Urbanization of Services
Services Defined

• Any activity performed that fulfills a human want or need in exchange for money
  – Link between placement of service and consumers
    • 1\textsuperscript{st} rule of business “Location, Location, Location”
Types of Services

• Consumer Services
  – Retail service
  – Personal service

• Business Services
  – Purpose: to facilitate other businesses
    • Producer services: help people conduct business
    • Transportation and similar services: diffuse and distribute services

• Public Services
  – Provide security and protection for citizens and businesses
Location of Services in Rank-Hierarchy

- Small settlements are limited to consumer services with small thresholds
  - Do not have the people to support a lot of services
- Larger settlements can support both
  - Larger threshold
Market-Area Analysis

• Used to determine if a market’s location will be profitable
  – Profitability of a Location
    • Calculate the range and threshold
  – Optimal Location Within a Market
    • Where in the market should the service be located to maximize profit
      – Linear
      – Nonlinear Settlement
Drive Time Market Area Model for Better Books Stores
San Francisco, California

- Store Name
  - Red: Bosworth
  - Blue: Steiner
- Drive Time
  - Light Blue: 0-1 min
  - Green: 1-3 min
- Book Lovers Club Member
  - Red Triangle: Bosworth
  - Blue Circle: Steiner
- Average Household Income
  - White: $0 - $75,010
  - Beige: $75,010 - $101,230
  - Orange: $101,230 - $411,502

Map produced by: Lizanne Roxburgh 22 October 2010
Data Sources: US Census Bureau, University of West Florida
primary market area

February 2009
Sample YMCA

Road Classification
- Limited Access Freeway
- Highway
- Secondary Roads
- Local Roads

North
80% of Members
Members

page 5
Hierarchy of Business Services

• 4 levels of cities that play a role in business services
  – World Cities
    • Dominant city in terms of global political economy
  – Command and Control Centers
    • Second level of cities that contains the headquarters of many large corporations
  – Specialized Producer-Service Centers
    • Offer more narrow and highly specialized variety of services
  – Dependent Centers
    • Unskilled jobs; their economic health depends on the decisions of the other cities
Figure 12-15  Business-service cities in the United States

WORLD CITY
- DOMINANT
- MAJOR
- Secondary

COMMAND & CONTROL CENTER
- Regional
- Subregional

SPECIALIZED PRODUCER-SERVICE CENTER
- Functional
- Government/Education

DEPENDENT CENTER
- Resort/retirement
- Manufacturing
- Industrial/Military
- Mining
Cluster of Businesses in World Cities

• Business Services in World Cities
  – Clustering of businesses because of Industrial Revolution

• Consumer Services in World Cities
  – More people with more money to buy things

• Public Services in World Cities
  – Often centers of national or international political power
Location of Services in Central Business District

• Centers of business and industry
  – Attract talent and allow for specialization

• Retail centers have high threshold and range
  – Central accessibility to lots of people
  – Service workers in downtown businesses
Suburbanization

• Commuter settlements
  – Located on fringe areas where majority of residents commute to CBD

• Manufacturing
  – Requires large footprint
    • Cheaper land in suburban areas

• Residential
  – High land costs closer to CBD
    • Larger houses at lower costs with more space in suburbs
Suburbanization of Retail

- Stores and services re-locate to suburbs to have closer proximity to consumers and ease of access
  - Ex. Southdale Center 1956