is catching up with the best cities in the world (Hou and Cui, 1999; Nanjing Bureau of Commerce, 2008a).

3.2 The history of supermarket in Nanjing

While supermarkets were introduced to China just over 30 years ago, and thus constitute an exotic commercial style, they are now tightly linked to people's daily life. Since people have already adapted to the shopping environment of supermarkets, it is clear that supermarkets already play an important role in modern life.

3.2.1 The appearance of supermarket in Nanjing

In 1978, so-called "self-serve" stores were introduced to China. To meet foreigners' consumption demands, Nanjing's Jinling hotel opened a self-choice store at its doorstep in 1983 (Nanjing Bureau of Commerce, 2008a). This was the first supermarket in Nanjing's commercial history. This new commercial style aroused people's curiosity and the variety of products in Jinling self-serve stores attracted much attention. For the first time, people in Nanjing could see customers chose products on the shelves by themselves without the assistance of a salesperson, and for the first time they saw products priced at several times their incomes. As the general manager of the Jinling hotel mentioned that the main consumer group of self-serve stores were the high and middle, and the main products they sold were drinks, tobacco, and cosmetics, many of which were imported. The dean of the Economics and Administration School of Southeast University stated that citizens viewed supermarkets differently than now, and scholarly discussion suggested that supermarkets represented a high-class life style, or at least a middle-class lifestyle, but that they did not reflect popular consumption styles. After five years, the first supermarket in Nanjing closed (Nanjing Bureau of Commerce, 2008a).

3.2.2 The appearance of supermarket after 1993

"The real opening of China occurred after 1983, when economic regulation shifted from a planned economy to a market economy", concluded the CEO of the Suguo when addressing the situation of the Chinese economy. He also stated that: "after Deng

Xiaoping's 'Inspecting South China' in the year 1992, Chinese markets generally opened, diversified economic sectors coexisted within the market, so the competitions between them are intensified" (Nanjing Bureau of Commerce, 2008a).

The appearance of many kinds of markets had a strong impact on the traditional SOC landscape. In 1994, the Malaysian retailer 'Parkson' entered China, and the supermarket revolution quickly overtook China. In 1995, foreign-capital supermarkets like Carrefour, Pricesmart, etc. also entered the market. Supermarkets changed the traditional retail landscape. In 1994, the state-owned "Zhongyang Department Store" first entered the new retail landscape of supermarkets. At this time, people in Nanjing became acquainted with supermarkets, they chose products freely and experienced the feeling of "consumers are God" in the supermarket. The success of the 'Zhongyang supermarket' showed other enterprises the great economic revenues that a supermarket could bring. After the constructions of the 'Zhongyang supermarket', the Huacheng and Xinbai supermarkets also appeared in Nanjing (Nanjing Bureau of Commerce, 2008a).

In October of 1999, the Carrefour supermarket chain entered Nanjing and opened its first supermarket on South Daqiao road, which not only had an impact on local supermarkets, but also has an impact on the traditional Caishi, since this was the first time vegetables were sold in a supermarket (Nanjing Bureau of Commerce, 2008a).

3.2.3 Suguo Supermarket

In August of 1996, the first Suguo supermarket appeared in Nanjing, on South Fengtai Rd., in a location only 50 m^2 in expanse. On the first day of the supermarket's turnover reached 16 thousand Yuan RMB though they only had six employees at the time. Since the appearance of the Suguo chain's first local supermarket in Nanjing, it has grown rapidly. In order to compete with the large-scale foreign-capital supermarkets, the Suguo supermarket continued to exploit its distribution network and developed mid-sized to large shops. On November 11, 1999, the first Suguo raw and fresh food supermarket opened (Nanjing Bureau of Commerce, 2008a).

Suguo innovated by developing four retail landscapes: convenience store supermarket, standard supermarket, community store, and hypermarket such as those in shopping malls. Convenience store supermarkets are located in the streets and Xiangzi, and cater to consumers' spur of the moment consumption. The standard supermarkets categories would stores more than 60% larger than convenience store supermarkets. The community stores are most used by residents of independent community. Shopping mall outlets meet the one-stop shopping needs of consumers. On September, 2004, Suguo implemented a "honeycomb" style management strategy in the Nanjing area, which let Suguo further fortified its place in the Nanjing market. In 2007, Suguo ranked seventh amongst China's retailers. Until 2008, Suguo had a network of nearly 1800 outlets, and more than 600 direct distributors. Suguo has not won its own development battle, but also brought convenience to Nanjing's consumers (Nanjing Bureau of Commerce, 2008a).

3.2.4 Stores open 24 hours

In September 1995, the Huacheng supermarket opened the first 24 hours supermarket on Shanxi road. At the same time, an individual retailer, Cheng Zehong, who had previously run a clothing business, also opened a 24 hours supermarket, the 'Zehong supermarket'. The result was that 24-hour supermarkets did not become an important part of people's daily life and only created a flutter at the time. Specialists analyzed the reasons for this lack of market penetration: (i) Chinese economic development and people's average income in the mid-1990s was such that the majority of people did not need the night consumption period; (ii) 24-hour supermarkets at that time did not have the extensive distribution network that Suguo supermarkets did afterwards. After more than ten years, 24-hour supermarkets could be found everywhere in Nanjing, and again the owner of these supermarkets were Suguo. According to statistics, by the end of 2008, Suguo had opened a total of forty such supermarkets. The average turnover of a typical

24-hour supermarket exceeded 10 thousand Yuan RMB per day (Nanjing Bureau of Commerce, 2008a). The 24 hours supermarket really entered Nanjing people's daily life as the economic level gradually developed.

3.3 The history of Caishi in Nanjing

Closely tied to people's daily life, Caishi are the type of shopping center where people commonly buy their daily food supplies. The development of Caishi in Nanjing can be traced back to B.C 472. In the Ming Dynasty (AD 1368-1644), the Caishi began thriving, and dozens existed in Nanjing. During the Qing Dynasty, in the 47th year of the emperor Kanxi (1708), there were 27 Caishi in Nanjing (Hang, 2000).

In the 16th year of the Republic of China (1927), Nanjing gradually set up more than ten Caishi, including the Wu Dingmen, and Hui Minqiao Caishi. These Caishi divided up the available sites and adopted free trade. In 1937, when Nanjing had fallen and commerce was controlled by a Japanese puppet regime, the circulation of agricultural and subsidiary agricultural products in city and village was hindered, and the number of Caishi decreased. At the time, the Kexiang Caishi was the subject of a study (Nanjing Archives, 1937), while in 1943 the Caixia jie Caishi was similarly the subject of a study which documented some of its contents and how its appearance was being refurbished (Nanjing Archives, 1943), as well as the studied Fuzimiao Caishi was the illegal construction at that time which indicated in the relevant document of 1947 (Nanjing Archives, 1947).

In 1949 Nanjing was liberated, and initially the Caishi trade was in depression, and no administrative status existed. The government set in place some policies to exploit the market and direct Caishi development. In this phase, state-owned vegetable markets (SOVMs) operating under the national planned administration took on the role of the Caishi.

In January 1963, the central and local governments placed tight controls on Caishi, and gradually shrank the space for development of Caishi. In 1964, only two Caishi remained in Nanjing. During the "cultural revolution" (1966-1976), all the Caishi in Nanjing city were closed, and their numbers did not recover until 1978 (Baixia Qu Government, 2009).

In 1983, Nanjing first group of free Caishi streets appeared (Nanjing Bureau of Commerce, 2008b). By the end of 1980s, nearly 70 SOVMs from the planned economy era closed, since their high products price and the bad attitude of their salespeople aroused the ire of citizens. These SOVMs were replaced by peasants and floating retailers. Outdoor free trade Caishi streets developed very well in this period, as they made people’s lives more convenient. However, they violated the normal order of the city and resulted in chaos in public areas, since they were located on the main roads and in residential Xiangzi (Baixia Qu Government, 2009).

In order to completely change the free Caishi streets’ problem of “dirtyness, messiness, and creating a poor environment,” make road transportation flow better and restore quiet to the residents, the city of Nanjing city began to build sheds and interior Caishi. In 1996, the government of Nanjing promised to eradicate outdoor Caishi, and made all Caishi move inside within three years. The city also initiated Caishi construction, as well as implementing administrative improvements. In this year, the first batch of Caishi to have been moved inside and updated appeared in Nanjing (Nanjing Bureau of Commerce, 2008b). Ten Nanjing districts invested 0.6 billion Yuan RMB and built 142 indoor Caishi and in-shed Caishi in 2000, representing a total business area was 1.42 km^2, with an annual trade of 5 billion Yuan RMB (Hang, 2000).

Given the challenges brought about by supermarkets, the Caishi implemented an improvement and upgrading program in 2007, which was directed by the Nanjing government. It sought to change the “dirty, messy, and poor” environment of Caishi and provided a better shopping environment for customers (Nanjing Bureau of Commerce, 2008b). At the end of 2008, Nanjing had finished upgrading all of the city’s 133 Caishi

(Nanjing Bureau of Commerce, 2008b).

3.4 Policies regarding to Caishi and supermarkets

Few policies related to Caishi existed before 1990. With Chinese concepts of urban development and modern concepts introduced from western countries, there was increasing concern about Caishi, which remain important sites providing people their daily necessities. Besides the Caishi, another commercial landscape, the supermarket, appeared in people's lives. Planning regarding these two commercial landscapes as they related to people's daily lives was given greater attention. After 1992, the Chinese market generally opened up, and policies relevant to commerce were enacted more than before. The Nanjing government released the first commercial network plan in 1996, which included some special provisions for Caishi. In 2004, a second commercial network plan was enacted, which outlined a more detailed plan than the 1996 plan.

3.4.1 Nanjing's 1996 main city commercial network plan (Nanjing Bureau of Planning and Design,1996)

This plan was intended to cover the years 1996 to 2010, and divided the commercial centers into four levels:

1) The first level represents the city's main economic and trade center, with services centered on the floating population, with its large to middle scale commercial services targeted mainly towards the upper high classes. These are represented by the Xinjiekou economic circle and Gulou.
2) The second level represents commercial centers which have a secondary and assisting role towards the first level commercial centers. These are located in the outside radius of the city and share service functions with first level commercial centers. These include "Fuzimiao", and "Hexi new district".
3) The third level commercial center represents a local economic activity center. Its

main purpose is to serve local residents, and it generally serves 200-300 thousands people. The commercial establishments are set up according to large-middle-small integrated the high-middle-low, which was mainly for the mid-scale and mid-level consumption, the kinds of commercial establishments was complete more or less.

4) The fourth commercial center represents the residential center, where the population serviced numbers 30-50 thousand. It houses commercial service establishments that residents use daily, and its main products should be popular among the middle-low classes. Its purpose is to provide convenient and fast service to residents. The construction area of such commercial centers was regulated according to residential area planning. The commercial construction area was set as 700-910 m^2 per thousand people The Caishi and community supermarkets belong to the fourth level commercial center.

The 1996 commercial plan divided the products market into three categories: (i) agricultural and subsidiary agricultural products, (ii) commodities market and (iii) production material market. The plan suggested that the products markets should be transformed from an extensive to an intensive mode, that the agricultural and subsidiary agricultural products wholesale market should build some aggregate markets like the "Bai Yunting" wholesale market, and that the commodity market should develop and build large and general commodities markets.

The Caishi are the retail market for agricultural and subsidiary agricultural products, which are most closely tied to citizens' daily lives, and as such should be properly planned. Up until 1996, there were 7 indoor Caishi in the main city, covering 3000 m^2, and 13 in-shed Caishi had already been built. The city planned to build large-scale (area ≥ 3000 m^2) Caishi in every residential area center. It regulated that all outdoor Caishi would close within three years, and all in-shed Caishi would be eliminated within ten years. By the year 2010, it planned to build 28 interior Caishi, and upgrade 22 in-shed Caishi into interior Caishi.

It was suggested that a network of outlets to sell rice and oil, with each outlet targeting 3000-5000 families, should be connected to the unified set of Caishi. The Caishi mainly sold vegetables, meats, eggs, aquatic products, rice and fruits, etc. It was proposed that the level of vegetable supply should be gradually increased, as well as the proportion of processed vegetables, and that 2 or 3 distribution centers should be built. Caishi can be state-owned, collective and individual, and compete fairly. The government planned to build a batch of large and middle size new agricultural and subsidiary agricultural products retail markets. Among these, there were 35 interior Caishi, and 8 in-shed Caishi.

3.4.2 Planning of Nanjing's commercial network, 2004-2010 (Nanjing Bureau of Commerce and Nanjing Bureau of Planning, 2004)

This plan's geographical range included the main city of Nanjing and three new districts; the total planning area was 6597 km^2. This plan covered the large to mid-sized commercial retail network, with businesses, Caishi and commodities markets a scale of 2000 m^2 or more. In 2003, Nanjing's markets continued their fast development, and their total retail sales reached 60.024 billion Yuan RMB, the highest level in history. In 2004, the consumption level of Nanjing's residents significantly increased, in the new consumption landscape of quickly growing chain stores and supermarkets. The construction of the commercial network increased and its outside radius was greatly built up.

The government then developed a number of short-term development aims:

(i) total annual retail sales should reach 100 billion Yuan RMB by 2007; chain stores annual gross revenues were 70 billion Yuan RMB, which occupied 70% of total retail sales of consumable products; the middle to small commercial enterprise network occupied 35% of the city's commercial business area.

(ii) There would be 5 trading market clusters of which 2 would be newly built. Community commercial service establishments (CCSEs) would be equipped in order to serve a population of 30,000, such that every thousand people would be afforded 400 m^2 of CCSEs. More extensive commercial networks in communities would satisfy the residents' basic life needs like shopping, eating, getting things repaired and home services, within 400 and 500 m of their residence.

The long-term development aims were:

(i) By 2010 the Nanjing commercial network would reach an equivalency with mid-level networks in developed countries for 2000.

(ii) The annual retail sales in consumer goods would reach 150 billion Yuan RMB, with chain enterprises' annual gross revenues reaching 108.8 billion Yuan RMB, and occupying 75% of total retail sales in consumer goods. Meanwhile the middle to small commercial network would occupy 40% of city's commercial network business area.

(iii) CCSEs would be equipped according to a 30,000 population scale, such that every thousand people would be afforded CCSEs within 500 to 800 m of their residence. When fully implemented most communities' network would satisfy residents' basic life needs, like shopping, eating, repairing and home services within 400 to 500 m of their residence.

District commercial centers should mainly develop community shopping centers or large scale supermarkets. The main city districts' commercial centers were encouraged to (i) actively set up community shopping centers, large-scale supermarkets, and convenient stores; (ii) set up a moderate amount of mid-sized supermarkets and a limited set of wholesale membership stores and Caishi. The community commercial centers were to be set up according to a scale of 30,000 people to serve. Convenience stores are set up in public activity areas, like an area's center, residential areas, bus stops, main streets, such that their services are only 5-7 minutes' walking distance.

If supermarkets are set up according to a 500 m service radius, it does fit in with the service radius of large and mid- scale supermarkets. In this area, the construction of community commerce should mix all kinds of new commercial landscapes and all service function and lead to modern community commerce. The plan encouraged setting up mid-sized supermarkets, convenience stores and Caishi, along with a limited set of large-scale supermarket, shopping centers and wholesale membership markets. The construction of commercial centers in suburban areas should satisfy the local residents' and peripheral peasants' consumption needs, and the setting up of mid-sized supermarkets, Caishi and convenient stores should be encouraged, while a limited number of large-scale supermarkets and wholesale membership markets should be set up.

The principles for setting up a retailing network and the appropriate service range were defined according to:

(i) mid-sized supermarkets are mainly set up in community commercial centers and dense residential areas. They should have a 2000 m service radius, and service a population of 20-50 thousand.

(ii) Larger-sized supermarkets are mainly located in the districts' commercial centre, or in secondary urban commercial centers, as well as at the interface between the city and suburbs area, on main avenues and in large residential areas. These should be set up with a 3000 m service radius, to service a population of 50,000-100,000.

(iii) The wholesale membership market is generally located in convenient transportation areas of suburbs and city outskirts, its business service radius being above 5000 m, serving a population of 50-70 thousands.

(iv) The community shopping center is generally set in districts' commercial centers, and is mainly of the large-scale supermarket type, with an area in the range of 0.1 km^2, and a service radius of 3-5 kilometers. Regulations still exist that large and mid-sized supermarkets, as well as wholesale membership markets should not exceed three floors.

The Caishi should be set up such as to have 500-1000 m service radius, and the population served is generally 30 thousands. The city of Nanjing has planned to build 47 new Caishi, each exceeding 2000 m^2 in area. Among these, 32 would be built in the short-term and the remainder in the long-term. After the construction of a Caishi was finished, it could not change its use without the Nanjing government's approval. Caishi set up through city planning cannot be simply removed. If a Caishi must be removed due to city construction and planning needs, it must be rebuilt at a planned sites and should have access to the interior transition markets. The government encouraged all cities' Caishi to be transformed and updated to raw and fresh food supermarkets. Newly-built Caishi should operate like a supermarket, and raw and fresh food supermarkets are encouraged to develop like to chain supermarkets. The large-scale supermarkets and the wholesale membership markets should set up special raw and fresh foods area, as a supplement to the Caishi and raw and fresh foods supermarkets. Their scale should be set according to the surrounding area's service population. The city and county's rice and oil network should be integrated into supermarkets and Caishi, with an overall service population of 5000-8000, and set a convenient service radius of 100-200 m.

3.4.3 Other policies

Besides general policies for Nanjing's commercial network, there were further special policies for Caishi, the most important being the 'Nanjing Caishi Upgrade Plan for 2007". Beside this, there are still further policies and regulations that the Nanjing government enacted regarding all aspects of Caishi and supermarkets. These serve direct Caishi development in a good direction and to better meet consumers' needs and survived from the competition of supermarkets.

3.4.3.1 Nanjing's Caishi Upgrade Plan (Nanjing Government, 2007).

In 2007, the government of Nanjing made an important decision regarding Caishi, deciding to upgrade all Caishi in the city. This detailed plan, termed the "Nanjing Caishi Upgrade Plan," would be implemented over 3 years. For the purposes of this upgrade, all Caishi would be separated into three batches to do the updating (Nanjing Government, 2007). Some important parts of the policy are as follows:

a) The Nanjing government will spend 2-3 years to upgrade all 133 Caishi in the city of Nanjing. Of these, 60 will be upgraded in 2007, 73 in 2008, and the remainder in 2009, when all the work must be finished.

b) The plan lists requirements for the infrastructure construction standards, including the height of the building, floor and wall structure, entrance plan, parking lot, sanitation facilities, drain systems, electrical grid, ventilation system, and fire control systems.

c) All the counters in Caishi are re-planned, with different foods are separated into different zones, e.g., vegetable zone, meat zone, fish zone, livestock zone, deli food zone, etc.

d) An administration office is required and a "double check balance" is supplied by the administration office for residents to double check the weight of the food they bought.

e) An administration office employee must conduct an on-site pesticide residue test in the early morning of every day.

3.4.3.2 Other government policies related to Caishi and supermarkets

In 2001, Nanjing Price Bureau designated how prices were to be displayed in Caishi. It required that the seller clearly mark the price of each product (Nanjing Bureau of Price, 2001). In 2003, the Nanjing Price Bureau made some improvement on the requirements for clearly marking the price of each product (Nanjing Bureau of Price, 2003). In 2004, the Nanjing Price Bureau released control over the cell rental fee in Caishi. A document "Announcement of the release of the cell rental fee" was sent to all Caishi; since then, the Caishi manager has the power to discuss the rental fee directly with the retailer (Nanjing Bureau of Price, 2004).

At the end of 2006, the Nanjing Bureau of Commerce produced a document called "Implement suggestions for increasing the community commerce development and the construction standard of community commerce in Nanjing", which clearly outlined a plan for the residential communities' commercial areas, including all kinds of service facilities such as supermarkets, Caishi, restaurants, washing shops, repair shops, recycling centers, etc., this document separated the residential community into 3 types (Nanjing Bureau of Commerce, 2006):

1) large communities with over 30,000 residents must have a Caishi with a business area exceeding 2000 m^2, one community supermarket with a business area over 500m^2 with no less than 6000 categories of products, and 2 or 3 convenience stores;
2) mid-sized communities with 10,000-30,000 residents, with Caishi of 1000 m^2 in business area; one Community supermarket with a business area exceeding 300 m^2 and no less than 3000 categories of products, and 1 or 2 convenience stores
3) small communities with less than 10,000 residents, with a small size Caishi and 1 or 2 convenience stores.

Based on the "Nanjing Caishi Upgrade Plan", the Nanjing Bureau of Commerce (Nanjing Bureau of Commerce, 2007) published a plan, "The regulation of the set up and management of Caishi in Nanjing," to regulate the detailed aspects of new build, rebuilding and updating of Nanjing's Caishi. It covered the site selection of the Caishi, environment, construction, area, facility and zoning requirements of Caishi, their arrangement, management, sanitation, licensing, and the handling of employees. This document spelled out detailed requirement for Caishi and acted as an important set of rules in Caishi regulation.

Nanjing government developed the “Nanjing Non-Staple Food Project Plan, 2008-2012” in 2008, outlining plans to organize the transportation of Nanjing vegetables, meat, and fruit. This document outlined a plan for food production, food safety control, and the development of a resource tracing system for the food supply. (Nanjing Government, 2008)

3.5 Conclusions

The history of commerce in Nanjing and related transformation and development history of Caishi and supermarkets fostered Nanjing favorable commercial environment and consumption practice, which favor the development of a diverse commercial landscape. The display of commerce history provided a background knowledge and understanding to the after chapters’ study.

The Nanjing government enacted a series of policy and regulations for Caishi and supermarket, especially the three main influential policies which is congruent with the general policy in China that greatly influenced and directed planning.

Chapter 4 Field survey

4.1 Introduction

In order to study the transformation of Caishi in Nanjing including their recent major upgrade, as well as the influence of nearby supermarkets, it is necessary to know the morphology and geographical location of Caishi. Based on an on-site survey, Caishi were found to be of three types divided according to their characteristics and transformation process. The following analysis of eight Caishi's layouts, retail geography and distribution allowed a delineation of the three types.

4.2 Recognizing types

In this study, eight Caishi mainly located in the three older districts of Baixia, Qinhuai, and Jianye were investigated. These Caishi all had a business area exceeding 2000 m^2. Caishi types were classified on the basis of: (i) their layout and other characteristics, (ii) progress in their transformation, as influenced by Nanjing's commercial network planning and the need for new Caishi, and (iii) their spatial relationship to nearby residential buildings. On this basis, the Caishi under study belong to different types: old free-Caishi street transformations, old Caishi of Nanjing, and Caishi built for the residential districts.

4.2.1 Type one: The old free Caishi street transformations

4.2.1.1 Introduction of old free Caishi street

The old free Caishi street which was naturally constituted by the nearby residents' requirements to buy their daily food needs. These kinds of old Caishi had no formal administration and were usually administrated by the small retailers themselves. They did business as small stalls on both sides of the Xiangzi (a secondary street or lane), near the traditional Nanjing residential housing. Most of this kind of Caishi had no fixed location to sell food, and were mostly constituted of floating stalls along the Xiangzi in Nanjing. To some extent, this kind of old commercial street satisfied the life requirements of older Nanjing people, and was already rooted in every Nanjing citizen's daily life, Figure 4.1 showed this older type of Caishi has now mostly been transformed and upgraded to other types which meet current Nanjing citizens' higher requirements. These Caishi's development was accompanied by the urbanization process, improved living conditions and income level in Nanjing. Sometimes, this kind of Caishi can be found near the Xiangzi close to other Caishi which have instituted another commercial landscape.

Figure 4.1 Old free Caishi street (Lu, 2008)

4.2.1.2 Two sub-types transformed from the old free Caishi street:

A) Sub-type one (Figure 4.2-4.3): The Fuzimiao and Ruijin Lu Caishi built sheds as roofs over the original streets and kept their original layouts and areas, to meet government standards of moving all outdoor Caishi indoors. (Nanjing Bureau of Planning and Design, 1996)

Figure 4.2 Fuzimiao Caishi (Photo by author)

Figure 4.3 Ruijin Lu Caishi (Photo by author)

B) Sub-type two (Figure 4.4-4.5): The Suhong Laifang and Tiandun378 Xiang Caishi moved from the former freely constituted Caishi streets into buildings to meet government standards of moving all outdoor Caishi indoors (Nanjing main city commercial network planning, 1996).

Figure 4.4 Suhong Laifeng Caishi (Photo by author)

Figure 4.5 Tiandun 378 Xiang Caishi (Photo by author)

4.2.2 Type two: The old Caishi of Nanjing

These include the Kexiang and Caixiajie Caishi (Figure 4.6-4.7), whose history can traced back to the days of the republic of China. Under the 2007 Nanjing Caishi Updating Plan these Caishi were upgraded to meet people's new needs. Given the scale of these two Caishi at present, they may develop in the opposite direction.

Figure 4.6 Kexiang Caishi (Photo by author)

Figure 4.7 Caixiajie Caishi (Photo by author)

4.2.3 Type three: Caishi built for the residential districts

The Yingbin and Tiandun Qinhong Caishi (Figure 4.8-4.9) were built based on surrounding residential requirements.

Figure 4.8 Yingbin Caishi
(Photo by author)

Figure 4.9 Tiandun Qinhong Caishi
(Photo by author)

4.3 Type-one: The old free Caishi

The old free Caishi streets were mainly transformed into two types (Figures 4.10 – 4.21). These four Caishi were originally free Caishi. Under the planning and upgrading mandated by the Nanjing government, they all moved from outdoors to indoors. The impression of disorder and of there being no administration is gone. They have become cleaner, more ordered and functional to meet the higher expectations of people. Some Caishi while implementing the interior locale mandated by the Nanjing government, also maintained their original types and layout. In some cases, they also had both an interior Caishi and an outside free Caishi type.

4.3.1 Sub-type one: Fuzimiao and Ruijin Lu Caishi

The Fuzimiao and Ruijin Lu Caishi had the bright characteristics of building sheds on the original free Caishi streets, which changed former building exteriors to interior façades. They changed the face of illegal construction into the formal Caishi.

4.3.1.1 Fuzimiao Caishi

Located in the famous tourist area of Fuzimiao area, in the Qinhuai district, it was one of the old free Caishi streets in Nanjing. Now it is upgraded and much improved.

4.3.1.1.1 Façades

According to the observation, the original old free Caishi streets became more orderly; and torii were put at the entrances of the Caishi streets to indicate the name "Fuzimiao Caishi". Since the Fuzimiao kept its original two free Caishi streets, each entrance of the streets were adorned with a torii as the main entrance (Figure 4.10-A, B). The Caishi streets were located in the old residential districts and constructed in the middle of two residential buildings. The space between the Caishi streets and adjoining buildings was very narrow, so these two Caishi streets were clearly constituted for the needs of nearby residents. This also showed that they were illegal constructions as they brought not only convenience to nearby residents, but also noise and sanitation problems. Figure 4.10-A, B shows that the two Caishi streets put the sheds on the streets to form the interior environment and avoid rain and snow problems. The original areas of the streets were maintained and new counters were built on both sides of the streets as well as in the middle. As for the retail environment outside the Caishi, few shop-front houses sold foods similar to those available in the Caishi. Most of the shop-front houses are restaurants which are important customers of the Caishi and did not have any negative influence on Caishi food sales (Figure 4.10-D).

4.3.1.1.2 Circulation and dimensions

The circulation in the Fuzimiao Caishi. Figures 4.11-B and C show that this Caishi kept its original style and areas, and was constituted of two free Caishi streets, which were North Fuzimiao Caishi and South Fuzimiao Caishi. This Caishi has four doors to allow the customer to enter, North Fuzimiao Caishi had north, west and east facing entrances, each with a door. The smallest door (Figure 4.10-C) was located in the northern street. Its geographical location is shown in Figure 4.11- A as identified door C. The southern portion of the Caishi only had one door (B) to let customer enter (Figure 4.11-A, C), while the northern portion (Figure 4.11-A, B,) has three entrances as doors A, C and D). Doors A and D connect one settling street respectively at either end, while door C is located in a residential Xiangzi which can connect to the outside matrix route. Most of the time, customers chose to enter and exit from the big entrances at doors A and D, since door C is a small back door and is sometimes locked by the Caishi administration for safety reasons. The southern Caishi only had one entrance at door B, so customers must go in by this door and after they are finished shopping, they must also return through the same door.

A: Door A

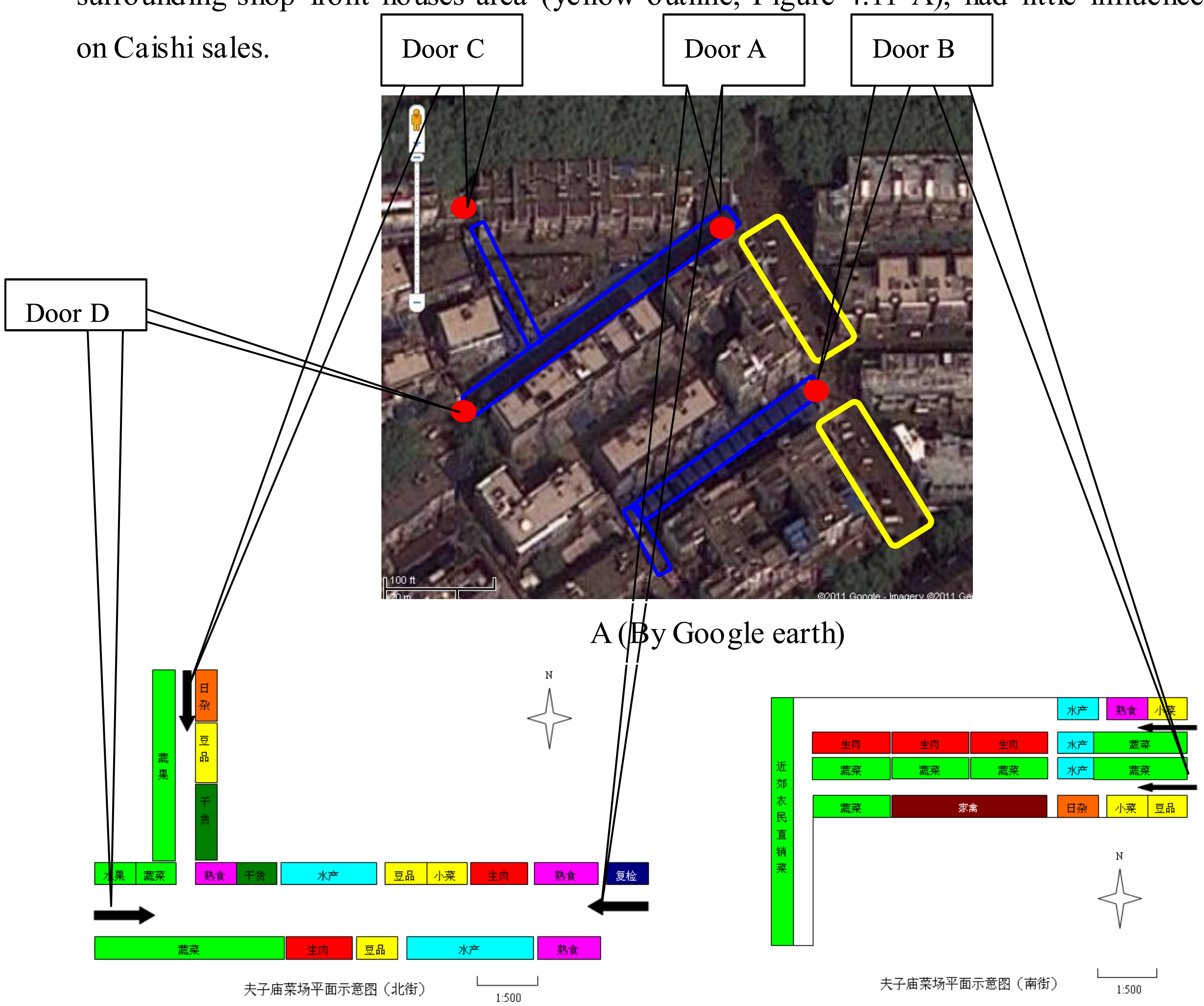
B: Door B


C: Door C


D

Figure 4.10 Fuzimiao Caishi and the surrounding area (Photo by author)

The dimensions of Fuzimiao Caishi. The total business area was 2300m^2 by the end of 2009, being the sum of the two Caishi street areas. The total stalls in the Caishi numbered 109, and the annual gross revenue was 130 million RMB. The footprint of the two Caishi streets of the Fuzimiao Caishi, as well as its doors and the surrounding areas, shows the northern Caishi "T"-shaped street footprint, outlined in blue (Figure 4.11-A). This street was located in two joint residential Xiangzi. The northern street is mainly devoted to the sales of deli foods, soya products, vegetables, dried foods and fish and seafood products, though a small amount of meats and other commodities are also sold. The southern Caishi street footprint was L-shaped, was located in another Xiangzi, and had a little extension to the southern part. This street mainly sold meats, living poultry, vegetables and a few aquatic products. From a survey of façades, the footprint of the surrounding shop-front houses area (yellow outline, Figure 4.11-A), had little influence on Caishi sales.

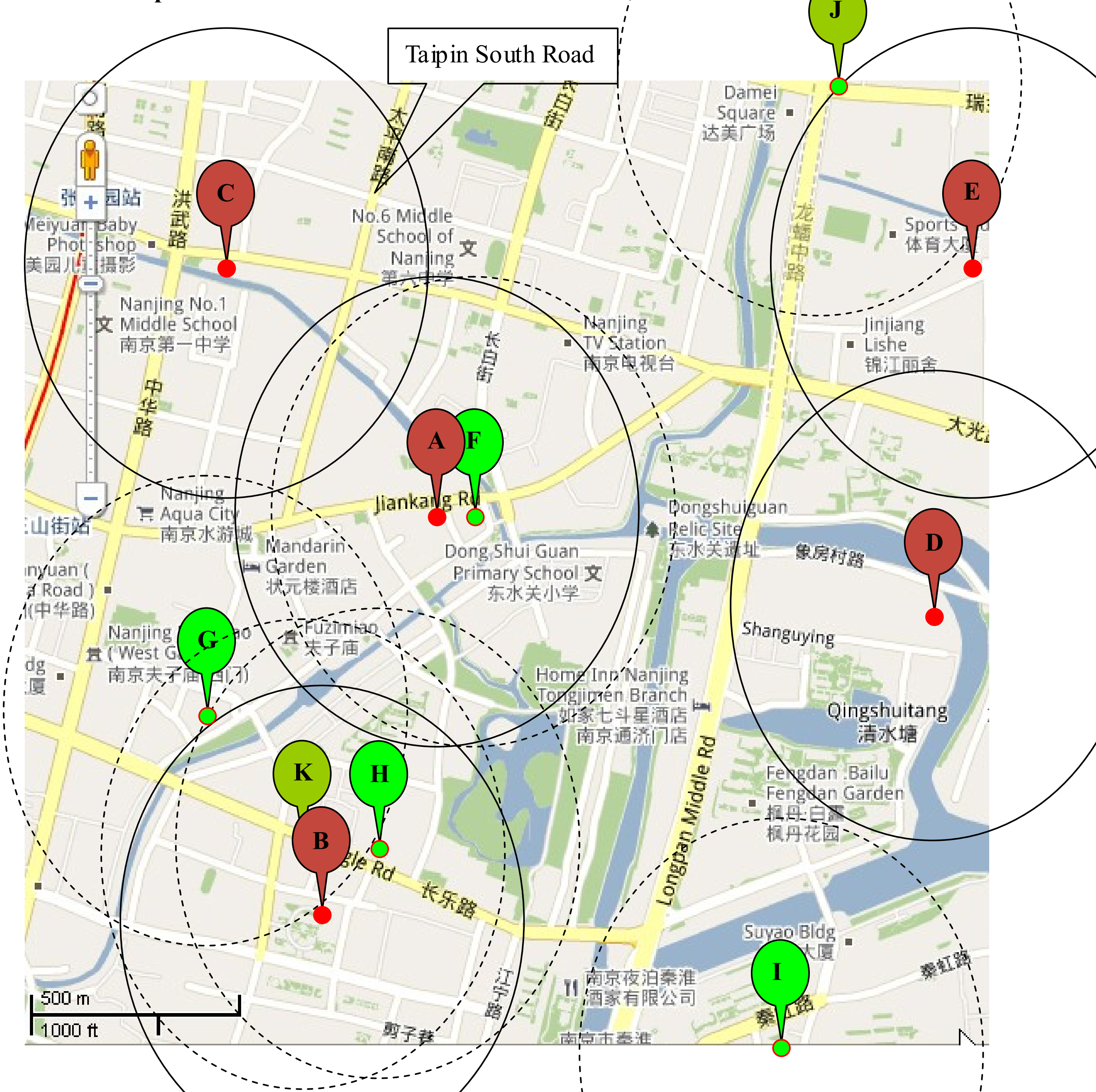


A (By Google earth)

B (Fuzimiao Caishi, 2010) C (Fuzimiao Caishi, 2010)

Figure 4.11 Fuzimiao Caishi footprint and floor plan

4.3.1.1.3 Spatial distribution



Note: A: Fuzimiao Caishi; B: Tiandun 378Xiang Caishi; C: Nei Qiao Caishi; D: Shanguyin Caishi; E: Shangshu Xiang Caishi. F: Suguo community supermarket in Jiankan Lu; G: Suguo community supermarket in Zhangyuan Lu; H: Suguo community supermarket in Changle Lu; I: Suguo community supermarket in Wenan Lu. J: RT-Mart; K: Trust-Mart

Figure 4.12 Spatial distribution of the Fuzimiao Caishi relative to other Caishi and supermarkets. (By Google map)

The Fuzimizo Caishi (indicated by A) and its nearest and peripheral supermarkets and Caishi are shown in Figure 4.12. This old Caishi covers a lot of residential areas. The nearby Suguo supermarket, the Jiankang Lu store is in almost the same cover radius of 500 m as A, so they definitely have an influence on each other. This area is located in a very dense residential district and close to the very famous 'Fuzimiao' tourism area. Many restaurants and hotels are located within this Caishi's range or not far from it, so the demand for vegetables and meats is huge. Given how close the supermarket is, if price does not present a significant difference between the Caishi and supermarket, people may choose the supermarket, depending on their purpose, needs, income level, consumption habits or preference. To the northwest there is another Caishi (C, Figure 4.12) located in the nearby 'Baixia' district. The Nei Qiao Caishi is a smaller-scale Caishi, compared with the Fuzimiao Caishi. These two Caishi have an intersection area within their 500 m retail coverage radius. The Fuzimiao Caishi has a more complete range of foods categories than the Nei Qiao Caishi, so some residents in the common area may choose the former over the latter. There is a main thoroughfare, Taipin South Road, which separates residents to its east and west in terms of convenience. The east-side residents located in the retail coverage area of the Fuzimiao Caishi are likely to choose it. In the southern portion of the Fuzimiao Caishi's retail coverage area, the Tiandun 378Xiang Caishi's coverage only overlaps slightly, so it has little influence to the former. People would choose between them based on accessibility, distance from their home, a price comparison between the two Caishi, as well as residents' preferences and habits. Though the nearby supermarkets' (G, K, H in Figure 4.12) coverages intersect in part with the Fuzimiao Caishi's area, their influence is not as big as the Suguo community supermarket in Jiankan Lu, which is quite close. To the east of the Fuzimiao Caishi, there are two supermarkets and two Caishi (D, E, J, I, respectively, Figure 4.12); however, because they have no intersection with the Fuzimiao Caishi, they have no impact upon it.

4.3.1.2 Ruijin Lu Caishi

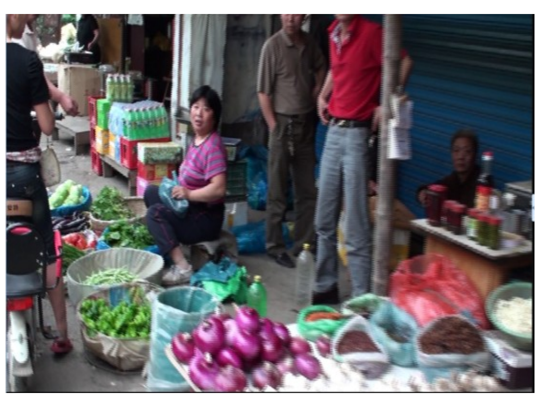
Located in the Baixia district, the Ruijin Lu Caishi was also of the free Caishi street type, and though it was rearranged and updated under government guidance, it still has some unsolved problems.

4.3.1.2.1 Façades

From an on-site survey, the front door of this Caishi seemed more orderly than before. The Caishi's name was placed above the door to indicate it was a formal Caishi. Sheds were used as roofs to create its indoor Caishi characteristics, and it kept its original length and areas. For safety a guardrail was placed at the entrance. A Chinese traditional lantern was hung at the door to accentuate the coming jubilant festival atmosphere, making the customer happier and more relaxed when shopping in the Caishi (Figure4.13-A). All these decorations on the Façade showed it was an improved and well administered Caishi.

A

B



C

Figure 4.13 Ruijinlu Caishi and the surrounding area
(Photo by author)

The scenes in Figure 4.13-B and C were photographed at the back door of this Caishi. These photos present a different scene that the front door of this Caishi, since at the back many small free retailers congregate without any supervision and not administered by the Caishi. Thus a portion of the original free Caishi street type, where the sales of vegetables, meats, dried foods and living poultry are mixed together along the street, was maintained. This arrangement also raised a lot of sanitary and security problems to the nearby residents, and it has an impact on the sales of the indoor retailers. The area delineated in yellow in Figure 4.14-B indicated the scope of the free Caishi street.

4.3.1.2.2 Circulation and Dimensions

The circulation in the Ruijin Lu Caishi. It was easily to identify the two doors of this Caishi both from maps and the floor plan of the Caishi. The front door faced towards the main throughfare, while the back door connected to a free Caishi street located at the Xiangzi. This Caishi itself was a very long Xiangzi, stretching from North to South, as shown in Figure 4.14-A. The northern door (A, Figure 4.14-B and C) was the front door, and the southern door (B, Figure 4.14-B and C) was the back door. Most people entered the Caishi from the front door since it connected with a major thoroughfare, but for the residents living in the southern residential areas, they might choose to go into the Caishi from the back door. The floor plan showed (Figure 4.14-C) that the distance of residents on either side to the vegetables and living poultry counters was more or less the same, so to this extent they are fair. The Ruijin Lu Caishi also attracts people from other residential areas since it is larger than the nearby Shangshu Xiang Caishi (Figure 4.14-B green outline).

The dimensions of the Ruijin Lu Caishi. Until 2009, this Caishi's total business area was 2500 m^2, with 295 stalls and annual gross revenue of 166 million RMB. The footprint of the Ruijin Lu Caishi, its doors, another nearby Caishi and the surrounding area are shown in Figure 4.14-B. This Caishi presented a linear shape, at the back door, there a river separates two residential areas. Though the Ruijin Lu Caishi can provide all foods or commodities a Chinese person might need, there exists a free Caishi street extending from the back door of the Ruijin Lu Caishi, and across the bridge to the other side of the river and beyond (Figure 4.14-B, indicated in yellow). The Ruijin Lu Caishi and the nearby free Caishi street drew customers away from another smaller scale Caishi nearby (Figure 4.14-B, indicated in green), but in fact, the Ruijin Lu Caishi itself was influenced by the nearby and connected free Caishi street since the latter is in a better geography location and offers cheaper prices (no administration fees, stall fees or other inspection fees).

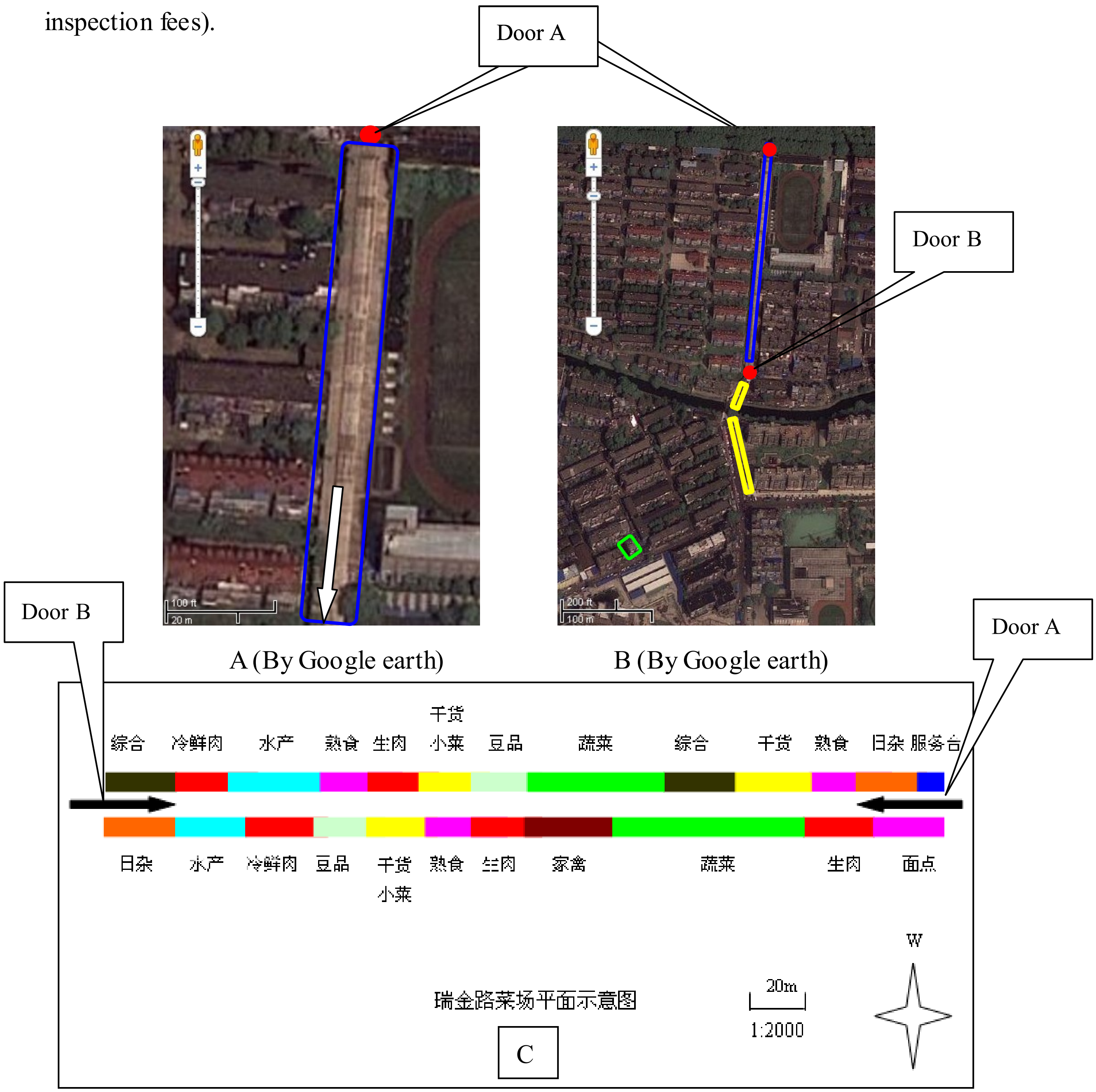
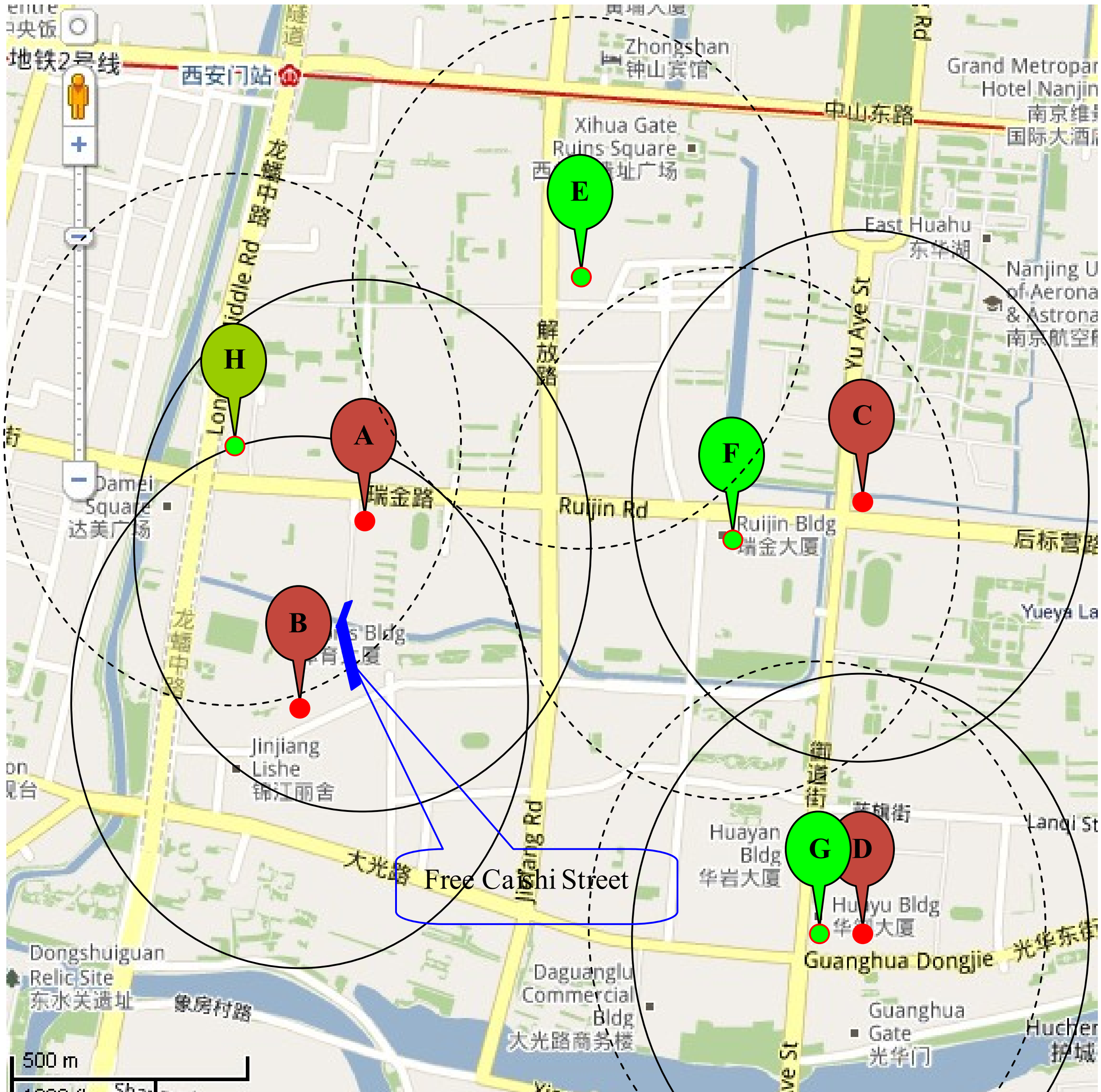


Figure 4.14 Ruijinlu Caishi footprint and floor plan (Ruijinlu Caishi, 2010)

4.3.1.2.3 Spatial distribution



Note: A: Ruijin Lu Caishi; B: Shangshu Xiang Caishi; C: Wulong Qiao Caishi; D: Guanghua Men Caishi. E: Suguo community supermarket in Jiefang Lu; F: Suguo community supermarket in Ruijin Lu; G: Suguo community supermarket in Yudao Jie. H: RT-Mart

Figure 4.15 Spatial distribution of the Ruijinlu Caishi relative to other Caishi and supermarkets. (By Google map)

Figure 4.15 shows the geographical location and retail coverage area (500 m) of the Ruijin Lu Caishi relative to nearby and surrounding supermarkets and other Caishi. The Ruijin Lu Caishi retail coverage area intersects, to the east, with that of the nearest Suguo community supermarket (F in Figure 4.15), and both are located on the same thoroughfare, Ruijin Road.

A located in the large and densely populated residential districts, the Ruijin Lu Suguo supermarket, another Suguo supermarket to the north (on Jiefang Lu, E in Figure 4.15), and an RT-Mart to the northwest (H in Figure 4.15) show progressively greater intersections of their retail coverage areas with that of the Ruijin Lu Caishi. On this basis, the RT-Mart would draw away more customers from the Ruijin Lu Caishi than the two Suguo supermarkets, assuming prices showed no significant difference and the range of food categories could cater to all the residents' needs. These three supermarkets (E, F, H) have some influences on the Ruijin Lu Caishi. To the southwestern, almost 2/3 of the retail coverage area of the Shangshu Xiang Caishi (B in Figure 4.15) intersects that of the Ruijin Lu Caishi, and thus might be expected to have a big influence on the latter. However, the Shangshu Xiang Caishi's much smaller scale, compared to the Ruijin Lu Caishi, means the majority of residents in the intersection part will probably choose the latter. However, there is a free Caishi street running between the two Caishi, extending across the river (Figure 4.15, shown in blue), which clearly draws some customers away from the Ruijin Lu Caishi because of cheaper prices. Consequently the Shangshu Xiang Caishi B has some, but not much influence on Ruijin Lu Caishi, whereas the free market has more influence on the latter than the former. To the east, the Wulong Qiao Caishi C's retail coverage area shows no intersect that of the Ruijin Lu Caishi, and so it has no impact upon it. Similarly to the southeast, the Guanghua Men Caishi (D in Figure 4.15) and a nearby supermarket (G in Figure 4.15) have a similar retail coverage area, but neither intersects with that of the Ruijin Lu Caishi. The map suggests that the Ruijin Lu Caishi's geographical location is poor since it is very close to the Shangshu Xiang Caishi, and thus the standard service radius of 500m for each Caishi is not met. In particular the nearest free Caishi street is limited in its development, and is also influenced and limited by the three supermarkets which not far from it.

4.3.2 Sub-type two: Suhong Laifeng and Tiandun 378 Xiang Caishi

The Suhong Laifeng and Tiandun 378 Xiang Caishi have a common characteristic of being former freely constituted Caishi streets moved into buildings. These two Caishi's current locations were originally parking lots.

4.3.2.1 Suhong Laifeng Caishi

Suhong Laifeng Caishi was an old Caishi located in the Qinhuai district. It constituted a free Caishi street at the Liuye Jie before the municipal government's main city commercial network plan of 1996 moved it from its original site to an interior parking lot where the indoor Caishi was built. It was then purchased by the Suhong group and renamed the Suhong Laifeng Caishi.

4.3.2.1.1 Façades

The Suhong Laifeng Caishi is a completely indoor Caishi, having changed from its original incarnation as a street type Caishi. It was rearranged by zones according to their function. This Caishi had two main doors and a small side door. It is located on the first floor of residential and commercial mixed-use buildings. One of the main doors faces the thoroughfare, and shows this Caishi to be a formal Caishi since it had its brand clearly shown (Figure 4.16-B). It also had some shop-fronts to sell deli foods and commodities on either side of this door. The other main door is located in a dense residential area facing the settling Xiangzi (Figure 4.16-A). The author's observations suggest that most of the residents entered the Caishi through this door. Like the other main door, there are adjoining shop-fronts to sell deli foods to go and out residents. For security reasons, the two doors had small gates across the entrances to stop bikes from entering the Caishi.

From the façades, this Caishi looked very similar to a Chinese-style Caishi supermarket.

To document commercial activities around this Caishi, pictures were taken at the settling Xiangzi near the main door in the residential area (Figure 4.16-C and D). Along the Xiangzi, most of the residential buildings' first floor balconies were leased to use as the shop-fronts, which constituted another free Caishi street, for some retailers did not rent the shop-front houses, but put their stalls directly on the ground on both sides of the Xiangzi. Normally the retailers on this kind of commercial street did not have any other additional fees, or just a small administration fee to the street department, so their prices were lower than in the indoor Laifeng Caishi and drew away some customers from the Caishi. Another reason why this free Caihi attracted customers was that most of the retailers on the street were peasants who boasted that their vegetables and aquatic products were fresher than those indoors since they had brought these foods directly from the fields and lakes. The indoor Laifeng Caishi and outside free Caishi street constituted a special mixed type.

A

B

C

D

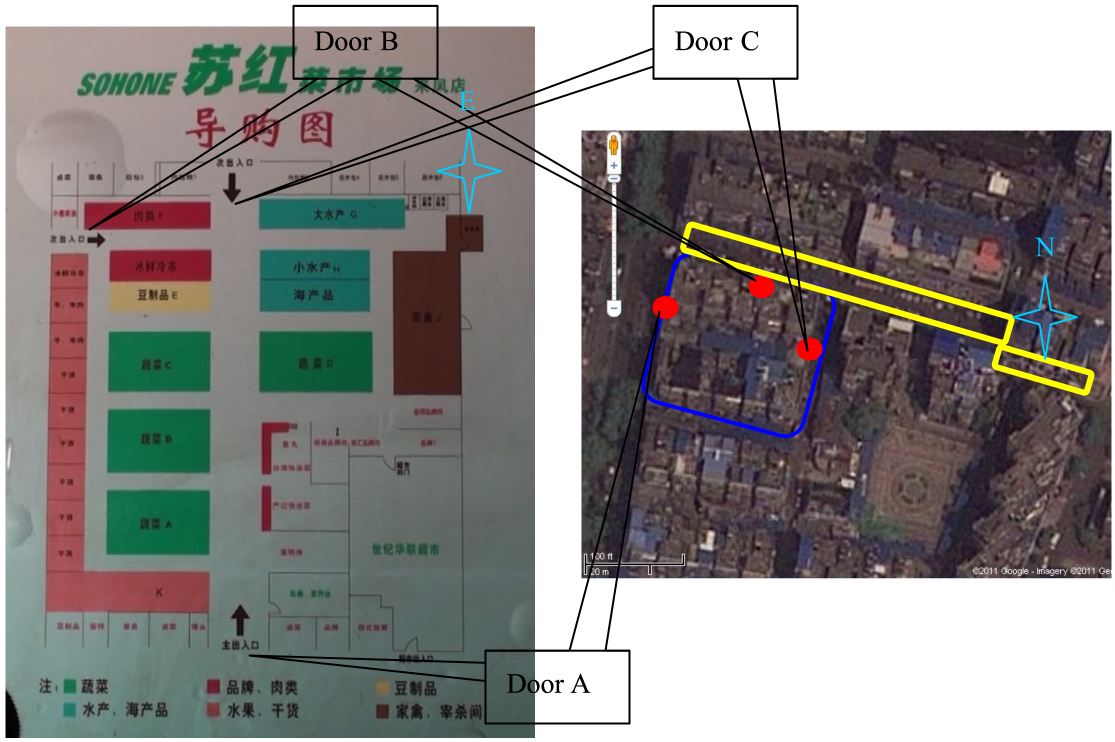
Figure 4.16 Laifeng Caishi and the surrounding area (Photo by author)

4.3.2.1.2 Circulation and Dimensions

The circulation in the Laifeng Caishi. Figure 4.17-A shows a floor plan of this Caishi. It has three doors, located to the west, north, and east. The Figure 4.17-B indicated that the west door faced on a thoroughfare, the north door on a busy and prosperous residential Xiangzi and a group of densely populated residential buildings, while the east door was just a side door located in a tiny Xiangzi. Some people enter by the west door since it is near the main road and they can get there by bike, but most residents went in through the north door since it located among and merged into dense residential buildings, and was thus very convenient for the nearby residents to enter the Caishi. People compare prices between the Caishi and the stalls on the free Caishi street. Some may buy some foods at the outdoor stalls first since they believe the vegetables there to be fresher than inside the Caishi, and then go into the Laifeng Caishi. Similarly, some may forget to buy some foods items inside, so they would choose to buy something outside in the free Caishi street as a supplement, instead of going back into the Caishi, thus saving time. People can enter and exit this Caishi from any of the three doors and go directly to whichever zone — clearly indicated on the floor plan (Figure 4.17-A) — to buy the foods they want.

The dimensions of the Laifeng Caishi. The total business area of this Caishi was 3600 m^2 in 2009. It housed 168 stalls and its annual gross revenue was 95 million RMB. The footprint of the Suhong Laifeng Caishi, its doors and surrounding areas is shown in Figure 4.17-B. In this figure, the Caishi is represented as a blue square and three red dots represent the three doors. Two linear yellow areas represent the nearby free Caishi street located in the settling Xiangzi. This commercial street extended from one thoroughfare to the west as far as another to the east. The free Caishi was set up in many shop-fronts and floating stalls on the street. The Suhong Laifeng Caishi's north door faced directly on this commercial street, but was closed off from the other two doors of this Caishi. Although the Laifeng Caishi was originally a free Caishi street transformed to an indoor type, a free

Caishi street still existed in front of it. This mixed type influenced to some extent the indoor Laifeng Caishi's gross revenue since the lack of administration fees of the free Caishi street resulted in a price advantage, as well as one of freshness (peasants sell directly). This situation embodied a very special commercial landscape in the Nanjing food market, and reflected the special consumption habits (doorstep sale) and practices of Nanjing residents.



A (Laifeng Caishi, 2010)

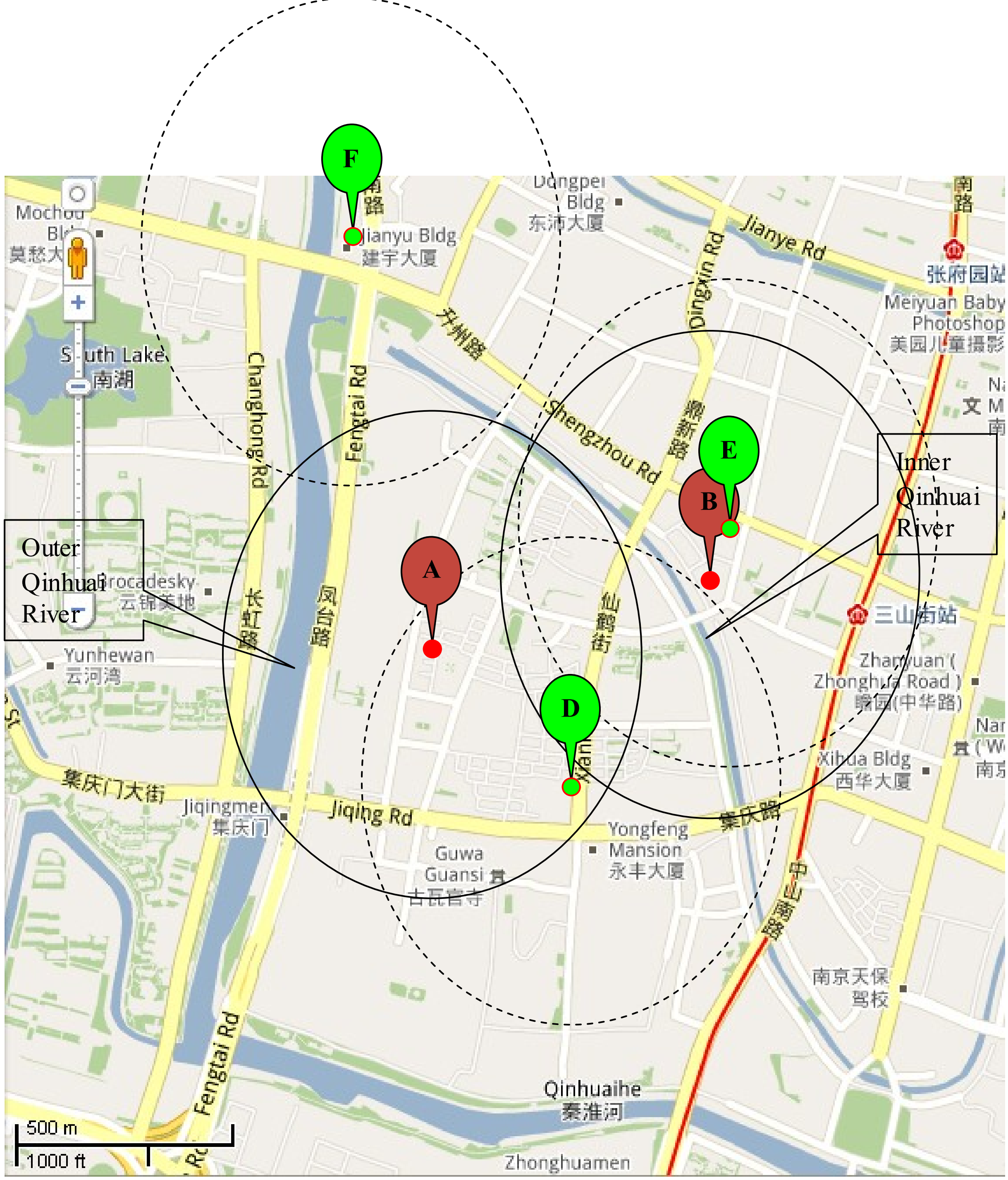
B (By Google earth)

Figure 4.17 Laifeng Caishi footprint and floor plan

4.3.2.1.3 Spatial distribution

The Suhong Laifen Caishi and its peripheral supermarkets and Caishi are shown in Figure 4.18. The Suhong Laifen Caishi (A in Figure 4.18) is located in a residential area, whose northern and southern residents choose to frequent. To the west side it is bordered by two main roads and the Outer Qinhuai river. Residents on the eastern shore of the river will tend to shop at this Caishi, but those on the west bank are unlikely to across the river and roads to buy the foods in this Caishi. To the east of the Caishi, its retail coverage area can be found to intersect with that of the Caixia Jie Caishi (B in Figure 4.18), however, given that the inner Qinhuai River, which runs between them, constitutes a natural barrier, residents living on the west bank of the river would likely to go to the Suhong Laifen Caishi, but if they wanted to go to the Caixia Jie Caishi, they would have to make a detour, so it is not convenient. There is a major thoroughfare between the two Caishi, the Xianhe Jie. People who live to the west of this street will tend to shop at the Suhong Laifen Caishi, and those on the east side at the Caixia Jie Caishi, since they are unlikely to across the street to another Caishi..

The Suguo community supermarket in Xianhe Jie (D in Figure 4.18), which is close to the Suhong Laifen Caishi, and the Suguo community supermarket in Shengzhou Lu (E in Figure 4.18), which is close to the Caixia Jie Caishi (B in Figure 4.18), have some influence on the Suhong Laifen Caishi as they share some common retail coverage area. So when the price of the food shows no significant differences, the supermarkets do take some customers in the coverage area of the Suhong Laifen Caishi, people will tend to go to the Xianhe Jie supermarket, or those to the northeast, who are to the east of the Xianhe Jie will choose the Shengzhou Lu supermarket. Regarding to the Shuixi Men supermarket (F in Figure 4.18) to the north, it would have no significant influence on the Suhong Laifen Caishi since Shengzhou Road separates these two areas.



Note: A: Suhong Laifen Caishi; B: Caixia Jie Caishi. D: Suguo community supermarket in Xianhe Jie; E: Suguo community supermarket in Shengzhou Lu; F: Suguo community supermarket in Shuixi Men

Figure 4.18 Spatial distribution of the Suhong Laifeng Caishi relative to other Caishi and supermarkets. (By Google map)

4.3.2.2 Tiandun 378 Xiang Caishi

Tiandun 378 Xiang Caishi was another old Caishi located in the Qinhuai district. It formed from the free Caishi street on the nearby '378 Xiang' residential settling Xiangzi and served the food needs of nearby residents. In recent years, under the Nanjing government general planning, some traditional housing in this area were removed and replaced by some new residential districts. To satisfy the new requirements of nearby residents, it moved from the doorstep settling Xiangzi to an interior parking lot to continue as an indoor Caishi. It was bought and administrated by the Tiandun group as was renamed the Tiandun 378 Xiang Caishi.

4.3.2.2.1 Façades

The Tiandun 378 Xiang Caishi which was originally of the street type is now completely indoors. The different retail zone was rearranged according to their function. This Caishi has one main door and two very small side doors. A clear brand name is shown above the main door of this Caishi (Figure 4.19-A), and some shop-fronts sell deli foods to either side of this door. This Caishi is located underground, beneath residential and commercial mixed-use buildings, the upper stories being for the building's residents. Bikes are forbidden to enter this Caishi because of safety reasons, and a bike parking lot is located in front on either side of the door. Figure 4.19-B shows a closer view of the main door, and clearly shows this Caishi to be underground, while the first floor is used for other private businesses. Most customers enter the Caishi by this door, since it is more spacious and geographically convenient than the other two side doors. A nearby free Caishi street is located at the original site of the 378 Xiang Caishi (Figure 4.19-C and D). Its stalls are mainly set at shopfronts, where tradition housing residents lease one room facing the settling Xiangzi for the retailers to do business. Some retailers, especially the peasant who do not have money to lease shopfronts, put their vegetables directly on the ground or on their tricycle to form floating stalls. These have the advantage that they can easily avoid the city's appearance and environmental sanitation administrators' actions. This commercial street is the site of sales in vegetables, aquatic products, living poultry, soya products and deli foods, as are sold inside the indoor 378 Xiang Caishi. As with the landscape of the Laifeng Caishi, the indoor 378 Xiang Caishi and the reorganized free Caishi street outside constitute a special mixed type.

A

B

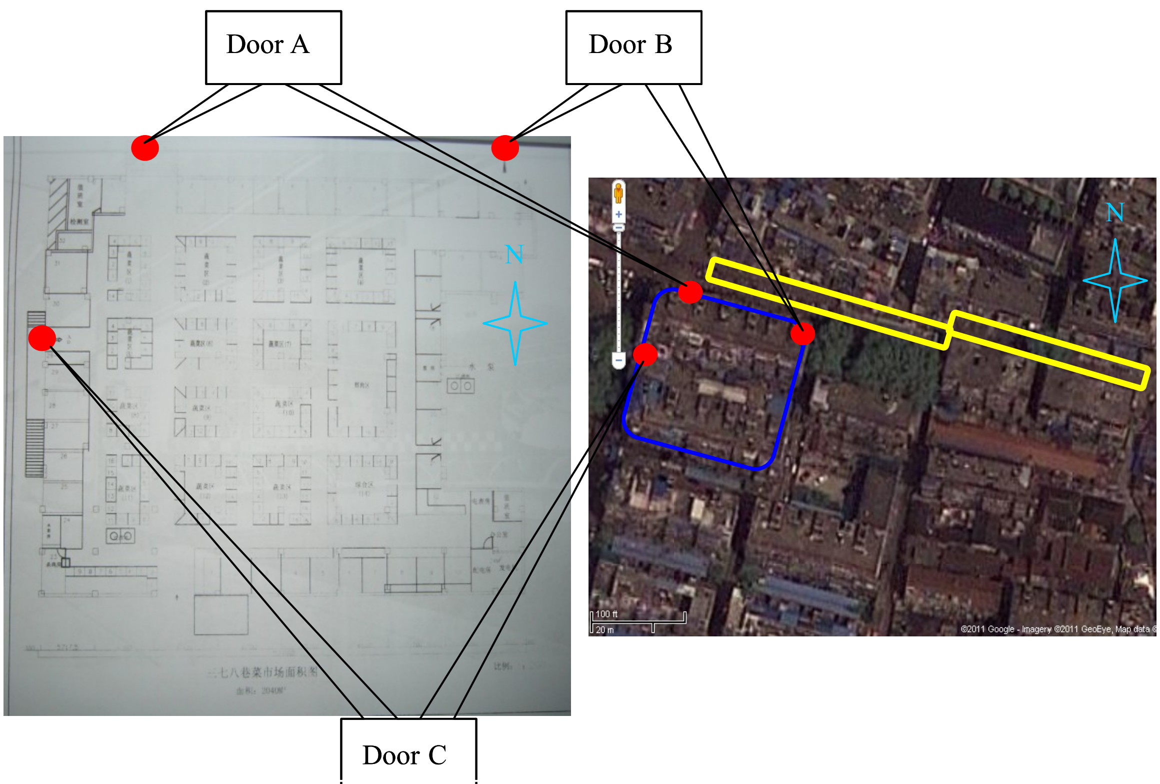
C

D

Figure 4.19 Tiandun 378 Xiang Caishi and the surrounding area
(Photo by author)

4.3.2.2.2 Circulation and Dimensions

The circulation in the Tiandun 378 Xiang Caishi. The Caishi's three doors include two doors on the north side, and one door on the west side (Figure 4.20-A and B). The south has no doors as it is closely connected with the residential housing and there is no Xiangzi there, so there is no place or need to place a door there. The north door A is the main entrance to the Caishi, while the northeast and west doors are the two side doors through which people mainly go out (A, B, and C, respectively in Figure 4.20-A and B). The north door (Figure 4.20–B) is located at the intersection of two residential settling Xiangzi, so the geographical location of this door is an advantage in attracting residents from all direction. The floor plan of this Caishi (Figure 4.20–A) shows that many people that enter the Caishi through the north door, are easily able to access the different food zones. The different vegetable, meat, and aquatic product stalls are located in the middle of the Caishi, while around the periphery are mainly soya products, deli foods and other dry foods and commodities. Customers can choose these products conveniently while they circle the Caishi to buy other foods. After finishing shopping, leave by the northeast or western door, according to these doors' distances from their homes. Generally, people from the western and southern residential areas mostly chose the northern or western to go in, and the northern and eastern residents may tend to choose the northeast and northern door, according to their location.



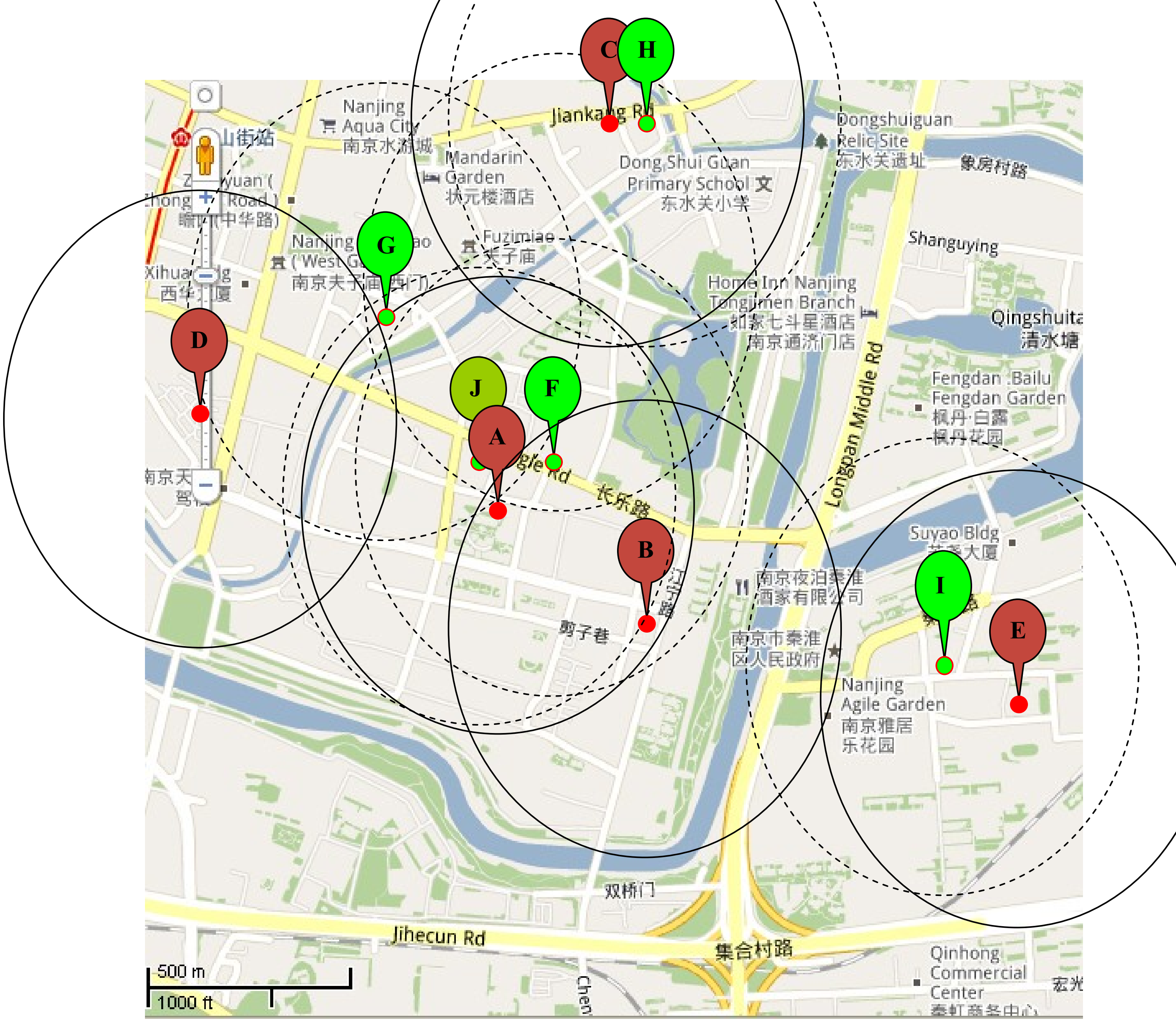
A (Tiandun 378 Xiang Caishi, 2010) B (By Google earth)

Figure 4.20 Tiandun 378 Xiang Caishi footprint and floor plan

The dimensions of the Tiandun 378 Xiang Caishi. The total business area was 3000m^2 in 2009. The total number of stalls in the Caishi was 165, and the annual gross revenue 160 million RMB. The Caishi's footprint, represented by a blue quadrangle, its doors (red dots), the nearby free Caishi street area located in the nearby settling Xiangzi and running the length of two residential blocks (delineated in yellow), and the surrounding areas are shown in Figure 4.20-B. The free Caishi street began near the northern door and extended to the east over a distance which included two residential Xiangzi. This long strip was the site of the original 378 Xiang Caishi, whereas now this street is made up of many shop-front houses and floating stalls, near the traditional residential housing. Nowadays the indoor 378 Xiang Caishi's two northern doors directly face this commercial street. The free Caishi street and indoor formal 378 Xiang Caishi form a mixed business. Given the well-known advantages of the free Caishi street such as cheaper prices, freshness, and the inherent consumption practices of local residents, it is clear that the free street Caishi influenced the indoor Caishi's business to some extent. This mixed retail landscape creates a very special and localized commercial landscape in Nanjing.

4.3.2.2.3 Spatial distribution

The geographic location, layout and distribution of the Tiandun 378 Xiang Caishi and its surrounding supermarkets and Caishi are shown in Figure 4.21. This Caishi (A in Figure 4.21) was the main Caishi studied in this area of Nanjing. The Caishi's retail coverage area overlaps with that of two supermarkets: the nearby Suguo chain Changle Lu community supermarket (F in Figure 4.21), and a foreign-capital Trust-Mart supermarket (J in Figure 4.21). The Caishi and the two supermarkets are located in a large and densely populated residential area. Consumers' need for vegetables and meats is huge, and competition between them can only improve their services and price advantages. This residential area is mainly comprised of old city residents (noted as Cheng Nan residents), many of whom go to the Caishi because of their long-time consumption habits and preferences. However, some of them may choose supermarkets to buy the meats because of the better cold-chain preservation of meat products.



Note: A: Tiandun 378Xiang Caishi; B: Tiandun Jianling Lu Caishi; C: Fuzimiao Caishi; D: Suhong Xinqiao Caishi; E: Wuding Caishi. F: Suguo community supermarket in Changle Lu; G: Suguo community supermarket in Zhangyuan Lu; H: Suguo community supermarket in Jiankan Lu; I: Suguo community supermarket in Wenan Lu. J: Trust-Mart

Figure 4.21 Spatial distribution of the Tiandun 378 Xiang Caishi relative to other Caishi and supermarkets. (By Google map)

To the north, the Fuzimiao Caishi (C in Figure 4.21) and the Suguo community supermarket in Jiankan Lu (H in Figure 4.21) showed little intersection with the Tiandun 378Xiang Caishi, and thus had only a slight influence on the latter. The choice between these food outlets was derived from the intersection area residents' consumption habits and preferences and price comparisons. To the west the Suhong Xinqiao Caishi (D in Figure 4.21) showed some intersection with the Tiandun 378Xiang Caishi, but a major thoroughfare and the inner Qinhuai river separate the two, so those to the east of the latter will likely to choose it. Also the Suhong Xinqiao Caishi is small, not very popular and difficult to find (it is just inside a residential area). To the east, the Tiandun Jianling Lu Caishi (B in Figure 4.21) shows a large intersection of coverage area with the Tiandun 378Xiang Caishi, but the former is a very small-scaled Caishi and has limited categories of vegetables and meats. On the other hand, these two Caishi are subsidiary companies of "Tiandun Caishi", so the former has no significant influence on the latter. People in the intersection area mostly tend go to the Tiandun 378Xiang Caishi to buy their food. In fact, the Tiandun 378Xiang Caishi attracts a lot of residents in this area, and its scale, regional advantage and influence is evident. Wuding Caishi (E in Figure 4.21) and Suguo community supermarket in Wenan Lu (I in Figure 4.21) are located far from the Tiandun 378Xiang Caishi and thus have no significant influence on it.

4.4 Type-two: Old Caishi in Nanjing

Nanjing is a city with a long commercial history, so there were some old Caishi worth studying and analyzing. The two old Caishi studied in could trace their history back to Republic of China era. The two old Caishi (Kexiang Caishi and Caixia Jie Caishi) were transformed and have developed to two opposite directions, one is thriving due to its scale and gross revenue, while the other is declining for a number of reasons. The declining Caixia Jie Caishi is the only declining Caishi amongst the eight studied in this thesis.

4.4.1 Kexiang Caishi

Kexiang Caishi was a very old and influential formallly administered Caishi in Nanjing. Though it was naturally constituted by the nearby residents consumption needs, it was a formal Caishi since the days of the Republic of China. It had many administrators, workers and retired workers in Communist times. This situation changed by the Caishi reforms of 1993. This Caishi can be termed a “hundred year Caishi”. Now it is transformed to lease stalls to retailers, and is administrated by the Baixia district government. Under the updating program conducted by the Nanjing government, the old Caishi was much improved.

4.4.1.1 Façades

The Kexiang Caishi already a completely indoor Caishi, with zones arranged according to their function. This Caishi had several doors to allow customers go in and out from all directions: western-, eastern-, and southern-facing doors (Figure 4.22-A, B and C, respectively), the latter facing the Suguo community supermarket in Wenchang Xiang.

This Caishi is a formal one, with its own brand. Shopfronts to either side of the western entrance (Figure 4.22-A) mainly sold deli foods and other commodities. This Caishi was located on the first floor of a typical residential-commercial mixed-use building, the upper stories being where the residents lived. The east doors (Figure 4.22-B) were located in a long residential Xiangzi, where, in the late afternoon, a lot of floating stalls emerged on the two sides of this Xiangzi, in spite of many shop-front houses already set up there in the first floors of two residential buildings. Shopfronts were set up to the left of the eastern entrance, while to the right shopfronts were set in first floors of residential building on the opposite side of the Xiangzi. Figure 4.22-B shows the busy commercial landscape of this free Caishi street to the east direction of the formal Caishi. The Caishi’s southern entrance (Figure 4.22-C) was also flanked by the first floors of residential buildings along the southern Xiangzi, which were also leased out as shop-fronts to sell living poultry, aquatic products, deli foods and other commodities. The northern side of the Caishi only had one door, which faced a thoroughfare. Figures 4.22-A, B, C show there to be a formal and informal, legal and illegal retail landscape, represented by the indoor Caishi and outdoor free Caishi street, respectively — thus producing a mixed special type.

A

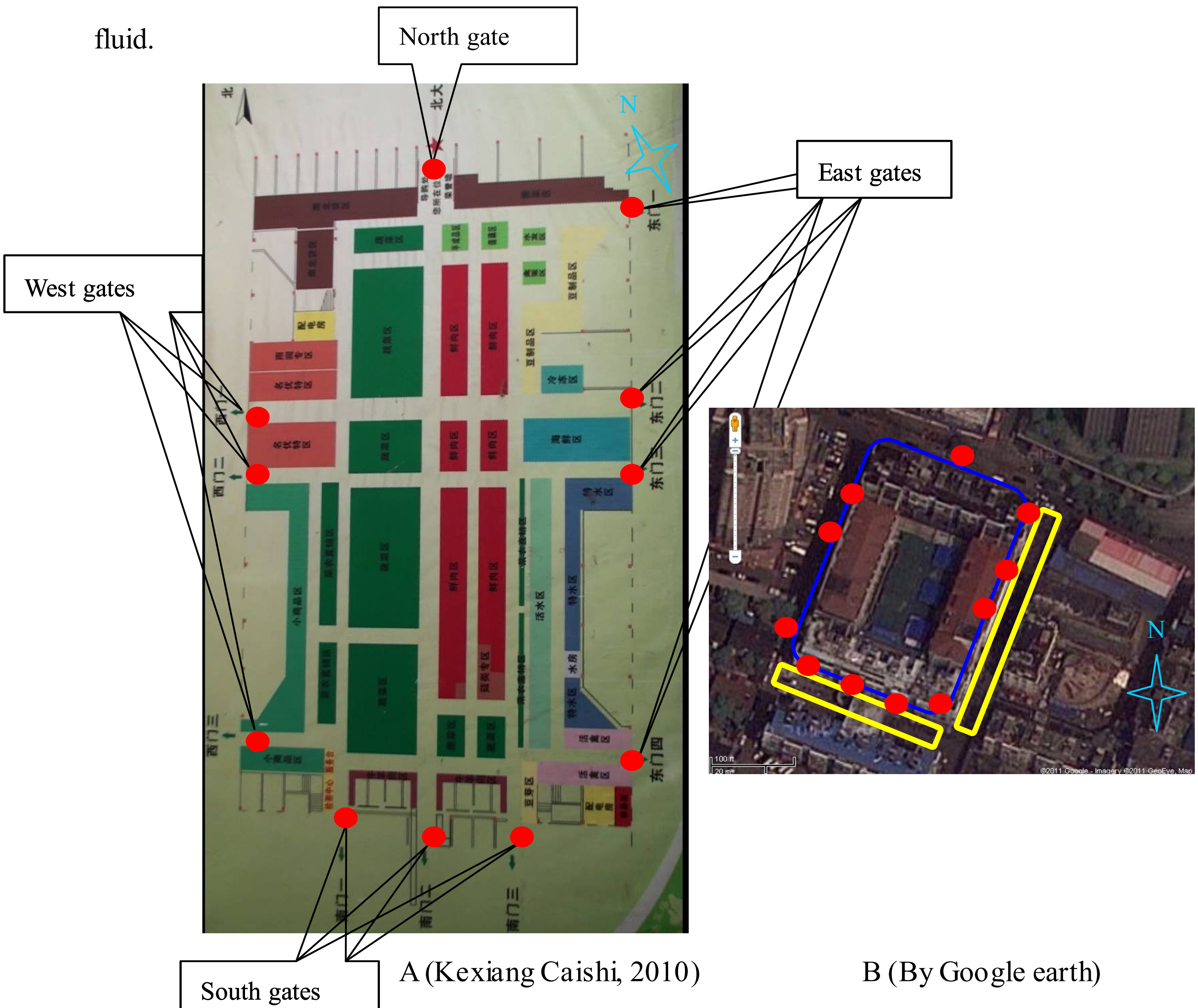
B

C

Figure 4.22 Kexiang Caishi and the surrounding area (Photo by author)

4.4.1.2 Circulation and Dimensions

The circulation in the Kexiang Caishi. This Caishi has a total of eleven doors (Figure 4.23-A and B): one door to the north facing the throughfare, three doors to the west, four to the east, and three to the south. This arrangement allows customers to enter and exit from all directions and easily get to the retailing zone they want. It is thus very convenient for customers. A floor plan of this Caishi shows the middle to be mainly dedicated to the sales of vegetables, meats and aquatic products, whereas the surrounding peripheral areas are mainly dedicated to dried foods, commodities, and deli foods (Figure 4.23-A). The living poultry area is located in the southeast corner for the reasons of smell and a sanitary environment. From all directions, the distance to the vegetables and meat zones is almost the same, and the customer can go to other zones to buy the products they need as they circle the rectangle business area, or they can choose to reach the surrounding zone from the nearest doors, and then go shop in the central part. The eleven doors and functional zone divisions make circulation in this Caishi very convenient and fluid.



A (Kexiang Caishi, 2010) B (By Google earth)

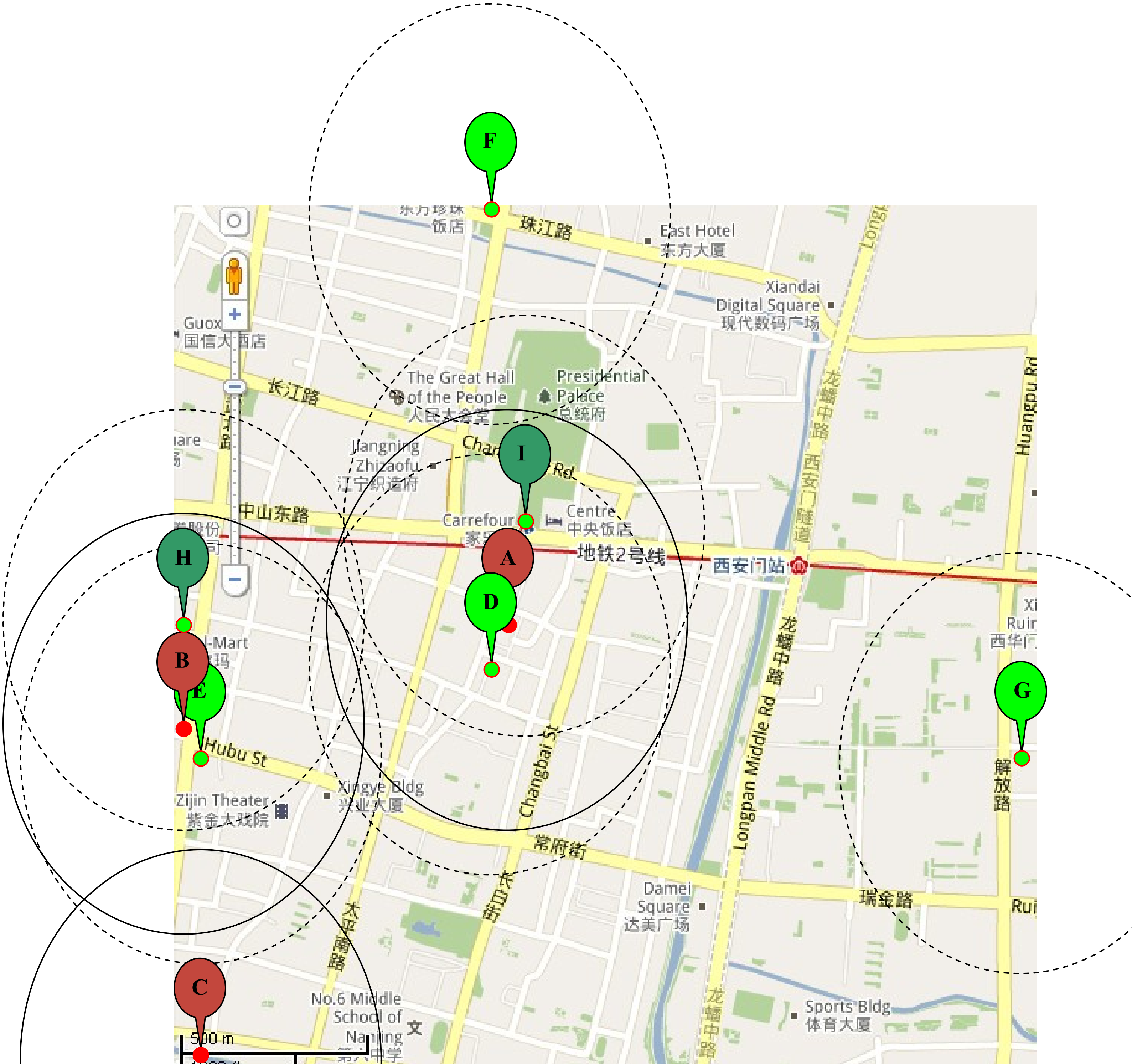
Figure 4.23 Kexiang Caishi footprint and floor plan

The dimensions of the Kexiang Caishi. The total business area was 5000 m^2 at the end of 2009. The total number of stalls in the Caishi were 370, and its annual gross revenue was 340 million Yuan RMB. The caishi's footprint (blue rectangle), doors (red dots), the nearby free Caishi street area (indicated in yellow) located in the eastern and southern residential areas of nearby settling Xiangzi, as well as the surrounding areas are shown in Figure 4.23-B. The eastern free Caishi street began from the northern thoroughfare and extended to the end of this Xiangzi. This free Caishi street, along with the southern commercial street located in a joint residential Xiangzi, encircled the Kexiang Caishi to the east and south. Many floating stalls and first floor shopfronts were set-up on either side of these two commercial streets. The retailers on these two streets mainly sold the same foods as inside the Caishi. This mixed commercial type influenced to some extent the indoor Caishi business, but it also brought diversity to the retail landscape, though it surely resulted in some environment and sanitation problems.

4.4.1.3 Spatial distribution

The geographic location of the Kexiang Caishi, and its nearest and more peripheral supermarkets and Caishi is shown in Figure 4.24. The Kexiang Caishi (A in Figure 4.24) is located in a very dense residential area, with thoroughfares around it. It is also close to Nanjing subway line 2. These geographic advantages maks it more convenience to people that live in this area. The Kexiang Caishi's retail coverage area overlaps with those of two nearby supermarkets: Suguo's Wenchang Xiang store (D in Figure 4.24) and a foreign-capital 'Carrefour' store (I in Figure 4.24). The former is closest to the Kexiang Caishi and both are to the south of Zhongshan East Road, whereas the Carrefour store is to the north of this road. Given that the Wenchang Xiang supermarket and the Kexiang Caishi are almost door-to-door from one another it is clear that this supermarket has a significant effect on the Caishi. Similarly, though the Carrefour store is situated in the opposite direction, it is still fairly near the Caishi, and a significant portion of its coverage overlaps with that of the Caishi. Consequently the Carrefour store also likely has a significant influence on the Caishi. Because of the traditional consumption habits and practices of Nanjing residents and the wide range of Nanjing people daily foods needs, a resident residing north side of the Zhongshan East Road would tend to shop at the Caishi.

North of the Kexiang Caishi, the Suguo community supermarket in Dashamao Xiang (F in Figure 4.24) shows little intersection in coverage with this Caishi, and thus has less impact as the closer supermarkets. Located to the west of the Kexiang Caishi, the Yangpi Xiang Caishi (B in Figure 4.24) shows little intersection in coverage with the former. The choice of residents in the intersecting area to go to one or the other Caishi is based on their preference, the distance from their homes to Caishi, and the foods categories and price advantages of the two Caishi. The Walmart supermarket (H in Figure 4.24) and Suguo community supermarket in Hongwu Lu (E in Figure 4.24) are similar to the Yangpi Xiang Caishi, in that they have little influence on the Kexiang Caishi. Since the Neiqiao Caishi (C in Figure 4.24) and Suguo community supermarket in Jiefan Lu (G in Figure 4.24) located to the southwest and southeast of the Caishi, show no intersection part with it, they do not have any influence on it either. From the whole map, it is evident that the Kexiang Caishi has a regional advantage over its competitors, as it occupies a very large residential area and its surrounding area does not house any Caishi of the same scale. Consequently the Keziang Caishi attracts majoritarily residents in this area or nearby residents.



Note: A: Kexiang Caishi; B: Yangpi Xiang Caishi; C: Neiqiao Caishi. D: Suguo community supermarket in Wenchang Xiang; E: Suguo community supermarket in Hongwu Lu; F: Suguo community supermarket in Dashamao Xiang; G: Suguo community supermarket in Jiefan Lu. H: Wal-Mart; I: Carrefour

Figure 4.24 Spatial distribution of the Kexiang Caishi relative to other Caishi and supermarkets. (By Google map)

4.4.2 Caixia Jie Caishi

Caixia Jie Caishi was another old formally administered Caishi located in the Qinhuai district. Though it naturally arose from this area's original residents' needs, it had been a formal Caishi since the days of the Republic of China. Before the Caishi organizational reform, it had many workers, administrators and retired workers, like the Kexiang Caishi. However, it is now under private ownership, and leases stalls to the retailers. The owner of this Caishi rehired the original administrators who worked there under the period of a state-owned economy. The upgrade program led to significant improvements in this old Caishi; however, it was nonetheless the only declining Caishi amongst the eight studied Caishi in the current work. It operates on a smaller scale than the congeneric Kexiang Caishi. The reasons for its poor performance may be found in its layout, geographic location, the morphology of this area and other variables, which will be outlined below.

4.4.2.1 Façades

The Caixia Jie Caishi is a completely indoor Caishi arranged in zones according to their function. This multi-level Caishi had three doors: two main doors to the south, one on each level (basement and first floor; Figure 4.25-A), and one door to the west on the first floor To the right of the upper south door, is another door for customers go down to the underground floor. Since this Caishi's floors do not communicate indoors, people must go out from the first floor then enter the underground floor. As a formal Caishi its brand was clearly shown above the door of the first floor.

This Caishi is located in the first floor and basement of a typical residential and commercial mixed-use building, with the upper stories being dedicated to residential housing. The commercial street passing in front of the south doors (Figure 4.25-B) exists in a residential street, where there are many shopfronts on the first floors of the residential buildings facing on this street. These shopfronts are mainly restaurants and commodities shops which do not sell food, so they have no significant influence on the Caishi. On the contrary, the nearby restaurants purchase foods at this Caishi and thus bring more revenue to the Caishi.

A

B

C

Figure 4.25 Caixiajie Caishi and the surrounding area
(Photo by author)

Opposite the south doors of the Caishi, a long bounding wall enclosed a huge traditional residential housing area (Figure 4.25-C), which, under the city government's general planning program had been demolished. However, this area had not as yet been built back up as residential buildings at the time of this study. Thus people had moved out of this area, not moved in, which greatly influenced the revenues of the nearby Caixia Jie Caishi. This is perhaps the main reason for this Caishi's decline, since the shrinking population would directly influence the consumption ability of this area's inhabitants.

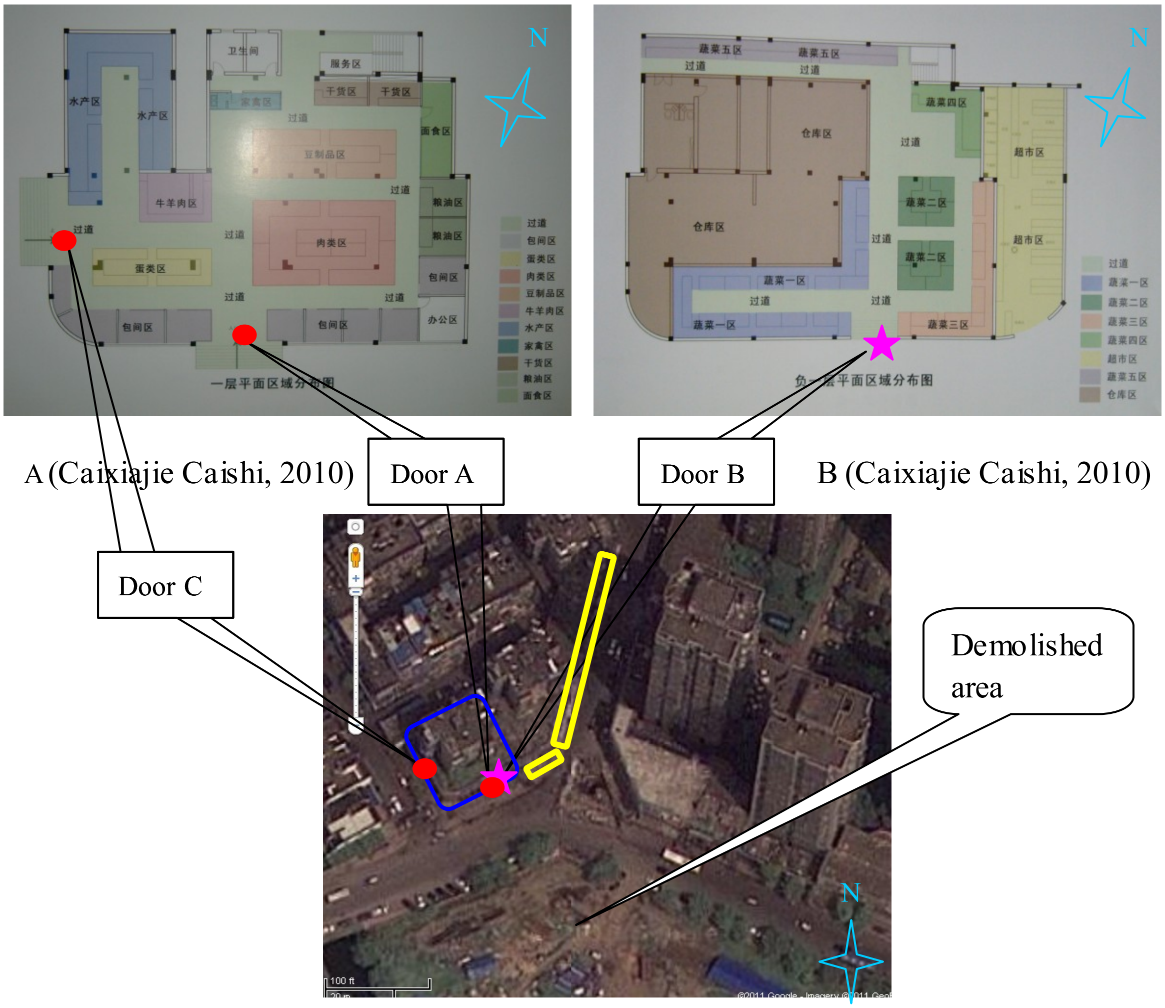
4.4.2.2 Circulation and Dimensions

The circulation in the Caixia Jie Caishi. This Caishi has two floors (first floor and basement), and three doors, two to the south, one leading to each floor, and one side door to the west (Figures 4.26-A, B and C). Figure 4.26-A shows a plan of the first floor of this Caishi, while Figure 4.26-B shows the underground portion of this Caishi. The first floor of this Caishi is mainly dedicated to the sale of meats, aquatic products, eggs, living poultry, soya products, dried foods, as well as rice and oil, all divided into different retail zones. The middle portions house the meats zones, the western portion is dedicated to aquatic products, the northern portion to living poultry, and the eastern portion to soya products, dried food and oil. The customers can reach the relevant zones directly, according to their needs. The underground portion of the Caishi mainly sells all kinds of vegetables (in five zones) and specialized commodities.

These flatplans show that people can go directly to the first floor to buy the meats and go down to the basement to buy vegetables; however, there is no internal stairway or elevator directly linking the first floor and basement. The customers can enter from a southern door to access the first floor, however, if they do not want to buy vegetables, but rather meats they can directly go in or out from the south door or the western door, according to the distance to their homes. If customers wish to buy some vegetables, they must firstly go out from the south door on the first floor, then go in from the other south door, down to the basement, from which they can only emerge by the same door. This is an inconvenient design for circulation in this Caishi. We can clearly find their location in the Figure 4.26-C.

The dimensions of the Caixia Jie Caishi. This Caishi's total business area was 2100m^2 by the end of 2009, when its total number of stalls was 88, and its annual gross revenue was 70 million RMB. The Figure 4.26-C shows this Caishi's footprint (blue square), doors (red dots and pink star), the nearby commercial area located along the northeast residential street (yellow contour), and the surrounding areas..

The Caixia Jie Caishi is located at the intersection of three streets, to the west are residential districts, to the east mainly newly built high-rise buildings, and to the south is a large empty area where traditional housing residential areas were demolished.



A (Caixiajie Caishi, 2010) B (Caixiajie Caishi, 2010)

C (By Google earth)

Figure 4.26 Caixia Jie Caishi footprint and floor plan

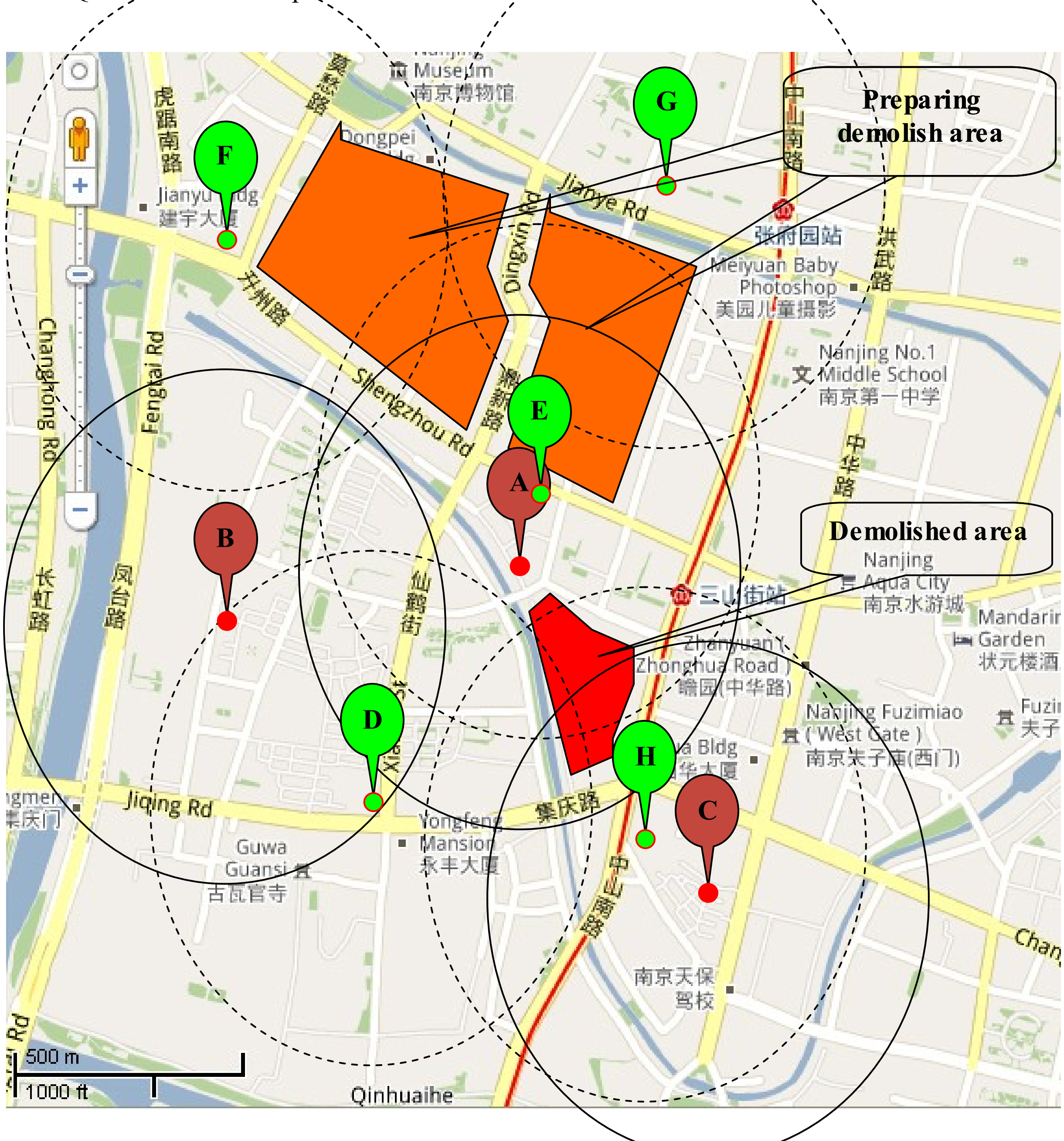
4.4.2.3 Spatial distribution

The location of the Caixia Jie Caishi (A in Figure 4.27) relative to nearby Caishi and supermarkets is shown in Figure 4.27. The nearest supermarket is the Suguo community supermarket in Shengzhou Lu (E in Figure 4.27) located just north of the Caixia Jie

Caishi. To the west of the Caishi is the Suhong Laifen Caishi (B in Figure 4.27), whose retail coverage area somewhat overlaps with that of the Caixia Jie Caishi. The Suhong Laifen Caishi has some draw on the residents of the western part of Xianhe Jie and inner Qinhuai River. To the east there is a main thoroughfare (South Zhongshang Rd.), so the residents to the east of this road will not walk across this busy road to the Caixia Jie Caishi carrying a lot of vegetables and meats when they return home, but will choose another nearby Caishi like the Suhong Xinqiao Caishi (C in Figure 4.27), if they like.

Residents in the area to the west of South Zhongshan Road would have gone to the Caixia Jie Caishi, but since the upgrading and demolition of the old city, the greater part of this area has been leveled. For example the southern part of the Yudaiyuan residential districts had been demolished, while the northern part, mainly made up of old style housing was being prepared for demolition (Figure 4.27). Consequently, many old residents near this Caishi moved away, which resulted in a drop in the level of consumption sustained by this area, and the shrinking of the Caixia Jie Caishi. While the Caishi's main customers are the residents in the Yudaiyuan residential districts and the nearby high-rises, some people living in the high-rises have middle to high incomes, and may thus choose nearby supermarkets over the Caishi.

The nearby Shengzhou Lu supermarket (E in Figure 4.27), which faces upon the Shengzhou Lu thoroughfare, has some geographical advantages. Consequently, barring a difference in food prices residents across Shengzhou road will choose to buy their food at this supermarket, and will not be willing to cross the road to go to the farther Caixia Jie Caishi, which would also involve having to go through the inner settling streets. The Suguo supermarkets in Shuixi Men, Jianye Lu and their Qiao Ning store in Zhongshan Nan Lu (F, G, H, respectively in Figure 4.27) do not have any significant influence on the Caixia Jie Caishi, but the Suguo community supermarket in Xianhe Jie (D in Figure 4.27) has some since it faces the Xianhe Jie thoroughfare and is located at the busy intersection of Xianhe street and Jiqin Lu. This attracts residents which live on the west bank of the inner Qinhuai river to shop there.



Note: A: Caixia Jie Caishi; B: Suhong Laifen Caishi; C: Suhong Xinqiao Caishi. D: Suguo community supermarket in Xianhe Jie; E: Suguo community supermarket in Shengzhou Lu; F: Suguo community supermarket in Shuixi Men; G: Suguo community supermarket in Jianye Lu; H: Suguo community supermarket Qiao Ning store in Zhongshan Nan Lu

Figure 4.27 Spatial distribution of the Caixia Jie Caishi relative to other Caishi and supermarkets. (By Google map)

4.5 Type-three: Caishi built for the residential districts

From the 1990's onward, the Nanjing government demolished large areas of traditional residential housing, and built up a lot of new multi-storey residential areas. To satisfying the food requirements of residents in these nearby residential areas, some Caishi were built from scratch to meet these needs. The following two Caishi are representatives of this kind of typical newly-built Caishi.

4.5.1 Yingbin Caishi

The Yingbin Caishi is located in the Jianye district, and was originally the site of a state-owned enterprise, which has now been transformed into a local Caishi to meet the nearby residents' food needs. It was the only Caishi that this enterprise built and also the site for trials of including a special commodities area into Nanjing Caishi.

4.5.1.1 Façades

Yingbin Caishi had common positive characteristics with the Fuzimiao Caishi and Ruijin Lu Caishi, which built sheds as the roof of a Caishi. Putting the sheds as the roof allowed this Caishi to have interior façades which met the criteria of the Nanjing main city commercial network plan of 1996. The use of sheds also had the advantages of good ventilation, no smells, good day lighting and it was in accordance with the style of the former free Caishi street type and local people's inherent thinking of Caishi should be.

The Yingbin Caishi has five doors: three main doors and two back doors. Figures 4.28-A, B, C show the three main doors which face the main north-south thoroughfare, of which the first two (Figures 4.28-A and B) are the main entrances to the Yingbin Caishi. Their brand is prominent posted above each door to tell customers that by going through the two doors they can reach the site where they can purchase their daily food supplies. Since this Caishi had area for selling all kinds of commodities, so it set up a door to directly reach this area (Figure 4.28-C).

The “Yingbin Caishi” and related “Yingbin commodities market” façades make up the landscape of this Caishi, which embodies a character of greater diversity and convenience, and being better adapted to people’s lives. Figure 4.28-D shows the area surrounding the main doors. Between the three main doors there are some shopfronts, mostly deli food shops and restaurants, which have no significant impact on the Caishi, other than perhaps bringing more profits to the Caishi. Figure 4.28-E shows the commercial landscape of the residential settling Xiangzi behind the Caishi. This was found to include shopfronts along a commercial street, mainly composed of deli food shops and small restaurants, as is the case with the front door landscape. These shops have no significant influence on this Caishi, if only a slight impact on deli foods sales inside the Caishi. The five photographs shown in Figure 4.28 allow a good visual understanding of this Caishi’s location and related retail landscape.

A B C

D E

Figure 4.28 Yingbin Caishi and the surrounding area (Photo by author)

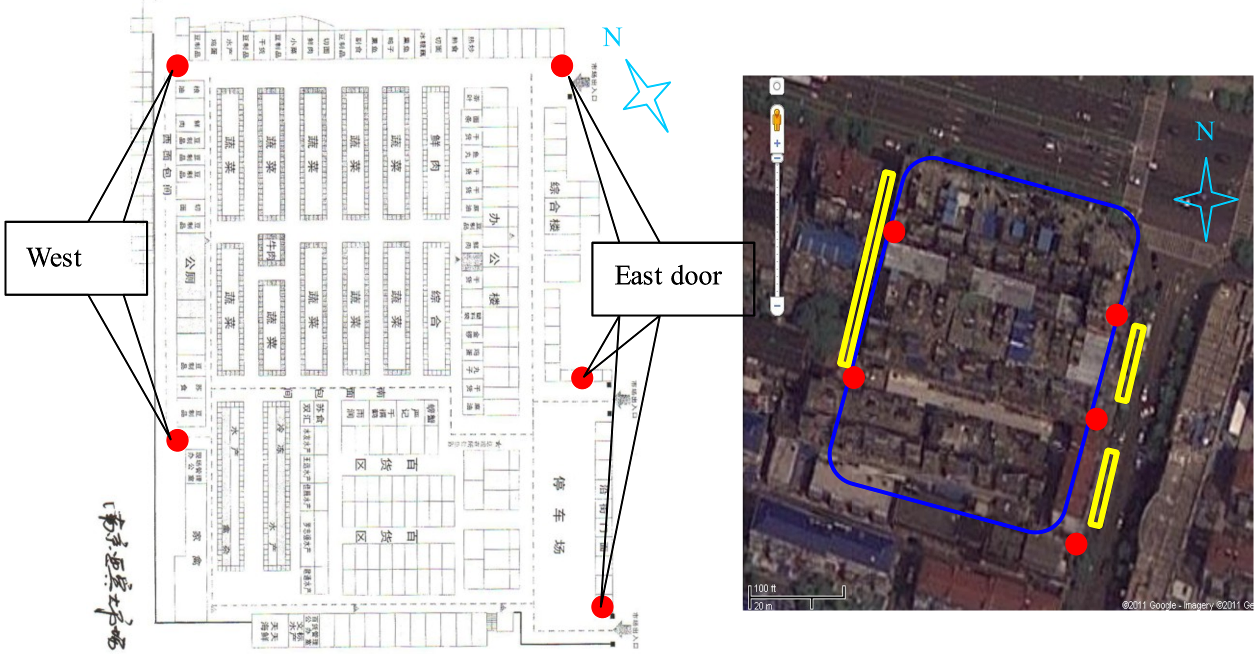
4.5.1.2 Circulation and Dimensions

The circulation in the Yingbin Caishi. The Yingbin Caishi has five doors, including three main doors on the eastern side facing on the main thoroughfare, and two western doors located at the back of a residential settling Xiangzi (Figure 4.29-A, B).

As attests the floor plan of this Caishi, most people entered the Caishi from the three main front doors since these opened on the main thoroughfare, so that the road to the Caishi was spacious and fluid (Figure 4.29-A). As for the residents which live in the residential areas behind the Caishi, they can enter the Caishi from the back doors.

This Caishi was planned and divided according to functional zones. Almost two-thirds of the area is dedicated to selling food items, while the remaining third serves as the commodities area, so people can go directly to the relevant zones to buy products according to their needs.

The areas around the Caishi are used to sell other daily foods, like rice and oil, soya products, dried foods and other deli foods. A passage reached through a centrally-located door serves to link the Caishi and commodities area, although one further door at the eastern end of the Caishi also links the two areas.



A (Yingbin Caishi, 2010)

B (By Google earth)

Figure 4.29 Yingbin Caishi footprint and floor plan

The dimensions of the Yingbin Caishi. The total business area of the Yingbin Caishi was 5800m^2 at the end of 2009, and the total number of stalls was 724. The annual gross revenue was 320 million RMB. Figure 4.29-B shows the Yingbin Caishi's footprint as a blue square of which the northernmost 2/3 is the Caishi area, and the southernmost third is the commodities area. The five red dots represent the Caishi's five doors. The three areas enclosed in yellow indicate nearby commercial landscapes, two parts on one side of the thoroughfare, and some shopfronts between each Caishi door. The other long yellow-enclosed area indicates the commercial street located to the immediate west of the Caishi in a residential settling Xiangzi. It extends from the second back door to the end of this Xiangzi. On both sides of this Xiangzi a number of shopfronts are present, predominantly restaurants and deli food shops having no significant influence on the Caishi inside.

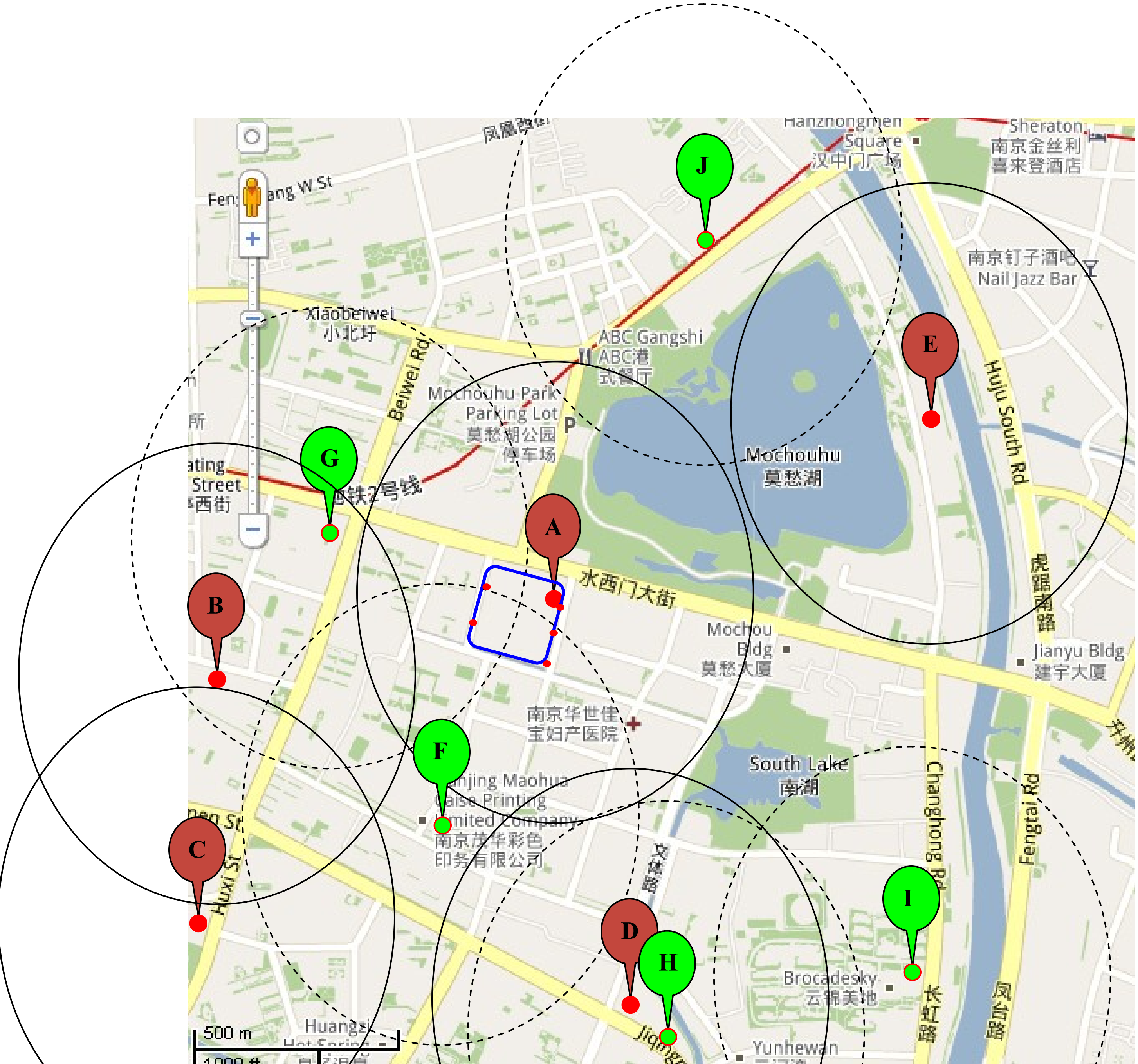
4.5.1.3 Spatial distribution

Figure 4.30 shows the spatial distribution of the Yingbin Caishi, its surrounding area, along with peripheral supermarkets and Caishi. The 'Huxi Jie' Suguo supermarket (G in Figure 4.30) is the nearest food vendor to the Caishi since the Yingbin Caishi has front doors around the location of red dot and back doors on the west side which near Huxi Jie Suguo supermarket. While a quarter of the Caishi's 500m retail coverage area radius is a park, the remainder is located in a very dense newly-built residential area.

The Huxi Jie and Yutang Dong Jie supermarkets (G and F in Figure 4.30) to the west and south of the Yingbin Caishi, respectively, show similar levels of intersection of their coverage areas with that of the Yingbin Caishi, indicating that they have some influence on the latter, and will draw customers away from it if prices are not significant different. The Chanan Caishi (B in Figure 4.30), located to the west of the Yingbin Caishi, is the smaller of the two, and their coverage areas have little overlap. Huxi street separates these two Caishi, such that residents on the east side of Huxi street are likely to buy the foods in the Yingbin Caishi, whereas those across the street would make such purchases in the Chanan Caishi. Overall the Chanan Caishi has little influence over the Yingbin Caishi.

The Yingbin Caishi's coverage area does not overlap with that of the Huxijie Caishi (C in Figure 4.30), situated to the southwest of the former, so the latter does not have any influence the former. To the northeast, across the parc, the Mochouhu East Caishi's (E in Figure 4.30) coverage area does not overlap with that of the Yingbin Caishi, so it has no impact upon it. The nearby Suguo community supermarket in Hanzhong Lu (J in Figure 4.30) has little overlap in coverage area with the Yingbin Caishi, since the intersection part is mainly the park area, so it also has no influence on it. To the south part, the large-scale Nanhu Caishi's (D in Figure 4.30) coverage area shows little overlap with that of the Yingbin Caishi, so the area's residents chose one or the other according their preferences, the distance and the price advantage that can be achieved by going to the one or the other

The Suguo supermarkets in Jiqing Men and Changhong Lu (H and I, respectively, in Figure 4.30) show no intersection in coverage area with the Yingbin Caishi, so they are not likely to have any effect on the latter. It worths mentioning here that the residents in the Suguo community supermarket in Yutang Dong Jie's coverage radius mainly go to the Yingbin and Nanhu Caishi. In fact, Yingbin Caishi took large proportion of residents in its area of coverage.



Note: A: Yingbin Caishi; B: Chanan Caishi; C: Huxijie Caishi; D: Nanhu Caishi; E: Mochouhu East Caishi. F: Suguo community supermarket in Yutang Dong Jie; G: Suguo community supermarket in Huxi Jie; H: Suguo community supermarket in Jiqing Men; I: Suguo community supermarket in Changhong Lu; J: Suguo community supermarket in Hanzhong Lu

Figure 4.30 Spatial distribution of the Yingbin Caishi relative to other Caishi and supermarkets. (By Google map)

4.5.2 Tiandun Qinhong Caishi

The Tiandun Qinhong Caishi is located in the Qinhuai district, which was mainly built to meet the shopping needs of the nearby Qinhong residential district and other nearby residential areas. The street authorities used the space near the railway to build this Caishi, which is now owned by the Tiandun group and named the Tiandun Qinhong Caishi.

4.5.2.1 Façades

Tiandun Qinhong Caishi also built sheds as the roofs to fit the local people's requirement. This Caishi had only one door (Figure 4.31-A).

Qinhong Caishi is located in a dense residential area. TheTiandun group bought it and upgraded it. Figure 4.31-A and B, showing the commercial landscape surrounding this Caishi indicates many shopfronts around this Caishi's front door, which are dedicated to the sales of breakfast, soya and flour products. Thus, the nearby commercial street has some, but not a big influence on this Caishi's revenues. The surrounding commercial landscape has brought some sanitary problems to the nearby residents and passer-bys.

Figure 4.31-C is a close-up of this Caishi's main door; if people wish to enter the Caishi, they must pass through an internal passage to reach the main Caishi area.

4.5.2.2 Circulation and Dimensions

The circulation in the Tiandun Qinhong Caishi. It is identified that this Caishi only have one door (Figure 4.32-A and B). This door faces a main thoroughfare to the South, and a railway is located on the eastern side, so the residents living to the west can directly enter the Caishi, whereas residents to the East must cross the railroad to reach the Caishi.

This Caishi's floor layout is just like a street, such that people enter the Caishi from the single main door facing the main thoroughfare (Figure 4.32-A), pass through an internal passage which housed some stalls selling dried foods and other commodities on either side, before finally reaching the main Caishi area where they can buy the products they want.

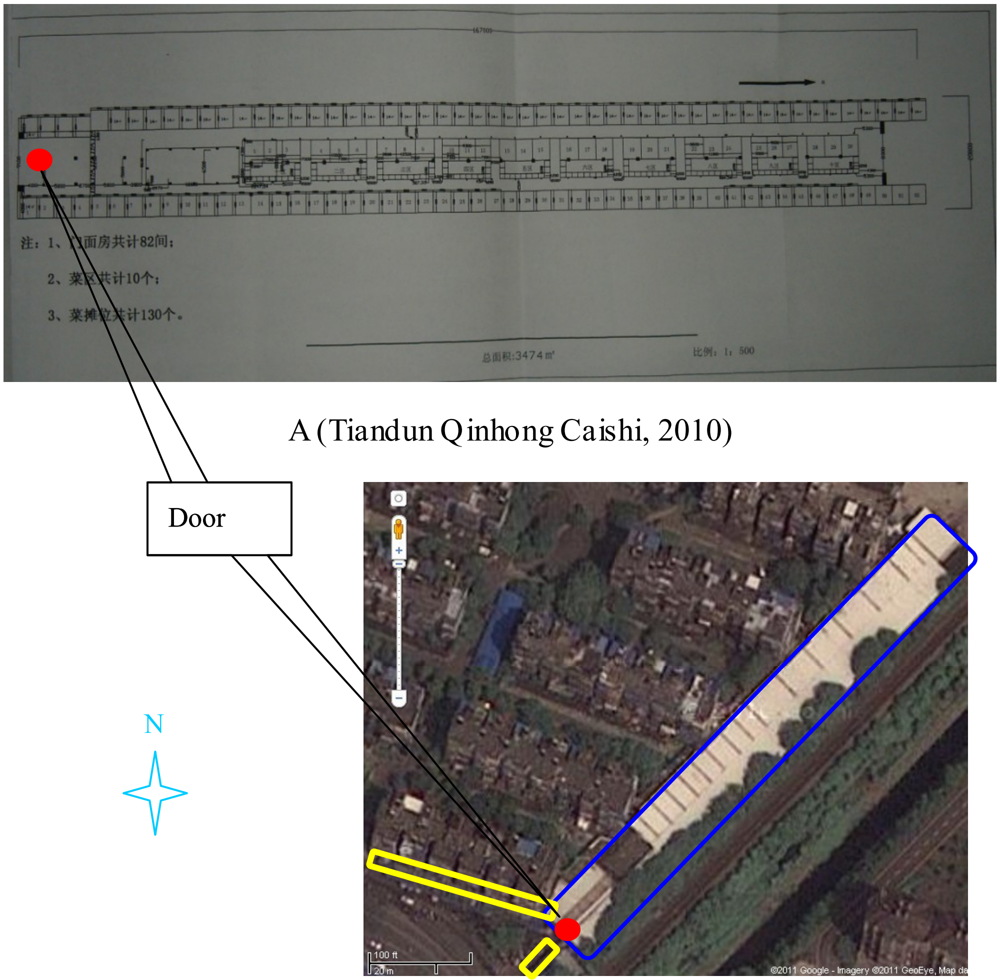
Since this Caishi only had one door, when people went from one side of the Caishi buy the foods they wish, they must need return from the other side. This circulation may force the customer to circle the full Caishi to buy everything they need, but it had some shortcoming in its design. When the customers get to the end of this Caishi and they already bought everything they want, there is no door to let them out, they must go back the same way they came in. Another potential problem is that in the case of any incidents (like fire), people do not have any other way to get out than the single door.

A

B

C

Figure 4.31 Tiandun Qinhong Caishi and the surrounding area (Photo by author)



A (Tiandun Qinhong Caishi, 2010)

B (By Google earth)

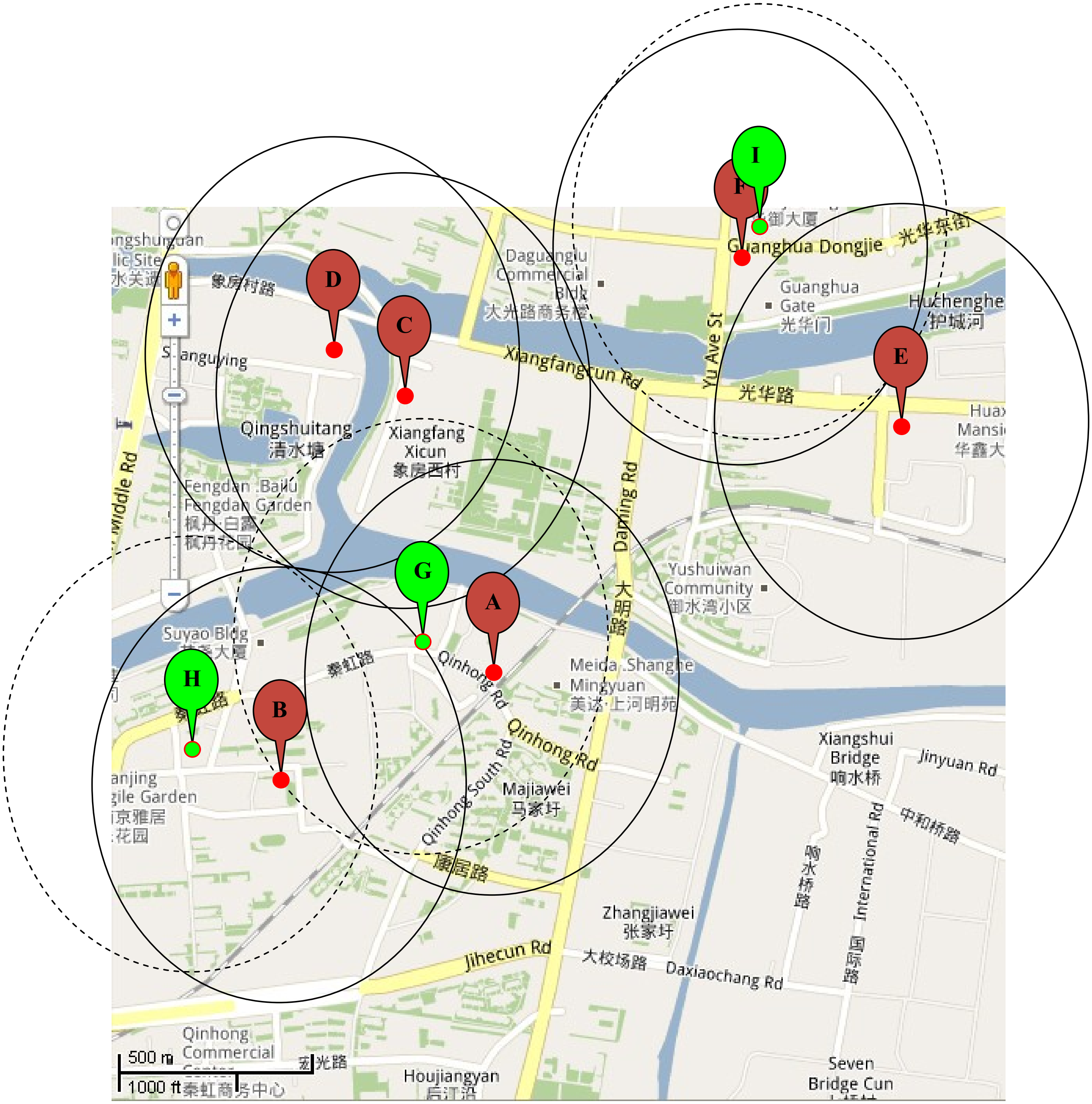
Figure 4.32 Tiandun Qinghong Caishi footprint and floor plan

The dimensions of the Tiandun Qinhong Caishi. The total business area of this Caishi was 3200m^2 at the end of 2009. Totalling145 stalls, and the Caishi's annual gross revenue was 130 million RMB. This Caishi's footprint, in the shape of an elongated rectangle (shown in blue), was located to the northwest of the railroad (Figure 4.32-B). The red dot indicates the only door into or out of the Caishi, and the two areas delineated in yellow are the nearby commercial landscape areas. The shorter yellow-delineated area shows the shopfronts located around the Caishi's main door, which mainly sell deli foods and commodities. The longer yellow-delineated area represents the commercial street which extends to the one side of the main thoroughfare to the west.

4.5.2.3 Spatial distribution

Figure 4.33 shows the spatial distribution of the Tiandun Qinhong Caishi relative to other Caishi and supermarkets in the neighbourhood. Since the nearby Suguo community supermarket in Qinhong Lu (G in Figure 4.33) has almost the same retail coverage area and service radius as the Tiandun Qinhong Caishi (A in Figure 4.33), they clearly have an influence on each other. To the southwest, the Wuding Caishi (B in Figure 4.33) intersects to some extent with the Tiandun Qinhong Caishi. Since there is a large residential area between the two Caishi, residents in this area can choose either Caishi, according to the distance from the Caishi to their homes. To some extent, the Wuding Caishi draws some customers away from the Tiandun Qinhong Caishi, as does the nearby Suguo community supermarket in Wenan Lu to both these Caishi.

To the northwest of the Tiandun Qinhong Caishi, the Shanguyin Caishi (Din Figure 4.33) and the Xiangfan Xincun Caishi (C in Figure 4.33) both have coverage areas which intersect with that of the Tiandun Qinhong Caishi. Although the Xiangfan Xincun Caishi shows some coverage overlap with the Tiandun Qinhong Caishi, but since these are separated by the Outer Qinhuai River, residents on the opposite bank of the river are unlikely to cross it to shop at the Tiandun Qinhong Caishi. The same is the case with the Shanguyin Caishi. To the northeast part, the Guanghua and Guanghua Men Caishi (E and F, respectively, in Figure 4.33), along with the Suguo community supermarket in Yudao Jie (I in Figure 4.33) have no influence on the Tiandun Qinhong Caishi, since their coverage areas do not intersect with that of the Tiandun Qinhong Caishi. To the southeast of the Tiandun Qinhong Caishi, the government has not set up any Caishi since there are few residents in this area. Consequently, the residents that do live in this area have only one choice, which is going to the Tiandun Qinhong Caishi to buy food. From this point of view, A occupies the largest mainly residential area and has the evident regional advantage.



Note: A: Tiandun Qinhong Caishi; B: Wuding Caishi; C: Xiangfan Xincun Caishi; D: Shanguyin Caishi; E: Guanghua Caishi; F: Guanghua Men Caishi; G: Suguo community supermarket in Qinhong Lu; H: Suguo community supermarket in Wenan Lu; I: Suguo community supermarket in Yudao Jie;

Figure 4.33 Spatial distribution of the Tiandun Qinhong Caishi relative to other Caishi and supermarkets. (By Google map)

4.6 Conclusions

This chapter explored the morphology, spatial distribution and spatial relationships of eight studied Caishi, their nearby supermarkets and other commercial landscape according to three main types, analyzed the impacts of nearby supermarkets on Caishi from a geographic perspective, as well as the Caishi's own arrangement and the surrounding environment's influences. This part constituted a complicated but detailed display and analysis of the Caishi under study and nearby supermarkets. The general conclusions of this study are as follows:

Table 4.1 Conclusions drawn from field surveys

	Façades	Circulation	Dimension	Spatial distribution
Fuzimiao Caishi	Kept the original free Caishi street type, and put a shed on the street to form the indoor environment.	4 doors in two Caishi streets. Kept the original street layout and area.	Total business area: 2300m^2. With shop-front houses outside the Caishi which are mainly restaurants.	The nearby Suguo Community supermarket has a significant impact on it. This Caishi also attracts residents from other districts.
Ruijin Lu Caishi	Kept the original length and areas, and put sheds as the roof to form the indoor environment.	2 doors linked the North to South. Circulation kept the original street layout and area.	Total business area: 2500m^2. A free Caishi street is connected to the back door of this Caishi.	Two nearby Suguo Community supermarkets have some impacts on it, but another nearby RT-Mart had more impact on it. The Free Caishi at the South gate had a significant impact on it. This Caishi attracted residents from other areas.
Suhong Laifeng Caishi	A completely indoor Caishi, located on the first floor of residential and commercial mixed-use building.	3 doors let people go directly to every zone.	Total business area: 3600m^2. A free Caishi street is directly connected with this Caishi.	The nearby Suguo Community supermarket had some impacts on it.

Tiandun 378 Xiang Caishi	A completely indoor Caishi, located in the basement of residential and commercial mixed-use building.	3 doors of this Caishi linked to two Xiangzi, the inside circulation to the relevant zones was convenient.	Total business area: 3000m^2. A free Caishi street is directly connected with this Caishi.	The nearby Suguo Community supermarket and the Trust-Mart had significant impacts on it. This Caishi also attracted customers from other Caishi.
Kexiang Caishi	A completely indoor Caishi, located on the first floor of a typical residential and commercial mixed-use building.	11 doors from all directions make this Caishi's circulation quite good. It is very easy to reach relevant zones.	Total business area: 5000m^2. With one free Caishi street and one commercial street directly connected to it.	The nearby Suguo Community supermarket and the Carrefour had significant impacts on it. It attracts the majority of residents in this area and of nearby areas.
Caixia Jie Caishi	A completely indoor Caishi, located on the first floor and basement of typical residential and commercial mixed-use building.	3 doors on two floors, no internal stairs between two floors, which made circulation inconvenient.	Total business area: 2100m^2. Shopfronts mainly restaurants and commodities shops outside the Caishi.	The nearby Suguo Community supermarket had significant impacts on it. The removal of old housing area in this area greatly decreased the consumption ability.
Yingbin Caishi	Built sheds on the Caishi to form the interior façades.	5 doors connected to the main thoroughfare and a residential settling Xiangzi. It was very easy to reach relevant zones.	Total business area: 5800 m^2, which including a specialized commodities area. With shopfronts on the thoroughfare, and one commercial street in the settling Xiangzi, which were mainly restaurants and deli food shops.	Two nearby Suguo Community supermarkets had some impacts on it. It catered to large proportion residents in its coverage area.
Tiandun Qinhong Caishi	Built sheds as the roof to form the interior façades.	Only one door to let residents circulate, this is a linear type Caishi, and is connected with the main thoroughfare.	Total business area: 3200m^2, With shopfronts mainly selling deli foods and commodities outside the Caishi on the thoroughfare.	The nearby Suguo Community supermarket had a significant impact on it. The nearby Caishi also has some influence on it.

Chapter 5: Results from interviews

5.1 Introduction

This chapter applied the qualitative analysis to semi-structured interviews with open-ended questions to obtain first-hand information, and allow informants' varied insights to be explored, though these views could be subjective and have personal biases, this information was still worth obtaining and analysing so as to identify dominant issues that could be examined further in the study. Interviewees' explanations and expansion upon their response to some questions can be thought of as the "empiricism" or "practical knowledge." As Scott (1998) stated: "someone with practical knowledge—experience will be interpret the results"…. "Those who do not have access to scientific methods and laboratory verification have often relied on mētis to develop rich knowledge systems that are remarkably accurate. Planner should allow people to contribute knowledge, experience and insight."

This portion of the study sought to explore the social dynamics, insights of social agents and the key social issues and attitudes regarding consumption in Caishi and nearby supermarkets, as well as the interactions between them. It focuses on the economic impacts of Caishi and supermarkets on both of them, the impacts on the material and physical layout of Caishi, as well as the impact of government policies on Caishi and nearby supermarkets, and how they may change in the future.

5.2 Methodology and questions.

A total of 12 semi-structured interviews were undertaken with individuals including Caishi administrators, retailers, supermarket manager, officers in the Nanjing and Qinhuai District Bureau of Commerce, as well as a professor in a university planning department. To protect the interviewees' anonymity and better organize the structure of this chapter, interviewees were each assigned a capital letter to represent them:

A--- An administrator at the Fuzimiao Caishi. (May 28th, 2010)

B--- A retailer at the Tiandun 378 Xiang Caishi (May 20th, 2010)

C--- An administrator at the Suhong Laifen Caishi (May 17th, 2010)

D--- An administrator at the Kexiang Caishi (May 21st, 2010)

E--- An administrator at the Yingbin Caishi (May 5th, 2010)

F--- A retailer at the Ruijing Lu Caishi (June 3rd, 2010)

G--- An administrator at the Caixia Jie Caishi (May 31st, 2010)

H--- A retailer at the Tiandun Qinghong residential district Caishi (May 11th, 2010)

I--- A manager of the Suguo Wenchang Xiang supermarket (June 2nd, 2010)

J--- A government officer at the Nanjing Bureau of Commerce (May 13th, 2010)

K--- A government officer at the Nanjing Qinhuai District Bureau of Commerce. (May 26th, 2010)

L---A professor at the Nanjing University of Technology, Architecture and Planning department. (May 27th, 2010)

All the related interview questions can be found in Appendices I, II, III. All interviews were carried out by the author. The questions were focused on (i) the economic impacts; (ii) the impacts of the building materials and physical layout of Caishi; (iii) the anticipation.

5.3 Results and discussion

5.3.1 Economic impacts on Caishi and nearby supermarkets

Economic impacts are a factor that few will ignore, when choosing between supermarkets or Caishi. Most of the time this is the first factor people will consider. In this study, the impact of economic factors became the first area of concerned.

5.3.1.1 Price impacts between Caishi and supermarket

5.3.1.1.1 People buy food in Caishi because prices are lower than in supermarkets.

The interviews showed A, B, C, E, G, H, and J to support this view.

A, B, C were in total agreement that the price advantage was the most important factor in people buying food at Caishi rather than supermarkets. Interviewee A said that the Caishi gains its price advantage from the fact that many stalls are rented to farmers, resulting in a direct distribution of the food commodity. Escaping profits gained by middleman makes prices lower, such that people choose to buy their family's daily food supplies, especially vegetables, meat, fish and seafood, in the Caishi.

E, G, H also stated the price in Caishi to be lower than in supermarkets. E mentioned his Caishi's prices were even lower than in other Caishi in Nanjing because his Caishi was located in a residential area populated by low income people, and seller in the Caishi lowered prices down to an acceptable level. G said the operational costs were lower in Caishi, and that this allowed for lower prices. H said the administrative costs, logistic costs, higher rents and even packaging fees resulted in supermarket prices exceeding those in Caishi.

J described prices in Caishi and supermarkets to be roughly the same, with the Caishi being slightly cheaper. He thought that housewives, retired people and working class people care more about saving money. As they have more time and limited money, they are more apt to choose the Caishi, which mainly sells unprocessed vegetables, and where the price is the key thing.

5.3.1.1.2 Caishi prices are higher than those in supermarkets.

Only 'I' supported this point. 'I' believed supermarkets to have their own logistic center and bulk purchase advantages, so their price were lower. 'I' proposed that the price of vegetables was decided by many factors; however, normal people do not notice this. The supermarket has some high quality, special kinds of vegetables, but the Caishi only sells the cheaper kinds. 'I' also mentioned the supermarkets change their vegetables everyday, every late afternoon they will decrease prices on vegetables to sell off all those left over. Consequently the price is then cheaper than in the Caishi. Many older or working class people like to buy their vegetables at this time. Most important is that supermarkets always have promotion products, and thus always keep some products at a low price. As everyone knows, eggs are cheaper in the supermarket than in the Caishi. Supermarkets also have member prices; they give better prices to their members and also allow customers to gather points to save. Finally 'I' mentioned that the supermarkets are fair businesses and never over-charge on weight.

5.3.1.1.3 Caishi and supermarket prices are similar, thus people do not select where to buy food based on price.

D and F support this view. Both of them mentioned the price in his Caishi to be more or less the same as in supermarkets, the difference is not much. They all mentioned many people buy foods just for convenience, there is not much price difference in Caishi or supermarket to them and the price is not the key reason that attracts people to buy food in the Caishi.

5.3.1.1.4 Some product prices are lower in Caishi and some product prices are higher in Caishi, leading some people to buy different products in different places.

"K" and "L" agreed with this view. They said that while vegetables prices may be lower in Caishi, but on-sale products in supermarket like egg, some vegetables, flour, rice, etc, prices are still lower than those in the Caishi. This situation resulted in people has different choice when buying different products, especially those groups cared more about price.

5.3.1.1.5 Supermarkets use discounted products to attract people to shop there.

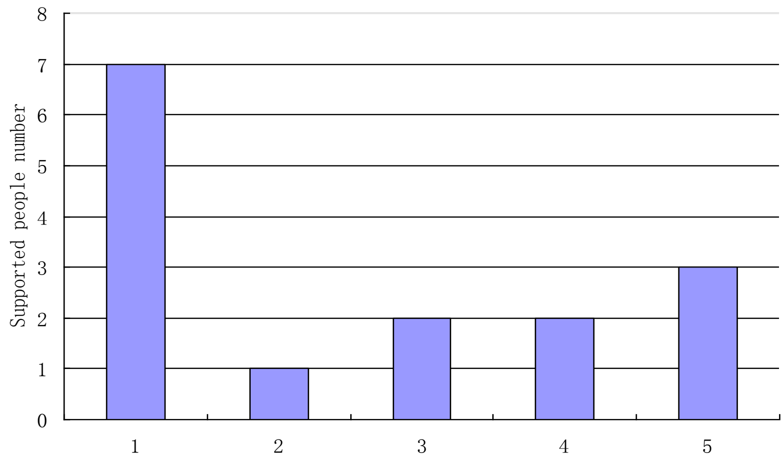
In the interview, G, J, K agreed on this point. G said that the supermarkets always have promotional activities, particularly on eggs, rice and oil, making overall prices cheaper than the Caishi. This activity attracts a lot of older people to queue in the supermarkets to buy the goods which are on sale. Obviously, they will buy some other products at the same time. J and K believed that promotion products indeed bring some people to buy some other food items in supermarkets.

5.3.1.1.6 Discussion and conclusions

Seven interviewees were of the opinion that Caishi prices were lower than those in supermarkets, which is much higher than the number of interviewees holding the contrary view (Figure 5.1).

Only 2 of 12 (*i.e.*, 17%) interviewees (D and F) held the belief that price was not main force behind where people selected to buy food products (Caishi or supermarket), whereas the remaining 10 (*i.e.*, 83%) interviewees held the contrary view. Thus, overall, price is the key variable that influences people's choice of shopping location.

Table 5.1 shows that most interviewees agreed that Caishi prices were lower than supermarket prices, two people agreed that between the two shopping sites some prices were higher and some were lower, while three people agreed that supermarkets' some products on special were sometimes prices lower than Caishi prices (Figure 5.1). Some interviewees supported two views at once (G, J, K); G and J agreed on points 1 and 5, and K agreed on points 4 and 5. This emphasized the importance of price in people's choice, indicating that most interviewees were sensitive to price, and that they always sought the cheapest products to buy.



Note:

1: Agree Caishi prices are lower than supermarkets' (A, B, C, E, G, H, J)

2: Agree Caishi prices are higher than supermarkets' (I)

3: Agree Caishi prices are the same as supermarkets' (D, F)

4: Agree some Caishi prices are lower and some higher than supermarkets' (K, L)

5: Supermarkets have some products on special at cheaper prices than Caishi (G, J, K)

Figure 5.1 Perceived differences in price between supermarkets and Caishi, including (interviewee code)

5.3.1.2 Impact of sales mode on supermarkets and Caishi

5.3.1.2.1 Supermarkets' better sales mode is why some customers select supermarkets over Caishi to buy food products.

In the interview, some people believed there were some advantages in the sales mode of supermarkets (Table 5.1) that would make customers preferentially select the supermarket.

Table 5.1 Reasons why people select supermarkets to buy food

Option	A	B	C	D	E	F	G	H	I	J	K	L
1	Y	Y	Y	Y	Y					Y		
2			Y	Y		Y	Y	Y	Y	Y		Y
3	Y							Y	Y		Y	

Note: Y= Agree

1: Supermarkets offer a better shopping environment than Caishi

2: Supermarket can supply more product categories, including commodities and other life related products, than Caishi

3: Compared to the Caishi, supermarkets are big suppliers, and can offer lower priced products and better control their quality.

In the interview, interviewees A, B, C, D, E, J agreed that supermarkets could offer a better shopping environment, an important factor in attracting customers. They all mentioned it as an important factor inciting people go to the supermarket to buy food, which is very tidy and does not have the sanitary problems of the Caishi. The fair business practices in the supermarkets are also important. D even indicated that the government's Caishi upgrade program sought to alter the Caishi environment to match that of supermarkets.

Eight interviewees (C, D, F, G, H, I, J, L) believed that the wider range of product categories in supermarkets was an important factor inciting customers to buy food in supermarkets rather than Caishi. In particular, G, H and F believed the main products sold in supermarkets to be commodities and subsidiary foodstuff, and that supermarkets used the sale of such products to drive vegetable and meat sales. Moreover, C, D and I said that for the working class, the supermarket was more convenient as they could buy everything in one-stop shopping. Interviewees J and L mentioned that some of the rich and busy people do not care about the price, time and convenience being more important to them, so the full range of products available in the supermarket is the best choice for them.

Interviewees A, H, I, K believe that supermarkets are big suppliers, so they have the ability to offer lower priced products, and the quality is easy to control. This factor can make people choose supermarkets over Caishi for their food needs. They said that supermarkets have the advantages of bulk purchasing, so no doubt they can get a lower price than the seller in Caishi, and since the purchase is stable, so the food safety is also easy to control. As 'I' specified, since the supermarket has a uniform distribution system and all the vegetables and meats are tested in the distribution center, so the price and quality are better than in the Caishi. These factors affect the attitudes of the consumer.

Half of the interviewees thought that the better shopping environment inside the supermarkets drew people to the supermarkets. Two-thirds of interviewees supported the view that the convenience of a full range of product categories was important to the people's preference. Among these interviewees, some agreed with two points at once: C, D, and J agreed on points 1 and 2. This stressed that since the Chinese people's standard of living has risen, they have higher requirements in their daily life gradually. The shopping environment and convenience are paid more and more attention by ordinary people, such that a good shopping environment and a complete range of product categories are the main elements which attract people to go to the supermarket. Only four interviewees agreed with point 3, indicating this reason is not a dominant element of interviewees' opinions.

5.3.1.2.2 The Caishi's sales mode being better than the supermarket's is why some customers choose to buy food products from the Caishi.

In the interview, some people expressed the opinion that there are some advantages in the Caishi's sales mode (Table 5.2) which may lead customers to select the Caishi.

Table 5.2 Reasons people selected Caishi to buy food

	A	B	C	D	E	F	G	H	I	J	K	L
1	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y
2	Y	Y	Y				Y	Y		Y		
3	Y						Y	Y			Y	
4		Y			Y						Y	

Note: Y= Agree

1: Caishi can offer more vegetable categories, and the vegetable is fresher than supermarket

2: More retailers in Caishi, the competence among different retailers make the vegetable price low and quality challengeable.

3: The price is lower in Caishi than supermarket because the administration fee and other cost is lower

4: People can bargain in Caishi, which is not possible in supermarket

A, B, C, D, E, F, G, H, J, K, L agreed the first point. This view got most of the interviewee's support, they all believe the category and freshness in vegetable are much better in Caishi, this is one very important factor driven the residents went to Caishi to buy food. Like A and E mentioned, many people went to Caishi just to buy the family living foods, especially vegetables, since it is fresh and complete categories, and Caishi has some peasant self plant vegetables, it is sold by peasants themselves, it is directly from the field to the counter, so it guarantees the freshness of the vegetables. C, F, G said since the retailers in Caishi is much more than supermarket, different retailers still have different supply, this situation makes Caishi have more complete categories in vegetable and bigger choice space for customers. J, L and K said Caishi is a shopping site just specified in food products, especially in vegetable, so it's not surprise you can find more vegetables in Caishi than supermarket.

"A", "B", "C", "G", "H", "J", agreed with the second view. They believe because there are more retailers in Caishi, so it is not the monopoly sale mode in Caishi, different retailers must keep the vegetable price and quality competitive, this situation make the customers have the feeling that they have more choice here and willing to select here shopping. A and B mentioned "people can ask price at all the stalls they want buy foods in Caishi, so this action made the retailers compete the price and quality by themselves". H gave another explanation that the retailers need to go to the wholesale market to choose vegetables by themselves according to their sale amount, and they will seek the cheaper price to keep their price competitive on the market. "J" proposed that since the supermarket is the uniform pricing and they do not change the price optionally, it is like the fixed price, but the retailers on the Caishi have different purchase channel and they change the price according to their own situation and will. The retailers of Caishi compete the price each other, there is one situation that is the loser will be eliminated, but it will improve the service and quality as well. This is the result of market regulation.

A, H, G, K agreed that the administration fee and other cost are lower in Caishi which make the price lower accordingly. A and H said the administration fee in Caishi is much lower than supermarket, this is one reason reduced the price in Caishi. A mentioned many peasants directly sold their products in Caishi, this action removed all the middle cost and reduced the price. H thought normally the supermarket price is higher than Caishi since it has the higher administration fee and logistics fee, the products are under packed, the rent fee is also higher than Caishi, thus resulted the higher price. G proposed that the living condition in China do not reach the developed countries level, so the Caishi operation is mainly in low cost, the price is cheaper which are the main direction. K said the products in Caishi don't have any additional fees in packaging, barcode, and the benefit expectation is also lower than supermarket, all these factors made the price lower in Caishi.

People can bargain in Caishi, which is not possible in supermarket. B even mentioned that 'people unaccustomed to bargain in the supermarkets.' B, E, K supported this point, they even said some people just like to bargain, it's a kind of consumption habit, some people feel that if they don't bargain, they will lose money. This already becomes a part of their daily life.

Table 5.2 showed that most of interviewees supported the point 1, they thought the freshness and the more vegetable categories in Caishi were the main factor make people select Caishi. Half interviewees agreed the point 2, they also thought that the competitive price and quality can drive people to go to Caishi. Only four people support point 3 and three people agreed point 4 which indicated that the point 3 and 4 were not the dominant factors to affect people's selection of Caishi. From the response of interviewees, it is found that most of people support point 1 and 2 at once which can infer that the point 1 and 2 are the main influential elements to the people's consumption practice. Some interviewees had three views at once which proposed that the point 3 and 4 are the auxiliary elements to influence people's choice sometimes. It can easily get one result from this table that is 'I' does not support any of these points, since she thought that the supermarket has more advantages than Caishi.

5.3.1.2.3. Will Caishi upgrades lead to increased prices?

Some interviewees believed prices would be higher in Caishi after their upgrade (A, B, D, G, I, J, K, and L), given the increased stall fee, but some disagreed. Interviewees A, B, D specifically quantified the stall fee increasing: "this fee increased substantially, but not more than 30%", said A. All other interviewees stated that the upgrades required financing, as did the maintenance of the new environment, and as these costs would be covered by the stall fees, in order to maintain their income, retailers would have no choice but to increase their price. Thus for this reason alone, the upgrading should increase the Caishi prices. G proposed that since the government did not pay the cost of the upgrade, increased administration fees must be imputed to the customers. Furthermore, Caishi are now administrated by the enterprises, and, as most enterprises, seek to make a profit, and their income is tied stall fees. 'I 'said the Caishi has some kind of improvements after upgrading, so the retailers would use this chance to increase prices a little bit. Regarding the stall fees, this interviewee said the Caishi might increase some administration fees.

Interviewees C, E, F, and H, disagreed on this point. Interviewee C cited numbers to show that although the stall fee increased a little bit, if one averaged this into the total sale of the products, which was not large number, the price increases arose mainly from other aspects. Interviewees E, F and H said the stall fee increase was minor, and different in each Caishi, and that this was not the main factor affecting the real price. People think the upgrades increased prices, just because this was something everybody could easily see, but this is not the case.

The Caishi upgrade program implemented in 2007 improved many aspects of Caishi and improved service to the public. Some questions arose after the upgrade, price increases being preeminent among them, and whether these were the main influence on both customers and retailers. Two thirds of interviewees agreed that prices increased after the upgrades, while the remaining third disagreed on this point.

5.3.1.3 New-built establishment in Caishi affect to the customers' food shopping site selection

The 2007 Caishi upgrades resulted in many improvements to Caishi, and affected citizen's choices about where to buy their food. The people's main points of concern were: a) the availability of processed food products; b) food safety issues; c) sanitary problems; d) the commodities available in Caishi.

5.3.1.3.1 Processed food products make Caishi more convenient than supermarkets.

Most Caishi now provide processed vegetables and meat. This kind of service make Caishi more convenient than before, and, from the food purchasing point of view, even more convenient than a supermarket. Interviewees A, B, D, F, G, J, L, C, E, and H, representing 83% of interviewees, supported this view. Interviewees A, B and G said the availability of processed vegetables in Caishi was greater than before. These kind of "prepared vegetable" are clean and ready to cook, many people just buy them and simply wash them before cooking; it is much easier than before. Interviewees D, J and F mentioned the processed meat and fish products are cleaned and even been cut, greatly saving customers' preparation and cooking time. Supermarkets also stock such "clean products", but their range of products and their freshness is less than in the Caishi.

Interviewees I and K, representing 17% of interviewees, had a different view regarding this question. They thought that supermarkets not only provided processed vegetables, but also presented a good shopping environment, with a complete range of product categories, including all life commodities, so the supermarket remained more convenient than the Caishi.

Overall 83% of interviewees thought the Caishi to be more convenient than a supermarket, while only 17% people believed the contrary. It can infer from these figures that convenience became more and more important in people's daily lives. The Caishis improved their convenience in recent years and along with other aspects this shows its advantage.

5.3.1.3.2 Food safety issues.

Food safety is an important customer concern, and interviewees' opinions were evenly split (6: 6) on the issue of whether food safety was good enough in Caishi.

Caishi managers generally think that Caishi have the advantages in terms of food safety, because the Nanjing government invested and required the Caishi to inspect vegetables and meats on a daily basis before the food could be sold. Interviewees A, B, C, D, E, F, supported this point. Interviewees A and C mentioned that the government required them to do tests every day before the retailer could start selling the products. According to them, this testing was done everyday, and this is what the supermarket didn't do. Interviewee D mentioned that all the surrounding peasants' vegetables and meats sold in the Caishi were inspected daily. Interviewee E said if any customer is concerned about a product, he just needs to take a sample to the administration office, and they will do the test for them for free. Interviewee F said that before the vegetables enter the Caishi, they already have undergone one test, and the in-Caishi test is a double check in order to confirm everything is in good condition.

Other interviewees had different opinions: interviewees G, H, I, J, K, and L thought that the supermarkets also had this kind of inspection, as they should be responsible for their food's safety and quality. Controlling this is easier in a supermarket setting. Interviewee H said that the supermarkets should have the advantage in terms of food safety. Interviewee I mentioned the supermarket's inspection is also done by qualified individuals. The quality control is done in the logistics center, and due to bulk purchasing, it is much easier to control the quality. Interviewees J and L stressed that supermarkets, because they want to strive for more customers, implement these inspections as guarantee of the product they sell.

The fact according to the interviewees' perceptions that interviewees split 50:50 as to which site had better food safety indicated that both the supermarkets and Caishi had the good food safety controls. Food safety issues are paid more and more attention to all class of people, including government officers, both Caishi and supermarket administrators, retailers in Caishi and customers. Good food safety guarantees people's daily life quality and health, which fortified people's greater safety consciousness and improved standard of living.

5.3.1.3.3 Sanitary problems and service

Sanitation is a problem every interviewee was concerned about. All interviewees believe the sanitation in supermarkets to be better than in Caishi; the concern was about how much Caishi sanitation had improved.

All but one interviewee (A, B, C, D, E, F, G, H, J, K, and L — 92% of interviewees) agreed that sanitary problems in the shopping environment and service attitudes had improved after the Caishi upgrades. Interviewee C said "the retailers used to set the stalls on the streets which caused a lot of garbage, but after the government interference, the situation improved and the street retailers are fewer than before." Interviewee D admitted that "the upgrading was useful to the Caishi, now the Caishi environment is better. The aim of the updating was to make the Caishi environment like that of the supermarket". Interviewee F said that prior to the upgrading, customers going to the Caishi had to wear rain boots, but now the sewer problems are solved, and sanitary and environmental issues are clearly better than before. Interviewees J and K said the sanitation and service attitude was much improved after the Caishi upgrading.

Interviewee I has distinctly different views on this issue, believing that the Caishi environment was still bad, as retailers threw vegetable wastes in the middle of the road, which could easily make the customers slip. Another problem this interviewee mentioned was that if you bought some bad quality food, you could not get it changed or refunded in the Caishi. In contrast, the supermarket had a special employee dedicated to taking charge of their own sanitary safety area, such that if some food safety problems arose, this person would take on the responsibility. Also people who sell instant deli foods wear the masks for sanitary reasons. This interviewee said that if the supermarket's food quality presented some problem, one could easily get the item changed or refunded, although sometimes the supermarket found it was not their problem. This interviewee also thought that the environment and service in the Caishi still could not compete with those of the supermarket.

All but one of twelve interviewees thought that the Caishi showed evident improvements in sanitary conditions after their upgrade, highlighting the fact that the upgrade program actually enhanced the hardware and software of Caishi and led Caishi to develop in a positive direction.

5.3.1.3.4 Retail mix concerns with respect to Caishi.

Some Caishi still maintained a commodities area, so the retail mix of the Caishi emerged as a concern among people. Some people think that Caishi should only sell fresh foods like vegetables, meat, while others think the Caishi should also sell other commodities.

Two thirds of interviewees (D, E, F, H, I, J, K, L) believed Caishi should have some area devoted to commodities. Interviewee D indicated that "the Caishi under her management also sold commodities besides food items, and reserved some space for commodity retailers after their 1996 update, and such sellers can survive well there. This indicates there is some need to support the presence of these commodity retailers in the Caishi." Interviewee E said that their Caishi had special areas for the retail of foods and commodities. The presence of a commodities area makes the citizen's life more convenient, so that people can buy some of the commodities they need when they buy their food. The Caishi's popularity is used to drive the commodity area, and manage the commodities market in such a way as to enhance the Caishi's upgrade and diversification.

Interviewees J, K and L thought that the mixed retail plan inside the Caishi diversified the Caishi's commercial landscape. It not only provided convenience to residents, but also adapted to some group people's needs.

Interviewees A, B, C, and G did not think that Caishi should maintain a commodities area. Interviewees A and B thought that the Caishi should be mainly focused on food, and the portion devoted to commodities is very limited. People, in their opinion, prefer buying commodities in supermarkets, which can be found anywhere. Interviewee G proposed that some Caishi have a few stalls to rent for commodities sales, but that such stalls have a negative influence.

Overall the majority of interviewees (8 of 12) believed that Caishi should keep their commodity area or stalls, since they are convenient for people. Four interviewees disagreed. The majority of interviewees supported the view that the mixed retail arrangement which emerged in Caishi made the Caishi more diversified, humanized and convenient.

5.3.1.4 Building new customers

5.3.1.4.1 Supermarket didn't affect the number of customers in the Caishi.

Interviewees C, D, and H, supported the view that the presence of a supermarket did not affect customer numbers in Caishi. Interviewee C indicated that "the number of customers in his Caishi remained more or less the same after upgrading, the number of customers was decided by the number of nearby residents, the area covered, but not the nearby supermarket". Interviewee D said that "the number of customers in her Caishi remained stable, and that no change in these numbers had occurred in or after 1996, when they moved indoors. The numbers were not affected by the construction and opening of supermarkets". Interviewee H even indicated that the number of customers had not changed since 1994.

5.3.1.4.2 Supermarkets drew away some customers, but the Caishi upgrades drew more customers back.

Interviewees A, B, E, F, J, and L supported this point. Interviewees A and B thought that the supermarkets do have an influence on local Caishi, but after their update to a better shopping environment than before, the degree of customer satisfaction rose, and the number of customers rose as well. Interviewee E did not care about the supermarket's influence, he mainly stressed that the number of customers rose after the upgrades, since the function and variety of products were improved and perfected. Interviewee F admitted that customer numbers increased and continues to do so. He stressed that it was evident that after upgrading, the Suguo supermarket's raw and fresh food sales decreased.

5.3.1.4.3 Supermarkets do take some customers from Caishi.

Interviewees C, F, G, I, J, and K, supported this point. Interviewee C admitted that the nearby supermarkets, like a Suguo community store, did have some influence on the Caishi sales, but not much, about 10-20%, certainly it does not exceed 20%. Interviewees F and G said that it was a fact that supermarkets drew away some customers. Interviewee I said the number of customers in supermarkets was the same before and after the nearby Caishi's upgrade. She thought that if the level of service of retailers in the Caishi can reach that of the supermarkets, then the supermarket might have some influence by Caishi. Interviewee K mentioned that though sometimes the Caishi did not show any change in gross revenue compared with before, the fact is that the portion of an increased population's gross revenue would be divide amongst the supermarkets.

5.3.1.4.4 Discussion

Interviewees' opinions on the change in number of customers after the construction of supermarkets and the updating of Caishi are shown in Table 5.3. Only three interviewees (C, D, and H) agreed that supermarkets had no effect on the number of customers in Caishi. Six interviewees (A, B, E, F, J and L) thought the number of Caishi clients increased after their upgrades, while six (C, F, G, I, J, and K) thought supermarkets drew clients away from Caishi, These results indicated that according to the interviewees, the number of customers in Caishi was indeed affected by the presence of supermarkets and that upgrades to Caishi drew back some customers.

Table 5.3 Changes in the number of customers in Caishi after their upgrading and the construction of supermarkets

	A	B	C	D	E	F	G	H	I	J	K	L
1			Y	Y				Y				
2	Y	Y			Y	Y				Y		Y
3			Y			Y	Y		Y	Y	Y	

Note: Y= Agree

1: Agreed that the number of Caishi customers remained the same after the construction of supermarkets

2: Agreed that the number of Caishi customers increased after the Caishi upgrades

3: Agreed that supermarkets drew some customers away from the Caishi

Among these, interviewees F and J agreed that there was both an increase in customers after the upgrades, but also that some Caishi customers were drawn away by supermarkets. The upgrades led to many improvements to the Caishi, so the number of customer increased, but the nearby supermarkets also took the customers from Caishi since the supermarkets have their own advantages. Interviewee C believed that Caishi customers remained the same after the construction of supermarkets, but also that some clients were lost to the supermarkets. He attributed the latter to the rapid urbanization of Chinese cities nowadays, explaining that the large population increase in recent years likely contributed a portion of the population drawn more to the supermarket than the Caishi.

5.3.1.5 Customers' level of income

5.3.1.5.1 Middle to high income and better educated people are more likely to choose a supermarket over a Caishi.

Interviewees A, B, C, D, G, I, K, and L supported this statement. Interviewees A and B found that more highly educated people preferred going to supermarkets, since they think that the supermarkets are fairer. They mentioned that "undergraduates accelerated the development of supermarkets" Interviewees C, G and L also indicated that the preference of supermarkets over Caishi as a place to buy food was related to the people's income and level of education. Interviewee I argued that highly educated people would care more about the shopping environment and convenience, and so choose the supermarket over the Caishi. Interviewees D and K thought that wealthy people could attain the supermarket consumption level, and that being busy, they would prefer to buy everything together in in the supermarket,

5.3.1.5.2 Working class and low-income people will choose Caishi over supermarkets.

Interviewees D, E, G, I, J, K, L agreed with this statement. Interviewee E indicated that the region he lived in was joint part of city and suburb. People living in this region were of low education and income levels, most of them being of the working class, so they cared more about low prices and hence preferred the Caishi. Interviewees D, G, I and K said that some low-income people will choose Caishi since they believe the food sold in the Caishi would be cheaper and they can bargain down the price.

5.3.1.5.3 High income people also shop at Caishi.

Interviewees C, F, H, and J were in agreement with this statement. In particular, interviewees C and F said that the Caishi upgrade improved the shopping environment and the quality of products, thus attracting all classes of people to come. Interviewees H and J indicated that shopping in Caishi was also a kind of habit to some people, even rich men who chose the Caishi. Interviewee J also admitted that sometimes too much customers paying at the same time made the payment process long and boring in Suguo supermarket, so some people choose the Caishi.

5.3.1.5.4 Low-income people especially like to buy the foods which are on-sale at the supermarket.

Interviewees A, B, C, D, H, I, K, and L agreed this statement. These interviewees thought that sometimes low income people also shop at the supermarket, but that they go to there mainly for foods which are on-sale or part of some promotion. The promotion foods which they usually purchase are eggs, cabbages, rice, etc, and the discounted vegetables which are sold in the late afternoon. As interviewee K said, supermarkets attracted a lot of low income people stand in line to buy foods on promotion. Interviewee I mentioned that supermarkets will offer one to two such promotion foods to attract this kind of people and hope to drive the sale of other products, but actually, this kind of people mainly aim at the promotion foods and most of them mainly buy this kind of foods.

5.3.1.5.5 Discussion

People's income level seems to influence their choice of where to buy their daily foods (Table 5.4). Seven of twelve interviewees (A, B, C, D, I, K, and L), thought that high income level people were more likely to choose to shop in supermarkets, and that low income people would choose the supermarket only for its promotion products. A similar proportion of interviewees (D, E, G, I, J, K, and L) agreed that the low income people were more likely to shop at Caishi. Thus it was the interviewees' opinion that under most situations, the Caishi's prosperity and development was related to the nearby residents' income level. The fact that interviewees D, I, K, and L supported all the above enumerated statements (i.e., 1, 2 and 4 in Table 5.4), and G supported the first two accentuated my hypothesis that consumption behavior was related to income, since this dictated their affordability. In spite of these opinions, there still were some people who mentioned that Caishi attracted some high income people to shopping there, based on the Caishi's advantages over supermarkets.

Table 5.4 Customer income level and locations of food purchase

	A	B	C	D	E	F	G	H	I	J	K	L
1	Y	Y	Y	Y			Y		Y		Y	Y
2				Y	Y		Y		Y	Y	Y	Y
3			Y			Y		Y		Y		
4	Y	Y	Y	Y				Y	Y		Y	Y

Note: Y= Agree

1: Agree that middle to high income and better educated people will choose supermarkets over Caishi to buy food

2: Agree that the working class and low-income people will more choose Caishi over supermarkets to buy food

3: Agree that high income people also buy food at Caishi on some occasions

4: Agree that low income people also buy food at supermarket, especially for products which are on-sale

5.3.1.6 Impacts of the age, culture, social groups and consumption habits on the selection of the site of consumption

5.3.1.6.1 Age effects on shopping habits.

Older Nanjing citizens tend to shop at the Caishi. All interviewees supported this statement (Table 5.5). In particular, interviewees A and B thought that the older people will be more likely to choose the Caishi to buy food, and that they normally go to the Caishi in the morning. Interviewee C proposed that old people like to shop at Caishi because the Caishi has fresher vegetables. Interviewee E stressed that his Caishi's area had many old people, who liked the busy, original type of vegetable and meat market and were more concern about the money, so the Caishi satisfied their needs. Interviewee F thought that the older people of Nanjing liked to go to Caishi because they felt that shopping at the Caishi was a way of keeping in contact with the life of the community.

Interviewee G indicated that people aged age 50-60 liked to shop at the Caishi because older people care more about prices, like to compare prices, and to bargain down the price. Interviewees I, J, K and L thought that old people liked to go to Caishi because of their old conceptions and habits.

Some interviewees believed that middle-aged people also liked to buy food from Caishi, but still had to buy some foods from the supermarket. Interviewees C, I, and K agreed with this statement. Interviewees C and I mentioned that those above age 40 seldom bought vegetables in the supermarket, since Caishi had the price advantage, though sometimes they would buy some food on promotion in the supermarket. Interviewee K proposed that these people go to the Caishi mainly for the vegetables, fishes and meats, that they buy different products in different places.

Interviewees A, B, C, G, H, K, and L indicated that young people would choose to shop in supermarkets rather than Caishi, though they still shop at the Caishi sometimes. Interviewees C and K thought those under or about 30 would tend to shop at the supermarkets since they have high requirements in terms of the shopping environment. Interviewees G and L said that young people age (below 30) are likely to go shop at the supermarket, since young people and old people has a different awareness of the value of money and different consumption habits. The young people bought something according to their needs, whereas old people would compare prices and choose the cheapest.

Table 5.5 Customer age level and sites of food purchase

	A	B	C	D	E	F	G	H	I	J	K	L
1	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2		Y	Y		Y	Y	Y		Y		Y	
3	Y	Y	Y	Y			Y	Y		Y	Y	Y

Note: Y= Agree

1: Agree that old people are more likely to buy food from a Caishi

2: Agree that middle-aged people are more likely to buy food from Caishi, though they sometimes buy from a supermarket

3: Agree that young people are more likely to buy food at a supermarket, though they sometimes buy food from a Caishi

Table 5.5 summarizes the interviewees' views on the influence of a customer's age on their choice of shopping site and consumption behavior. All interviewees agreed that old people are more likely to buy their food at a Caishi than at a supermarket. Seven interviewees mentioned that middle aged people go to Caishi more often, but sometimes choose the supermarket since they have accepted the new mode supermarket better than older people, and the way they buy different thing in different place indicating that they can make use of both the Caishi and the supermarket's advantages. Young people prefer the newer shopping mode, so they prefer the supermarket. Nine interviewees agreed that young people became the mainstream customers of the supermarket, suggesting that in the long run, the Caishi may be gradually replaced by the supermarkets, when the today's young people replaces their parents and becomes the main consumption group. Nine interviewees agreed with both the old-Caishi and young-supermarket statements. In particular, interviewees B, C, G, and K agree with all the point listed in Table 5.5, thus divided consumers into different groups according to their age and related difference in consumption habits and behaviours.

5.3.1.6.2 Busy working people will choose to shop in a supermarket to save time.

Interviewees C, I, J, K, and L supported this statement, and all mentioned about the time saved. Since supermarkets have a greater number of product categories, people who are very busy will mostly consider the time they must spend on shopping. As interviewee I indicated, the vegetable company will distribute some vegetables in the afternoon for this type of people. The busy working people like the good quality, good brands, more expensive foods and processed vegetables. They purchase a lot of products, not only vegetables and meats, but also other commodities. Interviewee J mentioned that to busy people, time is very precious, they do not care for the category difference of foods, so they will choose the supermarket.

5.3.1.6.3 The impact of the inherent thinking.

Some people are always self-opinionated, thinking that "Caishi is the first place to choose for buying food, and supermarkets are more expensive than Caishi", although sometimes it is not the case. Interviewees C, D, E, I, and K supported this statement. Interviewees C and D thought that Nanjing citizens were used to going to Caishi every day to buy their fresh vegetables and meats, and they think that vegetables are always cheaper in Caishi than in supermarkets. Interviewee E mentioned that most native Nanjing people had an inherent style of life and habits, and like the original Caishi type. Interviewee I stressed that traditional behaviour was not the case, but rather that some Caishi retailers falsified the weight and over-charged customers on weight, so that Caishi prices were not always the cheapest.

5.3.2 Impacts of the building materials and physical layout of the Caishi

5.3.2.1 Morphological transformation in Caishi and their impacts.

All the interviewees mentioned one important point regarding the Caishi-related policies of the Nanjing government, particularly the policy that the Caishi should move from outside to indoors (see chapter 3.4.1). This was a big transformation on the set-up of Caishi. All interviewees believed that moving indoors was an improvement from the prior situation since it was cleaner, more organized and easier to administer. People can easily find the relevant areas to buy the foods they want, and are guided by the floor plan of the Caishi.

More detail information about the morphology of the Caishi under study can be found in section 4.2.

5.3.2.2 Distance to Caishi and geography convenience of consumption.

All the interviewees mentioned that the distance to the supermarkets and to the Caishi are more or less the same, so accessibility is convenient to both of them. The cover radius for both the Caishi and supermarkets is 500 m, and one Caishi is paired to a supermarket to serve nearby residential districts. (See chapter 3.4.2 for relevant policy)

Chapter 4.3 to 4.5 gives more detailed information about the Caishi under study and their surrounding areas, and also presents the spatial relation of Caishi to nearby supermarkets.

5.3.2.3 Building environment upgrading

Every Caishi went through several small upgrades before, like the related affiliate establishments update, small-scale shed repairs (as interviewee H mentioned), and some other improvements which were done by each Caishi separately, according to their needs. Comparatively, the recent large upgrade ordered by the Nanjing Bureau of Commerce in 2007 regulated several aspects of the upgrades, as interviewee J pointed out: 1) Construction fabric was renewed. 2) Counters were rebuilt. 3) Drain and water supply systems were installed, 4) Walkway, floor and internal spatial distribution are renewed. 5) Electronic balances were installed 6) Living poultry slaughter and sale are moved from the open space to a closed space.

All the interviewees agreed that this upgrading program was good for the Caishi's development and made the Caishi better than before. According to interviewees D, E, J and K, detailed descriptions of the upgrades are outlined below.

5.3.2.3.1 Construction fabric is renewed

From the steel column structure to the permanent brick wall, the material of shed's roof was changed, since the materials used before were not good and had some weakness in firmness, letting through daylight and ventilation. The new material is glass steel tile which is a flame-retardant material

Figure 5.2 shows the shed material and the wall before and after updating. It is evident the material of the shed evidently better than before, it now uses glass steel tile, so natural lighting is improved and it is safer than before. Before updating, the wall was obsolete, now the wall holds the white brick, so the total environment gives the customer the impression of being spacious and bright.

A: Before B: After

Figure 5.2 Changes in roofs and wall (Yingbin Caishi, 2007)

5.3.2.3.2 Counters are rebuilt

Figure 5.3 to Figure 5.7 show how the vegetable, fresh meat, frozen fish, live fish, soy products and deli food counters were upgraded when the Caishi were updated. Prior to the upgrade, vegetables, meat, and fish were placed in a scattered stack on counters, which were by bricks. After the upgrade, the counters were made of ceramic tile, and product was arranged more neatly. Besides this, the frozen fish counter now put ice on top of counter, and pile the fish on it, so the fish could be kept fresh in the summer. The live fish counter used a fixed glass pool instead of the previous floating plastic basin. Soya products and cooked foods were moved into separate rooms, keeping these kinds of foods isolated from other raw foods and more sanitary than before. By rebuilding the counters, the establishment and sanitation was much improved and the change can easily be seen from before to after the upgrade.

A: Before B: After

Figure 5.3 Counter change 1: Vegetable (Yingbin Caishi, 2007)

A: Before B: After

Figure 5.4 Counter change 2: fresh meat (Yingbin Caishi, 2007)

A: Before B: After

Figure 5.5 Counter change 3: frozen fish. (Yingbin Caishi, 2007)

A: Before B: After

Figure 5.6 Counter change 4: live fish. (Yingbin Caishi, 2007)

A: Before B: After

Figure 5.7 Counter change 5: Soya products, deli foods (Yingbin Caishi, 2007)

5.3.2.3.3 Live poultry slaughter and sales are moved from the open space to a closed space.

Figure 5.8 shows how prior to the upgrade the slaughter and sale of poultry was in an open space, where the smell was unbearable, and feathers and poultry excrement were everywhere on the floor. This caused serious sanitation problems and a poor overall environment. After the upgrade, the living poultry areas are divided into closed spaces, equipped with exhaust fans which ventilate the smell outdoors. Thus, sanitation and the overall environment have clearly improved.

A: Before B: After

Figure 5.8 Live poultry area (Kexiang Caishi, 2007)

5.3.2.3.4 Walkway, floor and internal spatial distribution are rearranged.

Figure 5.9 shows the upgrading of the walkways. Before the Caishi upgrade, the meat zone, vegetable zone and fish zone were mixed together, such that the walkway was congested with many people. This gave everyone an impression of messiness and poor organization. During the upgrade, the floors were repaved. Figure 5.10 shows the workers repaving the floor of a Caishi to the better ceramic bricks, which make the floor cleaner, brighter and easier to clean than before. Caishi introduced an administration by zones, with the sales of vegetables, fish and meats being divided into different zones. With a guide map of the flat layout, people can easily reach the relevant zones to buy their foods. From the general view of this planform, it is cleaner, organized, orderly, more spacious, and not as crowded as before.

A: Before B: After

Figure 5.9 Walkway (Yingbin Caishi, 2007)

Figure 5.10 Floor is replaced. (Yingbin Caishi, 2007)

5.3.2.3.5 Drain and water supply systems are rebuilt

Figure 5.11 shows how Caishi did not have a drainage system before their upgrades. The floors were flooded with a lot of dirty water everywhere, so people who went to Caishi needed to wear their rain boots. At the live fish counter, a middle aged woman stands on a brick step to select fish, showing that the drainage system problem was the first problem that Caishi had to solve. After the upgrade, the drain and water supply systems were rebuilt. The drain system was installed on each side of the walkway, and near the fish counter, the drain system runs near the counter, so the water from the live fish pool runs directly into the drain. The floor was obviously not as wet as before, and cleanliness was embodied everywhere.

A: Before B: After

Figure 5.11 Drain system installed. (Yingbin Caishi, 2007)

5.3.2.3.6 Electronic balances are applied.

A: Before B: After

Figure 5.12 Balances are changed. (Yingbin Caishi, 2007)

As shown in the Figure 5.12, prior to the upgrades, Caishi retailers used a steelyard balance to weight. The steelyard has the problem of easily being able to falsify the weight and was not fair to customers. After updating, all the balances in Caishi were changed to electronic balances and administrators check the accuracy of the balances by periodic inspection. This avoided retailers cheating on the weight and made the Caishi fairer than before.

5.3.2.3.7 Administration office

Figure 5.13 shows an administrative office in a Caishi. Nowadays all Caishi are required to have this kind of administration office. The role of people who work in the office includes checking the weight of products, check for pesticide residues on the vegetables, market management, handling complaints and so on; it supervises the retailers in the Caishi.

Figure 5.13 Administration office (Yingbin Caishi, 2007)

5.3.3 Anticipation

5.3.3.1 Caishi will not be replaced by supermarkets.

Interviewees C, D, E, F, G, H, J, K, L agreed that Caishi will not be replaced by supermarkets. In particular, interviewees C and D thought that the Caishi cannot be replaced by the supermarkets and may remain under their current situation or probably reach the supermarket level in the future. Interviewees E and G believed that the Caishi would tend towards the supermarket's style, as a type of "Caishi plus supermarket," which would use the Caishi sales mode plus the supermarket setting; this type of Caishi would not be replaced by the supermarket. Interviewees J and L proposed that the Caishi and the supermarkets would coexist and co-develop with each other in the next 20 years since they have their niche for survival and are adapted to different groups. They will compete with each other, the Caishi will be updated continually and may turn into a "Caishi plus supermarket" which would bring more profits and function in parallel with the supermarket in the long run. Another point the interviewees make is that Chinese agriculture production is not standardized and no cold chain exists, so the supermarket cannot link with it. The distance to a complete industrialization and contract style enterprise is still far away. Interviewee K stressed that the economy and prices are still the main factors for the Caishi to coexist with the supermarket.

5.3.3.2 The supermarkets will replace the Caishi in the future.

Interviewees A, B, and I supported this statement. Interviewees A and B thought that the Caishi cannot be replaced in the short run, since if one were to put all the Caishi functions into the supermarkets, the supermarkets would have to be huge. However, these interviewees maintain that the Caishi will probably be replaced someday in the future because of the change of consumption habits of mainstream people and the improvements in living standards. Interviewee I mentioned that the Caishi coexists with the supermarket now, but the supermarket will replace the Caishi in the end since the supermarket will continually improve their services, food quality and the prices. This interviewee proposed that after two generations, the people will no longer consider going to the Caishi since their parents will have chosen the supermarket to buy their food.

Overall 75% of interviewees thought that Caishi would not be replaced by supermarkets in the future, while 25% thought the contrary. From interviewees' comments, we can assert that Caishi are very important in the lives of Nanjing's citizens and currently occupy an important position in their daily lives, and hence cannot be easily replaced. The reasons most interviewees thought Caishi could not be replaced were people's consumption habits, the price advantage, vegetable quality, and the fact that

Caishi will be given regular upgrades to improve the hardware and software. So in the long term, Caishi may be reach the level of present day supermarkets, and satisfy the people's greater requirements at that time.

5.4 Conclusions

From these interviews it can be concluded that:

Most people agree Caishi prices are lower than in supermarkets and this is one important factor as to why people choose the Caishi to buy food. The fact that Caishi can offer more categories and fresher vegetables is another important reason why people select it. Most of the people think the sales mode in supermarkets is better than that in Caishi, including the shopping environment and fuller range of products. On the other hand, most of the interviewees believed that product prices in Caishi were affected by the upgrading, and Caishi's processed vegetable and other related services were more convenient than those in supermarkets. Both Caishi and supermarkets have good food quality inspection. The Caishi's sanitation was very much improved by the 2007 upgrades. Regarding the retail mix, most interviewees think Caishi should maintain some commodity area. The customer number in Caishi is strongly affected by nearby supermarkets; however, Caishi's upgrades allowed them to draw back many customers.

According to the survey interviewees, the customers' income and education level affect their choice of where to buy food. Most interviewees thought middle to high income and better educated people would choose the supermarket over the Caishi; while working class and low-income people would choose the Caishi over the supermarket. Regarding the effect of age on the selection of shopping site, all the interviewees thought that older Nanjing citizens tended to shop at the Caishi, while middle-aged people also liked to buy food from Caishi, but would still buy some foods from supermarkets, i.e., they would buy different products in different places. Finally, young people would choose supermarkets over Caishi.

The recent upgrading and transformation of the Caishi had a positive impact on citizens' acceptance and satisfaction with Caishi. Most of the upgrades improved the Caishi's appearance and function, which let Caishi attract more customers. Most interviewees (75%) thought that Caishi would not be replaced by supermarkets in the future and thus co-exist with them.

In short, Caishi have already become an important part of the lives of Nanjing's citizens. Faced with a newly emerging commercial landscape — supermarket competition — the series of improvements that the Caishi adopted allowed them to survive from competition and better service nearby residents.

Chapter 6 Questionnaire survey

6.1 Introduction

The term 'questionnaire' is often used to describe a set of questions administered face-to-face or by telephone in the form of a structured interview. The function of a questionnaire is measurement. What a questionnaire measures depends on the issues under investigation, the aims of the study, and the research design (Oppenheim, 1992).

Our study of Caishi and how they compete with supermarkets in Nanjing was undertaken through semi-structured interviews of a group of government officers, Caishi administrators, supermarket managers and university professors. These interviews allowed us to acquire some qualitative information and drew forth information about Caishi-supermarket interactions and people's choices and consumption practices. The questionnaire presented here was designed to provide an in depth investigation into people's opinions regarding Caishi and supermarkets. Obtaining quantitative information and first-hand data is necessary to a thorough analysis and the accurate development of statistics and interpretations which can elucidate different groups' thoughts, selection processes and practices with regard to Caishi and supermarkets.

6.2 Methodology and questions.

The survey was conceived to collect quantitative data through which to examine the results of interviews. All surveys were conducted face-to-face in the study areas. The surveys were carried out by the author. Sampling was completely random, the target respondents were people over the age of 18, walking or strolling through the study area, most people lived in the studied area or nearby.

The questionnaire consisted of seven sections, dealing respectively with:

1) Demographic information,

2) The relationship and reciprocity among residents, Caishi and supermarket,

3) The economic factors,

4) Effect of consumption habits and practices,

5) General estimation of Caishi *vs.* supermarkets,

6) Transportation methods to access the shopping site, and

7) The impact, perception and the anticipation of Caishi *vs.* supermarkets.

The questionnaire was translated into both English and Chinese, and was reviewed and approved by Concordia University's Ethics Department. Questionnaires printed in China used the Chinese version.

All the questions were multiple choices, so people could select more than two choices for a same question.

Appendix IV shows the questions for the Caishi questionnaires and is followed by the Chinese translation. Appendix V shows the questions for the supermarket questionnaires, followed by the Chinese translation. This chapter adopted descriptive statistics to do comparison and analysis. A total of 207 respondents from eight Caishi and 110 respondents from eight supermarkets located in near vicinity of the former Caishi provided answers to the questionnaires. Between 24 and 28 questionnaires were collected in each Caishi (the precise distribution was: 24:25:26:26:28:27:25:26). The eight community supermarkets surveyed are chain supermarkets that belong to the Suguo group. In total 110 respondents responded to the questionnaire, each supermarket producing between 13 and 15 (the precise distribution was: 13:14:13:14:14:13:15:14). The small sample in each of the study sites is obviously a limitation, but such a sampling approach was adopted in order to get a general sense of the perceptions of the supermarkets and Caishi customers respectively. All the premises surveyed are located within the same sector in the city of Nanjing, and although less statistically probing the aggregated results are believed to provide a good overview of the local customers' perceptions. Due to the aforementioned limitations, the research limits itself to a descriptive statistical treatment of the data collected by the surveys. All responses were collected in an MS-Excel 2003 file for further analysis.

A comparative analysis of the percentage of respondents from supermarkets and Caishi, according to the seven sections of the questionnaires were made using Excel 2003. This led to the creation of a conclusion of this part, which indicated the factors that decided people's attitudes, consumption practices, choices, and trends of Caishi and supermarkets, as well as embodied the influence of policies and the impact of new commercial landscapes.

6.3 Results and discussion

Data from 207 questionnaires gathered in the eight targeted Caishi (Tables 6.1, 6.2), and 110 questionnaires collected in the nearby supermarkets (Tables 6.3, 6.4), show both the total number of people for each answer (Tables 6.1, 6.3) and the percentage of each answer for a given question (Tables 6.2, 6.4).

Since all the questions are multiple choices, people may select more than two choices in a same question. Thus the total number of answers may exceed the number of respondents. For example, the total number of answers for questions 11 and 12 in the Caishi questionnaire were 279 and 399, respectively, with only 207 respondents (Table 6.1). Similarly, for the supermarket questionnaire's questions 11 and 12, the total numbers of answers were 180 and 270, exceeding the 110 respondents.

Table 6.1 The number of the people for each selection of the Caishi questionnaire

Questions	a	b	c	d	e	f	Total
1	96	111					207
2	15	30	48	60	42	12	207
3	30	42	81	45	6	3	207
4	15	45	99	48			207
5	159	27	21				207
6	45	42	30	90			207
7	21	81	15	51	33	6	207
8	30	57	39	42	33	6	207
9	126	171	3				300
10	57	84	42	24			207
11	63	159	36	21			279
12	198	153	24	18	3	3	399
13	60	147					207
14	102	9	36	60			207
15	12	147	48				207
16	99	6	102				207
17	60	147					207
18	45	162					207
19	141	66					207
20	75	66	51	15			207
21	186	21					207
22	162	3	12	69			246
23	102	105					207
24	84	12	24	6	3		129
25	108	99					207
26	45	12	150				207
27	183	33	15	39	42		312
28	204	3					207

Table 6.2 Statistics for the Caishi questionnaire (%)

Questions	a	b	c	d	e	f	Total
1	46.4	53.6					100
2	7.2	14.5	23.2	29.0	20.3	5.8	100
3	14.5	20.3	39.1	21.7	2.9	1.4	100
4	7.2	21.7	47.8	23.2			100
5	76.8	13.0	10.1				100
6	21.7	20.3	14.5	43.5			100
7	12.6	39.1	4.8	24.6	15.9	2.9	100
8	14.5	27.5	26.1	15.9	13.0	2.9	100
9	42.0	57.0	1.0				100
10	27.5	40.6	20.3	11.6			100
11	22.6	57.0	12.9	7.5			100
12	49.6	38.3	6.0	4.5	0.8	0.8	100
13	29.0	71.0					100
14	49.3	4.3	17.4	29.0			100
15	5.8	71.0	23.2				100
16	47.8	2.9	49.3				100
17	29.0	71.0					100
18	21.7	78.3					100
19	68.1	31.9					100
20	36.2	31.9	24.6	7.2			100
21	89.9	10.1					100
22	65.9	1.2	4.9	28.0			100
23	49.3	50.7					100
24	65.1	9.3	18.6	4.7	2.3		100
25	52.2	47.8					100
26	21.7	5.8	72.5				100
27	58.7	10.6	4.8	12.5	13.5		100
28	98.6	1.4					100

Table 6.3 The number of the people for each selection of the supermarket questionnaire

Questions	a	b	c	d	e	f	Total
1	47	63					110
2	11	28	32	22	12	5	110
3	5	20	35	37	8	5	110
4	5	10	65	30			110
5	85	14	11				110
6	5	30	10	65			110
7	13	40	7	23	12	15	110
8	7	11	27	35	24	6	110
9	70	60					130
10	10	32	54	14			110
11	63	26	54	37			180
12	12	28	41	82	81	26	270
13	71	39					110
14	14	62	18	16			110
15	54	5	51				110
16	105	0	5				110
17	81	29					110
18	78	32					110
19	31	32	26	21			110
20	66	44					110
21	72	1	9	28			110
22	110	0					110
23	47	63					110
24	21	89					110

Table 6.4 Statistics for the supermarket questionnaire (%)

Questions	a	b	c	d	e	f	Total
1	42.7	57.3					100
2	10.0	25.5	29.1	20.0	10.9	4.5	100
3	4.5	18.2	31.8	33.6	7.3	4.5	100
4	4.5	9.1	59.1	27.3			100
5	77.3	12.7	10.0				100
6	4.5	27.3	9.1	59.1			100
7	5.5	48.2	8.2	20.9	8.2	9.1	100
8	6.4	10.0	24.5	31.8	21.8	5.5	100
9	53.8	46.2	0.0				100
10	9.1	29.1	49.1	12.7			100
11	35.0	14.4	30.0	20.6			100
12	4.4	10.4	15.2	30.4	30.0	9.6	100
13	64.5	35.5					100
14	12.7	56.4	16.4	14.5			100
15	49.1	4.5	46.4				100
16	95.5	0.0	4.5				100
17	73.6	26.4					100
18	70.9	29.1					100
19	28.2	29.1	23.6	19.1			100
20	60.0	40.0					100
21	65.5	0.9	8.2	25.5			100
22	100.0	0.0					100
23	42.7	57.3					100
24	19.1	80.9					100

6.3.1 The general information on respondents based on demographics

6.3.1.1 Gender effect on preference (Results based on Caishi and supermarket questions 1)

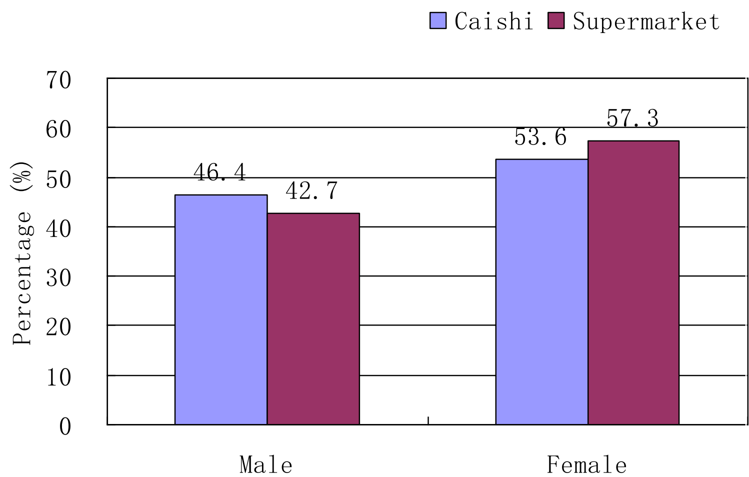


Figure 6.1 Gender of respondents of Caishi and supermarket questionnaires

For both Caishi and supermarkets the distribution of respondents was more or less evenly divided between males and female, with slightly more women shopping in supermarkets, and more men shopping in the local Caishi (Figure 6.1). This difference may be attributable to women caring more about the environment in which they shop, and preferring to stroll in the supermarket to buy other products if they have time, whereas men have the strongly intent on their acts of consumption action. Another reason may be that the target population somewhat warps the data. The slightly greater percentage of women than men indicates that women are the main consumers in both Caishi and supermarkets, since women deal with much housework in China.

6.3.1.2 Age distribution in questionnaire respondents. (Results based on Caishi and supermarket questions 2)

The age distribution differed between the Caishi and supermarket respondents. There is a reasonably good distribution of responses between the younger and older age groups. Those under 40 are more likely to shop at the supermarket (64.6%) than the Caishi

(44.9%), and this difference was even greater for those under 30. The age distribution showed that young people tend to choose the supermarket over the Caishi, since the supermarket can better cater to their needs and the requirements of their higher living standards. A significant proportion of the older age group (>40), which represents about 55.1% of respondents, are more likely to choose the Caishi. Thus the young people preferred supermarkets, while the older people strictly preferred the Caishi. The Caishi were known to be an integral part of older people's daily life and reflect their consumption ability. It should be noted that people go to the Caishi mainly for their daily foods requirements, but go to supermarket for other products besides food.

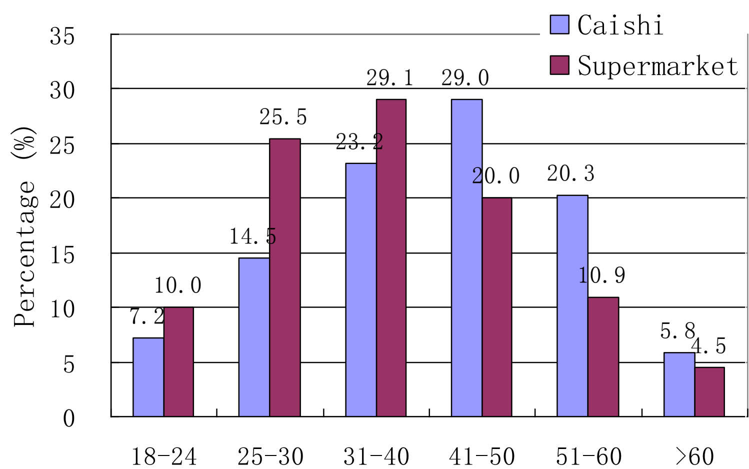


Figure 6.2 Age distribution of respondents to both Caishi and supermarket questionnaires.

6.3.1.3 Educational background (Caishi and supermarket questions 3)

Since sometimes a person's education level can influence their daily actions and choices, logically, the educational background may divide the people in the different income levels (Figure 6.3). Respondents having an undergraduate or postgraduate education made up 40.9% of supermarket respondents, compared to 24.6% of Caishi respondents. Respondents with a junior middle school or lesser education made up 22.7% of supermarket respondents, compared to 34.8% of Caishi respondents, indicating that more numerous poorly educated people presented at the Caishi to the supermarket, and more numerous better educated people presented at the supermarket to the Caishi. A higher level of the education results in higher expectations in terms of environment and life quality. It was interesting to find that people having a senior middle school education level made up 39.1% of Caishi respondents, and 31.8% of supermarket respondents. Clearly, this group of people tends to go to the Caishi as they belong to the lower working class people in present day Chinese society. The Caishi can provide cheaper prices to them, and they can also bargain on the price of foods. In this group, it is found there is still some portion of people who go to the supermarket, they go there mainly for other products that the Caishi does not provide or for promotions or on-sale foods.

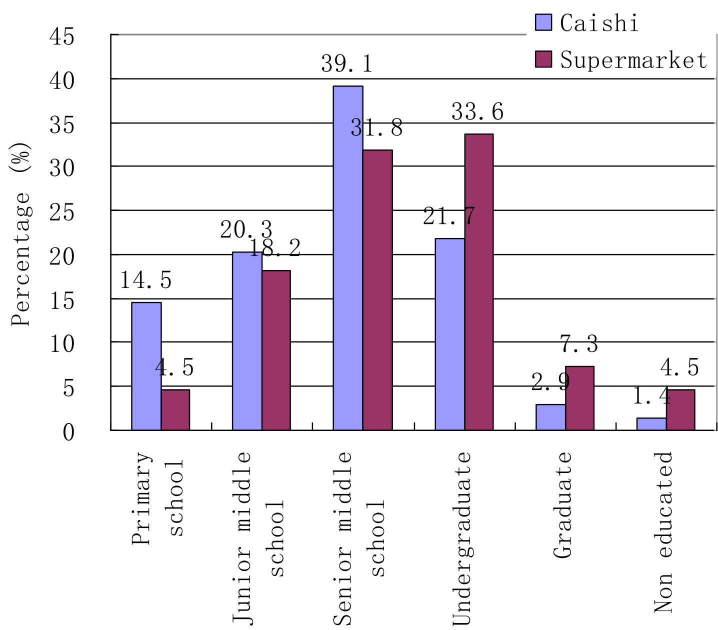


Figure 6.3 Education backgrounds of respondents in both Caishi and supermarkets

6.3.2 The relationship and reciprocity among residents, Caishi and supermarket

6.3.2.1 The household size influences to the selection of the Caishi or supermarket (Caishi and supermarket questions 4)

In response to this question (Figure 6.4), it is found there are more respondents living alone or in a two people household made up 28.9% of Caishi respondents, compared to

13.6% of supermarket respondents (Figure 6.4). Respondents of households of three or more made up a larger proportion of supermarket (86.4%) than Caishi respondents (71.1%). The distribution of respondents in Caishi and supermarkets demonstrated that small households, such as singles or young couples prefer the Caishi since they can directly go there to buy their daily food and do not have to do any further spending. It should also be noted here that is young singles and couples may be the low-income people, they can only afford basic necessities. For the bigger household, there are more family members, so shopping at the supermarkets can save more time since they can buy foods and commodities or other products together to meet the varied needs of all family members. Respondents from large households made up the majority of the consumption stream in both supermarkets and Caishis. It should noted that many members of smaller and larger households choose supermarkets and Caishi, respectively, larger householders may do their food shopping in Caishi, while small householders also need to go to the supermarket to buy commodities and other necessities.

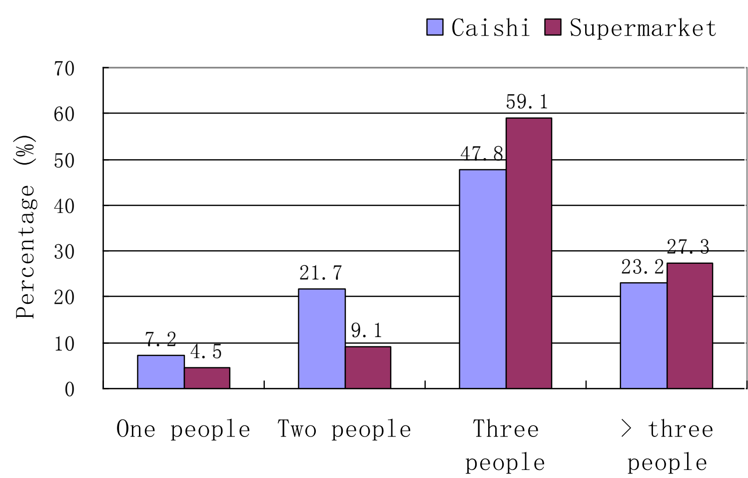


Figure 6.4 Household sizes of respondents in Caishi and supermarket locales

6.3.2.2 Do respondents generally come to the Caishi or supermarket alone or with other people. (Caishi question 21 and supermarket question 20)

With respect to this question (Figure 6.5), from a social perspective, when people stroll and go shopping, they will tend to be accompanied by other people. The proportion of respondents who frequented the Caishi alone was higher than that of those frequenting the Caishi with others; the proportions between the two choices are not so significant in the supermarket compared to the Caishi. In Caishi, 89.9% of respondents went there alone, indicating they went there just for their daily food needs, and had neither the time nor the desire to stroll in the Caishi, so they normally were not accompanied by others. But in the supermarket, though there are some proportion respondents who go there alone, there are still some proportion people who go there with other people (about 40%). Evidently some people who go to the supermarket do not have a strong intention of going there, but just stroll with a family member or friends, as a leisure activity. If the supermarket provides a good shopping environment, when they stroll in the supermarket, they will be reminded to buy something, so it is suggested that as supermarket respondents have more people per household, they are more likely to come to the supermarket with others.

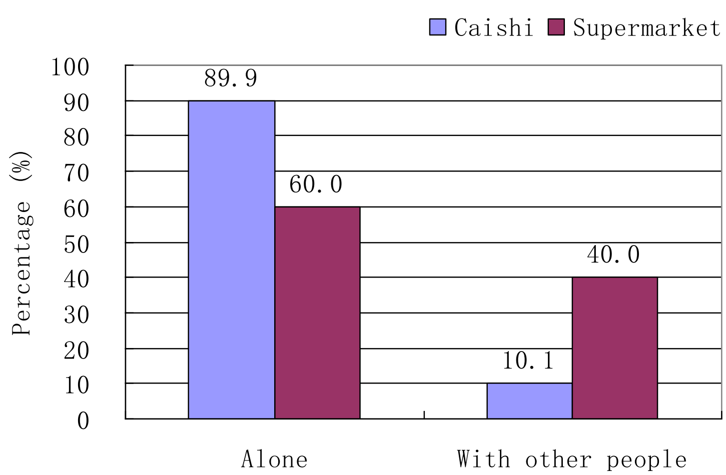


Figure 6.5 Respondents accompanied or alone when visiting Caishi or supermarkets.

6.3.2.3 Distance from residence to Caishi or supermarket (Caishi and supermarket questions 5)

For both Caishi and supermarkets, most respondents (>75%) lived in the nearby districts, less than 0.5 km away (Figure 6.6). Distance distribution was almost identical for Caishi and supermarkets, indicating that the eight local Caishi targeted and the nearby supermarkets mainly attract and serve residents from nearby residential districts, making people's lives there more convenient.

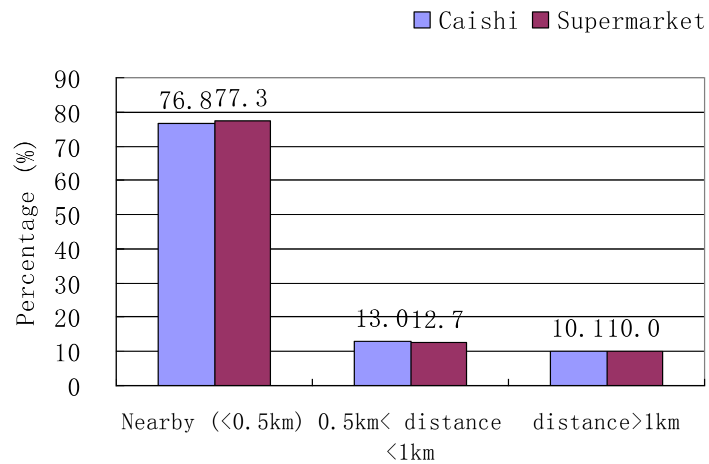


Figure 6.6 The distance of respondents' residence from Caishi or supermarkets

6.3.2.4 Respondents duration of residency in the area (Caishi and supermarket questions 6)

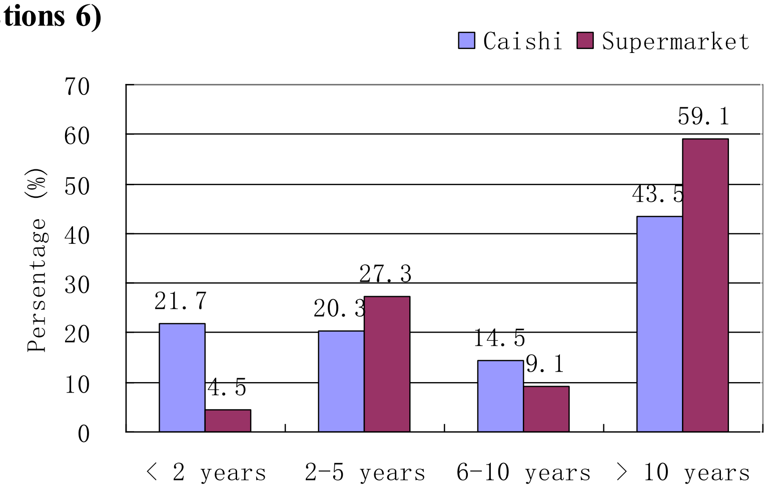


Figure 6.7 Duration of respondents' residency in the area

Based on Figure 6.7, in the proportion of the four categories in both Caishi and supermarket, it is found that a higher proportion of respondents surveyed at the Caishi having lived in the area “less than 2 years” (21.7%) was much greater than in the case of the supermarket (4.5%), indicating that this group of people might not belong to the stable working class people or are only low income people making up the floating population, not earning sufficient money to support themselves. They choose the Caishi just to economize money and buy cheaper foods. Respondents living in this area more than two years, tend to shop at the supermarket since they seek efficiency and to save time. They have stable work and higher incomes, and they like the shopping environment and more extensive range of product categories in the supermarket. The distributions of respondents in the “2 to 5 years” and “more than 10 years” show this difference. However, it should be noted that respondents who lived in the area for 6 to 10 years, made up a greater percentage of the people shopping at supermarkets than they do of people shopping at Caishi as other two categories, perhaps because this group of people will move from this area to another residential districts under the city removal program, and so shop less at supermarkets. The people having lived in the area for more than ten years remain the main component of the consumption stream in both Caishi and supermarkets, and may choose different foods or products in Caishi *vs.* supermarkets according to their needs.

6.3.2.5 Did the respondents come to the particular Caishi 10 years ago, and if so, why did they go to this Caishi at that time. (Caishi questions 23 and 24)

The aggregate response distribution to this question was quite evenly distributed between “yes” and “no” (Figure 6.8), indicating that about half of respondents frequented this Caishi 10 years ago. The main reason respondents went to a particular Caishi 10 years ago was to purchase their daily food needs (Figure 6.9). Thus the Caishi was an important commercial site at that time. The second reason that brought respondents here was the nearness of the Caishi to their residence, local people preferring to shop in a doorstep commercial street near their housing, given the convenience and greater leisure, it afforded them. These two main reasons revealed the importance of daily food needs and location when considering Caishi research and planning, since these institutions are a part of people's lives. The other three reasons (16.3% of respondents combined) are not significant as the former two.

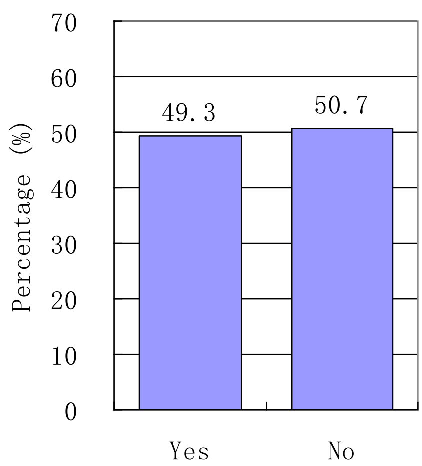


Figure 6.8 If people came to this Caishi 10 years ago

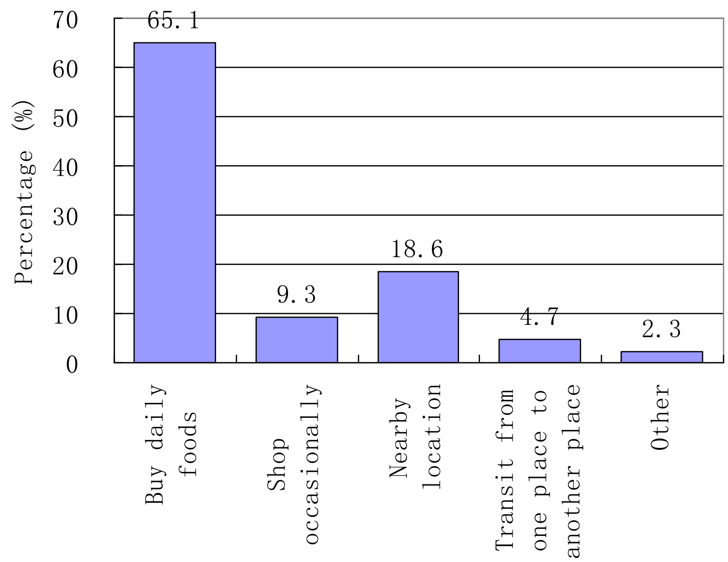


Figure 6.9 The reason brought them to this Caishi 10 years ago

6.3.3 The economic factors: influence of occupation and income

6.3.3.1 Effect of occupation on respondent's selection of Caishi or supermarket （Results based on Caishi and supermarket questions 7）

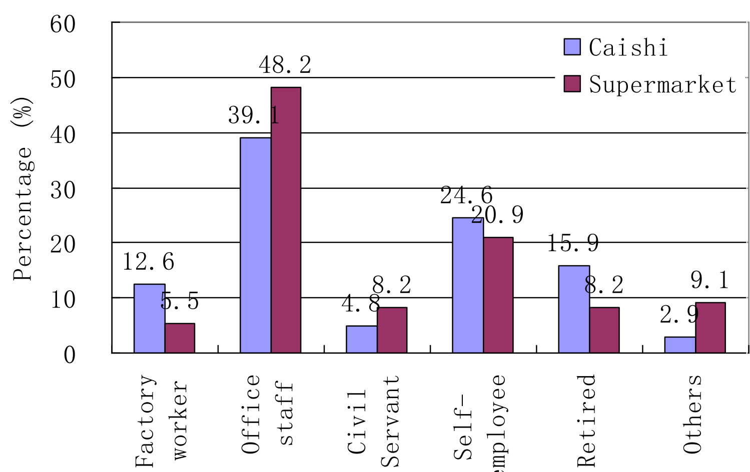


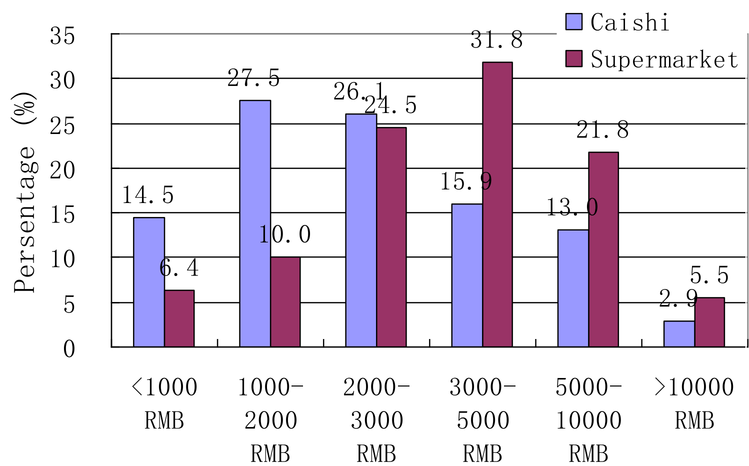
Figure 6.10 Occupation distributions in both Caishi and supermarkets

The distribution of respondents shopping at the Caishi *vs.* supermarket reaped different proportion (Figure 6.10). Though office staff represented the main consumption stream in both Caishi and supermarkets, this group was more prevalent amongst supermarket than Caishi respondents. Close to half of the respondents shopping in the supermarket were the office staff, who are very busy and want to save time. Moreover the supermarket can provide a complete range of items as well, as processed foods, which is convenient for them. Civil servants also represented a greater proportion of supermarket than Caishi respondents. This group of people belongs to the middle to high income level in China, so they have high shopping standards. The 'others' mainly includes students, whose youth leads them to choose the supermarket more often than the Caishi. Amongst the Caishi respondents, factory workers and retired people (about 28.5%) represented a much greater proportion of respondents than amongst supermarket respondents (13.7%). This indicates that these groups of people belong to the low income working class people, so they care more about the price and like bargaining. These kinds of people also go to the supermarket only for the on-sale or promotion products. Regarding self-employed people, some care more about the money since they are not at a high income level, so they choose Caishi, while some are rich people, and so choose the supermarket. Nevertheless, high income people in this group do not occupy a big percentage, so we can find that this group of respondents chooses the Caishi slightly more than the supermarket.

6.3.3.2 Income level influences on the selection of Caishi or supermarket (Caishi and supermarket questions 8)

With respect to the income level （Figure 6.11）, the percentage of respondents with an income level below 3000 RMB per month represented 68.1% of Caishi respondents, but only 40.9% of supermarket respondents. This may reflect the fact that low income working class people like to shop at the local Caishi since it is cheaper. However, it is also evident that the proportion of supermarket respondents with an income level above

3000RMB per month (59.1%) is significantly greater than that of Caishi respondents (31.9%). This indicates that this group of people has high expectations in terms of shopping environment and life quality. The data distribution demonstrated that the main customer groups in both Caishi and supermarket were divided by the income level. It should be noted that some high income level people shopped at Caishi for their daily foods needs, and some low income level people went to supermarkets for other commodities or promotion products. In both cases, they may buy different products in different places according to their money and needs. Consumer guides for affordable consumption encourage people do not spent beyond their ability.



Note: Based on the exchange rate of the Bank of China (1 USD = 6.5 RMB) at the time of the questionnaire. (2010.05)

Figure 6.11 Income level distributions of respondents from both Caishi and supermarkets.

6.3.4 Consumption habits and practices effects

6.3.4.1 Preference as of where to buy food (Caishi and supermarket questions 9)

Both Caishi and supermarket respondents slightly preferred (53-57%) purchasing food in the shopping locale where they were surveyed (Figure 6.12). These two groups of respondents had similar responses to this question, reflecting the fact that the local Caishi and supermarket were the two main places they tended to buy their food. The distribution of responses in the Caishi and supermarket were also influenced by the proportion of the main type of customer there. It should still be noted that the respondents in the Caishi or supermarket might choose the supermarket and Caishi at same time as their daily food purchasing locales, indicating that people buy different foods in different places. This "where to buy what" mode makes their life more convenient and the food quality better since they have a greater diversity of choices. The data also showed that only 1% of respondents in the Caishi also buy foods from another place, which may be a free commercial street or some other commodity market. Since this portion of the respondents is so small, it does not have a significant influence on Caishi and supermarket sales.

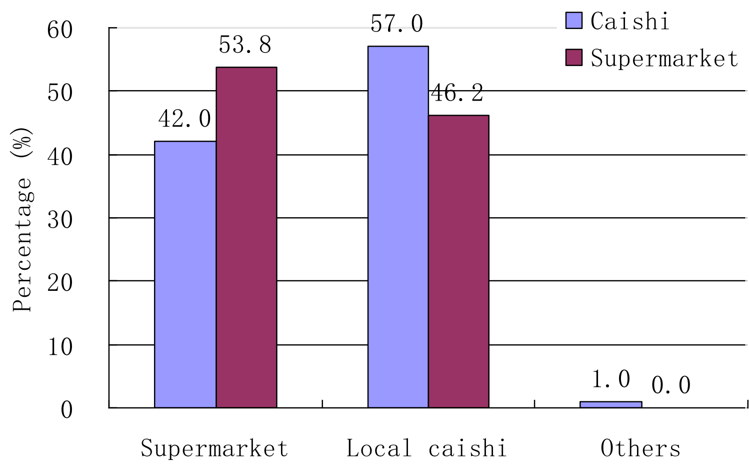


Figure 6.12 Respondents preference of where to purchase food

6.3.4.2 Frequency of visits to a Caishi or supermarket (Caishi and supermarket questions 10)

The frequency at which respondents said they went to the Caishi and supermarkets differed (Figure 6.13). Though the two groups of respondents showed nearly the same percentage of the '1-2 times per month' frequency, 68.1% of Caishi respondents went to the Caishi every day or '3-5 times per week' compared to 38.2% of supermarket respondents. Likewise 49.1% of supermarket respondents shopped at the supermarket 1-2 times per week, compared to 20.3% of Caishi respondents shopping at the Caishi at the same frequency. This indicates that the people like to go to Caishi more frequently than to the supermarket, since they like to buy the fresher vegetables and other daily food needs. This embodies the leisure life style of local middle-aged and older who have more time, whereas the people who choose the supermarket go one to two times a week to buy everything together. This group of people seems to be busy, have good jobs, and embody the modern life style of today, especially amongst young white collar people. The Caishi and supermarket attract different customer groups, and display traditional consumption habits and modern fast-paced habits, respectively.

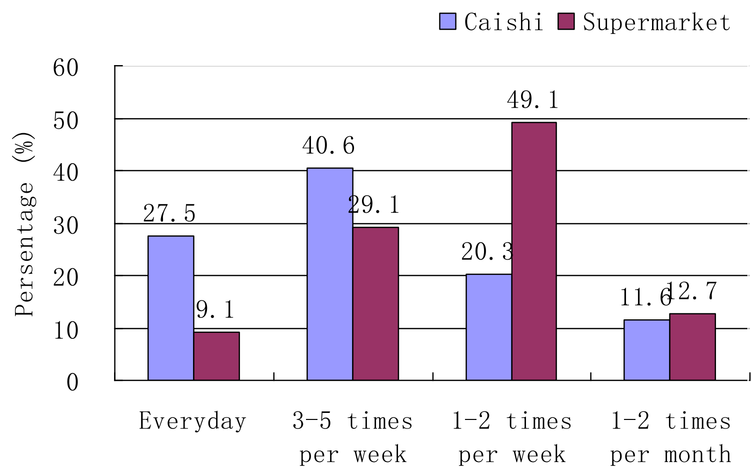


Figure 6.13 Frequency of respondents' visit to the Caishi or supermarkets

6.3.4.3 Respondents' reason for choosing the Caishi or supermarket (Caishi and supermarket questions 11)

As Figure 6.14 showed, Food freshness was the key reason which drew the majority (57%) of respondents to the Caishi, while convenience (22.6%), consumption habits (12.9%) and street life (7.5%) also were an influence. The older the respondents were the more likely they were to go to the Caishi to socialize, while younger people favor another life style. In contrast, 35% of supermarket respondents thought convenience to be the key advantage of the supermarket, then the more complete range of products (30%), and the clean environment (20.6%). These are reasons which attract customers to supermarkets, especially to those people who have the high life quality expectations. Food freshness, the most important reason for Caishi respondents was not given much attention (14.4%) amongst the supermarket respondents. These differences highlight the different consumption practices and life attitude of Caishi and supermarket respondents. The former are local Nanjing people with traditional consumption practices, who go, sometimes daily, to the Caishi, mainly for the fresher food. The Caishi is linked to their daily lives and is convenient to them. The main group frequenting the Caishi is middle to old age Nanjing people. The respondents in the supermarket care more about convenience, range of products and a clean environment. Thus the supermarket can cater to young people and middle to high-income groups, *i.e.*, people who live fast-paced modern lives, with greater needs and shopping requirements.

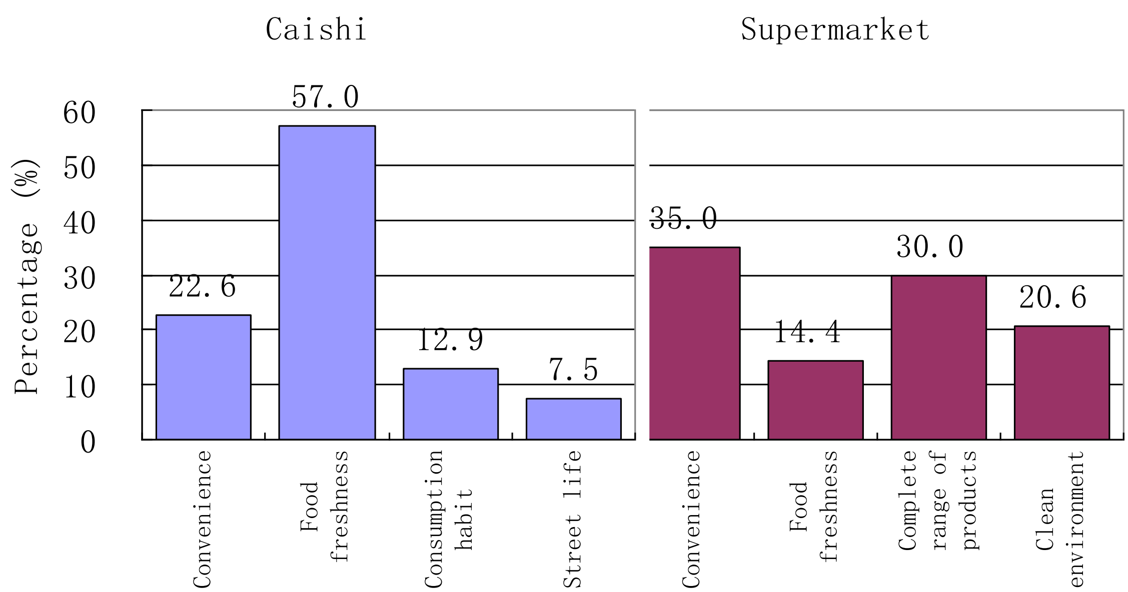


Figure 6.14 Respondents' reasons of choosing the Caishi or supermarkets.

6.3.4.4 Products that residents want to buy in Caishi or supermarket (Caishi and supermarket questions 12)

To the question inquiring to the products want to buy, as showed in Figure 6.15, the Vegetables along with fish and meat were the two predominant (87.9% combined) products which Caishi respondents went to the Caishi to purchase, while rice and flour and deli foods accounted for only a small percentage (10.5% combined), and commodities and other things were negligible (<1% each). Comparatively, supermarket respondents did not mainly go to the supermarket for vegetables, or fish and meat (14.8% combined), but rather for deli foods and commodities (roughly 30% each), rice and flour (15.2%), and lower percentages for other items. This indicates that people choose Caishi or supermarket for the different products; they go to the Caishi mainly for the fundamental daily foods, and shop at the supermarket for processed foods and other commodity related to life, since the supermarket can provide a more complete range of products to choose. The Caishi and supermarket can supply people's different life needs and requirements to some extent, diversify shopping and make life more convenience.

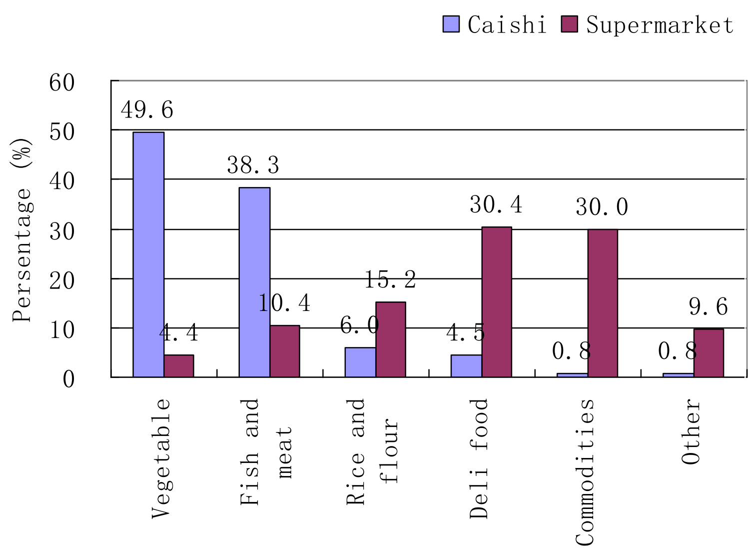


Figure 6.15 Products which residents want to buy in the Caishi or supermarkets

6.3.4.5 The percentage of residents' weekly consumption budget spent in the Caishi or Supermarket (Caishi question 20 and supermarket question 19)

The majority (68.1%) of Caishi respondents indicated spending 0-10% or 11-25% of their weekly budgets in the Caishi where they were surveyed. The percentage spending 0-10% of their weekly budgets (36.2%) was slightly greater than those spending 11-25% (31.9%; Figure 6.16). Those respondents spending 26-50% or >51% of their budgets in the Caishi totaled 31.9%. This indicates that people shopping at the Caishi spent a low proportion of their weekly consumption budget there, since they went there every day just for their fundamental daily foods needs, which were priced more cheaply than other products. Amongst supermarket respondents, the 0-10% and 11-25% categories still accounted for more than half of the consumption budgets (57.3%), and were evenly distributed (28.2% and 29.1%, respectively.) Those respondents spending 26-50% or >51% of their weekly consumption budgets at the supermarket occupied 42.7% combined. Those respondents spending >51% of their weekly budget made up 19.1% of supermarket respondents, compared to 7.2% of Caishi respondents. Though most respondents spent a small part of their weekly budget in the supermarket where they could buy some products on promotion and basic commodities, some people who went to the supermarket spent more of their weekly budget there than those who went to the Caishi, as the supermarket can provide a complete range of products, and people like to buy everything together. Another reason is that people go to the supermarket mainly for the deli foods and commodities whose prices are higher than the daily foods they purchase in the Caishi. Overall, people spent less money in Caishi than in supermarkets since a greater proportion of respondents in the Caishi used less of their weekly consumption budget than did the supermarket respondents.

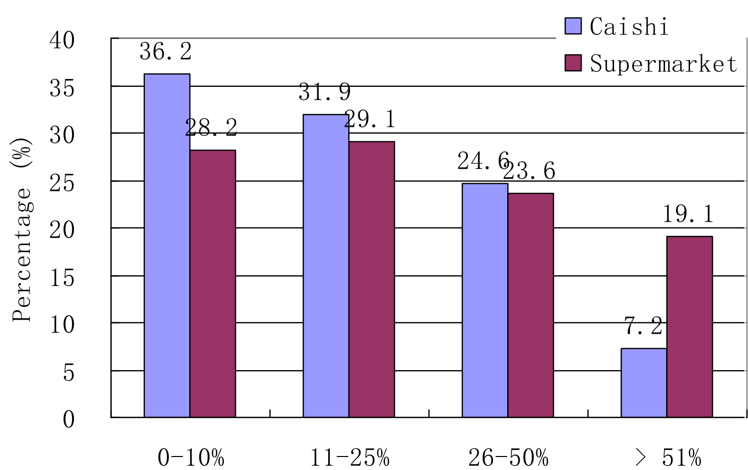
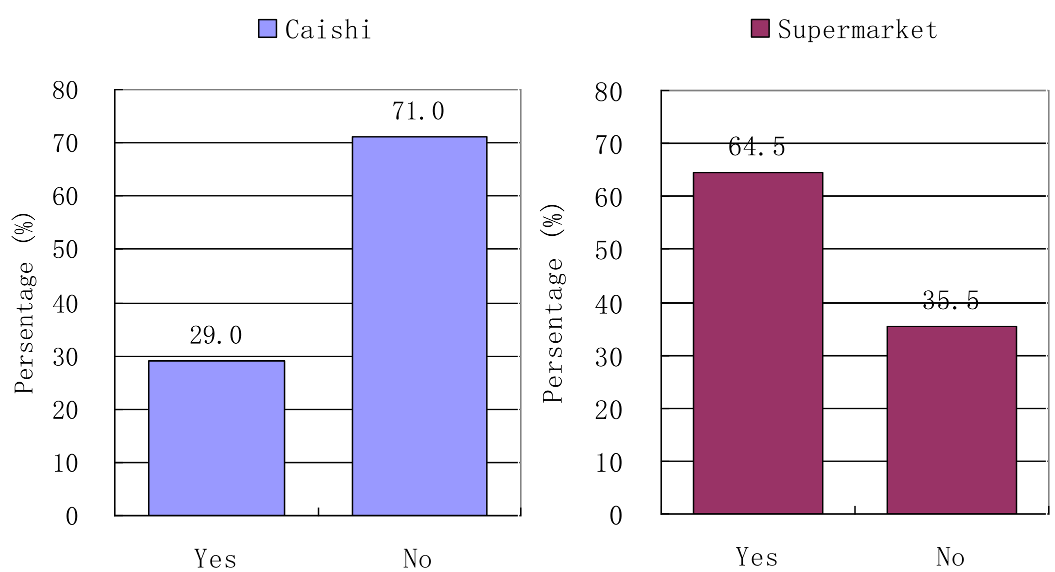


Figure 6.16 Respondents' weekly consumption budget spent in the Caishi or supermarkets

6.3.4.6 Do people buy goods other than food in the Caishi or buy food other than goods in the supermarket (Caishi and supermarket questions 13)

Figure 6.17 showed that, in Caishi part, the majority of Caishi respondents insisted they went to the Caishi strictly for food, and not other products. Comparatively, the majority of supermarket respondents thought they would buy foods other than commodities and other products, and could buy all these products together. People's shopping intentions at the Caishi and supermarket are different, at the former respondents only purchased food, as most Caishi do not provide the complete range of products available in a supermarket, only a minor portion of people buy some commodity along the way, given the cheaper price. However, people shopping at a supermarket may go there only one or two times a week. Following a modern life style, they will buy the foods and other products they need together and do not care as much about the vegetables, freshness and price, as those shopping in Caishi. Shopping at the supermarket is convenient and saves their time.



A. If people will buy other products in Caishi besides food

B. If people will buy food in supermarket besides commodity and other products

Figure 6.17 People's choice of food and goods in Caishi and supermarkets

6.3.4.7 Will people go to nearby supermarket or Caishi to buy something after having shopped at a Caishi or supermarket (Caishi question 19 and supermarket question 18)

With respect to this question (Figure 6.18), from the general glance, the yes or no proportion distribution on two group respondents are similar more or less, it just has slight different, The majority of respondents (~70%) indicate that they will continue shopping at a nearby supermarket or Caishi after shopping at a Caishi or supermarket (Figure 6.18). Caishi respondents are slightly less likely to then shop in a supermarket than supermarket shoppers are to subsequently shop in a Caishi. A greater proportion of Caishi (than supermarket respondents) thought they would not go to supermarket after shopping in the Caishi, since the Caishi can supply their fundamental life needs. This demonstrates that the Caishi and supermarket are two complementary shopping locations, which supply people's different consumption needs, and diversify the goods available to them.

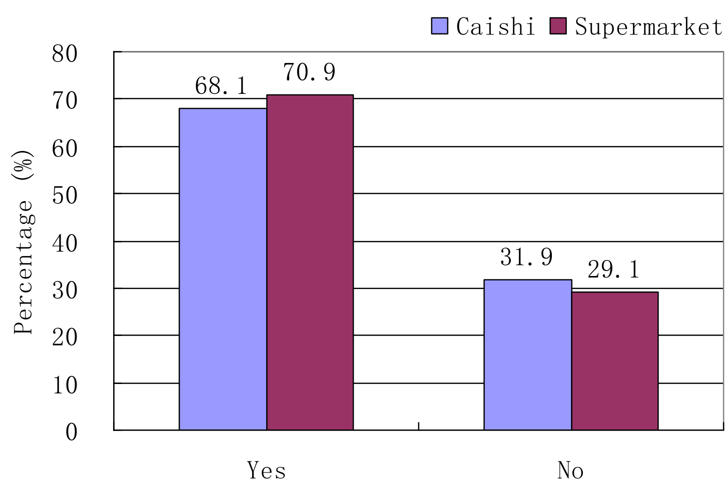
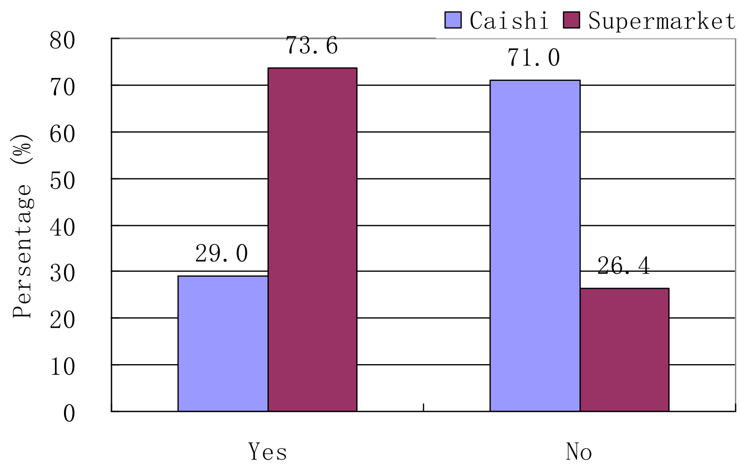
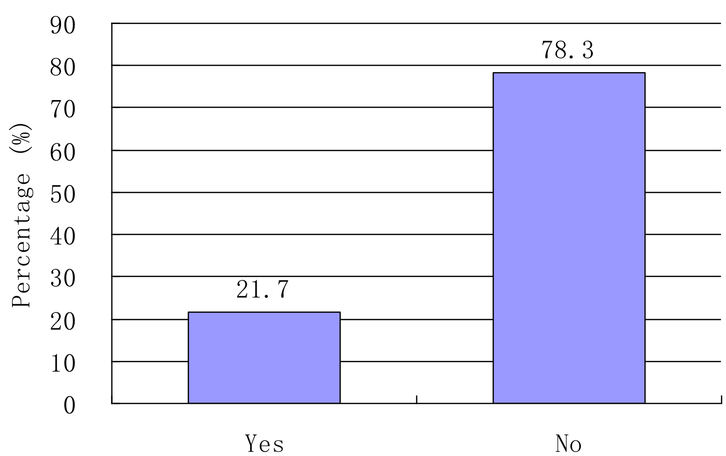


Figure 6.18 Respondents choice as to whether to continue shopping at a nearby supermarket or Caishi after shopping at a Caishi or supermarket

6.3.4.8 Can Caishi or supermarkets offer most of the products that customers want to buy (Caishi and supermarket questions 17), and what typical products are exclusive to the Caishi (Results based on Caishi question 18)



A. Does the Caishi or supermarket offer most of the products the customer wants to buy



B. If there are products typically only sold in Caishi

Figure 6.19 Availability of desired products in Caishi and supermarkets (A), and typical products only sold in Caishi (B)

According to Figure 6.19-A, Most Caishi respondents thought that the Caishi could not provide most of the products they wanted to buy since the Caishi was limited to selling daily foods, while the range of other available products was limited and restricted to a small part of the Caishi. On the contrary, the majority of respondents from supermarkets thought that the supermarket could provide most of the products they wanted to buy, since the supermarket markets a wide range of products, and has already become an integrated shopping place which includes foods and other life commodities. From this we can conclude that the Caishi is more specialized and professional, whereas the supermarket is more comprehensive, diverse, and more adapt to the modern life style. The two places feed different people, and different needs.

Regarding to the products typical in Caishi (Figure 6.19-B), the majority of responses indicated there were no typical products sold only in Caishi, and not available in supermarkets. However, some people mentioned that there were still some typical products sold only in Caishi, like living poultry which are not sold in supermarkets. Local people enjoy buying live poultry, fresh meats (not chilled, sold right after the livestock has been slaughtered） which are also only sold in Caishi, local people have the habit of eating it, as well as some kinds of aquatic products and wild vegetables.

6.3.5 General estimations of Caishi and supermarkets

6.3.5.1 The price difference between Caishi and supermarkets (Caishi and supermarket questions 14)

From the results of this question (Figure 6.20), the data distribution indicates that nearly half the Caishi respondents thought products price in the Caishi to be cheaper than in the supermarket, while only a tiny portion (4.3%) thought the contrary. Similarly, more than half of supermarket respondents thought supermarket prices to be higher than those in the Caishi, some 12.7% believed prices in the supermarket to be cheaper since it usually has promotions and products on-sale. Almost twice as many Caishi respondents answered that they did not care about the price as did supermarket respondents, which might reflect the fact that the price of Caishi products was too low in some people's minds, for them to pay attention to them. About 17% of respondents in either locale thought there was no significant difference in price between the two locations, demonstrating that incomes were higher than before in some groups of people in Nanjing, so that they were not as sensitive to prices as low wage earners. In short, price were perceived to be cheaper in Caishi, and more expensive in supermarkets, which led people of different income levels to make different consumer decisions at these two commercial locales.

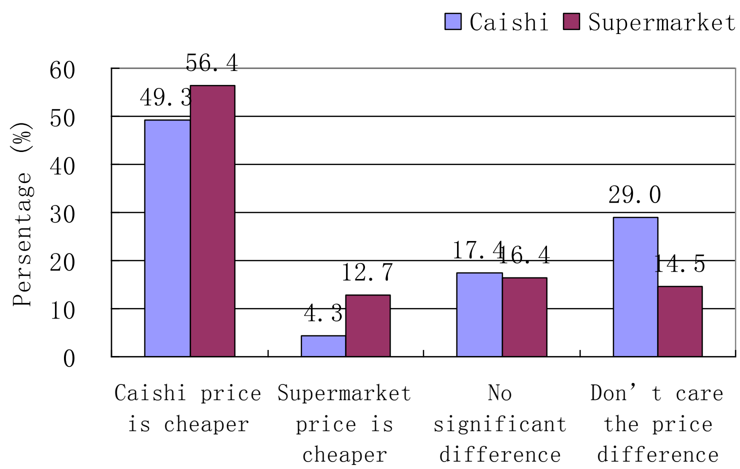


Figure 6.20 Price comparisons of Caishi and supermarkets

6.3.5.2 Shopping environment in Caishi or supermarkets (Caishi question 15 and supermarket question 16)

From a social perspective, more and more people care about the shopping environment. The opinions from the respondents in Caishi and supermarket is evidently as the Figure 6.21 showed, the majority (71%) of Caishi respondents thought that the Caishi shopping environment is worse than that of the supermarket, while only a few (5.8%) thought the Caishi's shopping environment to be better, Some old people are familiar with this commercial landscape and environment and also like the consumption practice there. Also some low income and poorly educated people like the Caishi shopping atmosphere, as they can bargain with the retailers on the products. It should be noted that 23.2% of Caishi respondents believed there was no significant difference with supermarkets. This portion of respondents cared more about other points (*e.g.*, price, freshness) when they opted to go shopping at the Caishi, and the shopping environment was not something they were sensitive to.

Comparatively, an overwhelming percentage of supermarket respondents (95.5%) thought the supermarket shopping environment to be superior to that of the Caishi. No one disagreed on this point, and only 4.5% of respondents thought that no difference existed between the two locales' shopping environments, since they only cared about the products they bought. From this point of view, regarding to the shopping environment in both two sites, consumers strongly preferred the supermarket to the Caishi. The supermarket shopping environment was deemed better than that of the Caishi, even Caishi respondents admitted this fact. The groups shopping at Caishi and supermarkets have different intentions: supermarket respondents thought that shopping could be an enjoyable thing and a leisure activity; whereas Caishi, though they acknowledged the environment to not be as at the supermarket, went there for the cheaper prices and fresher daily foods. The shopping environment is one of the main advantages of supermarkets in attracting people to go there.

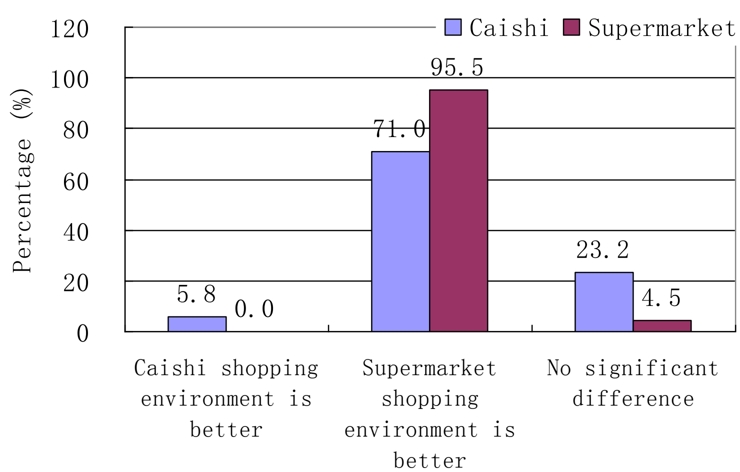


Figure 6.21 The shopping environment comparison between Caishi and supermarkets

6.3.5.3 Quality of food in Caishi or supermarkets (Caishi question 16 and supermarket question 15)

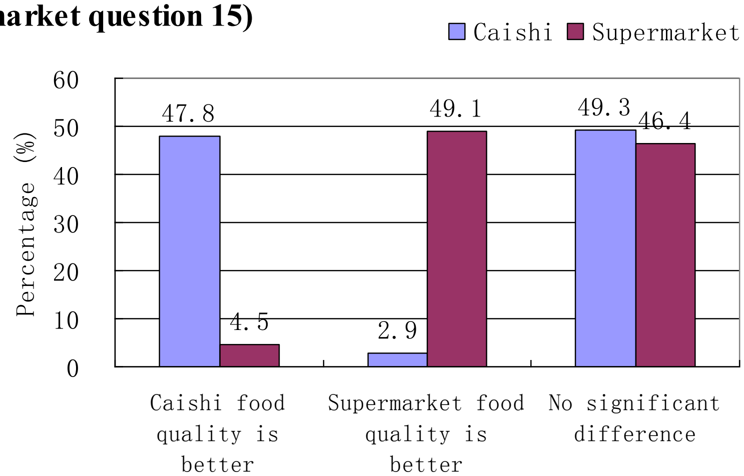


Figure 6.22 The food quality comparison between Caishi and supermarkets

"Food quality" is a hot and sensitive point to food retailers, and directly influences the customer's willingness to consume the product. Among Caishi respondents, those who thought "Caishi food quality is better than the supermarkets'" (47.8%) or "no significant difference" (49.3%) were nearly even (Figure 6.22). The percent of respondents who chose the "no significant difference" was slightly greater than the 'Caishi food quality is better than supermarket' option, indicating that most Caishi respondents were indifferent between the supermarket and Caishi regarding food quality. Food quality in the Caishi was deemed at least as good as in the supermarket, with only a small proportion of people believing the Caishi's food quality to be worse than the supermarkets'. Among the 95% of supermarket respondents who chose the better or 'same as' Caishi, the better (49.1%) was slightly more prevalent than the 'same as' (46.4%) option. This shows that supermarket respondents weakly preferred supermarkets to Caishi, though food quality in the supermarket was guaranteed and at least as good as Caishi. The small percentage of supermarket respondents who opted for 'better food quality in the Caishi' likely thought the Caishi foods were fresher than in the supermarket, especially the vegetables which in the Caishi are often sold directly by the farmer.

Overall, be it Caishi or supermarket respondents, their choices were similar, they both thought that the food quality is better or no worse than the other locale's.

6.3.6 Mode of transportation used to access shopping site (Caishi question 22 and supermarket question 21)

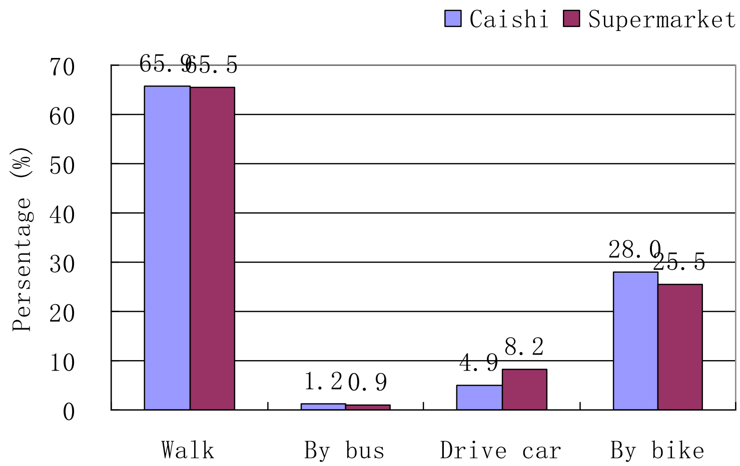


Figure 6.23 The transportation method of go to Caishi or Supermarkets

The transportation method respondents used to access either Caishi or supermarkets were very similar, with almost two-thirds walking in either case (Figure 6.23). Over 90% of respondents preferred to go to their shopping places by foot or bicycle, Since the Caishi and supermarket mainly service nearby residents from the residential districts, walking or biking to these shopping places to buy foods is part of their consumption habits and also contributes to street life along with social and leisure activities. That some portion of respondents go shopping by bike can be easily understood, given that China is the bike kingdom of the world, so bikes are the people's daily transportation tool, and going to somewhere by bike is also amongst the people's habit. The proportions of people who go to these shopping places by bus occupied the smallest percentage, showing that the bus is not the main mode of transportation to these places and that people do not want to go far to buy their food items. More respondents go to supermarkets by cars than go to Caishi by car since more and more high income families now have their own cars in

Nanjing, and they usually choose to shop at the supermarket to buy everything they need by driving their own car and using the car to carry all these products can save more strength and energy. In the future, the car may become a more important transportation tool in going shopping.

6.3.7 The impact, perception and anticipation of the fate of Caishi and supermarkets

6.3.7.1 The impact of nearby supermarket to Caishi (Results based on Caishi question 25 and supermarket question 23)

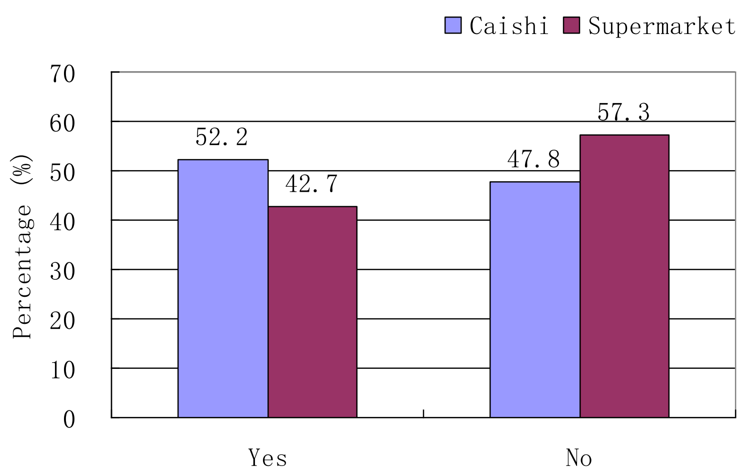


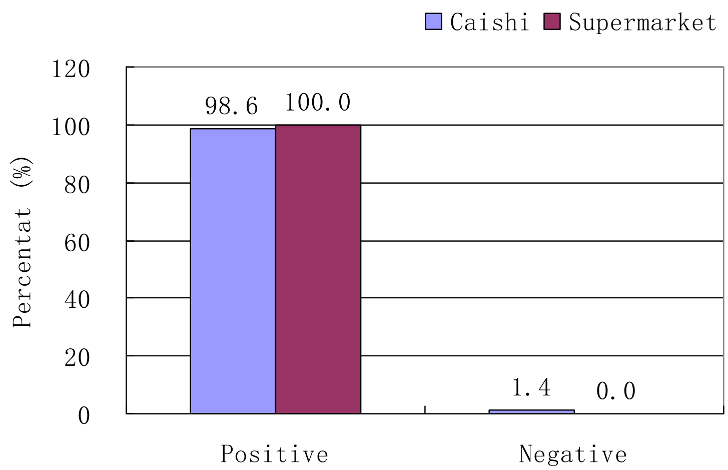
Figure 6.24 Respondents' opinions on whether the nearby supermarkets have some impacts on Caishi from the Caishi and supermarket angles

The impact of nearby supermarkets on Caishi is the main research question of this study. The proportion of responses regarding there being an effect of one merchandising site on the other, or not, was fairly evenly divided (Figure 6.24). The data distribution to this question shows that in Caishi part, here are slightly more than half the Caishi respondents thought that the nearby supermarket had an effect on the Caishi, but amongst supermarket respondents, slightly more than half of the respondents thought that the supermarket did not affect the Caishi. This indicates that a part of Caishi respondents thought the supermarkets influenced the Caishi sales, since the supermarket had some advantages over the Caishi. However, many supermarket respondents saw no influence of supermarkets on Caishi since the two places have their own customers and service different needs and different groups. The Caishi still runs profitably, which explains why it still has its sale space. From this point of view, the nearby supermarket indeed has some influence on the Caishi, but the Caishi have their direction, they improve themselves continually through competition pressures, and coexist with the supermarket at least in the short term.

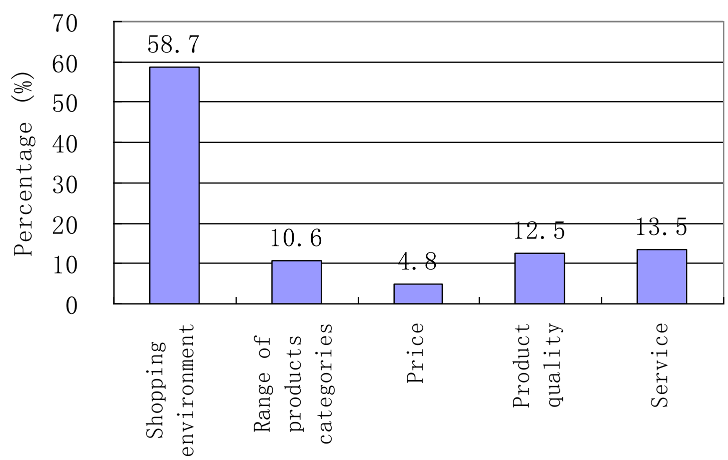
6.3.7.2 The perception of Caishi transformation trend and the future of supermarkets (Caishi question 28, supermarket question 22) and how are the Caishi improving and updating themselves (Caishi question 27).

Respondents' views of Caishi transformation trends and the future of supermarkets indicated that they see the two consumption locales in a positive light (Figure 6.25-A). No supermarket respondents presaged a poor future for supermarkets and only a negligible percentage (1.4%) of Caishi respondents believed that the trend in Caishi transformation would be negative. Respondents thought that both Caishi and supermarkets would move forward, coexist and develop well.

Respondents thought the Caishi's better shopping environment was the most notable improvement to result from the Caishi upgrade program (Figure 6.25-B). This was done to upgrade the quality of the shopping experience, something which was one of the main advantages of the supermarket over the Caishi. The Caishi have tried to keep up with the high requirement of some people and compete with the supermarket to attract more customers. In spite of this, the range of products, quality and service must be improved to enhance the Caishi in such a manner that it catches up with the supermarkets. The government and the Caishi administrators want to diversify the Caishi, make them more competitive with supermarkets, shorten the gap between the supermarket and the Caishi, and let the Caishi be transformed into a more modern form so that they can meet different needs of different groups. Only the prices should not change evidently as it represents the main advantage of Caishi.



A. The perception of Caishi transformation trend and supermarket future



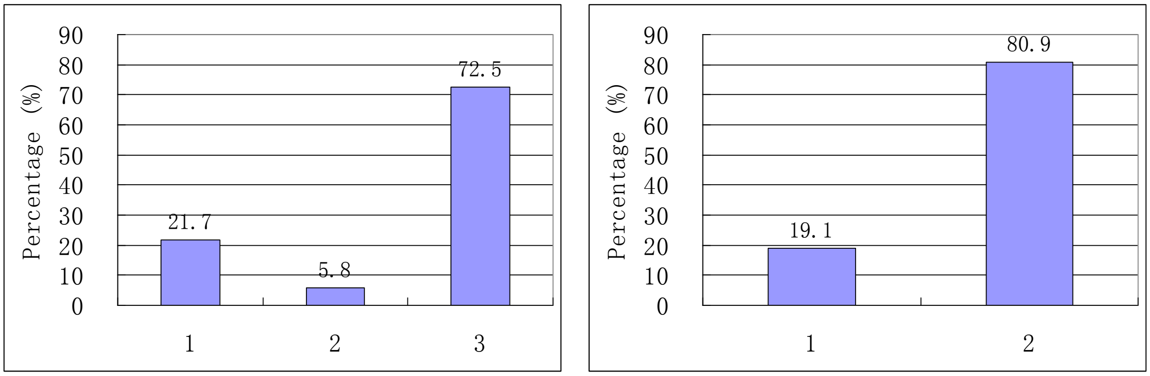
B. Improved aspects after Caishi updating

Figure 6.25 Perception of Caishi transformation trends and the future of supermarkets, and related improvements to Caishi as a result of a program of upgrading.

6.3.7.3 The anticipation to the future development of Caishi or Supermarket (Caishi question 26 and supermarket question 24)

A large proportion (72.5%) of Caishi respondents thought that the Caishi would remain in the current situation and coexist with supermarkets. While just over 20% of Caishi respondents thought Caishi would decline and been replaced by supermarkets, only a small percentage (5.8%) believed the Caishi would thrive and develop in a positive manner (Figure 6.26-A). The supermarket respondents had largely the same views as Caishi respondents, with about 20% of respondents believing the supermarket would supplant the Caishi, and the majority of respondents (80.9%) believing they would coexist (Figure 6.26-B).

Most respondents expect the Caishi and supermarket would coexist in the future since they head in different directions to meet the demands of different people. The Caishi may become more specialized in foods and transform into food-specific supermarket, while the current supermarkets would become high-level comprehensive integrated supermarkets. Roughly 20% of both Caishi and supermarket respondents thought the Caishi would decline and the supermarkets thrive and replace the Caishi. This reflects the fact that more and more people have higher standards regarding shopping and life quality, especially those whose incomes have risen. When the young people of today become the main consumption stream, they will have different consumption habits and lifestyles compared to old and middle-aged people. They may not have the time or willingness to go to the Caishi every day to buy food and consequently choose to shop at the one–stop supermarket to buy everything together and enjoy this leisurely consumption practice. To this extent, the Caishi may lose customers and decline, and even be replaced by the supermarket. Those respondents who think the Caishi will thrive and develop in a positive manner only make up a small portion of respondents, so the likelihood is not as great as others. Since the accuracy of respondents' predictions is far from guaranteed, the present data cannot fully address the question, but it does not seem to show the decline of Caishi as very likely. Given this any prediction would be premature; however, one should keep an eye on the evolving situation.



A. Anticipated future development of Caishi

B. The anticipation to supermarket future development

1) Declines and replaced by supermarket
2) Thrives and develop positively to good direction
3) *Status quo*, Caishi coexists with supermarket

1) Thrives and replaces the Caishi
2) Coexists with Caishi

Figure 6.26 Anticipated future development of Caishi or supermarkets

6.4 Conclusions

From the questionnaire, we can draw the following conclusions:

(i) Based on demographics: a) women are the main consumers in both the Caishi and supermarket; b) young people were more likely to shop at supermarkets, and old people tend to go to the Caishi; c) poorly educated people tended to select the local Caishi, whereas those having received a high level of education were more numerous in the supermarkets.

(ii) Based on the relationship and reciprocity among residents' point of view on Caishi and supermarkets: a) the small households such as singles or young couples are more likely to choose the Caishi, whereas larger households are the main consumers in both the supermarket and Caishi; b) people are more likely to go to the Caishi alone, while more people go to supermarket with other people; c) most of the consumers at either Caishi or supermarkets lived within 0.5 km of them; d) people living in an area less than 2 years selected the Caishi more than supermarket.

(iii) Based on economics: a) low income level people (<3000 RMB per month) select Caishi over the supermarket; b) people with an income >3000RMB per month will more likely select a supermarket.

(iv) Based on the consumption habit and practices: a) people will buy different foods in different places; b) the frequency of people who went to Caishi to buy food is much higher than people who go to the supermarket to do so; c) the food freshness is the most important reason people chose the Caishi to buy food; d) people went to Caishi have clear targets, mainly with regards to vegetables, fresh fish and meat; e) most of people do not buy products other than food in the Caishi, and most people will buy other products in supermarkets besides food; f) people will continue to go to the supermarket and Caishi to buy foods after their finishing shopping in either Caishi or supermarket; g) supermarket can offer people most of the products they need and which the Caishi cannot.

(v) Based on a general estimation of Caishi *vs.* supermarkets: a) the product's price in the Caishi is cheaper than in the supermarket; b) the shopping environment of the supermarket is much better than that of the Caishi; c) the quality of food in the Caishi and supermarket are almost the same; d) walking is the main method customer use to go to either the Caishi or supermarket.

(vi) Based on the impact, perception and the anticipation of the fate of Caishi and supermarkets: a) generally speaking, the upgrading of Caishi is positive and the most significant improvement occurred in the shopping environment; b) most people believe the Caishi will maintain the current situation and coexist with supermarkets.

Chapter 7 Economic Analysis

7.1 Introduction

An analytical microeconomic approach is one that uses rigorous, logical reasoning and a deeper examination of data to examine the same issues that one can also explore verbally and graphically. While some graphs are used to provide insight, the real power of economic analysis comes in deriving quantitative answers to economic problems (Schotter, 2000). This chapter investigates two agents in the market: the supermarket and Caishi, reflects on their movements in the market and the related consumer reaction or action with respect to them. Consumer practices with respect to the market are always related to their budget, income, preferences, choice and demand, while the two agents' movements normally include supply, price changes, revenue, selling quantity and externalities.

From the data and economic information gathered from two Caishi (Kexiang Caishi and Yinbing Caishi) and the supermarkets located near these Caishi, table and graphs were developed to aid in the economic analysis and comparisons. Three key elements of the market were investigated: price, revenue (here the gross revenue), and quantity.

Two equivalent large-scale Caishi are studied: one, an old Caishi — Kexiang Caishi, the other, a Caishi recently built for the surrounding residential districts — Yinbing Caishi. Along with these were six supermarkets situated near the six studied Caishi. Given proprietary secrets and the need for authorization to access certain information, only six supermarkets' economic information could be accessed. Graphical analysis served to reveal interactions between Caishi and supermarkets, and make shed some light on some economic theories. The economic analysis was based on the data obtained from official sources.

7.1.1 The introduction of the microeconomic concepts of price and demand.

A framework built on two simple principles is used in most economic analyses: (i) the *optimization principle*: people try to choose the best patterns of consumption that they can afford, and (ii) the *equilibrium principle*: the price (P) of a given commodity will adjust until demand equals supply (Schotter, 2000). The equilibrium price, P^*, denotes the price when demand equals supply. When $P < P^*$, demand is greater than supply, and the seller will raise the price, whereas when $P > P^*$, fewer people are willing to pay P, and the sellers, in danger of seeing sales decrease, may lower their price to attract more consumers (Schotter, 2000).

The offer and demand curve demonstrates that ordinarily, when the price of a commodity increases, the quantity of demand, X, for that good will decrease. Thus the price and quantity of a good are inversely related, which means that the demand curve will typically have a negative slope: $\frac{\Delta X_1}{\Delta P_1} < 0$ (Schotter, 2000).

We also considered how a consumer's choice of particular commodity responds to changes in its price: when the price rises, the demand will fall. Normally there are two sorts of effect if the price of a commodity changes: (i). the *substitution effect,* the change in demand due to the change in the rate of exchange between the two commodities, and (ii) the *income effect,* change in demand due to having greater purchasing power. When a commodity becomes cheaper, the purchasing power of the money and the amount of goods that it will buy will be increased. (Schotter, 2000)

When the price changes, so will the demand. If the price increases, and the consumer is a net buyer of a commodity, and he optimally decides to remain a buyer, he must definitely be worse off (Schotter, 2000). When the price falls, the consumer can buy just as much of the commodity as he consumed before and have some extra money left over, which is the ordinary income effect. The following effect on money income is termed the endowment income effect. Thus the total change in demand is equal to the sum of the change due to the substitution effect, the change in demand due to the ordinary income effect and the change in demand due to the endowment income effect. (Schotter, 2000)

7.1.2 Introduction to the microeconomic concepts of revenue and quantity

7.1.2.1 Impact of budgetary constraints, preferences and choices

Revenue is always related to consumers' budgetary constraints, preferences, and choices. Respecting budgetary constraints, in real life there are many goods to consume. Here we will indicate the consumer's consumption bundle as (X_1, X_2), the prices of the two commodities (P_1, P_2), and the amount of money the consumer has to spend M, then the consumer's budgetary constraint is:

$$P_1X_1 + P_2X_2 \leq \text{M}. \tag{7.1}$$

This means that the consumer's affordable consumption bundles are those that don't cost any more than M. This set of affordable consumption bundles occurs at prices (P_1, P_2) and income M is the budget set by the consumer. (James, 2005)

The economic model of consumer behavior is very simple: people choose the best things they can afford. Budgetary constraint clarifies the meaning of "can afford", and 'preferred purchase' the economic concept of "best things". When the consumer prefers one bundle to another, this indicates that he or she would choose one over the other, given the opportunity. Thus the idea of preference is based on the consumer's behavior. Strict preference, weak preference and indifference are the three independent concepts (Schotter, 2000) which influence consumers' decisions and consumption practices and thereby influence the gross revenue of Caishi and supermarkets. Budgetary constraints and the theory of preferences were employed in order to examine the optimal choice of consumers, namely the best bundle they can afford. From this point of view, the optimal consumption position is where the indifference curve is tangent to the budget line (James, 2005). The consumer's choice of Caishi or supermarket and the different products they shop for at the Caishi *vs.* the supermarket influence the supermarket and Caishi's gross revenue at some point.

7.1.2.2 Demand, price, quantity, and elasticity impacts on revenue.

Economics reflects social phenomena, which means it is a simplified representation of reality. The total market demand is calculated by adding up individual choices to make purchases. Then the market demand for commodity 1, also called the aggregate demand for commodity 1, is the sum of these individual demands over all consumers:

$$X^1(P_1, P_2, M_1, \ldots, M_n) = \sum_{i=1}^{n} X_i^1(P_1, P_2, M_i) \tag{7.2}$$

The equation indicates that since each individual's demand for each commodity depends on prices and his income, so the aggregate demand will generally depend on prices and the distribution of incomes (Schotter, 2000; James, 2005).

Though demand is influenced by the consumer's underlying preferences, the responsive demand is also altered by some changes in price or income. Using the slope of a demand function as a measure of responsiveness, the equation is:

$$\text{Slope of demand function} = \triangle Q / \triangle P, \tag{7.3}$$

This equation means that the slope of a demand function is the change in quantity demanded divided by the change in price (Schotter, 2000). The revenue is decided by two elements: price and quantity. Revenue is the price of good multiplied by the quantity of that commodity sold:

$$R = P \times Q \tag{7.4}$$

If the price of a commodity increases, then the quantity sold decreases, so revenue may increase or decrease, depending on how responsive demand is to the price change. If demand drops drastically when the price increases, then revenue will fall; if demand only drops a little when the price increases, then revenue will increase. All these changes in revenue will be based on the elasticity of demand. The change in revenue is roughly equal to:

$$\Delta R = Q\Delta P + P\Delta Q \tag{7.5}$$

Revenue responds to a change in price if demand is very responsive to price —that is, it is very elastic — then an increase in price will reduce demand so much that revenue will fall since here $\triangle R/\triangle P$ must be negative and vice versa. If demand is very unresponsive to price — it is very inelastic — then an increase in price will not change demand very much, and overall revenue will increase. The dividing line happens to be an elasticity of -1, at this point, if the price increases by 1 percent, the quantity will decrease by 1 percent, so overall revenue doesn't change at all (Schotter, 2000).

In conclusion, the impact of a change in quantity of a commodity on the change in revenue are such that: (i) if demand is not very responsive to price, then one cuts prices to increase output, so revenue goes down, (ii) if demand is elastic, then an increase in quantity will result in an increase in revenue (James, 2005). The rules and the relations of these economic terms on the revenue will be proved and revealed in the following data analysis.

7.1.3 The introduction of externalities based on microeconomic theory

Externalities are the economic term for real life occurrences. An economic situation involves a consumption externality if one agent cares directly about another agent's production or consumption. The externalities include both negative and positive consumption externalities (Tisdell and Hartley, 2008). However, if externalities are present, the outcome of a competitive market is unlikely to be Pareto efficient (Schotter, 2000). The raw and fresh departments of Suguo supermarkets built up and the 2007 Caishi upgrading program, are, in the free and competitive market, two important externalities to the Caishi and supermarkets. These two externalities have some impacts on each other. To some extent, there are both negative and positive externalities to the two agents. The economic consequences of these externalities, based on the economic data obtained in this study, draw upon certain rules within them.

7.2 Methodology

Daily prices over the period of 1999-2009 for 19 foods commonly consumed by Nanjing citizens and available at the Kexiang Caishi, were drawn from the Nanjing Bureau of Commerce's webpage and the Kexiang Caishi. Microsoft Excel 2003 was used to draw the curve of price changes over the ten years to show their distribution. Relative gross revenue and total sales quantity of the two Caishi were also calculated to show the change in sales during these years.

For the six Suguo supermarkets the economic analysis included the total gross revenue, food products gross revenue, raw and fresh food gross revenue, total number of customers, the ratio of raw and fresh food, proportion of food products contributing to total gross revenue and total food product gross revenue. These were based on data obtained from the Suguo supermarket. The results were compared with sales fluctuations at the Caishi, to see the effect of supermarkets on the Caishi.

The data based on acquirement and accessibility in both Caishi and supermarkets were analyzed. For the Caishi, the three key elements of price, gross revenue and quantity were each studied to discern trends over the last ten years. For the supermarkets, the ten years' gross revenue, number of customers over the last ten years and the ratio proportion and distribution were analyzed. It was hoped that all this information would delineate the economic impacts and also the trends, consumption practices of these two shopping sites which are closely tied with people's daily lives.

7.3 Results and discussion

7.3.1 Economic analysis of the two Caishi under study.

This chapter is mainly dedicated to the study of two representative Caishi: the Kexiang and Yinbing Caishi. The two Caishi have different service histories: the Kexiang Caishi is a hundred years old, while the Yinbing Caishi was recently built to serve the needs of consumers from nearby recently-built residential districts. These two Caishi have the roughly same scale of business and are both impacted upon by the same chain supermarket store, *i.e.*, Suguo supermarket. In the following part, the question "how these two Caishi are influenced" is discussed.

7.3.1.1 Price analysis of Kexiang Caishi

Table 7.1 are the mean October prices of the 19 kinds of most frequently daily-purchased foods (selected by Nanjing Bureau of Commerce and posted on the official website) at the Kexiang Caishi between 1999 and 2009 (Kexiang Caishi, 2009a; Nanjing Bureau of Commerce, 2010), show prices to have dropped 10.4% in 2000 compared with 1999 (Figure 7.1). Prices remained relatively stable from 2000 to 2003, before rising 27% in 2004. However, in 2006 prices dropped 15.3% compared to 2005, only to increase 33.3% by the same month in 2007. Price increases continued after 2007, but their extent was less than in 2006 to 2007. Overall the most evident increases occurred in 2004 and 2007, while the most notable decreases occurred in 2000 and 2006. Overall, October prices in 2009 showed an increase of 39.65% and 55.9% over 1999 and 2000, respectively. Thus, prices in 2009 were much higher than in 1999 or 2000.

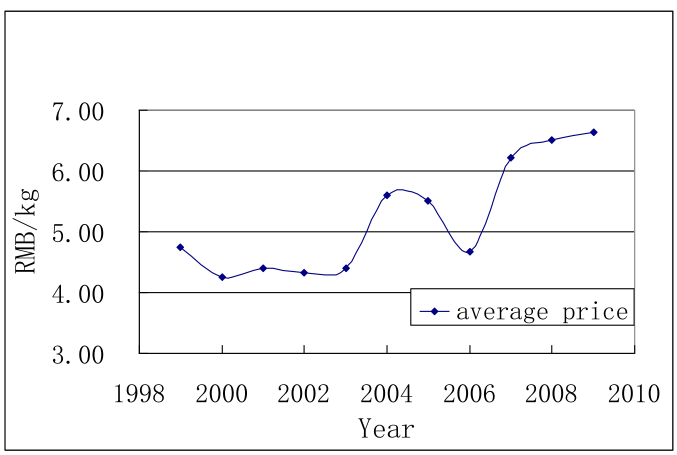


Figure 7.1 October average prices in Kexiang Caishi (Kexiang Caishi, 2009a; Nanjing Bureau of Commerce, 2010)

Table 7.1 Kexiang Caishi October prices from 1999 to 2009 (RMB/kg)

(Kexiang Caishi, 2009a; Nanjing Bureau of Commerce, 2010)

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Greengrocery	2.0	1.6	1.0	2.0	1.0	3.0	5.0	1.6	3.0	3.0	2.5
radish	2.5	2.2	1.0	2.0	1.0	3.0	3.0	1.6	3.0	2.0	2.4
cabbage	2.0	1.4	1.0	1.4	1.0	1.4	3.0	2.0	3.0	2.6	2.0
celery	2.8	2.2	1.5	2.0	1.5	4.0	5.0	3.0	3.6	3.0	4.0
Tomato	2.2	2.2	3.0	2.0	3.0	3.0	3.6	2.6	5.0	3.2	2.8
cucumber	2.2	1.6	2.0	1.6	2.0	2.4	4.0	1.6	4.0	3.0	2.6
potato	2.0	1.8	3.5	1.6	3.0	2.0	3.0	2.0	3.0	2.6	2.0
Chinese leaves	2.5	1.6	1.2	1.9	1.2	2.0	2.4	1.6	2.0	2.0	1.6
eggplant	3.0	1.2	3.5	1.2	3.5	2.0	3.6	2.4	4.0	3.0	3.0
pepper	2.8	2.4	3.0	2.0	3.0	3.0	4.0	2.6	4.0	5.0	4.0
crucian carp	12.0	12.0	13.0	13.0	13.0	10.0	9.0	8.0	10.0	11.0	12.0
chub	6.0	5.0	6.0	6.0	6.0	11.0	8.0	5.0	5.6	6.6	7.0
egg	5.0	4.4	5.2	4.8	5.3	6.8	6.2	7.2	7.8	7.4	7.4
ham	12.5	12.0	11.0	12.0	11.0	15.0	13.0	14.0	18.0	20.0	22.0
rips	13.0	13.0	12.0	13.0	12.0	17.0	14.0	15.0	20.0	22.0	23.0
Tofu	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8
soybean milk film	7.5	7.5	7.0	7.0	7.0	9.0	8.0	8.0	8.0	11.0	11.0
Rice	2.2	2.2	1.6	2.2	2.0	3.2	3.2	3.4	3.4	3.6	4.0
Canola oil	7.5	6.0	6.5	5.8	6.5	7.8	6.0	6.4	10.0	12.0	12.0
mean price (RMB)	4.75	4.26	4.40	4.32	4.41	5.59	5.51	4.67	6.22	6.52	6.64

7.3.1.2 Total gross revenue and quantity sold at Kexiang Caishi

A plot of change in quantity resulting from a change in price over recent years (Figure 7.2) shows that the quantity increased in 2000, 2006, 2008 and 2009, and decreased in 2004, 2005 and 2007. This Caishi showed some response to price changes, but was not very responsive. The quantity increases of 2000 and 2006 match notable decreases in prices. In 2000 and 2006, quantity increased 11.37% and 9.02%, respectively, over the previous year. Prior to 2008, the quantity sold showed negative growth compared to 2000, when the price was at its lowest in this year. The decline in quantity in 2004 and 2007 (7.27% and 9.44%, respectfully, compared to the previous year) coincided with price increases. The Caishi's 2007 upgrade constituted a positive externality. The Kexiang Caishi began a three-month updating program which resulted in a decrease in quantity sold. The range of changes in quantity before 2007 were not very significant since the nearby chain Suguo community supermarket was only built in 2002 (a negative externality with respect to the Caishi). The supermarket which gradually began to sell the same daily foods as the Caishi influenced to some extent the quantity sold in the Caishi. The evident increases (23.04% and 17.47%, respectively, compared to the previous year) in quantity sold in 2008 and 2009, indicated that after its updating, this Caishi attracted a lot of customers, drawing some clients away from the nearby Suguo supermarket. This increase occurred as a result of the environment, sanitation, food quality, service and retail categories being improved. Though the increase in quantity sold was also influence by the progress of urbanization, increases in income and greater affordability, the updating program remained the main reason for the 45.5% increase in quantities sold over the ten year period of 1999-2009.

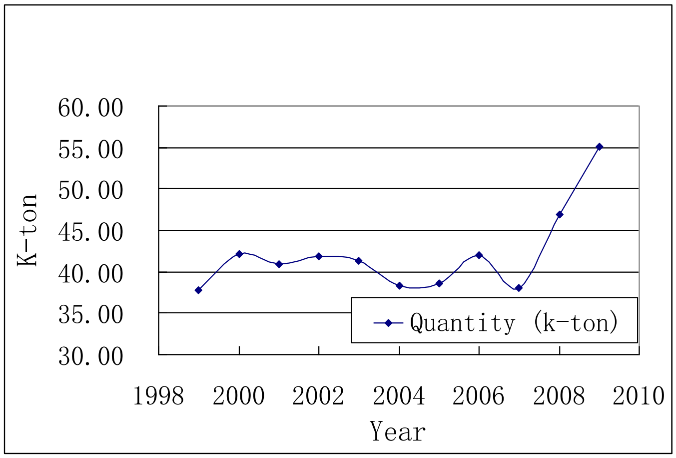


Figure 7.2 Total quantities sold at the Kexiang Caishi (1999-2009) (Kexiang Caishi, 2009b) Note: 1 k-ton = 1000 metric ton

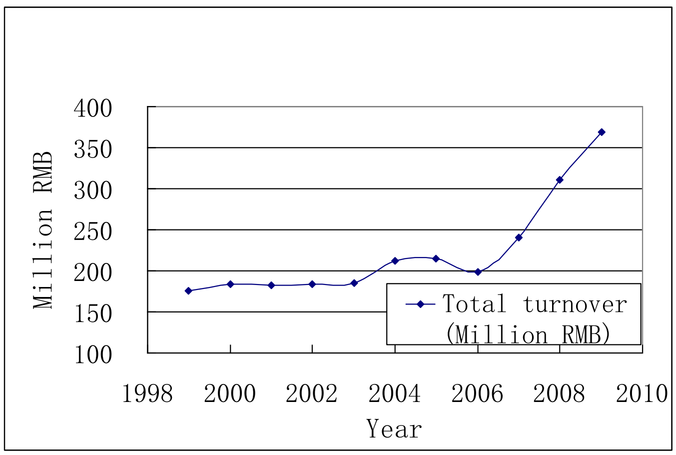


Figure 7.3 Total gross revenue of the Kexiang Caishi (1999-2009). (Kexiang Caishi, 2009b) Note: 1 k-ton = 1000 metric ton

The gross revenue was also influenced by the price, quantity sold, as well as externalities (Figure 7.3). The gross revenue of 2000, 2004, 2007, 2008 and 2009 rose compared to the previous year, while declines occurred in 2001 and 2006. The rise in gross revenue from 1999 to 2000 coincided with a price decreased which resulted in a large increase in quantity sold. The gross revenue increase in 2004 and 2007 because compared preceding years, the price increased substantially, but the demand only decreased slightly relative to the extent of the price increase. This indicated that the demand for food remained at some level since food is a necessity for people. Even when an alternative food vendor came into existence – the Suguo community supermarket — the Caishi's gross revenue in 2004 and 2007 increased 14.25% and 21.48%, respectively, compared to the previous year. As the previous microeconomic analysis explained, if demand is very unresponsive to price, then an increase in price will not change demand very much or it will only decline a little, and overall revenue will thus increase.

The Caishi's gross revenue increased in both 2008 and 2009 since the Caishi's permanent and software infrastructure was improved after an upgrade. This attracted more customers, so the quantity of goods sold increased significantly, even though the price kept going up. These two elements led the gross revenue in these two years to also go up significantly. The data showed that the gross revenue in 2009 was 110.07% greater than in 1999. The gross revenue dropped slightly in 2001, because that year's raise in the price led to a decrease in quantity sold, thus influencing the gross revenue. The 7.57% drop in gross revenue fallback in 2006 *vs.* 2005 occurred because there was a significant drop in price that year, however, unproportionally the quantity sold increased not as much as the price dropped. Under this inelastic situation, cutting prices to increase output would result in revenues going down; however the situation was also influenced by the nearby Suguo community supermarket, which took some customers from the Caishi, such that the gross revenue also dropped. Overall this Caishi's gross revenue has grown, which is explained by the Caishi's upgrade, and its resulting good development. Moreover, the demand on this Caishi was not very responsive to the price change, but the reality is not strictly like the economic model, it still shows some responsiveness to price on some occasions.

7.3.1.3 Total gross revenue and quantity sold at the Yingbin Caishi

The Yingbin Caishi was built to fill the needs of surrounding newly-built residential districts. A plot of quantity of goods sold from 1998 to 2009 (Figure 7.4) showed that the quantity sold rose moderately from 2000 to 2003, reflects that on one hand, the fluctuations and increase in this period paralleled price fluctuations over the same period; on the other hand, from 2000 many newly residential districts began to be built in this area, so the demand in this area gradually increased as a result of the population expansion. The quantity sold in 2000 and 2006 increased 6.71% and 7.2%, respectively, compared with the previous year as prices dropped in both years. This showed that this Caishi was somewhat responsive to the price change, which reflected on the change in quantity sold. The increase in quantity sold was disproportionately smaller than the price drop.

In 2008 and 2009, the quantity sold increased 11.8% and 8.39% compared the previous year, indicating that the Caishi may have attracted new customers from the newly constructed housing, or drawn customers shopping at the Suguo supermarket switched to them, since the environment and infrastructure of the Caishi had been improved after upgrade program. In 2004 and 2007, the quantity sold decreased by 2.91% and 3.67%, respectively, compared to each previous year, which coincided with (i) two years when prices went up, (ii) when the nearby Suguo community supermarket was built. When their raw and fresh foods department were opened, they drew some customers away from the Caishi (negative externality); and (iii) in 2007 updating the Caishi took some months, thus influencing the quantity sold. Though the 45.23% overall increase in quantity sold from 1998 to 2009 might have been in part the result of population or income growth in the area, the Caishi's upgrade likely brought more customers to this Caishi and was the main factor in increasing the quantity sold. The quantity sold in 2006 (the year before upgrading) represented a 24.41% increase from 1998, while the quantity sold in 2009 represented a 16.7% increase compared to 2006.

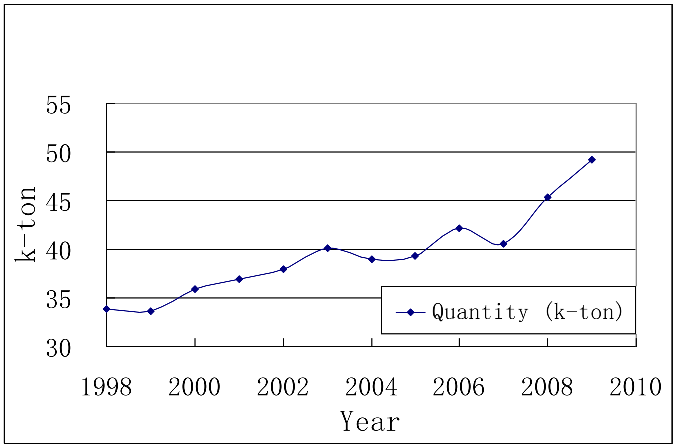


Figure 7.4 Total quantities sold at the Yingbin Caishi (1998-2009) (Yingbin Caishi, 2009) Note: 1 k-ton = 1000 metric ton

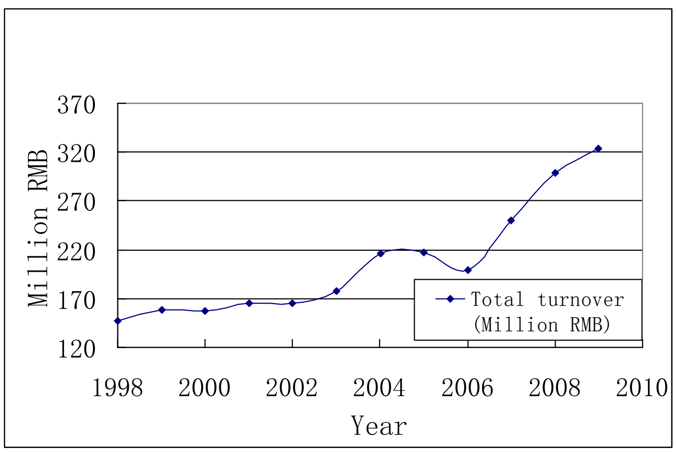


Figure 7.5 Total gross revenue of the Yingbin Caishi (1998-2009) (Yingbin Caishi, 2009)

The gross revenue is mainly derived from the price and quantity sold. Sometimes, positive or negative externalities can influence the quantity sold, thus further influencing the gross revenue. Price decreases in 2000 and 2006 did not result in substantial increases in gross revenue (Figure 7.5), rather, the gross revenue in these two years dropped 0.65% and 8.22%, respectively, compared with the previous year. In 2004 and 2007 prices increased compared to the previous years, and the gross revenue increased significantly (21.48% and 25.44%, respectively). Even thought the Caishi was closed for a portion of

2007 for an upgrade (positive externality for the Caishi), it still had high gross revenue. The distribution of gross revenue over the period of 1998to 2009 indicates that the demand was very unresponsive to price, *i.e.*, that an increase in price would not change demand very much and that overall revenue would increase. Under this inelastic situation, cutting prices to increase output would have resulted in revenues going down. Prior to 2004, the increase in gross revenue was relatively stable and gradual, and was paralleled by a gradual price increase since demand was stable and also increased. At this time, the nearby Suguo supermarket built (negative externality to Caishi) drawing away some customers who would originally have chosen the Caishi.

In 2007 to 2009 showed an evident increase in gross revenue, as prices were continually going up and the upgrade brought back customers from the supermarkets and with the growing population drew the area's new residents to shop in the Caishi. Gross revenue in 2007, 2008 and 2009 had increased by 70.37%, 103.14% and 119.98%, respectively, compared to 1998, whereas for 2006 this relative increase was only 35.82% (Figure 7.5). Gross revenue in 2009 was 61.96% greater than in 2006. This indicates that though the demand for daily foods from the Caishi was not very responsive to price changes in this case, people still had another choice of where to shop, so the supermarket might have been a substitute option for them. The Caishi's upgrade made it more competitive than before and the trend of its future development is positive and bright.

7.3.2 Economic analysis of six Suguo supermarkets

Thanks to the accessibility of data from the Suguo group, six Suguo community supermarkets' data located close (< 0.5 km) to the six Caishi under study in the three districts of Nanjing. The data from six Suguo supermarkets will explain how the supermarkets influence the local Caishi and how the local Caishi responded to the impact of these newly-built supermarkets.

7.3.2.1 Total gross revenue of six Suguo supermarkets

From the Figure 7.6, most Suguo supermarkets were built in 2002, with the exception of the Jiankanglu supermarket built in 2001, and the Shengzhoulu supermarket, built in 2006. Besides some minor fluctuations influenced by prices, most supermarkets increased their total gross revenue every year (Figure 7.6). When gross revenues increase significantly, it was either because: (i) The increase went along with a price increase. Data from the former Kexiang Caishi showed prices to have risen substantially over these years, so the rise in supermarkets' prices, which would already be higher than those in the Caishi — a fact questionnaires and interviews support — was not unexpected. (ii) The construction of supermarkets near the Caishi drew away some of the Caishi's original customers. Some residents newly moved into this area chose the supermarket since some of them cared more about the shopping environment and the quality of life than price. The supermarkets provided additional shopping choices, bringing convenient one-stop modern shopping practice to them.

Aware of the potential impact of nearby supermarkets, most Caishi underwent upgrades directed by the Nanjing government. The Caishi put on a new face and improved in many other aspects, so as to impart, to some extent, a negative externality on the supermarket, considering the lag time after the upgrade which allowed people have some time to come to know and accept the newly-improved Caishi and to examine the results of its upgrade. After the Caishi's upgrade of 2007, the supermarkets still had one year of increase in total gross revenue (Figure 7.6): the 2008 total gross revenues of the Wenchangxiang and Huxijie supermarkets increased 71.17% and 30%, respectively compared to 2003, since they began to do business in 2002. The data shows that the Wenchangxiang supermarket, located near the old Kexiang Caishi, took many customers away from the nearby Caishi which was located in a city centre's relative stable residential area. The residents in this area have stable incomes and are more likely to have more shopping choices for their daily food. The Huxijie supermarket did not draw many customers to them, as its plot of gross revenue is more stable, and similarly to that of the nearby Yinbing Caishi. The demand on this supermarket was still not very responsive to price, which indicated that the decrease in price in 2006 resulted in the fall back in gross revenue. The Huxijie supermarket was located in a newly built residential district, whose population increased over the years. In this area people were more likely to go to the Caishi since this area's residents just moved in and they might not have been very financially stable or have enough income to shop at the supermarket. The plot of gross revenue for the Yinbing Caishi can identify this since the Yinbing Caishi gross revenue increased in these years.

Despite the price increase in 2009, gross revenue decreased in all supermarkets except the Shengzhou lu supermarket, with Caishi gross revenues also increase in this year. The Wenchangxiang and Huxijie supermarkets' total gross revenue in 2009 increased 68.04% and 24%, respectively over 2003, whereas between 2008 and 2009 it declined by 3.13% and 6%, presumably due to the upgraded Caishi drawing away some old customers and new residents. The Huxijie supermarket has a greater influence than the Wenchangxiang supermarket, which suggests that the residents in this area liked to shop at the Yinbing Caishi, which is built for the needs of surrounding residential districts. The Shengzhoulu supermarket, located near the Caixia jie Caishi represents a special case, as after the local Caishi's upgrade, its total gross revenue was not downwardly influenced, on the contrary, it continued to increase. This could be attributed to the area's residents being newly moved in, living in high-rise buildings or in the newly-built modern residential district (see chapter 4.4.2). Consequently they have a higher income than the original residents, and more like the modern one-stop shopping available in the supermarket than go to shopping in the Caishi.

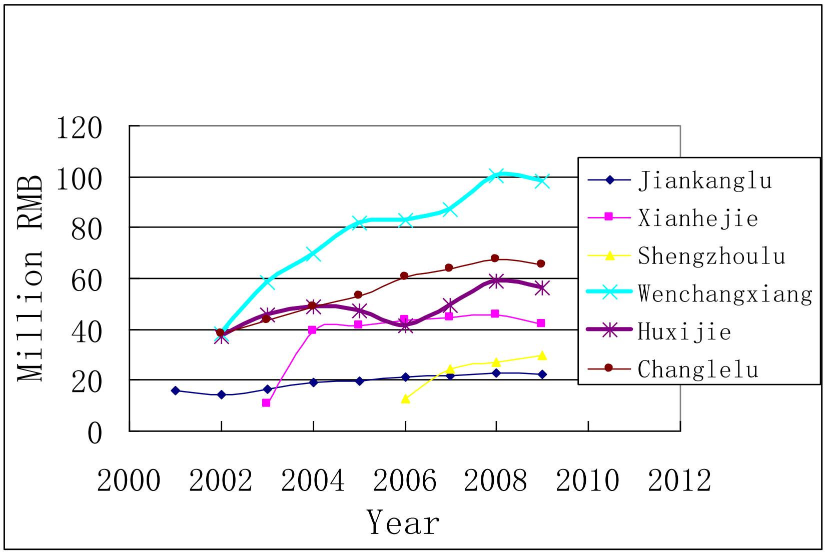


Figure 7.6 Total annual gross revenue of six Suguo supermarkets. (Suguo Group, 2010a)

7.3.2.2 Six Suguo supermarkets' gross revenue from food products

In this context food products include not only daily foods like vegetables, fish and meats, but also the instant foods, deli foods and snack foods. As the Figure 7.7 showed that the six supermarkets' food products gross revenue generally increased between store opening and 2008, to decline at four stores in 2009, the year following the Caishi upgrades. The two exceptions were the Shengzhoulu supermarket a special case described above, and the Huxijie supermarket, located near the Yinbing Caishi. The 2008 food product gross revenues of the Wenchangxiang and Huxijie supermarkets were 58.52% and 14.03% greater, respectively, than those in 2003, however, between 2008 and 2009 the Wenchangxiang supermarket saw a 3.95% decrease and the Huxijie supermarket a mere 4.32% increase.

This indicates that the Wenchangxiang supermarket drew away many customers from the Caishi when it was built. The Huxijie supermarket showed a slow increase in food products gross revenue and only drew some residents to shop there. The demand at the Wenchangxiang supermarket (as well as two others) showed greater responsiveness to prices changes when compared to the Huxijie supermarket. When the price of daily foods declined significantly in 2006, the food products gross revenue increased by about two million RMB, but the Huxijie supermarket equivalent revenue decreased by three million RMB, showing demand to be unresponsive to price. The Caishi upgrades of 2007 proved a negative externality to the Wenchangxiang supermarket in 2009 as its food products gross revenue decreased somewhat; however, that of the Huxijie supermarket increased slightly (3.8%), suggesting that the Huxijie supermarket was not influenced by the upgrade of the nearby Yinbing Caishi, which saw an 8.29% increase in gross revenue over the same period. Thus the Caishi's gross revenue increase from 2008 to 2009 was greater than that of the supermarket; however, upon a closer look, the Huxijie supermarket food products gross revenue increased by just 1.17 million RMB, whereas the Yinbing Caishi's increased about 24.76 million RMB, a 21-fold disparity. This distribution suggests that most residents in this area selected to shop at the Caishi. However, the continuous increase in nearby supermarket's food product gross revenues indicated that this area's population also continuously rose, insuring demand for food remained at a high level. Price was little influenced under this situation, as a small portion of residents went to the supermarket.

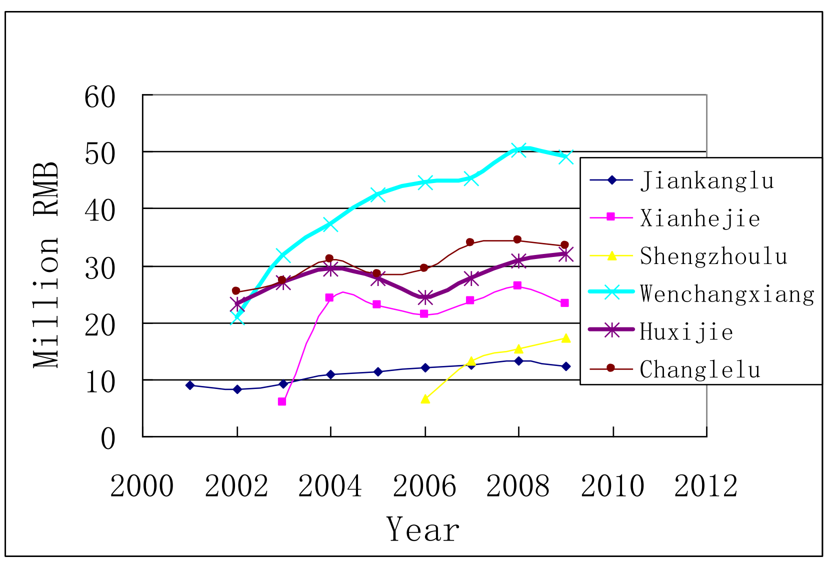


Figure 7.7 Total food products annual gross revenue for six Suguo Supermarkets (Suguo Group, 2010a)

7.3.2.3 Raw and fresh food gross revenue of six Suguo supermarkets

Total raw and fresh food gross revenues of six supermarkets grew continuously until of 2008 (Figure 7.8). One exception was the Huxijie supermarket where fluctuations in price and population change were apparent. Since most residents in this area like to shop at the local Caishi, a comparison of prices between the supermarket and Caishi was a normal thing. Price increases led to a decrease in raw and fresh food sales; however, this did not affect the Yinbing Caishi where gross revenues rose..

In 2009, the year after the Caishi upgrades, most supermarkets' raw and fresh food gross revenues fell back, though the Xianhejie supermarket, located near the Laifeng Caishi, saw its raw and fresh food gross revenues decline in 2008. Only the Shenzhoulu supermarket's raw and fresh food gross revenue kept growing given the city renewal and customer group in this area. Raw and fresh food gross revenue at the Wenchangxiang and Huxijie supermarkets rose 79.65% and 60.88%, respectively, between 2003 and 2008, but declined 5.04% and 23.08% from 2008 to 2009. This indicates that the demand for raw and fresh food was not very responsive to the price. The evident decrease in price in 2006 at these two supermarkets resulted in a decrease in gross revenue for that year. The Caishi upgrade program constituted a negative externality to nearby supermarkets (Figure 7.8), as customers more frequently shifted back to local Caishi after the upgrade. This was because of the many improvements and the Caishi's positive development, which let them re-attract the customers from the supermarkets. Customers would consider the Caishi a good option when they wanted to buy their daily food needs, leading to a decrease in supermarkets' gross revenue of this part.

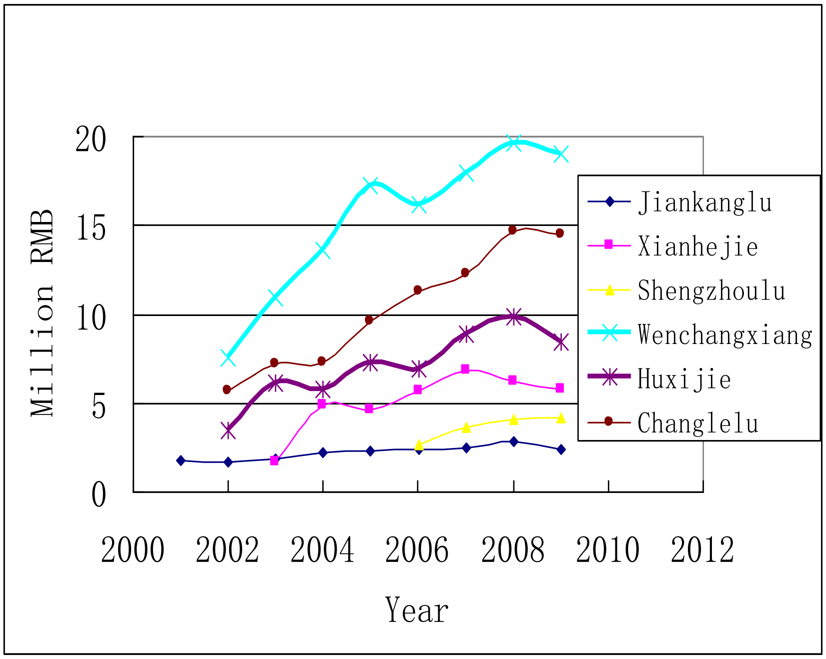


Figure 7.8 Total raw and fresh food annual gross revenue (million RMB) (Suguo Group, 2010a)

7.3.2.4 Total customer numbers of six Suguo supermarkets

The total customer numbers of six Suguo supermarkets tell us the frequency of people going to the supermarket, but not what or how much they actually buy from supermarket or make what kind of contribution they make to the supermarket's gross revenue.

Customer numbers increased annually in a gradual manner from the inception of the supermarkets to 2006 (Figure 7.9, the year preceding the nearby Caishi's upgrades, which brought revenue increases to supermarkets. However, the Wenchangxiang and Huxijie supermarkets' customer numbers decreased in 2006, even though prices went down in this year. However, prices in nearby Caishi decreased even more than in supermarkets, so many customers shopped in Caishi, as the Kexiang Caishi (Figure 7.2) and Yinbing Caishi (Figure 7.4) quantities sold can attest.

In 2007, most Caishi were undergoing an upgrade, so most of them lost customer numbers, but after the upgrade most supermarkets' customer numbers fell back or remained constant as in 2007. Most supermarkets' customer numbers increased in 2009, with only two supermarkets' customer numbers still declining. This indicated in these areas people were more likely to select Caishi than supermarkets after Caishi's improvements. The Wenchangxiang and Huxijie supermarkets saw their customer numbers increase in 2009. This can be attributed to the progress of urbanization resulting in a population increase in this area, thus increasing the demand for consumption.

In 2008, most customers were attracted to the Caishi after upgrades, which gave the Caishi a new face, but supermarkets remained one of their choices of where to shop, so the customer number declined. The Huxijie supermarket was an example of this; on the other hand, the Wenchangxiang supermarket's customer numbers still increased after 2007, indicating that while more people may have preferred and chosen the Caishi, they might choose to purchase some foods on promotion or other products in supermarkets as a substitute to Caishi products. They still buy their daily food needs in the Caishi, and supermarket is a leisure activity or a place for socializing for some family members (see chapter 6.3.2.2). All these factors contributed to increasing the number of customers in supermarkets. However, the gross revenue of most supermarkets in the year 2009 decreased, whereas the gross revenue of the sampled Kexiang and Yinbing Caishi increased significantly, even though customer numbers in these supermarkets increased. This demonstrated that the number of people buying products here decreased or the price of products they bought was lesser (see chapter 5.3.1.4.2.), or some of them just browsed and did not buy anything, under this situation, even if many customers shop here, but the average transaction is small, the total gross revenue is lessened. As previously discussed (see chapter 5.3.1.1 and 6.3.4.3) people go to Caishi just for their family's daily food needs, so the Caishi are the main foods provider for many people, so it is not surprising that their gross revenues are substantial after their upgrading program.

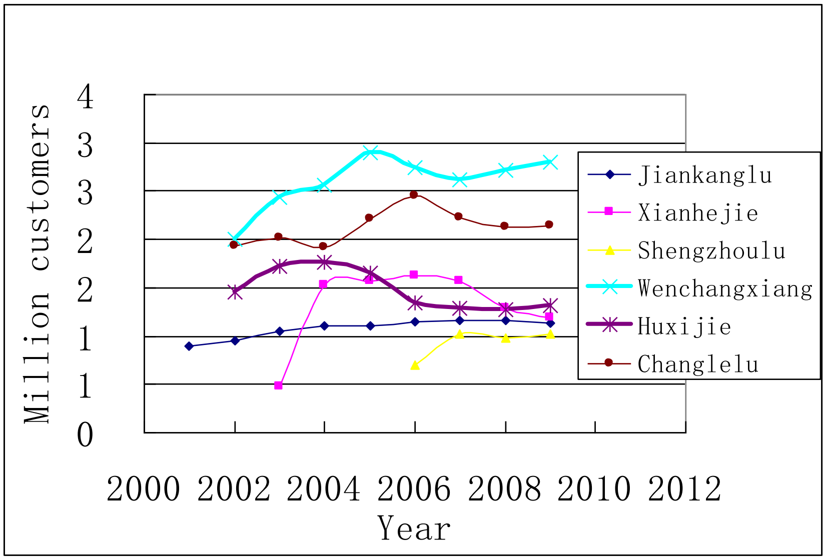


Figure 7.9 Total annual customer numbers (Million customers) (Suguo Group, 2010b)

7.3.2.5 The ratio of raw and fresh food, and food products gross revenues to total gross revenues and to total food products gross revenue of Six Suguo supermarkets

Figure 7.10 to 7.12 represent, respectively, the annual proportion of raw and fresh food gross revenues to total gross revenues, of raw and fresh food gross revenues to total food products revenues, and of total food products gross revenues to total gross revenues. These graphs highlight the reaction of externalities existing between the supermarket and Caishi, and how these two institutions influenced each other. The ratio of raw and fresh food to total gross revenues (Figure 7.10), did not generally rise significantly from the inception of supermarkets through 2006, but showed a significantly decrease after the Caishi's upgrades, an downward inflexion appearing in 2007 and 2008. Only the Shengzhoulu supermarket's total gross revenue continued to increase throughout (Figure 7.6), but the raw and fresh food to total gross revenue ratio declined, especially after 2007. In the Wenchangxiang supermarket this ratio followed a stable fluctuating curve, where fluctuations over a narrow range appeared to follows price changes, indicating that this part of revenues did not occupy a significant position of the supermarket's total gross revenue. It does not bring big profits to the supermarket, just maintains a stable proportion. Even so it showed an evidently decrease after 2007.

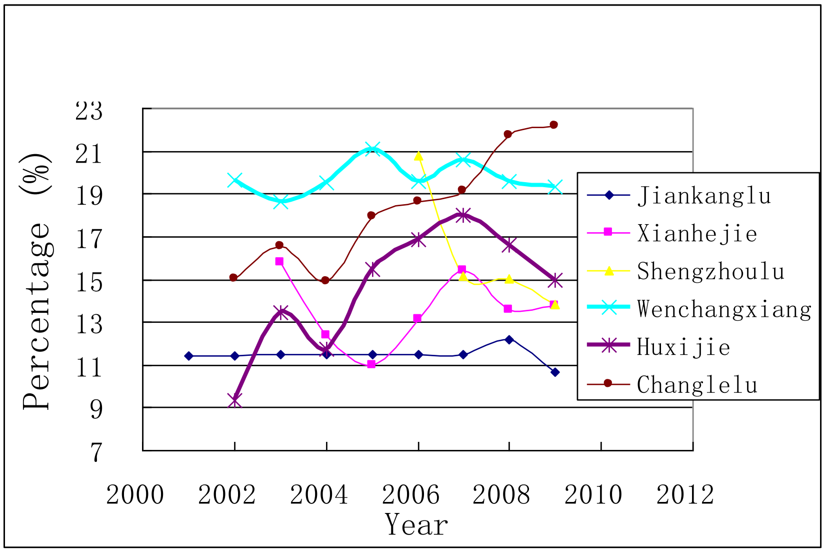


Figure 7.10 Ratio of raw and fresh food in total annual gross revenue

The Huxijie supermarket's raw and fresh food to total gross revenues curve varied over a wider range than that of the Wenchangxiang supermarket. The Huxijie supermarket's ratio showed an evident decrease from 2003 to 2004 when the market prices rose, but rose thereafter until 2007, before declining through 2009. The latter overall trend indicated that this portion of revenues occupied an increasing proportion of the supermarket's total gross revenue. However, when the area's population grew, resulting in greater demands for daily foods, and the Caishi were upgraded, this portion of the ratio shrank, since many original customers and new residents chose to shop at the Caishi for their daily food needs. The data indicates that the Caishi upgrade did influence the gross revenue of the same products sold in supermarkets, and people were more likely to buy their daily food needs in the Caishi.

Plots of the ratio of raw and fresh food to total food products gross revenues (Figure 7.11) show curves with a similar distribution to those in Figure 7.10, indicating the same general trends in the raw and fresh food gross revenues. However, on a total food products gross revenues basis, the raw and fresh food gross revenues shows a wider range (up to 40%) than on a total gross revenues basis (21%), showing this part revenues to be of a greater influence on food products gross revenue than total gross revenues.

The ratio of supermarkets' food products gross revenues to total gross revenues (Figure 7.12) of supermarkets, showed similar trends to the other ratios. In general, a decline in total gross revenues occurred after the 2007 Caishi upgrades. However, only the Shengzhoulu supermarket's food products to total gross revenues ratio increased because most residents living in the area were of middle to high income classes (see chapter 4.4.2), and due to the city renewal, the original residents who frequented the Caishi decreased. The Huxijie supermarket showed an increase in this ratio in 2009 which may resulted from the construction of new residential districts and the resulting increase in population, which in turned increased demand in the area.

The Wenchangxiang and Huxijie supermarket's ratio of food products to total gross revenues (Figure 7.12) rose in 2006 when prices went down, and decreased in 2007 when prices went up. Trends in both supermarkets showed that customers in these two supermarkets who bought food products were somewhat responsive to the price. The food products to total gross revenue ratio indicated that not only did the raw and fresh food ratio declined relative to that from food products, but other food product ratios besides the raw and fresh foods declined, i.e., deli foods, snack foods and instant foods are also declined. The greatest value of the raw and fresh foods to total food products gross revenue ratio was about 40%, so raw and fresh foods did not represent a big proportion, many other food products occupied the remaining 60%. This part of other food products' gross revenues also evidently decreased, which may have lead to the total food products to total gross revenue ratio of supermarkets decline.

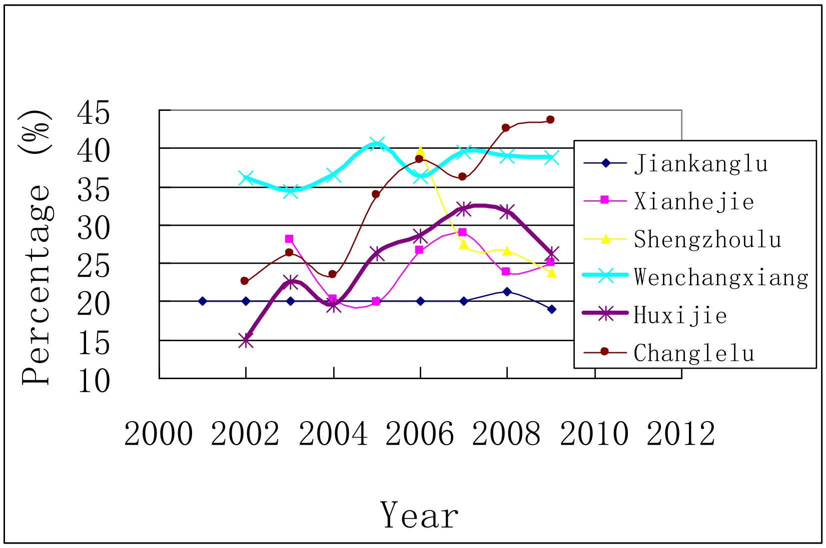


Figure 7.11 Ratio of raw and fresh food in total annual food products gross revenue

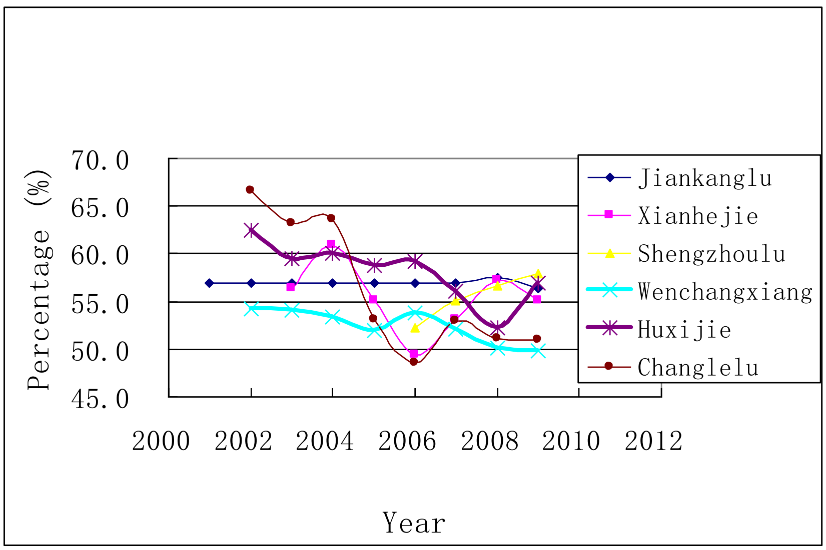


Figure 7.12 Ratio of food products in total annual gross revenue

The highest increase range of food products ratios for the six supermarkets was about 65% and the lowest less than 50% (Figure 7.12). The Huxijie supermarket's ratio is from 62.5% when the supermarket was built in 2002 to 56.9% in 2009, with its lowest point being 52.3% in 2008. The initial high ratio might be explained by some people's curiosity towards supermarket shopping practices when they just opened.

The ratio of food products to total gross revenue of the Wenchangxiang supermarket decreased from 54.3% at its opening to 49.8% in 2009. When combined with the former food products total gross revenue (see chapter 7.3.2.2), it showed that this part of the gross revenue did not increase over a large range considering that the market price of foods increased a lot, so the portion actual sold was relatively decreased. These various ratios indicate that food products are not the main products which attract people to shop in supermarkets, since these ratio decreased significantly. People choose to go to supermarket for the products other than foods since Caishi's commodity products categories are narrower than those of supermarkets and the quality in supermarkets is better. Most of people still think the local Caishi as their daily foods consumption site, especially after the Caishi upgrades expanded the categories of food sold in Caishi, with a quality more or less equal to the supermarkets.

Supermarkets' raw and fresh food to total gross revenue ratio and to total food products gross revenues ratio, as well as food products to total gross revenues ratio decreased significantly after the Caishi's upgrades, the proportion of foods in the supermarkets' gross revenues occupying less than before, and people choosing to buy different products in different places, *e.g.*, going to the Caishi for their daily food needs and buying other life products in the supermarket. Some may also buy food products on promotion in supermarkets, as the interviewees mentioned (see chapter 5.3.1.5.5).

7.4 Conclusions

From the quantity of products sold and gross revenues of two Caishi (Kexiang and Yingbin), it could be concluded that: a) people's demands on the two Caishi were inelastic, which may represent the case of most Caishi; b) the big upgrade of Caishi in 2007 made them more attractive to clients, including old customers who had switched to shop at the nearby supermarket, along with new residents; c) the Caishi's upgrading produced a negative externality to the nearby Suguo supermarket, and drew greater popularity and revenue to the Caishi. d) the demands in Kexiang Caishi has some responsive to price when compared with the Yingbin Caishi area, which explained that in the city center area as Kexiang has some difference with the newly built residential area as Yingbin in the change of population number, income and the life requirement.

From the analysis of six supermarkets, it demonstrated from another side -- the supermarket aspect, we can conclude that: a) when the building of nearby Suguo supermarkets, supermarkets did draw away clients from Caishi and they have affected Caishi since it generated a negative externality to Caishi; b) the gross revenue of total products, food products and raw and fresh food showed an increasing trend before 2007 which attested to the fact that they drew Caishi customers to them after they were built and that prices went up during these years; c) after the Caishi were upgraded, all the data showed that the gross revenue decreased, show the impact of the Caishi's upgrades on them. d) the further ratio study on the raw and fresh food and food products gave more ammunitions to support the former argumentation that the foods ratio in total gross revenue of supermarkets decreased especially after the Caishi upgraded, and the food products occupied less proportion than before. e) people go to different places to buy different products, the supermarket and Caishi play different roles, as the view proposed in the former chapters (see chapter 5 and 6). f) at some extent, the supermarket is the substitute of Caishi, they provide not only the modern one-stop convenient shopping practice, but also another choice for the customers.

After all, the externalities produced by the supermarket and Caishi drive them to compete with each other and try to provide better products, service and environment to residents, from this point of view, these externalities is good to customers no matter they are negative or positive to Caishi and supermarket. The supermarket and Caishi continuous improvements under the competition impetus, would make the Caishi coexists with supermarkets, at least, the Caishi will not be replaced in the short term since the Caishi and supermarket already respectively found their own positions.

Chapter 8 General conclusions

The present study employed interviews, questionnaires, field surveys, and an overview of economic impacts to investigate the history and transformation of Caishi in Nanjing, along the mutual impact of supermarkets and Caishi on each other. While individual chapters presented conclusions based on different data, this chapter will discuss the relations between the different conclusions to build an overall final conclusion.

8.1 Comparison of different results.

The conclusions at the end of each preceding chapter were based on different sources of data, which are compared here (Table 8.1).

Table 8.1 Comparison of results from different chapters

Questions	Field survey	Interview	Question-naire	Economic data study
Did nearby supermarkets have an impact on Caishi?	Yes	Yes	Yes	Yes
Did Caishi upgrades attract customers back?	----	Yes	Yes	Yes
Did city renewal programs have an important effect on Caishi sales?	Yes	Yes	----	Yes
Were Caishi prices cheaper than those in supermarkets?	----	Yes	Yes	----
Was price the people's main shopping site selection factor?	Yes	Yes	Yes	----
Was the supermarket's shopping environment better than that of the Caishi?	----	Yes	Yes	----
Was the shopping environment the people's main shopping site selection factor?	----	Yes	Yes	Yes

What kind of products do people predominantly buy in Caishi?	Vegetables	Vegetables	Vegetables	Daily foods
What kind of products do people predominantly buy in supermarkets?	----	Deli foods, commodities	Deli foods, commodities	Commodities and other products
Are foods from Caishi of such quality as to be safe?	----	Yes	Yes	----
Do people buy different products in different places?	----	Yes	Yes	Yes
Is food freshness the main factor to attract customers to Caishi?	----	Yes	Yes	----
Is the more complete range of products the main factor attracting customers to the supermarket?	----	Yes	Yes	----
In their retail mix, should Caishi keep their commodities area?	Yes	Yes	No	----
High income, better educated people will more likely buy their food in	Supermarket	Supermarket	Supermarket	----
Low income people will more likely buy their food in	----	Caishi	Caishi	----
Old people will more likely buy their food in	----	Caishi	Caishi	----
Young people will more likely buy food in	----	Supermarket	Supermarket	----
Can the Caishi be replaced by a supermarket?	----	No	No	No

While for most questions the results of interviews and questionnaires concurred (Table 8.1), three notable differences were apparent. The first regarded the retail mix in Caishi. In interviews, most people believed that since commodity shops could survive in Caishi, this meant that some people must be buying there; comparatively, in the questionnaire, most people claimed they did not buy commodities in the Caishi. This different might exist because there are only limited people who occasionally buy commodities in the Caishi when they have bought their daily foods needs there. Given the large number of customers shopping in the Caishi, these purchases were enough to let a few commodity shops survive in the Caishi, as the interviewees said. Another two differences occur with respect to the products that people choose in Caishi and supermarket, the interview and questionnaire results both demonstrated that people bought vegetables in Caishi *vs.* deli foods and commodities in supermarkets; however, economic data indicated that people tended to buy all their daily food needs in the Caishi, and chose supermarkets for their purchases of commodities and other products. This was confirmed by an analysis of recent economic data from six supermarkets, particularly their drop in performance in the year after Caishi upgrades. The similarity in results from different chapters confirmed the mutual impacts, influential factors and trends linking Caishi and supermarkets.

8.2 General conclusions

Nanjing has a long commercial history wherein Caishi as well as supermarkets have experienced different stages of development. The government has made many efforts to improve and upgrade Caishi so as to provide better services to Nanjing's citizens. In the emerging new commercial landscape—supermarkets have brought greater convenience and diversity of selection to citizens, which combined with Caishi create a web of convenience directed through government planning.

The field survey found the nearby supermarkets do have impacts on Caishi (Table 4.1), which varied according to a specific Caishi's spatial relation to the supermarkets. It also explored the effect on Caishi of factors besides supermarkets, *e.g.*, location, arrangement, and the morphology and geography of the surrounding commercial landscape. This analysis produced a theory to support the theme of the thesis.

Based on the results of interviews and questionnaire surveys, Caishi prices were found to be lower than those of supermarkets and this was an important factor in people choosing to purchase their food in a Caishi. Another important reason why people select Caishi over supermarkets is that the Caishi can offer a wider range of fresher vegetables.

The shopping environment was also a significant factor affecting people's selection of where to shop. The Caishi's environment and sanitation was much improved after their 2007 upgrade, drawing back Caishi customers as well as some new customers; however, the supermarket shopping environment remained better in general. Consequently, people sometimes still went to supermarkets to buy food products, but not as much as Caishi in terms of quantity, since the supermarkets can provide one-stop consumption.

The city renewal programs have an important effect on Caishi sales, which can be seen as the sampled Caixia Jie Caishi and its nearby Shengzhoulu supermarkets. Since the old residential areas' removal which decreased the old residents number who originally shopping in Caishi, thus influenced the affordability of this area. From another angle, if the moved in new residents were richer than the old residents which will increase the supermarket sale, so the nearby Caishi declined.

Both Caishi and supermarket have good food quality inspection. The Caishi's sanitation was much improved after their 2007 upgrade and most interviewees thought Caishi should keep some area for the sale of commodities.

The number of customers in Caishi was strongly affected by supermarkets upon their construction; however, after their updating, the Caishi showed a new face to residents, which altered the situation and set the Caishi's development in a good direction.

Results indicate that people will buy different products in different places. The freshness and greater range of fresh vegetables in the Caishi outstrips what is available in the supermarket, so people mostly like to buy their vegetables in the Caishi and their processed deli foods and other commodities in the supermarket. Following the upgrading program, people tended to choose to purchase some processed foods in the Caishi, and continued to buy commodities and other products in supermarkets.

Income level and educational level are two influential factors affect people's selections: middle to high income and better educated people will more likely choose to shop in a supermarket than in a Caishi, whereas working class and low-income people will choose the Caishi over the supermarket.

Age will affect a person's selection; old Nanjing citizens tend to shop at the Caishi, the middle-aged people also like to buy food from Caishi, but some choose to buy some food from supermarkets, young people will choose supermarkets over Caishi.

Some additional information could be drawn from the results of the questionnaire survey: a) small households such as singles or young couples are more likely choose the Caishi, whereas larger households make up the main consumption stream in both supermarkets and Caishi; b) People tended to go to Caishi alone, whereas people liked to go to supermarkets with other people; c) most of the consumers who went to both Caishi and supermarket lived within a less than 0.5 km of them; d) people who lived in an area less than 2 years tended to select the Caishi more than the supermarket.

Results of the economics analysis showed that supermarkets do take some clients from Caishi and thus have an impact on Caishi. The Caishi upgrade program of 2007 brought customers back to Caishi and, as a result, sales of food products in supermarkets decreased after the Caishi upgrades.

The upgrade of Caishi was positive and the most significant improvement is the shopping environment. Most people believe that the Caishi will maintain their current position and coexist with supermarkets.

Though the supermarkets and Caishi improve continuously under the impetus of competition, they have already found their respective positions in the market.

By deploying different methods, the research produced a good overview of the dynamics between the Caishi and the supermarkets in Nanjing. Meshed both in the global economic transformations that sees China adopting the mass-consumption and free-market economy model on the one hand, and the local administrative and food production and distribution contexts on the other hand, this dynamics provided a contrasted picture. The supermarket using its bulk purchase, good distribution system as the cold-chain to keep the freshness of the foods, and full range of products to satisfy people's demand for one-stop shopping, this modern shopping experience seems to set new standards and to resonate with the new life-style of the young generation and the middle to high income level people. In the meantime, the Caishi, that has a long history in Nanjing, is tightly related to people's habits and daily life routines of which it became an important part. The economic reform, which made possible the transition from the planned-oriented economy to market-oriented economy, allowed for the manifestation of "the invisible hand of the market." It is in such a context that the Caishi reappeared in Nanjing as the era of state-owned vegetable markets ended. Under the most recent retail landscape transformation, which introduced the new retail landscape of supermarkets, the supermarket gradually occupied some market quotients, though the Caishi still play an important role in people's life and coexist with supermarkets. The cultural preferences and consumption habits of some categories of people contributed to the success of the Caishi: the middle to old age people and low-income people are the main consumption stream in Caishi. The Caishi also attracted people, due to its cheaper prices or perceived cheaper prices; the food freshness since it gives people an impression that it is directly sold by peasants and the vegetables are directly took from the ground and sold on the market; beside these, people can bargain the price in Caishi and it also embodied a street life of nearby residents since they are familiar with the retailers or other consumers shopping in Caishi. In spite of its objective or perceived qualities, the Caishi system was loosing grounds due to the fierce competition of the supermarkets, as illustrated by the micro-economic analysis. Quite remarkably, the faith of the Caishi elicited a strong reaction from the local authorities, who did not hesitate to mobilize methods developed in the context of a planned economy to intervene to reform and upgrade a traditional retail system that serves well the interests of local producers as well as the perceived interests and needs of certain categories of local consumers. As a consequence of their actions， the Caishi retained its critical role at the top of a local chain between the local producers, local markets, and their customers' base, that fills the gap with very few intermediaries and without requiring a complex distribution cold-chain since most of foods sold in Caishi are intraday which guaranteed the freshness of foods. Facing the competence and challenge from the supermarkets, the Caishi were upgrade, which not only improved the infrastructure and environment, but also fortified the service concept and gave better administration. The upgrade allowed Caishi to catch up with the new hygiene and shopping experience standards set by the supermarkets and to stay competitive. In fact, the Caishi and supermarket as perceived by different social groups that they will coexist, and they are the complementary to each other in the market since they brought diversity consumption choice to residents, the competition between them made them continuously improved themselves and provided better products and services to people.

Nowadays, the Caishi and supermarkets seem to serve complementary functions by using their own advantages. The Caishi upgrade program in 2007 directed by Nanjing government not only made the balance between the Caishi and supermarkets, but also improved the Caishi's function and increased the ability of Caishi to better coexist with supermarkets, which sheds new light on the planning and on important transformations in the commercial landscape of Nanjing within the broader context of Chinese economic reforms and in particular on how the local administration has the ability and the willingness to intervene in the local economy in a way that ensured, in the case of the Caishi, that local economic context, culture and general interests could prevail against the challenges posed by political economy realities unfolding at the global scale.

8.3 Future studies

This study provides a general overview of the transformation of the commercial landscape in Nanjing and highlights the mutual impacts and relationships between Caishi and supermarkets. This research has demonstrated several important findings, as well as suggesting areas of interest for future research and development:

1. A study of the necessity of further upgrading in Caishi, and what these future upgrades might be. This would include the possibility of the spread of "Nong (Caishi) plus supermarket" a type of professional Caishi-supermarket combination.
2. The study also suggests that a detailed study of the problems that were encountered in the 2007 Caishi upgrade would be useful.
3. Under the current high Consumer Price Index (CPI) situation in China, the future study might recommends that if a supermarket could use its bulk purchase and logistic advantage to enlarge its vegetable sales, it could compete with and replace Caishi.
4. Since this study only explored a little portion of the impacts of the nearby

commercial landscape on Caishi, future study can further investigate the impacts of nearby free Caishi streets or of shop-front houses on Caishi.

5. A detailed study on the impacts of the Caishi upgrades of 2007 on supermarkets is strongly recommended.

6. With respect to the morphology of Caishi, three types were identified based on a morphological analysis of façade, circulation, dimension and spatial distribution with nearby supermarkets. A more in-depth study of spatial characteristics in support of more relevant impacts is suggested, such as the location of other nearby Caishi and supermarkets and their impacts.

7. This research only considered the nearby Suguo supermarkets' impact on Caishi. A future study should investigate the impact of large foreign-capital chain supermarkets (TNCs) on Caishi or on domestic Suguo supermarkets.

8. A future study would be expanded. It could investigate the possibility of a Nanjing-style Caishi mode of operations in other Chinese cities, by making some comparison between the situation of Nanjing Caishi and those of other Chinese cities.

REFERENCES

Adelman, M.A., (1959). Economic aspects of the Bethlehem question. Virginia Law Review. pp.684–696.

Baidu Baike, (2010). Suguo supermarket. http://baike.baidu.com/view/31151.htm (In Chinese)

Baixia Qu Government (2009). Record of Baixia Qu Non-Staple Food Project. Video by: Baixia Qu Government, Nanjing. (In Chinese)

Benson, S.P. (1986). Counter Cultures: Saleswomen, Managers and Customers in American Department Stores, 1890-1940. Urbana, IL: University of Illinois Press.

Birkin, M., Clarke, G., Clarke, M. and Wilson, A. (1996). Intelligent GIS: location decisions and strategic planning. Cambridge: Geo Information International

Blomley, N.K. (1996). I'd like to dress her all over: masculinity, power and retail space. In Wrigley, N. and Lowe, M., editors, *Retailing consumption and capital*, Harlow: Longman.

Bowlby, S.R. (1997). Supermarket futures. In Falk, P. and Campbell, C. (eds) The shopping experience. London: Sage, 92-110

Brace, I. (2008). Questionnaire Design: How to plan, structure and write survey material for effective market research. (2nd ed.). Kogan Page Publishers.

Broudehoux, A. M., (2004). "Chapter Four: The Malling of Wangfujing: Commercial Redevelopment in the Selling of Places", in The Making and Selling of Post-Mao Beijing. New York: Routledge.

Caxiajie Caishi (2010). Floor plan of Caixiajie Caishi. Caixiajie Caishi administration office

Chen, G., Gu C.L. and Wu F.L. (2004). Spatial Analysis of Urban Poverty in Nanjing, Scientia Geographica Sinica, 24:5 (In Chinese)

Chen, W. M. (2004). Fertilizer Issues and Strategies of Sustainable Agriculture Development in Nanjing. Master thesis of Nanjing Agriculture University (In Chinese)

Cheng, X. W., Chen, B.W., Gao, F., Du, C. Y. and Xuan, S. B. (2001). The study of Nanjing population urbanization scale and policy selection. Science & Technology and Economy, 14(1):7-12. (In Chinese)

China data on line. http://chinadataonline.org/

Clarke, D.B. (1996). The limits to retail capital. In Wrigley, N. and Lowe, M.S. (eds) Retailing, consumption and capital: towards the new retail geography. Harlow: Addison Wesley Longman, 284-301

Conner, J. M. and Schiek, W. A. (1997). Food processing: An industrial powerhouse in transition (2nd ed.). New York: John Wiley and Sons, Inc.

Coyne, I.T., (1997). Sampling in qualitative research. Purposeful and theoretical sampling; merging or clear boundaries? Journal of Advanced Nursing, 26(3):623-630,

Creswell, J. W. (2003). Research Design: Quantitative, Qualitative, and Mixed Methods Approaches. SAGE. Thousand Oaks. USA.

de Chernatony, L. (1989). 'Branding in an Era of Retail Dominance'. International Journal of Advertising, 8:245-260.

Dick B. (2005). Grounded theory: a thumbnail sketch. Available at http://www.scu.edu.au/schools/gcm/ar/arp/grounded.html

Ding, Y. (2006). Ming boundary, Chinese traditional culture web, http://www.confucianism.com.cn/html/lishi/1127947.html (In Chinese)

Domosh, M. (1996). The feminized retail landscape: Gender ideology and consumer culture in 19th Century New York City, In Retailing and capital: Towards the new retail Geography, ed. N. Wrigley and M. Lowe, Longman, London: pp. 257-270.

Draucker, C. B., Martsolf, D. S., Ross, R., and Rusk, T. B. (2007).Theoretical sampling and category development in grounded theory. Qualitative Health Research, 17, 1137-1148.

du Gay, P., (1996). Consumption and Identity at Work. Publisher: Sage Publications Ltd.

Ducatel, K. and Blomley, N. (1990). Rethinking retail capital. International Journal of Urban and Regional Research 14:207–227.

Fei, M. (2006). Nanjing "new citizen" reaches 2 million. Xinhua Newspaper Net. (In Chinese)

Feng, F.Y., Nanjing Shi Ku Men, http://www.jllib.org.cn/ffy/njdskm/njdskm.htm (In Chinese)

Feng, J., Zhou, Y.X. and Cheng, M.J., (2001), The study on the floating population in Nanjing city. City planning review, 2001, No.1 (In Chinese)

Fuzimiao Caishi (2010). Floor plan of Fuzimiao Caishi. Fuzimiao Caishi administration office

Glennie, P. and Thrift, N. (1996). 'Reworking E. P. Thompson's "Time, work-discipline and industrial capitalism"'. Time and Society 5(3): 275-299.

Green, E.P., Mumby P.J., Edwards A.J. and Christopher D.C. (2000). Field survey: building the link between image and reality, in Remote Sensing Handbook for Tropical Coastal Management, coastal management sourcebooks series, Unesco Publishing

Hall, S. (2011). Economic data analysis methods. http://www.ehow.com/list_6193347_economic-data-analysis-methods.html

Hang, Y. G., (2000). Nanjing Caishi development and administration. Journal of Jiangsu Vocational and Technical Institute of Economics and Commerce, 2000(03):76-78 (In Chinese)

Harberger, A.C. (1993). The search for relevance in economics. American Economic Review, 83(2):1-16.

Hou, W.S. and Cui, S.J. (1999). History of Nanjing commerce. In Chen A.J. ed. Lovely Nanjing. Nanjing Publishing House, Nanjing, (In Chinese).

Hu, A.X., Li, T.S. and Hu, H.M. (2009). Six Dynasties Volume. In: General History of Nanjing. Nanjing Chorogophic Office.

Hu, L.S. (2005). Nanjing annual Per-Capita Disposable Income is the 10th within the 15 cities in the Yangtze River Delta area. Xinhua Net, http://business.sohu.com/20050417/n225219215.shtml (In Chinese)

Huang, S.H. and Huang, Y.Y., (2007). Nanjing focuses on 27 commercial streets. Nanjing Morning Newspaper. (In Chinese)

Humwong, P. K, (2004). Research Design: Quantitative, Qualitative and Mixed Methods Approach, Kasetsart University

Jacobs, J. (1961). The Death and Life of Great American Cities**.** New York: Random House and Vintage Books.

James, B. (2005). Microeconomic Theory. Oxford University Press, Oxford.

Jing, D.Q. (2006). The management of 2006 Nanjing floating population. meeting record of Nanjing government. (In Chinese)

Johnston, R.J., Gregory, D. and Smith, D.M. (1994). Retailing geography, In: The dictionary of human geography, third edition. Oxford, Blackwell, pp.533-535

Kexiang Caishi (2007). Photos of the Caishi before and after the upgrading program. Kexiang Caishi administration office.

Kexiang Caishi (2009a). Foods price list of Kexiang Caishi. Kexiang Caishi administration office (In Chinese)

Kexiang Caishi (2009b). The sales quantity and gross revenue of foods in Kexiang Caishi. Kexiang Caishi administration office (In Chinese)

Kexiang Caishi (2010). Floor plan of Kexiang Caishi. Kexiang Caishi administration office

Kou, T.W. (2008). Major economic indicators of 13 municipalities in Jiangsu Province, http://bbs.chengtu.com/UploadFile/2008-1/200811512192237959.gif (In Chinese)

Laifeng Caishi (2010). Floor plan of Suhong Laifeng Caishi. Suhong Laifeng Caishi administration office

Lao, J. (2008). The best historical Nanjing map, http://blog.yangtse.com/article.php?type-blog-itemid-41417.html (In Chinese)

Leahy, T. (1987). Branding - the retailer's viewpoint. In Branding, edited by J. Murphy. Basingstoke: Macmillan

Li, L.L. (2004). Reconsidering of the urban rebuilding theory and practice of China. Journal of Hefei University of Technology (Natural Science), 27:12 (In Chinese)

Li, S.M., Huang, W.N., Wang, X.Y. and Tao, J. (2003). Integrating the Resources of the Business Streets. Increasing the City's Competitive Ability. Modern economic research. (In Chinese)

Li, Y. J. (2009). Three supermarkets compete, the dilemma of foreign-capital supermarkets in Nanjing. Linkshop web, http://news.winshang.com/news-60077.html (In Chinese)

Liu, H.Q., Wang, S.T., Zhang, C., Ma, W. and Yan, F. (2009). Raw and fresh foods, from the field to table. Xinhua daily newspaper, 2009.06.12, http://js.xhby.net/system/2009/06/12/010523699.shtml (In Chinese)

Liu, Y. (2008). International finance newspaper, Foreign-capital supermarket battle in Nanjing and "the Shanghai mode", http://www.topbiz360.com/html/analyitcs/supermarket/20080508/28642.html (In Chinese)

Longley, P. and Clarke, G. (1995). GIS for Business and Service Planning. Geoinformation International, Cambridge

Lu H.M. (2008). Chunhua Qiushi ---- Record of Nanjing reform and opening-up in the past 30 years. Nanjing Publishing House, Nanjing, (In Chinese).

Lu, L. S. (2006). The past and today, http://my.poco.cn/lastphoto_v2-htx-id-308309.shtml (In Chinese)

Nanjing Archives (1937). The Kexiang Caishi. Nanjing Archives, 1001-1-1330:1-10 (In Chinese)

Nanjing Archives (1943). The Caixiajie Caishi. Nanjing Archives, 1002-2-296:1-18 (In Chinese)

Nanjing Archives (1947). The Fuzimiao Caishi. Nanjing Archives, 1003-6-683:1-5 (In Chinese)

Nanjing Bureau of Commerce (2006). Implement suggestions for increasing the community commerce development and the construction standard of community commerce in Nanjing. Nanjing Bureau of Commerce (In Chinese)

Nanjing Bureau of Commerce (2007). The regulation of the set up and management of Caishi in Nanjing. Nanjing Bureau of Commerce. (In Chinese)

Nanjing Bureau of Commerce (2008a). JinLing commerce documentary. Disk A. Video by: Trace Vision, Suzhou. (In Chinese)

Nanjing Bureau of Commerce (2008b). JinLing commerce documentary. Disk B. Video by: Trace Vision, Suzhou. (In Chinese)

Nanjing Bureau of Commerce (2010). Nanjing Caishi food prices. Nanjing Bureau of Commerce. (In Chinese)

Nanjing Bureau of Commerce and Nanjing Bureau of Planning (2004). Planning of Nanjing's commercial network, 2004-2010. Nanjing Bureau of Commerce and Nanjing Bureau of Planning. (In Chinese)

Nanjing Bureau of Planning and Design (1996). Nanjing's 1996 main city commercial network plan. Nanjing commercial network construction department in Nanjing Bureau of Planning and Design. (In Chinese)

Nanjing Bureau of Planning and Design, (2004). Basic document study in Nanjing commercial network planning. Nanjing Bureau of Planning and Design. (In Chinese)

Nanjing Bureau of Planning and Design, (2009a). Nanjing commerce system planning. Nanjing Bureau of Planning and Design. (In Chinese)

Nanjing Bureau of Planning and Design, (2009b). Site Layout Planning for Nanjing commercial network. Nanjing Bureau of Planning and Design. (In Chinese)

Nanjing Bureau of Price (2001). Announcement of regulating Caishi price system. Nanjing Bureau of Price. (In Chinese)

Nanjing Bureau of Price (2003). Announcement of improvement of regulating Caishi price system. Nanjing Bureau of Price. (In Chinese)

Nanjing Bureau of Price (2004). Announcement of releasing the cell rent fee. Nanjing Bureau of Price. (In Chinese)

Nanjing Bureau of Statistics (2006). Nanjing statistical 2006 yearbook. Nanjing Bureau of Statistics. (In Chinese)

Nanjing Bureau of Statistics (2007). Nanjing statistical 2007 yearbook. Nanjing Bureau of Statistics. (In Chinese)

Nanjing Bureau of Statistics (2009). Nanjing statistical 2009 yearbook. Nanjing Bureau of Statistics. (In Chinese)

Nanjing Difangzhi Office (1986). Nanjing Jianzhi. Nanjing ancient books publishing house, Nanjing. (In Chinese).

Nanjing Government, (2007). Nanjing's Caishi Upgrade Plan. Nanjing Government. (In Chinese)

Nanjing Government (2008). Nanjing Non-Staple Food Project Plan. Nanjing Government, 2008-228. (In Chinese)

Nanjing Government web, (2010). The history of Nanjing. http://www.nanjing.gov.cn/njgk/csgk/csgk3/201106/t20110630_330541.htm, (In Chinese).

Nanjing Government web, (2011a). Introduction of Nanjing. http://www.nanjing.gov.cn/njgk/csgk/csgk1/201106/t20110630_330100.htm (In Chinese).

Nanjing Government web, (2011b). The Economic development of Nanjing. http://www.nanjing.gov.cn/njgk/csgk/csgk9/201107/t20110713_333223.htm, (In Chinese).

Nanjing Information web, (2007). History of Nanjing City Master Plan, http://www.fangdichan66.com/chengshiguihua/gcsghjs/523_13.html (In Chinese)

Oppenheim, A. N. (1992). Questionnaire design, interviewing and attitude measurement. London. UK: Pinter Publishers.

Pandit, N.R. (1996). The creation of theory: a recent application of the grounded theory method. In: The Qualitative Report, volume 2, number 4.

Papa information web, http://www.3320.net/blib/c/read/7/3378/3868.htm#

People's daily online, (2010). China reaches 50 percent urbanization in 5 years. http://english.peopledaily.com.cn/90001/90776/90882/6934870.html (In Chinese)

Porter, M.E. (1980) Competitive Strategy. Free Press, New York

Porter, M.E. (1998). Clusters and the new economics of competition, Harvard Business Review.

Qian, F., (2007), Nanjing Xinjiekou, "model of commercial street" in China. Xinhua Newspaper, 04.19 (In Chinese)

Qian, F. (2011). Xinhua web, Main foreign-capital supermarkets reached 89 in Jiangsu province, rank top in China. http://www.js.xinhuanet.com/xin_wen_zhong_xin/2011-01/18/content_21892258.htm (In Chinese)

Qian, G. (1996). Lilong Housing: A Traditional Settlement Form. Thesis, school of Architecture, McGill University, Montreal. (In Chinese)

Robin, M. (1989). Fordism and Post-Fordism. In: Hall S. and Jacques M. (eds) New Times: the changing face of politics in the 1990s. London: Lawrence & Wishart, 38-53

Rodriguez, M. (2009). Sign Story: Shifting Discourse on 'signage' in Progressive Grocer Magazine, or the Supermarket under Late Capitalism. Fast Capitalism

Ruijinlu Caishi (2010). Floor plan of Ruijinlu Caishi. Ruijinlu Caishi administration office

Schotter, A. (2000). Microeconomics: A Modern Approach (3rd Edition). Publisher: Addison Wesley

Scott, J.C. (1998). Seeing like a state. Yale University Press, New Haven and London

Searchina. http://jp.searchina.com.cn/citygdp/trends.asp?id=50&citys=4 (In Chinese)

Storper, M. and Walker, R. (1989). The capitalist imperative: Territory, technology, and industrial growth. Wxford: Blackwell.

Strauss, A. and Corbin, J. (1990). Basics of qualitative research: Grounded theory procedures and techniques. pp. 23. London: Sage.

Suguo group (2010a). The gross revenue of Suguo supermarkets. Suguo group. (In Chinese)

Suguo group (2010b). Total customer numbers of Suguo supermarkets. Suguo group. (In Chinese)

Suguo official website, (2010a). Entering Suguo, The introduction of Suguo, http://www.suguo.com.cn/index_broj.asp?sm=%D7%DF%BD%F8%CB%D5%B9%FB&bz=%CB%D5%B9%FB%BD%E9%C9%DC[1] (In Chinese)

Suguo official website, (2010b). Business guide, Distribution Network, http://www.suguo.com.cn/index_brom.asp?sm=%BC%D3%C3%CB%D0%C5%CF%A2&bz=%BC%D3%C3%CB%B8%C5%BF%F6 (In Chinese)

Sun, S. J. (2002). Development, Restriction, Program Principle of City Center --Example for Nanjing City Center, Huazhong Architecture, 20:5. (In Chinese)

Tellis, W. (1997). Application of a Case Study Methodology. The Qualitative Report, 3:3.

Tendring district council (2008). Government planning policy statements and planning policy guidance notes. Tendring district council, http://www.tendringdc.gov.uk/TendringDC/Environment/Planning+and+Buildings/Planning+Policy/GovernmentPlanningPolicyStatements%28PPS%29andPlanningPolicyGuidanceNotes%28PPG%29.htm

Thomas, C.J. and Bromley, R.D.F. (1993). "The impact of out-of-centre retailing", in Bromley, R.D.F., Thomas, C.J. (Eds), Retail Change, Contemporary Issues, UCL Press Ltd, London., .

Tiandun 378 Xiang Caishi (2010). Floor plan of Tiandun 378 Xiang Caishi. Tiandun 378 Xiang Caishi administration office

Tiandun Qinhong Caishi (2010). Floor plan of Tiandun Qinhong Caishi. Tiandun Qinhong Caishi administration office

Tisdell, C., Hartley, K., (2008). Microeconomic policy: a new perspective. Cheltenham, UK

Wang, X.H. (2006). The considerations about the Chinese city center commercial streets updating. Forward Position or Economics, No.10 (In Chinese)

Wang, Y.X. (2008). The review of Chinese residential renewal policy. http://news.msn.soufun.com/2008-10-23/2170457.html (In Chinese)

Wei, L.H., Li, Z.G. and Cong, Y.G. (2005). Comment on the Theory of Urban Planning in China and Related Periodicals. Planners, 21:12 (In Chinese)

Wrigley, N. (2000). The globalization of retail capital: themes for economic geography. Chapter 15 in Gordon Clark, Maryann Feldman and Meric Gertler (eds) The Oxford handbook of economic geography. Oxford: Oxford University Press, 292-313

Wrigley, N. (2002). 'Food deserts' in British cities: policy context and research priorities. Urban Studies, 39, (11), 2029-2040.

Wrigley, N. and Lowe, M., (2002). Reading retail — a geographical perspective on retailing and consumption space. Arnold, London

World Atlas, Map of Jiangsu Province, http://encarta.msn.com/map_701513494/jiangsu.html (In Chinese)

Xici Hutong (2006). The Nanjing metro master plan, http://www.xici.net/b618570/d38677206.htm (In Chinese)

Xinhua, (2010). UN reports rapid urbanization in China. People's daily online, http://english.peopledaily.com.cn/90001/90776/90883/6931823.html. (In Chinese)

Xu, L.D. (1984). The History of China. Fudan University Press. pp205-458. (In Chinese)

Yan, S. and Ding, C.R. (2007). Urbanization in China, Critical Issues in an Era of Rapid Growth. http://www.lincolninst.edu/pubs/1302_Urbanization-in-China (In Chinese)

Yan, Z.H., Wang, J. and Wang, S.J. (2006). Some considerations about Chinese commercial streets construction. Market Modernization, 2006.24 (In Chinese)

Yang, J. Q. (2006). The deep cultural factors which influenced ancient Nanjing urban form. Beijing City Planning & Construction Review, 2006.4 (In Chinese)

Yang, Y.Q., Sun, Z.W., Jiang, S.X and Ye, Y.B. (2011). Republic of China Volume. In: General History of Nanjing. Nanjing Chorogophic Office.

Yin, R. (1994). Case study research: Design and methods (2nd ed.). Thousand Oaks, CA: Sage Publishing.

Yingbin Caishi (2007). Photos of the Caishi before and after the upgrading program. Yingbin Caishi administration office.

Yingbin Caishi (2009). The sales quantity and gross revenue of foods in Yingbin Caishi. Yingbin Caishi administration office (In Chinese)

Yingbin Caishi (2010). Floor plan of Yingbin Caishi. Yingbin Caishi administration office

Yuan, X.L. Nanjing map in different time, http://www.yxl.cn/Info/20060131,232316,2588.html (In Chinese)

Zhang, S.S., (2009b).The exploration of the renewal model for the residential and commercial functions in historical streets. 35(3): 134-137. (In Chinese).

Zhang, X.C., Tang, N., Zhang, H. and Huang, Y. (2007). Nanjing will build 11 new commercial speciality streets. Nanjing Morning Newspaper. (In Chinese)

Zhang, X. W., (2009a). Review History: Constructing the New Strategy of Nanjing City Development. Social Sciences in Nanjing, 35(3):129-133. (In Chinese).

Zhao, J. (1999). Chinese Geography. Higher Education Press, 1st edition, pp482-508 (In Chinese)

Zhou, B., Yuan, J. and Wang, Y. F., (2004). Management and Administration, the Logistics of Suguo Supermarket (In Chinese)

Zorn, T. (2005). Designing and conducting semi-structured interviews for research. Waikato Management School

Zou, D.C. (2005). Urban Development and Urban Planning in China in the New Era, Planners, 21:12

Zuking, S. (1995). The culture of cities. Oxford: Blackwell.

Appendix I Interview questions in Caishi

Interview with the administrator and the retailer in Caishi, the questions mainly are:

1. How many retailers are there in this Caishi? How about the distance from Caishi to the nearby supermarket?
2. How about the gross revenue per year?
3. Does the Caishi only sale the food or it also sale other category of products? If yes, what products it sale, for example?
4. Does the Caishi have some advantages when compared with the supermarkets?
5. Are the people more willing to shop at the Caishi? What are the reasons? For example, is it in their deep mind like culture and consumption habit or the Caishi has something special or other factors like price, income level, etc?
6. How about the gross revenue per day and the stall fees per month? Does the customers' number have some change when compared with the situation before the built of the nearby supermarket?
7. When does this Caishi formed? When did it updated before and how many times it was updated? What is the updating project every time?
8. When and what is the main updating that the local government gave to the Caishi most recently? What about the situation of this Caishi before updating? Do you think the updating is positive or negative to the Caishi? How about the main change of Caishi after updating? Did the stall fee have some change after the updating when compared the stall fee before?
9. How about the challenges to the Caishi afterwards? How about the development direction of Caishi in the future?
10. What is the advantage of the supermarkets? And do you think the supermarket can provide safer and better foods and more other products than the Caishi? Does the Caishi need more improvement in the retail mix?
11. Can you give some suggestions to the Caishi development?

采访菜市管理者及菜市零售商， 问题如下：

1. 这菜市有多少零售商？从菜市到附近的超市有多少距离？
2. 每年的销售额怎样？
3. 这菜市仅仅只提供食品还是也出售其他种类的商品？如果是，它也出售什么商品，举个例子。
4. 相比超市，菜市有哪些优势？
5. 人们更愿意来菜市买东西吗？这原因是出自他们固有的思想，购物习惯还是菜市有它的特别之处或是其他的因素比如价格，收入水平，等等？
6. 这里每天的销售额是多少？每月的摊位费是多少？相比较附近的超市建立前，这顾客数量有什么不同？
7. 这个菜市是什么时候形成的？以前它在什么时候经过改造，经历过几次改造？每次改造的项目是什么？
8. 这当地政府最近一次给菜市的改造提升是什么，在何时？在改造提升前，菜市的情况是怎样的？你认为这改造提升对菜市来说是好是坏？在改造提升后，菜市有哪些主要的改变？和以前相比，改造后摊位费有没有变化？
9. 对于菜市以后的发展还有哪些挑战？菜市以后的发展方向会是怎样？
10. 超市的优势是什么？你认为超市能提供比菜市更安全更好的食品和更多其他的商品吗？菜市是否需要在零售混合度上有更多的改进吗？
11. 对于菜市的发展你能给些建议吗？

Appendix II Interview questions in supermarket

Interview with the supermarket manager, the questions mainly are:

1. How many residential district this supermarket served? How many people it will be?
2. How about the business scale of the supermarket? How about the distance from supermarket to the nearby Caishi?
3. How about the gross revenue per year? Especially raw and fresh food, did it attract more customers to the supermarket? Does the raw and fresh food categories in supermarket are not complete as in the Caishi?
4. How many customers per day? Do people come to supermarket shopping just for vegetables and other food products?
5. Did the supermarket bring some negative impact to the nearby Caishi? Or was there any positive impact, for example?
6. Do you think the supermarket has more advantages than the Caishi? If yes, please specify in what aspects?
7. Do you think the supermarket can provide safer and better products and foods than the Caishi? As we know, Caishi has some inspection methods to the vegetables, does the supermarket also have?
8. Do you think people are willing to shop at supermarket or Caishi? Which customer group more willing to shop at the supermarket? What's the trend of consumption habits, does it will have some changes when compared before?
9. Does the price in supermarket is cheaper than the Caishi? If not, why people like shop at supermarket? Does the supermarket can provide additional service to the customer?
10. Do you think the nearby Caishi updating program influenced the customer number of the supermarket?
11. Can you give some suggestions about the supermarket can better coexist with the local Caishi and create a good competition environment? Does the trend of Caishi like the mode of "Nong (Caishi) plus supermarket" and processed vegetables will have some influence to the future development of supermarket? Do you think does the Caishi will be replaced by supermarket finally, especially under the Chinese consumption habits?

采访苏果超市经理， 问题如下：

1. 超市服务于附近几个小区？大概人口有多少？
2. 超市的经营规模是多少? 从超市到邻近菜市的距离是多少？
3. 每年的销售额是多少？特别是生鲜这一块。 生鲜有没有带来更多的客源？ 是不是超市的生鲜品种没有菜市齐全？
4. 每天的顾客有多少？人们会不会因为要买菜而来超市购物？
5. 超市有没有给附近的菜市带来负面的影响或冲击? 或者反而带来一些正面的影响，举个例子。
6. 你认为相比菜市，超市是否比菜市有更多的优势？如果是，请具体列举在哪些方面。
7. 你认为超市是否能提供比菜市更安全更好的产品和食品？据我所知， 菜市对蔬菜有一些检测的方法，不知道超市有没有类似的检测？
8. 你认为人们愿意去超市还是菜市买东西？哪些顾客群更愿意来超市购物？消费习惯的趋势是什么，它将有哪些改变相比以往？
9. 超市的价格是否比菜市便宜？如果不是，人们为什么喜欢来超市买东西？是否超市能提供额外的服务给顾客？
10. 你认为邻近菜市的改造提升是否影响了超市的顾客数量？
11. 你能对超市怎样能更好地与本地的菜市并存，并且能创造一个好的竞争环境给与某些建议吗？菜市的趋势农加超模式和净菜加工会不会对超市未来的发展有些影响？超市会否最终取代超市，特别是在中国人的购物习惯下？

Appendix III Interview questions with government officer and university professor

Interview with the local government officer, and the professor in planning area, the questions mainly are:

1. What is the recent government policy to the retail and commercial network? How about the impact of the policy to the local Caishi and supermarkets?
2. Why the governments give Caishi updating?
3. Do you think the updating program is successful to the Caishi? And do you think if the Caishi updating influenced the nearby supermarkets' gross revenue?
4. Before updating, do you think the Caishi will be declined when the built of supermarkets? Why?
5. What aspects of Caishi have improved in the updating program? Does the updating bring more profits to the retailers in Caishi?
6. Do you think if the Caishi can coexist with the supermarkets? Do you think the updating is the main factor?
7. Do you think the built of nearby supermarkets brought the negative or positive impact to the Caishi? Why? And which aspect is the main impact of supermarkets on Caishi?
8. Could you give some suggestions to the future for both Caishi and supermarkets development? Or what arrangement and new policy the government may make? Why?
9. Does the government have some planning to the Caishi development, and what is the aim? Do you think the trend will be the supermarket replaced the Caishi, Caishi replaced supermarket or they are coexist? Do you think are there need some conditions that they can coexist? And how do you think the Caishi afterwards development trend like "Caishi plus supermarket" and processed food products?
10. Do you think the built of raw and fresh food area in supermarket and its afterwards expansion and improvement will influence the customer number and gross revenue in Caishi? Or the Caishi and supermarket aimed at different customer groups or the people's different choice when buy different products and foods?
11. Maybe the thriving and declining of both supermarket and Caishi are related to the

income level, age of this area, so do you think the Caishi will or will not be replaced by supermarket afterwards under the Chinese special and traditional consumption habits and culture?

采访当地政府官员和规划方面的教授，问题如下：

1. 目前政府关于零售和商业网点的政策是什么？这政策对本地的菜市和超市有哪些影响？
2. 为什么政府给予菜市改造提升？
3. 你认为对菜市的改造提升是成功的吗？这菜市的改造提升有没有影响附近超市的销售额？
4. 在菜市的改造提升前，你认为超市的建立是否会使菜市衰败？为什么？
5. 在改造提升的项目中，菜市的哪些方面被改进了？这改造提升是否给菜市的零售商带来更多的利润？
6. 你认为菜市能否与超市共存？你认为这改造提升是否是主要因素?
7. 你认为临近超市的建立给菜市带来的是正面还是负面的影响？为什么？哪个方面是它主要的影响？
8. 你能对超市和菜市的未来发展给一些建议吗？或者政府可能会做那些安排和新的政策？为什么？
9. 政府对菜市的发展有什么规划？目标是什么？你认为这些趋势是超市取代菜市还是菜市取代超市或两者并存？那么，超市与菜市并存需要哪些条件？你怎么认为菜市今后的净菜加工，农加超的发展趋势？
10. 你认为超市生鲜部的建立以及它今后的扩大和完善，是否会影响菜市的客流和销售额？或者超市和菜市是针对不同的人群或人们在买不同商品时的不同选择？
11. 也许超市和菜市的繁荣或衰败与这个地区的收入水平，人群年龄等有关，那么你认为在中国人的特殊和传统的购物习惯下，菜市会不会最终被超市取代？

Appendix IV Questionnaire for Caishi

1 You are (gender): a) man, b) woman

2 Your age: a) 18-24 years old, b) 25-30 years old, c) 31-40 years old, d) 41-50 years old, e) 51-60 years old, f) 61 years old and above.

3 Education background: a) primary school, b) middle school, c) high school, d) undergraduate, e) graduate and doctorate, f) did not attend school.

4 Number of people in your household: a) one, b) two, c) three, d) more than three.

5 Where do you live: a) nearby (less then 500 m), b) 500-1000 m, c) far (more than 1 km), and how did you get to this Caishi

6 How long have you been living here: a) less then 2 years. b) 2-5 years c) 6-10 years d) more than 10 years

7 Your occupation: a) worker. b) office employee. c) civil servant. d) self employed. e) retired

8 Your monthly income is: a) under 1000 RMB, b) 1000-2000 RMB, c) 2000-3000 RMB, d) 3000-5000 RMB, e) 5000-10000 RMB, f) 10000 RMB above

9 You mostly choose to buy foods from: a) supermarket, b) local Caishi street, c) other

10 How often do you come to the Caishi street: a) everyday, b) 3-5× a week, c) 1-2× a week, d) a couple of times a month, e) few times a year, f) this is my first time

11 Why do you choose to shop in the Caishi street: a) accessibility, b) fresh food, c) habits and childhood memories, d) socializing with the passer-bys and retailers on the street

12 Which goods do you want to buy in the Caishi street: a) vegetable, fish and meat, b) rice and flour, c) instant food, d) daily commodity, e) others

13 Will you buy goods other than food from the Caishi: a) yes. B) no. why_______

14 Do you think the price of the products in the Caishi street are: a) cheap, b) expensive, c) no different than elsewhere, d) don't care

15 What do you think of the shopping environment in the Caishi compared to the supermarket: a) better, b) worse, c) about the same

16 What do you think of the quality of the products in the Caishi street compared to those in the supermarket: a) better, b) worse c) about the same

17 Do you think the Caishi can offer most of the products you want: a) yes, b) no

18 Do you think that you can buy products that are exclusive to the Caishi:

a) yes, specify________ b) no

19 After shopping at the Caishi, will you go to the nearby supermarket to buy something:

a) yes, b) no

20 What percentage of your weekly consumption budget is spend on the Caishi street: a) 0-10%, b)11-25%, c) 26-50%, d) more than 51%

21 Do you generally come to the Caishi street: a) alone, b) with other people

22 How do you get to the Caishi: a) walk, b) by bus, c) by car, d) by bike

23 Were you coming to this Caishi 10 years ago: a) yes, b) no

24 If yes, 10 years ago what generally brought you to this Caishi street: a) buy food daily, b) shop occasionally, c) nearby location, d) transit from one place to another e) other_____

25 Do you think the nearby supermarket will affect the Caishi: a) yes, b) no

26 How do you perceive this Caishi street: a) in decline, will be replaced by supermarket b) thriving, c) coexisting with supermarket

27 What aspects of the Caishi changed after the upgrade: a) environment, b) type of products, c) price, d) quality of the products, e) service

28 Do you think the changing trends on the Caishi Street are: a) positive b) negative

菜市问卷调查

1. 您是（性别）：a)男，b)女
2. 您的年龄：a） 18-24 岁，b） 25-30 岁，c） 31-40 岁，d） 41-50 岁，e） 51-60 岁，f） 61 岁以上
3. 教育背景： a)小学，b)中学，c)高中， d)大学，e)硕士和博士，f） 没上学
4. 家庭成员数：a） 一个，b)两个，c)三个，d)三个以上
5. 您居住在：a)临近小区（0.5 公里以内） b)稍远小区（0.5-1 公里以内） c)较远小区（1 公里以上）如何到达这个菜市__________
6. 您住在这里多久：a） 2 年以内，b)2-5 年 c)6-10 年 d)10 年以上
7. 您目前的职业：a)工人， b)办公室人员， c)公务员， d)自由职业 ，e)退休，f)其他__________
8. 您每月的收入水平：a)1000 元以下，b)1000-2000 元，c)2000-3000 元，d) 3000-5000 元，e)5000-10000 元，f)10000 元以上

9. 您最可能选择从哪买食品：a) 超市，b)本地菜市，c)其他
10. 您多久会去菜市：a) 每天，b) 每周 3-5 次，c) 每周 1-2 次，d) 每月 1-2 次 原因__________
11. 您选择去菜市买东西的原因：a)便利性，b)食品新鲜，c) 购物习惯，d)街道生活，与摊主比较熟，并且熟人比较多
12. 您想要在菜市买的东西是：a) 蔬菜，b)鱼和肉，c) 大米和面粉， d)即食食品，e)日用品，f)其他
13. 您是否会选择顺道从菜市买除了食品以外的东西:a)会，b)不会，原因__________
14. 您认为菜市的产品价格是：a)便宜，b)贵，c) 没有区别，d) 不在意
15. 相比超市，您认为菜市的购物环境是：a)好， b) 坏，c) 差不多
16. 相比超市，您认为菜市的产品质量是：a)好， b) 坏，c) 差不多
17. 您认为菜市能否提供大多您想要的商品：a)能，b)否
18. 您认为您能买到只在菜市卖的东西：a)是，请举例__________， b)否
19. 在菜市购物后， 您是否会去附近的超市买些东西：a)是，b)否
20. 您每周的消费预算的百分之多少被用在菜市购物上：a) 0-10%， b) 11-25%， c) 26-50%， d) 51%以上
21. 您通常去菜市是：a) 一个人，b)与其他人一起
22. 您去菜市是：a)走路，b) 坐公车，c) 开车，d)骑自行车
23. 您 10 年前就来这个菜市吗：a)是，b)否
24. 如果是，10 年前通常是什么让您来到这个菜市：a) 买每天的食品，b)有时来购物， c)邻近的位置，d)从一个地方到另一个地方， e)其他_____
25. 您认为邻近超市的建立是否会对菜市产生影响：a)会，b)不会
26. 您怎样预期这个菜市未来的发展： a) 衰败，被超市所取代，b)繁荣，往好的方向发展，c)维持现状，与超市共存
27. 菜市的升级改造，您认为菜市的转变在哪些方面：a)环境，b)商品种类，c)价格，d)食品品质，e)服务
28. 您认为菜市的转变的趋势是：a) 正面的，b)负面的

Appendix V Questionnaire for Supermarket

1 You are (gender): a) man, b) woman

2 Your age: a) 18-24 years old, b) 25-30 years old, c) 31-40 years old, d) 41-50 years old, e) 51-60 years old, f) 61 years old and above.

3 Education background: a) primary school, b) middle school, c) high school, d) undergraduate, e) graduate and doctorate, f) did not attend school.

4 Number of people in your household: a) one, b) two, c) three, d) more than three.

5 Where do you live: a) nearby (less then 500 m), b) 500-1000 m, c) far (more than 1 km), and how did you get to this Caishi

6 How long have you been living here: a) less then 2 years. b) 2-5 years c) 6-10 years d) more than 10 years

7 Your occupation: a) worker. b) office employee. c) civil servant. d) self employed. e) retired

8 Your monthly income is: a) under 1000 RMB, b) 1000-2000 RMB, c) 2000-3000 RMB, d) 3000-5000 RMB, e) 5000-10000 RMB, f) 10000 RMB above

9 You mostly choose to buy foods from: a) supermarket, b) local Caishi street, c) other

10 How often do you come to the supermarket: a) everyday b) 3-5× a week, c) 1-2× a week, d) a couple of times a month, e) a few times a year, f) this is my first time

11 Why do you choose to shop at the supermarket: a) accessibility b) fresh food c) habits and childhood memories d) socializing with the passer-bys and retailers on the street

12 Which goods do you want to buy in the supermarket: a) vegetables, fish and meat, b) rice and flour, c) instant food, d) daily commodities, e) others

13 Will you buy food other than goods from the supermarket: a) yes, B) no. why_______

14 Do you think that the prices of the products in the supermarket are: a) cheap b) expensive c) no different d) don’t care

15 How do you think the quality of the products in the supermarket compares with those available in the Caishi street: a) better, b) worse, c) about the same

16 How do you think the shopping environment in the supermarket compares with that in the Caishi: a) better, b) worse, c) about the same

17 Do you think the supermarket can offer most of the products you want: a) yes, b) no

18 After shopping at the supermarket, will you go to the nearby Caishi to buy something: a) yes, b) no

19 What percentage of your weekly consumption budget is spent on the supermarkets: a) 0-10%, b) 11-25%, c) 26-50%, d) more than 51%

20 Do you usually come to the supermarket: a) alone, b) with other people

21 How do you get to the supermarket: a) on foot, b) by bus, c) driving car, d) by bike.

22 How do you perceive this supermarket: a) positively b) negatively

23 Do you think the supermarket will affect the nearby Caishi: a) yes, b) no

24 How do you perceive this supermarket in the future: a) thriving and replacing Caishi,

b) coexisting with Caishi

超市问卷调查

1. 您是（性别）：a)男，b)女
2. 您的年龄：a) 18-24 岁，b) 25-30 岁，c) 31-40 岁，d) 41-50 岁，e) 51-60 岁，f) 61 岁以上
3. 教育背景： a)小学，b)中学，c)高中， d)大学，e)硕士和博士，f) 没上学
4. 家庭成员数：a) 一个，b)两个，c)三个，d)三个以上
5. 您居住在：a)临近小区（0.5 公里以内） b)稍远小区（0.5-1 公里以内） c)较远小区（1 公里以上）如何到达这个菜市__________
6. 您住在这里多久：a) 2 年以内，b)2-5 年 c)6-10 年 d)10 年以上
7. 您目前的职业：a)工人， b)办公室人员， c)公务员， d)自由职业 ，e)退休， f)其他__________
8. 您每月的收入水平：a)1000 元以下，b)1000-2000 元，c)2000-3000 元，d) 3000-5000 元，e)5000-10000 元，f)10000 元以上
9. 您最可能选择从哪买食品：a) 超市，b)本地菜市，c)其他
10. 您多久会去超市：a) 每天，b) 每周 3-5 次，c) 每周 1-2 次，d) 每月 1-2 次，原因_________
11. 您选择去超市购物的原因：a) 食品新鲜，b)产品种类齐全， c) 便利性，d)干净的环境
12. 您想要在超市买的东西是：a) 蔬菜，b)鱼和肉， c)大米和面粉， d)即食食品，e)日用品，f)其他
13. 您去超市买日用品时，会不会顺道买些菜：a)会，b)不会，原因_________
14. 相比菜市，您认为超市的产品价格：a)便宜，b)贵，c) 没有区别，d) 不在意
15. 相比菜市，您认为超市的产品质量：a)好， b) 坏，c) 差不多
16. 相比菜市，您认为超市的购物环境：a)好， b) 坏，c) 差不多
17. 您认为超市能否提供大多您想要的商品：a)是，b)否
18. 在超市购物后， 您是否会去附近的菜市买些东西：a)是，b)否_________
19. 您每周的消费预算的百分之多少被用在超市购物上：a) 0-10%， b) 11-25%， c) 26-50%， d) 51%以上
20. 您通常去超市是：a) 一个人，b)与其他人一起
21. 您去超市是：a)走路，b) 坐公车，c) 开车，d)骑自行车
22. 您怎样预期这个超市未来的发展： a) 正面的，b)负面的
23. 您认为超市的建立是否会对邻近的菜市产生影响：a)会，b)不会
24. 您预期超市未来会：a)取代菜市，b)与菜市共存

Appendix VI CONSENT FORM TO PARTICIPATE IN RESEARCH

This is to state that I agree to participate in a program of research being conducted by Yun Fang of, Geography, Planning and Environment Department of Concordia University.

A. PURPOSE

I have been informed that the purpose of the research is to study the emerging commercial landscape in Nanjing, China. This will focus on the transformation of a traditional commercial landscape, the Caishi, and the impact thereon of the built of nearby supermarkets. This analysis will also look at the reciprocal interaction between these commercial landscapes. Specifically, the study seeks to analyze the morphological, social and economic impacts of the new commercial landscape (supermarket) on Caishi. I understand that a key objective of this study is to find the mutual ties and impacts of Caishi and supermarket on each other under the special Chinese background and context by proposing an examination of policy, morphology, economic data and an exploration of the social dynamics effect on both Caishi and supermarkets. Some policies are also examined such as the Caishi upgrade program, and whether the occurrence of such changes to Caishi have a positive or negative impact. I seek to define and understand the influential socioeconomic factors in Caishi and supermarkets, and explore the reasons as to why they presently coexist.

B. PROCEDURES

- I understand that I will be interviewed in my place of work during normal business hours, unless I indicate otherwise.
- I understand that my participation in the study will last approximately 1-2 hours.
- I understand that the questions will focus on the transformation and development of Caishi, the built of supermarket and the impact and planning issues in Nanjing.
- If permission is granted, the interviews will be digital recorded. I understand that no one will have access to the digital record other than the student conducting the interview, and thesis committee members.
- I understand that a summary of finds will be reported in a master's thesis, and that I may also have a copy of the thesis if I wish
- I understand that there is no obligation for participations to answer any question that I feel is invasive, offensive or inappropriate.
- I understand that I may ask questions of the interviewers or their professor that any point during the research process
- I understand that there will be no payment for my participation

C. CONDITIONS OF PARTICIPATION

I understand that I am free to withdraw my consent and discontinue my participation at anytime without negative consequences.

• I understand that my participation in this study is (pick appropriate word):

CONFIDENTIAL (i.e., the researcher will know, but will not disclose my identity)

NON–CONFIDENTIAL (i.e., my identity will be revealed in study results)

• I understand that the data from this study may be published.

• I understand that the data from this study will not be published.

I HAVE CAREFULLY STUDIED THE ABOVE AND UNDERSTAND THIS AGREEMENT.

I FREELY CONSENT AND VOLUNTARILY AGREE TO PARTICIPATE IN THIS STUDY.

NAME (please print) ____

SIGNATURE ____

WITNESS SIGNATURE ____

DATE ____

If at any time you have questions about your rights as a research participant, please contact

Craig Townsend, Departmental Ethics Committee(DEC) for Student Research with Human Subjects

Tel.: (514) 848–2424 ext. 5191

Fax: (514) 848–2032 townsend@ alcor.concordia.ca

研究参与许可

我在此声明，我同意参加来自康考迪亚大学地理规划环境系方芸进行的研究项目

A. 意图

我已经了解此项目的研究目的在于研究中国南京出现的商业业态。此研究将专注于传统商业业态--菜市的转变，以及附近超市的建立对它产生的影响和它们之间的相互影响。具体地说，此研究将分析新的商业业态—超市在形态，社会和经济上对菜市的影响。我了解此研究的核心目的是在中国特殊的背景和环境下发现菜市和超市间的关系和影响，通过检验政策，形态学，经济数据的影响以及探求社会动力的影响。一些政策将被研究以了解其结果是正面还是负面，例如在菜市的改造提升后，菜市有哪些改变，是正面还是负面的。我寻求确定和了解菜市和超市的影响因素，以及探究现在菜市和超市共存的原因。

B. 过程

- 我了解采访将会在我的办公地点及工作时间内进行，除非由我另行指定。
- 我了解我参与此次研究的最长时间不超过1至2个小时。
- 我了解问题会集中在菜市的转变与发展,超市的建立和影响以及南京的规划议题。
- 如果在获得许可的情况下，此采访会被进行数字录音。我了解没有人可以获得获取此数字录音的途径除了研究者本人及论文审核委员会成员。
- 我了解研究的总结性结论将会在硕士论文中报告，如果我有意愿我也会得到此论文的复印件。
- 我了解我没有义务回答任何令我感到攻击性的，冒犯的，或不合适的问题。
- 我了解我可以向研究者和她的教授询问任何研究过程中的观点。
- 我了解参与此项研究是没有报酬的。

C. 参与条款

- 我了解我随时有权停止参加此项研究，并不会给我带来任何的负面结果。
- 我了解我在这项研究中的参与 （请选合适项）

  保密 （例如，研究者知道但不会透露的我的身份）

  非保密 （例如，我的身份会在研究中透露）
- 我明白此项研究中的数据会被出版公开。
- 我明白此项研究中的数据不会被出版公开。

  我已经认真读过上述条款协议。

  我许可并自愿参加这项研究。

  姓名 (工整) ____

  签名 ____

  见证人签名： ____

  日期____

如果您有任何关于参与研究的权利问题，请联络克里格唐森先生，涉及人物类研究道德审核委员会委员，电话（*514*）*848–2424* 转*5191*，传真（*514*）*848–2032*，电子邮件*townsend@ alcor.concordia.ca*