



## Interinstitutional shaping of retail innovation: The nineteenth century retail arcade

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### ABSTRACT

The retail arcade was an innovative format that proliferated across the urban landscape in the late nineteenth century. However, it has attracted limited research attention from business historians. This article addresses this research gap by identifying the reasons for arcade development and the business relationships that enabled their widespread commercialisation. The retail arcade provided a thoroughfare between two centres of urban activity. The realisation of this transitional retail space required civic support and a commercial framework that facilitated the reification of experiential retailing. It provided financial rewards to multiple business interests whose complex relationships underpinned its operational characteristics. Britain provides the research context. Adopting an institutional logics theoretical perspective, this paper considers the interinstitutional shaping of this hybrid organisational form over more than half a century. A rare and rich source of archival material facilitates the study of quotidian activity within this innovative retail format.

### KEYWORDS

Retail arcade;  
retail innovation;  
Britain;  
nineteenth century;  
institutional logics;  
interinstitutional shaping

## Introduction

The retail arcades of late nineteenth century Britain developed in a context of rapid socio-economic change. Industrialisation and urbanisation saw the emergence of a new middle-class consumer. These consumers were attracted by the experiential retailing offered by this innovative retail format. Inspired by the late eighteenth and early nineteenth century arcades of Paris and London, they offered a new form of retailing and a range of cosmopolitan merchandise to a wider market. Between the late 1810s and the 1910s, one hundred and twenty-five arcades were built in Britain in major industrial cities, county towns and fashionable resorts, with the overwhelming majority built in the period 1870–1914 (MacKeith, 1986).

The origins of the retail arcade are attributed to Parisian developers at the end of the eighteenth century. The Parisian *passage* is closely associated with the retailing of luxury goods in a controlled and safe environment. Geist's (1983, p. 3) international study of arcade architecture defines the arcade as above all, a 'roadway, thoroughfare, alley, transit, crossing', a '*passage de la vie*'.<sup>1</sup> Together with the omnipresent 'glass roof' and 'symmetrical facades' this

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'exclusively pedestrian walkway' is strictly differentiated 'from all analogous architectural forms' (Geist, 1983, p. 4).

Retail arcades have become significant sites of heritage retailing in the twenty-first century; although, Walter Benjamin's work on the arcades of Paris has cast a long shadow (See: Benjamin, 1999).<sup>2</sup> In his unfinished 'Arcades Project' of the inter-war period, the arcades of Paris have declined. For Benjamin they provide a sanctuary for dealers in obsolescent commodities and are a haunt for the marginalised (Smith, 2004). In the early twenty-first century, the literature emphasises revitalisation, where arcades have been transformed into 'a symbolic object of cultural memory whose integration into the national heritage has been ratified through programmes of renovation and gentrification' (Smith, 2004, p. 25). Vanderburgh and Du Four (1999, p. 9) suggest a three-stage lifecycle for the arcade as a retail phenomenon: 'the mid-nineteenth-century construction of the arcades; the 1920s and '30s of Benjamin's writing; and the present, in which some arcades continue to exist'. The later periods of decline and regeneration have been the main focus of academic attention, inadvertently obscuring the development of retail arcades and the role they played in defining the retail structure of the late nineteenth century industrial urban landscape.<sup>3</sup>

Here we explore the business relationships that underpinned the development and management of the arcade in the first of these three stages. This task is challenging. As Geist (1983, p. 64) has noted, there is a paucity of records associated with this retail format: 'the arcades were private buildings, and hence clarifying records can usually no longer be found'. By their nature, arcades have not supported the survival of, and public access to, business documents. This has inhibited previous business history research in this area. However, for the research presented here, we are fortunate to have access to business records that provide a detailed insight into the workings of the nineteenth century and early twentieth century arcade. Therefore, this research steps behind the architectural façade of the arcade to explore the business relationships that characterised and supported this innovative retail format. Our access to a rare and rich source of relevant business records makes this study unique.

From a theoretical stand point we take an institutional logics approach. We consider the interinstitutional blending and segregation of order characteristics that shaped this retail format, thereby distinguishing it from other retail innovations of the long nineteenth century. A central tenet of the institutional logics perspective is that individual and organisational interests are embedded within institutions, and these interests generate agency within an institutional framework (Thornton et al., 2012). This approach may be used to explain examples of cultural entrepreneurship. The interinstitutional system provides a dynamic framework within which to understand how competing interests, defined by institutional ordering, engenders innovation and change (Reay & Hinings, 2009).

Within this framework, orders exhibit core categorizable characteristics, which may be recombined (blended and segregated) over historical time. Thornton et al. (2012) identify seven institutional orders: family, community, religion, state, market, profession, corporation. Each order possesses category characteristics defined by its root metaphor, sources of legitimacy, sources of authority, sources of identity, basis of norms, basis of attention, basis of strategy, informal control mechanisms and economic system. In the case of the corporation, these characteristics manifest as the corporation as hierarchy, the market position of the firm, the Board of Directors, bureaucratic roles, employment in the firm, hierarchical status, organisational growth, organisational culture, and managerial capitalism.

An institutional logics perspective provides a theoretical frame within which to understand the arcade as retail innovation. From this perspective the arcade represents a hybrid organisational form (Pache & Santos, 2013). Therefore, the arcade as retail innovation provides an opportunity to respond to the call in institutional logics research for further work 'on the mechanisms of logic recombination' (Thornton et al., 2012, p. 118). Building on Friedland and Alford's (1991) critique of institutional theory, which addresses problems associated with agency and bounded rationality in a context where management and organisations use resources to pursue self-interest, Thornton and Ocasio (1999, p. 804) define 'institutional logics as the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality'.

Previous studies have suggested an entrepreneurial blending and segregation of characteristics through theorisation (Greenwood et al., 2002). That is, through individual entrepreneurial activity. However, here we suggest a continuous and dynamic process of cultural blending and segregation as different orders exert entrepreneurial agency through inter-institutional competition. Therefore, we build on research which considers how tensions created through the interaction of conflicting institutional logics are addressed within a single organisation, and how such tensions are created within an innovative organisational form responding to new market opportunities (Besharov & Smith, 2014; Battilana & Dorado, 2010).

Further, the research reported here responds to Decker et al. (2018, p. 269) observation in *Business History* that in early institutional logics research primary archival material was absent: 'there was invariably reference to history and historical analysis', although 'in almost all cases 'historical analysis' was typically based on secondary sources and was supplemented by interviews and quite often by hypothesis-testing quantitative analyses'. In this article, we contribute to research on institutional logics through our use of business archive material which enables us to explore a hybrid organisational form for a period of more than half a century.

In this article, we begin by exploring the wider development of the nineteenth century British arcade. We then consider the development of one arcade in order to provide a detailed understanding of the business history of the arcade at this time. In so doing we hope that this will stimulate future research and the unearthing of further business records associated with this important area of nineteenth century retail development. This research is guided by three research questions. First, what motivated the development of retail arcades in rapidly urbanising industrial centres? Second, how were arcades managed during the second half of the nineteenth century and early years of the twentieth century? Third, how did socio-commercial relationships influence retail activity in arcades?

## British arcade development

The arcade has long been recognised in the retail history literature as an innovative retail format. In her classic history of nineteenth century retailing, Adburgham (1964) notes the appearance of the Burlington arcade and its innovative character. Lancaster (1995, p. 8), in his consideration of the history of the department store, laments the 'lack [of] a comprehensive history of indoor markets', while noting the interest shown by Geist (1983) and MacKeith (1985) in the architecture of the arcades. Morrison (2003, p. 93) contrasts bazaars and the arcades, noting 'the arcade had a much longer life than the bazaar, continuing to be popular

with the bourgeoisie in industrial cities and seaside towns throughout the Victorian and Edwardian eras'. This long-term historical and contemporary relevance of the arcade format is emphasised by Howard and Stobart (2018), and Warnaby (2019). While Mitchell (2014, pp. 139–140), in his study of retail innovation before 1850, acknowledges the arcade in the context of 'alternative retail spaces' generally and in relation to the bazaar in particular.<sup>4</sup> However, as an alternative retail space, the arcade was fundamentally different to the bazaar, as it was to the exchange (Baer, 2007; Walsh, 2003) which preceded both innovations.<sup>5</sup> The bazaar and the exchange were shopping destinations. London's first bazaar was opened in 1816, as Mitchell (2014, pp. 140–141) notes: 'It was a substantial building ... with rooms on two floors'. The building had 'counters along the ends, sides and centres of the rooms, with mahogany tops and flap doors to admit the vendors' (Mitchell, 2010, p. 880). The bazaars and exchanges were dependent on their ability to draw clients to their building. In this, they were unlike Parisian arcades which appeared in the early decades of the nineteenth century and the Burlington (1818) arcade which provided a template for British arcade development (Geist, 1983; MacKeith, 1986). The arcade format was innovative and distinct in its role as a transitional space and in the way that this transitional space was transformed into a shared space for experiential retailing. If located appropriately within the urban landscape the arcade generated its own footfall. Certainly, the arcade had to provide an attractive ambience and enticing merchandise, but the *sine qua non* of the arcade was a guaranteed volume of pedestrian traffic which would encourage retailers to take up tenancies in the arcade. This made an arcade reliant on its location between two centres of urban activity, but at the same time ensured a longevity as a relevant retail format that destination dependent retail innovations such as the exchange and the bazaar did not enjoy.

The main period of arcade development in Britain dates from the mid-nineteenth century to the early decades of the twentieth century: 1870–1914 (MacKeith, 1986). It was preceded by an introductory phase of arcade development which is associated with the establishment of both the Royal Opera Arcade and the Burlington Arcade in London in the late 1810s, and the spread of the format to fashionable resorts such as Bath in the 1820s. The early arcades served an essentially narrow, elite consumer market. Those built during the second half of the century inherited many of the architectural features and the commercial aspirations of the introductory phase arcades; however, they were located in new industrial and urban centres and served an emerging and larger market. Arcades were introduced as physically and socially sanitised pedestrian thoroughfares, or *passages*, facilitating experiential retailing.

Therefore, following the Napoleonic Wars, although retail arcades began to appear in British towns and cities, the diffusion of the concept was slow and even in the capital city their number was limited. In her architectural study of British retail arcades, MacKeith (1986) identifies only five arcades established in Britain in the first quarter of the nineteenth century: Royal Opera Arcade, Westminster, 1817; Burlington Arcade, Westminster, 1818; Upper and Lower Arcade, Bristol, 1824; The Corridor, Bath, 1825. By the 1830s and 1840s, the retail arcade of the cosmopolitan elite had lost its momentum. In Paris, from the late 1840s they had slipped into an early Benjaminesque decline, while in London the opening of the Lowther arcade in 1831 marked the end of the first phase of arcade development (McWilliam, 2019; Smith, 2004). A transition phase (1830s–1860s) followed when arcades serving High Society were superseded by arcades serving the emerging middle-class consumer. In contrast to a declining interest in the retail arcade in cosmopolitan centres, a new interest was generated

in rapidly urbanising industrial towns and cities where the arcade emerged as a vibrant retail format.

In Britain, the retail arcade was numerically a late nineteenth century and early twentieth century retail phenomenon. The 1870s saw the opening of more arcades than the previous six decades combined: the period 1870 to 1914 saw the overwhelming majority (86%) of arcade developments between the end of the Napoleonic Wars and the outbreak of the First World War (MacKeith, 1986).<sup>6</sup> The arcade's proliferation across the country contributed to a new dimension of retail innovation in the urban landscape, offering as it did something distinct from the emerging department store format (Lancaster, 1995). On a superficial level the department store and the arcade might be considered similar, in that they both contained a variety of merchandise; however, there the similarity ends. The department store was owned by a single proprietor or partnership, it was managed as a unified business within which innovative organisational structures and managerial professionalisation facilitated merchandise range expansion and growth; features that have long been identified in the literature (Gibbons, 1926; Hower, 1943; Lancaster, 1995; Pasdermadjian, 1954; Rappaport, 2001; Resseguie, 1965; Twyman, 1954). Compared to the department store, the arcades had 'no common management of retail space and no economies of scale were to be enjoyed from group purchasing' (Coles, 1999, p. 37). As Davis (2016, p. 76) points out, the arcades 'were significant social spaces that housed a variety of businesses'. In contrast to the department store, the arcade served a number of purposes, not all of them purely commercial, and was underpinned by a fundamentally different organisational framework predicated on a relationship between landlord and tenant.

By the 1850s developers were aware of the fundamental characteristics of the successful arcade. *The Engineer*, critiquing the limited success of the retail arcade format in London, identifies these characteristics in an article of 1857:

[for] any covered way to become ... popular ... [it] should be an ordinary thoroughfare, and afford, if not the shortest, something at all events approximating to the shortest, route between the main centres amongst which it lies. Secondly, that it should be wide and well lighted both by night and day, and present a cheerful aspect, which, if constructed of glass, it would almost of necessity do; and thirdly, that it should have shops on both sides of it stocked with the superfluities rather than with the necessities of life.<sup>7</sup>

The arcade was above all a place of transition along which *foot passengers*—to use a contemporary phrase—could be enticed by *superfluities* in a conducive well-lit space protected from the weather. This was achieved by the construction of a *thoroughfare* connecting one highly frequented location with another highly frequented location.<sup>8</sup> In so doing, arcades provided access to the centre of a block of under used or undervalued land in the urban environment, thereby creating a privately-owned public space from which the owner of the arcade could extract higher rents than would otherwise be the case. This is well illustrated by the development of the Queen's Arcade at Leeds, in the industrial north of England. Opened in 1889, it was built onto a yard known for its 'dilapidated buildings': the local press considered the arcade would be 'a credit to the town' and one which even in its development stage had introduced 'Light and air ... where they had long been urgently required; and old, filthy, and unsightly structures have made way for a combination of business premises which have been designed and erected with a strict regard not only to elegance and attractiveness, but also to public utility.'<sup>9</sup> In the case of Birmingham's Great Western Arcade, the creation of

value from an otherwise unexploited space was taken to its ultimate logic. In the mid-1870s, the arcade was built into the void above railway tracks at the heart of this important manufacturing and commercial town in the English Midlands: 'The site, if it can be so called, has been purchased of the Great Western Railway Company by Mr. E.W. Simkin, of Bull Street, and his speculation ... will materially add to the ornamentation of one of the principal parts of the town, and serve as a public promenade.'<sup>10</sup> Here transitional space is fundamental to the development, facilitating as it did pedestrian movement across the busiest part of the town. In these examples, two additional features are evident which were strongly associated with the development of British arcades: speculation by local businessmen and civic improvement. The two were closely connected.

Civic improvement is a recurrent theme in reports of arcade development. In Blackburn in 1884, the opening of 'Thwaites Arcade' was greeted with hyperbolic enthusiasm in the local press: 'An event which may be said to be without its parallel in the history of the borough occurred here yesterday at noon, when the Mayor ... formally opened the avenue of shops.'<sup>11</sup> The arcade was named after the developer who had taken the trouble to ensure local support from influential bodies by providing meeting rooms in the arcade for the Conservative Club at one end and the Orangemen at the other. However, Thwaites' harmonious Lancastrian initiative stood in contrast to earlier events across the Pennines in Bradford, Yorkshire, where in August 1868 Mr Dewhirst's arcade was being built without planning permission and was subject to legal action by the town Corporation.<sup>12</sup> A course of action by the Corporation that was, according to the local press, motivated by 'fear that Mr. Dewhirst's arcade would come into competition with the market rights which the Corporation had obtained at a high price.'<sup>13</sup> The arcade developers required civic support.

Support of influential parties beyond the local Corporation is evident in Exeter, a cathedral city and major commercial centre for the South West of England. There the Eastgate Arcade was developed by the Exeter Arcade Company in cooperation with the Exeter Coffee Tavern Company. The temperance tavern, 'was initiated under the auspices of the Bishop [of Exeter] and the Earl of Devon'; however, having acquired a suitable site 'in the best part of the town', they found themselves in possession of land that was 'about ten times as much as they required for the tavern.'<sup>14</sup> An arcade had been mooted previously: the Coffee Tavern land purchase provided the opportunity for the formation of the Exeter Arcade Company. At the ceremony on 2 August 1880, at which both the tavern and arcade foundation stones were laid, the Mayor of Exeter extolled the commercial advantages of the arcade, noting: 'the Company had fixed there would be an income sufficient to pay a dividend of from eight to ten per cent.'<sup>15</sup> Profit and improvement were integral to these initiatives.

The importance of local investment and the provision of new commercially attractive retail units provided an opportunity for the wider community to engage with arcade development. The establishment of arcades was characterised by initiatives from local developers, such as Thwaites and Dewhirst; however, the formation of limited liability companies offered wider opportunities for investors. As the Mayor of Exeter indicated, it was anticipated that dividends would be in the range of 8–10%; however, in Exeter this proved to be an optimistic assessment. Although the Exeter Arcade Company was able to declare a dividend of 6% in its third AGM in April 1883, and announce that it had let all of the shops, this was the highest level of return the shareholders received; by the fifteenth AGM in 1895 the dividend had fallen to 4<sup>1/2</sup>.<sup>16</sup> This lower level (4<sup>1/2</sup>–5%) of dividend continued into the 1900s, despite all the shops being let and the Chairman confident that 'the Arcade had lost none of its original

attractiveness'.<sup>17</sup> This was a steady return, and it was in line with Birmingham's Great Western Arcade Company which was paying 5<sup>1</sup>/<sub>2</sub>% by its sixth AGM in 1882.<sup>18</sup> However, it fell far short of the 20% dividend that was paid by Manchester's Castle Street Arcade Company in 1905.<sup>19</sup>

Additionally, from a local business perspective, local retailers saw the benefits of this new form of retail trading. Tenants were signed up before development was completed. Of the examples mentioned above: at Leeds there were '26 shops, the rentals varying from £35 to £75 per annum, and about twenty of these are already let'; at Exeter 'although the shops were not yet built, some of them were already let' at a 'very moderate rental'; at Birmingham 'although not quite finished ... Many of the shops are already occupied, and several were opened for business', while 'applications for tenancies are being received daily'.<sup>20</sup> Such reports suggest a pent-up demand for retail units of this type.

Which begs the question, what type of retailer took retail tenancies in arcades? In part this question has already been addressed above in the quotation from *The Engineer*: that arcades should be 'stocked with the superfluities rather than with the necessities of life'.<sup>21</sup> A characteristic implicitly recognised by the Exeter Arcade Company which was reassured by the knowledge their property was 'a favourite resort for ... the best classes of society'.<sup>22</sup> The arcades were designed to attract retailers that dealt in what were described by contemporaries as fancy goods. In Scotland, in the mid-1860s, at '64 Argyll Arcade, Glasgow', Mr J.L. Aird a fancy goods retailer was selling such items as 'Silver-Fitted Ladies' and Gentlemen's Dressing Cases, Writing Desks, Work Boxes, Morocco Bags, Purses, Drawing Room Ornaments' among other items.<sup>23</sup> Such fancy goods retailers could expect to be located alongside jewellers, goldsmiths and silversmiths, together with booksellers, photographers, chemists and naturalists.

This merchandise mix was facilitated by the physical structure of the arcade. In 1868, describing what was at that time a comparatively unfamiliar retail format to its readers, *The Bradford Observer* explained, 'the shops [in Dewhirst's development] will not face the road, but stand back beneath a glass roof, in passages or arcades, so as to form a collection of small stores of all kinds of wares'.<sup>24</sup> Such ambitions were supported by the modest scale of the retail units available to rent. In the Eastgate Arcade in Exeter the twenty-two retail units each had 'a frontage of about sixteen feet'.<sup>25</sup> This was typical; although, some arcades varied the size of shops to allow for some larger premises. In 1874, the *Birmingham Daily Post* explained the forthcoming Great Western Arcade to its readers: 'The street elevations will be of stone, and the shop fronts fitted with plate-glass. On each side of the Arcade proper, there will be handsome shops of various sizes, between fifty and sixty in number, and they will be especially adapted for fancy trades'.<sup>26</sup>

The late nineteenth century arcades perpetuated this intimate architecture by drawing on successful examples from elsewhere in the country or elsewhere in the same town. There was good reason for this, examples of commercial success could be replicated through the application of a well-tested successful model. In Cardiff, a port which became the world's largest exporter of coal as a consequence of its position close to the mining districts of the South Wales valleys, the 1880s saw a considerable increase in arcade development. At the opening of the High Street Arcade in 1886, a local newspaper noted, 'No doubt the incentive to the present enterprise was the knowledge that the Royal Arcade ... had proved a most remunerative investment'.<sup>27</sup> While, at the opening of the Castle Street Arcade in 1889, the mayor remarked that 'the people of Cardiff had discovered that arcades were capital

investments for superfluous cash' as a consequence of the first arcade that had opened in the town: 'The Royal Arcade ... had proved to be one of the most lucrative investments of which the town could boast'.<sup>28</sup> He was not wrong, in 1882 a little over a decade after the Cardiff Arcade Company first issued £10 ordinary and preference shares in the Royal Arcade, the shares were trading at over twice their par value at £22 15s and £23 respectively.<sup>29</sup> By the time of the mayor's opening address at the Castle Arcade in 1889, the Company's dividend on ordinary shares stood at 16% and would increase to 20% within a decade.<sup>30</sup>

While these reports in the local press or in contemporary articles in professional journals are highly informative, they only take us so far in understanding the development of the nineteenth century arcade. They are very good at establishing the degree of local interest in arcade developments and the civic embellishment that they brought to town centres. In this, they are helpful in answering our first research question: what factors facilitated the development of retail arcades in rapidly urbanising industrial centres? They improved the civic infrastructure by bringing attractive retail spaces and a range of *fancy* merchandise to an urban environment that welcomed new profitable commercial opportunities. However, that is as far as such sources go. While, they are very good at giving tantalising but elusive indications of management challenges, such as tenants grumbling about other tenants displaying goods in the arcade thoroughfare (Great Western Arcade in Birmingham, 1882), they do not provide a framework or deeper understanding of the relationships that generated such concerns.<sup>31</sup> Along with the architectural studies of Geist (1983) and MacKeith (1986), these contemporary reports provide informative descriptions of the buildings and the context of their development; however, they do not provide an intimate understanding of the day-to-day business activities in an arcade. They do not address our second and third questions. How were arcades managed during the second half of the nineteenth century and early years of the twentieth century? How did socio-commercial relationships influence retail activity in arcades? Therefore, in order to give further depth to our answer to the first question, and to address the second and third questions, another data source is required.

Arcades as privately-owned entities have not facilitated the survival of historical documents (Geist, 1983). Fortunately, for this study we secured access to a rich archival source which provides a long run of records for a representative arcade in a representative city. This has facilitated in-depth consideration of the questions asked here and the identification of themes that other sources do not reveal. MacKeith's (1986, p. 20) architectural study of retail arcades shows, by the early twentieth century there were 'seven arcades in Birmingham, five in Manchester, seven in Leeds and nine in Cardiff'. The British city with the highest number of arcades, and the Royal Arcade, the earliest arcade established in that city, provides us with the rich uninterrupted archival record which we require.

## The urban context

With regard to 'the process of urbanisation' in nineteenth century Britain, Cardiff may be 'taken as a case-study of this general society-wide transformation' (Daunton, 1977, p. 14). A government (Board of Trade, 1908, p. 132) enquiry remarked in 1908, 'There is no more interesting study in town growth and development than Cardiff'. As MacKeith (1986, p. 120) observes: 'The incredible growth of the city into what was described as a 'Welsh Chicago' required a high investment in buildings over a very short period of time'. The retail arcade was the developers' response to a need for a rapid increase in retail space in a crowded urban



environment. The development of the first arcade in the town, the Royal Arcade, was initiated in 1858 and became the role model and inspiration for substantial arcade development in the same urban centre. Company records for the Royal Arcade have survived and are available for the period up to 1914, providing an exceptional opportunity to consider in detail the commercial development of an arcade during the main phase of arcade development in nineteenth century Britain.

During the nineteenth century, the town of Cardiff experienced rapid urbanisation. It was well placed to take advantage of the maritime transport needs associated with Britain's overseas commercial interests. By 1888, Cardiff was clearing for onward transit a greater tonnage than Liverpool, 50% more than Newcastle, and well over three times that of Glasgow (Mulhall, 1892, p. 525). At this time, it proved a fertile ground for the development of retail arcades. With most of the central retail area of the town corralled within the boundaries of the medieval borough, an innovative approach to the provision of additional retail space was required; this was found through 'the building of shopping arcades to increase the frontage available' (Daunton, 1977, p. 54).<sup>32</sup> It was recognised by contemporaries, and was a matter of civic pride, that by the 1880s Cardiff had more arcades than any other urban centre in Britain: 'In the course of a few months there will not be a town in the United Kingdom which will be able to compare with Cardiff in the number or excellence of its arcades.'<sup>33</sup>

## The Arcade

The Royal Arcade was established in 1858.<sup>34</sup> The commercial records of the Arcade form part of the David Morgan Collection, in the Glamorgan Archives.<sup>35</sup> They provide a detailed record of the commercial life of the Arcade including particulars of the Arcade's construction, improvements, management, tenancy agreements, community disquiet, tenant finances, inter-tenant disputes, sub-letting activity, shareholding and boardroom relationships.<sup>36</sup> They contain copies of half yearly financial reports, and other material such as individual account ledgers, a register of members and shares, and a deed book, which provide valuable insights into the workings of the Cardiff Arcade Company Limited.<sup>37</sup> While the commercial record provides the main sources for the findings presented below, these findings are supplemented by other sources, such as the advertisements, reports and commentary provided in local newspapers.

Four main themes emerge from the archival record. The first, *realisation*, concerns the organisational framework and civic embeddedness required to ensure the physical development and long-term success of the Arcade. This theme allows us to give further depth of understanding to our answer to the first of our research questions: what motivated the development of retail arcades in rapidly urbanising industrial centres? The second theme is *reification*, which concerns the creation, through corporate innovation and tenant enhancement, of a commercial space supportive of experiential retailing activity. The third theme is *returns*, which concerns stakeholder rewards expressed through the corporate, retail and entrepreneurial interests associated with the project. These themes, of reification and returns, allow us to address the second of our research questions: how were arcades managed during the second half of the nineteenth century and early years of the twentieth century? The fourth theme is *relationships*, which concerns the community and kinship networks associated with the socio-commercial life of the Arcade. This theme allows us to address the third

of our research questions: how did socio-commercial relationships influence retail activity in arcades? We explore these four themes along with various sub-themes in the sections below. For the sake of brevity, in this section and subsequent sections we use the form Arcade (initial capital) to refer to the Royal Arcade, and the Arcade Company or simply the Company if appropriate, when referring to the Cardiff Arcade Company Limited.

### ***Arcade development: Realisation***

The Arcade's development was initiated in 1858 through a partnership: James and Price, builder and architect. However, the original Arcade did not provide a thoroughfare from one busy part of the town to another. It only 'extended some fifty feet' from one street, and contained only 'eight places of business.'<sup>38</sup> Not until 1868, with the formation of the 'Cardiff Arcade Company Limited', was the project placed on a sound organisational footing.<sup>39</sup> A limited liability company provided financial support and investor backing for the completion of the project. Consequently, between 1868 and 1870 another forty units were built along a thoroughfare '12 feet wide 26 feet high, and 440 feet in length' which connected two busy locations.<sup>40</sup> This development process provides unique insights into the challenges encountered by arcade developers in this period. We explore these challenges through two sub-themes: civic embeddedness and organisational form, both of which were required to legitimise the Arcade's establishment and support its long-term development.

Civic embeddedness facilitated the successful realisation of the Arcade in its extended architectural form: the establishment of a thoroughfare or passage lying at the heart of the arcade concept. Between 1858 and 1868, the partnership of James and Price failed to achieve this, and the Arcade languished in its truncated state. Regeneration of the project required support from leading elements within the civic hierarchy: this provided an embedded network of influence and legitimation.

The civic benefit derived from the Arcade, and hence a reason for a high level of civic engagement, is illustrated by the importance placed on establishing a thoroughfare between the two busiest parts of the town. In the prospectus adopted at the first directors' meeting of the Arcade Company on 25 January 1868, the firm clearly sets out the reasons for development: 'It is believed that the superior attraction for foot passengers which the proposed Arcade will furnish, will ensure it becoming one of the best frequented thoroughfares in the town.'<sup>41</sup> It was designed to connect 'the two principal Streets' of the town, St Mary Street and The Hayes. In the words of the Arcade Company: 'St Mary Street contains the Town Hall—Market, Banks, Royal Hotel (opposite the Arcade) & other Public Buildings,' The Hayes is the main thoroughfare leading to St Mary Street from the Docks, and is distinguished for the high rents its houses have always commanded.'<sup>42</sup> In this, the Arcade Company sought to associate itself very closely with the improvement and development of the urban centre:

The present communication between these two streets is very deficient, and the proposed Arcade will provide the necessary accommodation, the necessity for which is sufficiently proved by constant agitation for a new thoroughfare between these streets during the last fifteen years, and the many schemes for supplying this want which have been projected by the Corporation of Cardiff and others.<sup>43</sup>

Prominent members of the civic hierarchy had an essential role in the initial phase of development. This is illustrated by the Board's original composition: of the seven Board

members, four held the office of Mayor on eight occasions between 1859 and 1877 and the role of deputy mayor on seven occasions.<sup>44</sup> Of the town council elected in the year the Arcade was completed (1870), eight—a third of its membership—held shares in the Company.<sup>45</sup> Of these, five were on the Company's Board. During the two-year development phase (1868–1869) and the first five years when the Arcade was fully operational (1870–1874), three of the directors were either Mayor or Deputy Mayor: it was these three individuals who provided leadership on the Board and chaired its sessions.<sup>46</sup>

The Company was deeply embedded within the civic community in a way the partnership of James and Price had not been. In 1858, when Peter Price had formally presented the partnership's Arcade proposal to the town's Board of Health, he was met with limited enthusiasm: 'A desultory discussion followed, the general feeling appearing to be in favour ... however, [the meeting] considered that the width was not sufficient' and 'its consideration was deferred for the present.'<sup>47</sup> The partnership of James and Price possessed architectural vision, but lacked political backing. With the establishment of the Arcade Company in 1868 and the composition of its founding Board the project attained civic embeddedness. The formation of a limited liability company extended the ownership base and the opportunity for shared financial rewards.

Organisational form was fundamental to the successful completion and long-term management of the Arcade. The developers required an organisational form with sufficient legitimacy and longevity. This, as the Company prospectus consciously acknowledged, was provided by the establishment of 'a Joint Investment in Real property.'<sup>48</sup> Through their acquisition of freeholds and leaseholds, James and Price's partnership facilitated the project, while Price's architectural designs provided its vision. However, it was only through a limited liability company the developers had the means to establish—on a secure and indefinite footing—shared ownership of the Arcade, guarantee the engagement of prominent civic figures, and ensure sufficient financial support was available for the completion of the project.

### ***Management of the Arcade: Reification and returns***

In the exercise of its control function, the Company had a very limited bureaucratic structure. The Company Secretary, Company Solicitor, the Board, sub-sets of the Board and the Beadle were the only permanent agents of corporate control. Nevertheless, professional administrative control developed over time, as the Board gained experience in its role as overseer of a retail estate. Between 1868 and 1914, the composition of the Board fundamentally changed (see *Revenue* theme below). A foundational Board (1868 to 1888), was replaced over a four-year transitional period (1888–1892) by a managerial Board (1892–1914) dedicated to the maximisation of rents and dividends. David Morgan joined the Board in December 1892.<sup>49</sup> He owned a large drapery store on The Hayes adjacent to the north east corner of the Arcade. His arrival was indicative of the Board's changing character. While the foundational Board focussed on the establishment of a thoroughfare which was financially sustained through retail rents, the managerial Board focussed on the supervision of retail enterprises which benefitted from the high volume of pedestrian traffic outside their shop frontages.

Incremental professionalisation was facilitated by continuity of tenure. There were 19 directors in the 46-year period of the Arcade Company discussed here: they served for an average of 14 years, with one serving 38 years, and the first Chairman serving for 19 years.<sup>50</sup>

The directors were supported in their work by the Company Secretary and the Company Solicitor. From 1868 until 1888 the architect of the Arcade, Peter Price, was Company Secretary: a role subsequently held by his son from 1888 until 1914.<sup>51</sup> Likewise, the original Company Solicitor served from 1868 until 1894 when he was replaced by his son.<sup>52</sup> Among other tasks associated with Board decisions, the Company Secretary was responsible for the collection of rents. The Company Solicitor's duties included responsibility for new tenancy agreements, the cost of which he recouped directly from the new tenants. The directors were also supported by the Beadle. His role developed beyond controlling unruly public elements. He became an important agent of the corporate structure, helping to ensure the Arcade was presented as a place fit for experiential retailing.

Two themes, *reification* and *returns*, allow us to address the second research question: how were arcades managed during the second half of the nineteenth century and early years of the twentieth century? *Reification* concerns the creation of commercial space supportive of experiential retailing activity. *Returns* concerns stakeholder rewards and the interests that supported the management of the Arcade. It is only possible to understand these themes through the examination of the type of sources available to this study, revealing as they do the detail of quotidian life in the Arcade. While other arcades will vary in some respects, the detailed analysis provided here facilitates a new and deeper level of understanding of arcades as a commercial format than that currently available in the literature.

### **Reification**

Here, reification was the process of making experiential retailing a reality; that is, ensuring the ambition was made real through the creation and maintenance of an environment in which tangible and intangible characteristics would encourage foot passengers to linger and engage with the retail opportunities around them as they transited the Arcade. The reification of experiential retailing within the Arcade is evident in the activities of both the Company and the tenants. The Arcade was envisioned and constructed by a corporate entity; however, it was sustained as a place of experiential retailing through a dynamic, and not always easy, partnership with the tenants. The Company's focus was on the architectural fabric, a sanitised and safe environment, and the trading mix that would stimulate curiosity as pedestrians passed along the Arcade: 'a new communication for foot passengers ... roofed with glass ... with shops and offices on each side ... kept under similar arrangements' as 'the principal arcades of London'.<sup>53</sup> Tenants focussed on the utility of the space for which they paid rents and the merchandise that would entice customers into their stores. As an 1860 advertisement for one of the Arcade's earliest tenants emphasises, the Arcade offered connection with a wider world: 'Agents for Rimmel's Scents, Pomades, Soaps, &c.', and 'sole consignees' for 'Ansar, Harford & Co., 77, Strand, London, W.C.'.<sup>54</sup>

From inception, the Board was concerned with how the fabric of the building contributed to the creation of experiential retail space. Detailed oversight of the quality of the construction work became a major preoccupation of the Board from the end of 1868 when directors became aware that some materials used in the construction of the Arcade were 'not in accordance with the specifications' laid down in the plans.<sup>55</sup> The Board, that had been meeting monthly, resolved to meet fortnightly to provide appropriate oversight. Throughout the

next five decades, the Board's deliberations show a concern for the Arcade's appearance and the minutiae of settled and transient life within it.

A visually pleasing architectural fabric combined with both a literal (clean) and metaphorical (safe) sanitised environment, were prerequisites for experiential retailing. However, the public area of the Arcade was a paradoxical space. It was both a public thoroughfare and a private commercial space. The appointment of a Beadle was fundamental to the creation of a benign ambience, and a Beadle was in place from the formal opening of the extended Arcade in January 1870.<sup>56</sup> This appointment was designed to address policing matters; however, co-operation between the town police authority and the Beadle was a constant theme for the Board. The funding of supplementary policing arose at an early date, and involved the balancing of the tenants' willingness to support such initiatives, the local authority's co-operation, and the Board's financial commitment to this task. The Beadle's long hours patrolling were a crucial contribution to the maintenance of a sanitised order. Ensuring tenants did not undermine the appearance of the Arcade by erecting signs that were too large or by placing displays outside shops was a recurrent concern: transgressors regularly found their way into his monthly report.<sup>57</sup>

To ensure good management of the Arcade, the Arcade Company drew on expertise from within its own ranks; for example, in the ten years that elapsed from the building of the original section of the Arcade, building requirements had become more demanding. The Arcade was being extended through a dilapidated block of ground within which rapid urbanisation had crowded too many people into what was a restricted and consequently an unsanitary medieval ground plan. The Arcade Company was aware of these insanitary and unhealthy conditions, consequently a medical doctor was appointed as a founding director.<sup>58</sup> He both legitimised the Company's commitment to a healthy environment and provided expert advice on the sanitary arrangements required for what was—at least in its early years—both a place of business and living accommodation for tenants' families (see *Relationships* theme below). Plans submitted in 1858 were updated by the Company Secretary, the Arcade's original architect, to conform to the new sanitary requirements of the late 1860s.<sup>59</sup>

The updated 1868 plans provided an opportunity to upgrade the Arcade's overall appearance, including lighting and shop frontages. Lighting the Arcade, whether during hours of darkness through artificial gaslight or during daylight hours by natural light through the glass roof, preoccupied the Board during the construction phase. One of the directors, a senior Gas Engineer, was instrumental in ensuring appropriate artificial lighting in the Arcade.<sup>60</sup> The upgrading of the Arcade plans to meet sanitation requirements also provided an opportunity to improve the design of the shop façades. During construction of the extended Arcade in 1869, the local press reported: 'The shop fronts will have a very pretty appearance ... much superior in design to the old part', they will consist 'of ornamental brick and Bath stone work'.<sup>61</sup> Upgrading the Arcade's fabric and ensuring sanitary conditions were enduring themes. By the early twentieth century this took on a renewed urgency as new arcades were built in the town. In 1911, the Board specified 'That designs be obtained for the new Roof over the Roadway similar to the Roof over the Roadway of the Duke Street Arcade', the town's most recently built arcade.<sup>62</sup> As sanitary regulations and expectations became more demanding a sanitary engineer was appointed to the Board in 1908, ensuring his expertise and active supervision were put to good use during upgrading.<sup>63</sup>

An initial lack of retail expertise on the original Board was rectified in July 1870, with the appointment of the first replacement director.<sup>64</sup> By the late 1880s the Company required tenants to improve a unit before entering into a tenancy and in the 1890s this became a prerequisite for granting new tenancies. The costs involved could easily amount to the equivalent of six to nine months' rent on a lease of between three to seven years. However, this practice was abandoned in the 1900s. Rather than insisting that tenants improve the appearance of the retail unit before taking up occupancy, the Arcade Company undertook the work itself. From an experiential retailing perspective this had the benefit of ensuring consistency of appearance; additionally, it facilitated an increase in rental value. Likewise, the appointment to the Board in 1906 of a young retailer John Llewellyn Morgan (the son of David Morgan, the draper, who was appointed director in 1892) gave a new impetus to improving the Arcade's retail appearance.<sup>65</sup> While the Board had always concerned itself with the general appearance of the Arcade and sought to ensure retail activity conformed to general standards, the growing retail expertise on the Board in the 1900s resulted in increasing involvement in retail activities, or lack of activity, by individual tenants. For example, in 1908 one tenant, whose lease was up for renewal was requested to 'exhibit more enterprise in his business' and to make his 'window display more attractive.'<sup>66</sup>

However, it was not only the activities of the Arcade Company that supported the reification of experiential retailing within the Arcade, this was evident in the activities of the tenants as well. In 1870, the arrival of new tenants in the extended Arcade immediately prompted initiatives towards improvement. From an early stage of tenant occupancy, modifications were made to units. For example, in February 1870, 'An offer was made ... to rent the South Corner shop at the Hayes end of the Arcade—Providing the large room over it be divided into three rooms.'<sup>67</sup> Other alterations involved more significant structural change to units, their space usage and appearance. From the early days of the extended Arcade, tenants sought to occupy adjoining units. Reflecting the nature of arcade architecture, the units were small. The frontage of a unit was 17 feet.<sup>68</sup> Consequently, it soon became apparent that tenants wanted to remove internal stairs. The Board was usually willing to allow stair removal if a guarantee and deposit was provided to ensure replacement at the end of a tenancy. Improvement to windows, and later frontages, provided an early focus of tenant driven initiatives; although, this was adopted by the Board as a way of improving the appearance of the Arcade in later years. Supervision or inspection by the Company Secretary or delegated directors was a prerequisite for approval.

With clauses written into tenancy agreements, alterations in trade were the prerogative of the Board. This control by the corporate interest avoided a free for all in intra-Arcade competition and maintained an attractive merchandise mix, which on some occasions was made possible through the control of rent increases for businesses with enticing but less profitable merchandise ranges. However, it was also an area in which the tenants had an influence. Not least applications from new tenants could prompt a managed change in the merchandise mix within the Arcade. [Table 1](#) shows the tenant mix in the mid-1880s and mid-1900s. Although, it illustrates continuity in the fancy nature of the merchandise on sale, it also shows evidence of an evolving range of merchandise. Apart from the Board's experiment with free trade in 1881, and allowing limited merchandise extensions when seeking to retain good tenants, the Arcade Company exercised tight restrictions throughout the period.<sup>69</sup> However, the Board's interaction with tenants over the issue of merchandise mix illustrates how important cooperative activity was in the management of the Arcade and in

**Table 1.** Tenant mix: Royal arcade, Cardiff, 1885 and 1905.

Merchandise	1885		1905	
	Retailers	Units occupied	Retailers	Units occupied
Baskets	1	1	–	–
Books	2	4	1	1
Boots & shoes	3	3	–	–
Carvings	1	1	–	–
Chemist goods	1	2	1	3
China	1	2	1	1
Confectionery	2	2	3	3
Drapers	–	–	1	7
Fancy goods	5	11	3	6
Fruit	1	1	1	1
Hairdressing	1	3	1	1
Hosiery	2	4	2	4
Ironmonger/Cutler	1	1	1	1
Jeweller	2	2	2	2
Ladies' outfits	–	–	1	2
Leather bags	–	–	1	1
Milliner/Hats	3	3	3	3
Musical instruments	1	1	–	–
Natural history	1	1	1	1
Photography	1	1	2	2 <sup>a</sup>
Pictures	1	1	1	1
Sewing machines	1	1	–	–
Tailoring	–	–	1	1
Tobacco	2	5	2	3
Toys	1	1 <sup>a</sup>	–	–
Typewriters	–	–	1	1
Umbrellas	1	1	–	–
Watches	–	–	2	2
Wines	–	–	1	2

Source: Slater's Directory of Cardiff and its Suburbs, 1885, 75; Western Mail Cardiff Directory, 1905, 553–4.

<sup>a</sup>Part unit occupancy.

the joint creation of experiential retailing. It also illustrates how there needed to be a balance between corporate interests, individual tenant interests and community interests in this process. For example, comestibles (food items) were not characteristic of the Arcade's merchandise mix; although, sales of fruit—as a delicacy—were permitted in moderation. When the tenant of unit 11 sought leave to sell fruit in July 1908, the Board deferred the decision 'in order that the views of' the tenant and Fruiterer 'of No. 32 might be obtained'.<sup>70</sup> After consultation, permission was withheld.<sup>71</sup> However, four years later in August 1912 when the valued tenant of number 11 gave notice to quit, the Board quickly resolved that 'he be allowed to trade fully as a Fruiterer and that the instructions in his lease on this point be withdrawn'.<sup>72</sup>

Merchandise mix within the Arcade was also managed through the configuration and size of businesses within the Arcade. The management of single and multiple unit occupancy changed over time: see Table 2. The years 1885 and 1905 provide relevant markers for Arcade development. 1885 represents a highpoint in the development of the foundational Board's Arcade, while 1905 is an important point in the emergence of the managerial Board's Arcade. During the establishment phase, the Company was willing to accommodate the emergence of multiple unit operations. However, as retailers were included on the Board of Directors, and the Arcade Company gained experience of managing the thoroughfare and its tenants, greater control was exercised over other influential commercial interests within the Arcade. As Table 2 shows, single unit retailers represented less than

**Table 2.** Single and Multiple Unit Occupancy, Royal Arcade, Cardiff, 1885 and 1905.

Unit Size	Retailers		Units occupied	
	1885	1905	1885	1905
Single	22.63%	26.79%	22.42%	26.53%
Double	9.26%	3.9%	18.35%	6.12%
Triple	4.11%	2.6%	12.23%	6.12%
Quadruple or more	0.0%	2.6%	0.0%	11.22%
Total	35.100%	33.100%	52.100%	49 <sup>a</sup> 100%

Source: Slater's Directory of Cardiff and its Suburbs, 1885, 75; Western Mail Cardiff Directory, 1905, 553–4.

<sup>a</sup>Reconfiguration of The Hayes end units accounts for the difference in total number of units available in 1885 and 1905.

two-thirds of retailers in 1885 and four-fifths of retailers in 1905. Double and triple unit retailers represented more than a third of retailers in 1885 and only a sixth in 1905. This fundamental shift in the character of retailing in the Arcade is reflected in the number of units occupied. Single occupancy increased from 42% to 53% while double and triple unit occupancy fell from 58% to 24%. The difference in these numbers was accounted for by the emergence of two larger enterprises which anchored retail activity in the Arcade: Stephens & Co., fancy bazaar, occupying two double units at different ends of the Arcade (four units in total), and Morgan & Co., drapers, occupying six contiguous units and one almost adjacent unit.

The location of firms selling goods in different merchandise categories also allowed the Arcade Company to manage the appearance of the Arcade. The Company's approach changed over time, reflecting the directors' knowledge and understanding of the retail management, rather than a real estate management, process. For example, one feature of the foundational Board's Arcade that contrasted with the managerial Board's Arcade was the locational concentration of retailers trading in the same category.<sup>73</sup> On the northside of the Arcade consecutive odd numbers identified units and on the southside consecutive even numbers. In 1885, on the northside, two double unit booksellers occupied adjacent units 3 to 9, while four double unit and one triple unit fancy goods dealers occupied adjacent units 29 to 49. On the southside, one double unit and one triple unit tobacconists occupied adjacent units 40 to 48, while three single unit milliners occupied adjacent units 22 to 26. In addition, a scientific-artistic group of retailers (musical instrument dealer, naturalist, photographer and picture dealer) were grouped together in adjacent units 28 to 34. This practice of concentrating retailer categories was abandoned later by the managerial Board. By 1905, retail categories were dispersed throughout the Arcade in an attempt to create interest and the appearance of variety.

The activities of the Board of Directors and their officers, together with able tenants with attractive and well-run businesses, contributed to the appearance of the Arcade and the enhancement of trade within it. Both the Company and its tenants (individually and collectively) were agents for the reification of experiential retailing.

## Returns

Various stakeholder interest groups benefitted financially from the formation of the Arcade and the returns it provided. Primarily there were two main interests, the corporate interest and the retail interest; however, these were multifaceted and their various manifestations are discussed below. Furthermore, these interests were framed within familial and



community relationships, which are explored in a separate section below as the fourth key theme that emerged from the findings (see community and kinship: relationships).

The corporate interest was represented by the shareholders, the directors and officeholders. The Arcade Company was 'formed for the purpose of purchasing Freehold and leasehold land ... and for the erection of an Arcade.'<sup>74</sup> These two objectives required capital of £10,000 and it was estimated that rents 'derived from the Shops, offices & cellars', would produce revenue of '£1,165 which after allowing for ground rent, repairs & maintenance' would 'leave a net profit sufficient to pay a dividend of ten per cent at least.'<sup>75</sup> The Company was successful in achieving, and surpassing, its ambitions: see Table 3. The directors delivered shareholders their promised reward. By the eighth half yearly report presented in January 1874, the Board was able to announce a 10% dividend on a six-month rental income of £610: 5% above the initial annual target revenue.<sup>76</sup>

The Arcade Company's rent review of 1884 illustrates the increase in rental value that the Board was able to achieve over and above the natural increase in rental income achieved through the arrival of new tenants.<sup>77</sup> In July 1884, fourteen years after the Arcade was completed the Board could engage in a fundamental review. In total, 19 leases affecting 24.5 units had run to their full-term and could be renegotiated: these tenancies had been allowed to lapse while the tenants continued to operate on the conditions of the original leases. The Company's review proposed increasing annual rental income on these properties from £730 to £783. This was an average increase of 7%. The re-evaluation was based on the more recent rental valuations of adjoining properties. The re-evaluation increased average rents from £30 to £32 per unit. The lowest rent before the review was £14 on unit 48a, a small corner unit at The Hayes end of the Arcade. It was increased to £15. The highest rent for a single unit before re-evaluation was £41; while double unit shops incurred rents of between £58 and £64. Following re-evaluation, the highest rent for a single unit was £42, the highest rent for a double unit was £70. The delay in renegotiating tenancies worked to the benefit of the Company and the tenants. The Arcade Company was able to achieve a general increase in rents, while tenants were able to move to other parts of the Arcade which attracted lower rental values if their business could not sustain the new rents. Some tenants also sought to obtain further advantages through extended leases; however, the Company ensured that a premium was paid to secure such extensions.

Shareholders who saw dividends steadily rise to 20% in 1896 were acquiescent throughout the period. Half yearly meetings rarely recorded any disquiet with the running of the business:

**Table 3.** Company dividends and associated rental income.

Period	Dividends: %	Rental income, ave. pa: £s
1870 (H2) – 1873 (H1)	5–9	1,065
1873 (H2) – 1877 (H2)	10	1,281
1878 (H1) – 1883 (H1)	12	1,375
1883 (H2) – 1884 (H2)	13–14	1,431
1885 (H1) – 1887 (H1)	15	1,570
1887 (H2) – 1890 (H1)	16	1,657
1890 (H2) – 1893 (H2)	17	1,724
1894 (H1) – 1896 (H1)	18	1,842
1896 (H2) – 1901 (H2)	20	1,998
1902 (H1) – 1908 (H2)	18	2,008
1909 (H1) – 1914 (H2)	19	2,134

Note: As customary during this period reports were prepared half yearly. Here the half yearly reports were January to June (H1) and July to December (H2).

Source: Cardiff Arcade Company Limited, Half Yearly Reports: DDM1/1–4.

only during the transitional period (1888–1892), as the foundational Board was replaced by the managerial Board (see above), did the half yearly meeting of shareholders reflect any dispute. The original 45 shareholders (11 June 1868) were overwhelmingly town residents, with the largest group of shareholders drawn from the professions (architects, brokers, engineers, solicitors): see Table 4.<sup>78</sup> Ten retailers took shares; however, only one of them took up a tenancy in the Arcade.<sup>79</sup> Most shareholders subscribed to ten £10 shares (73%). Directors were expected to hold shares in the Company: in June 1868, each of the seven directors held 10 shares, representing 15% of the total ordinary share issue. Three were merchants, two professional men, a tradesman, and a gentleman. The foundational Board contrasts with the smaller (five directors) managerial Board of 1914, when there were three professional men and two retailers. The Board held 31% of the ordinary shares at the end of 1914.<sup>80</sup> Director fees were first awarded in 1876 at £21pa in total, by 1914 they totalled £80pa.<sup>81</sup>

Office holders had a vested interest in the Company's success. Foremost among them was the Company Secretary. Alongside his salary, the Company Secretary, as collector of rents, received a commission of 5%. The value of the commission increased by 75% in the forty years between 1874 and 1914.<sup>82</sup> The Company Solicitor regularly attended Board meetings in the early years of the Company: when tenancies were renewed he received payment for preparing the agreements. The Beadle was the other office holder, receiving a salary that grew gradually as his responsibilities increased: £54pa in 1871, £60pa in 1914.<sup>83</sup>

The retail interest, was formed by four groups. First, the intended tenants: tenants who retailed through single units. Second, engrossing tenants: who took tenancies on multiple units from which to run their retail activities. Third, head tenants who sub-let to other retailers. Fourth, sub-tenants who ran their own retail business. The groups emerged, changed and declined over time, a process in which the Company was instrumental. The interests of the different retail groups did not always coincide; however, they provided a counterpoint to the corporate interest. Often working in partnership with the corporate interest, the retail interest was a means of controlling corporatism: at other times, it acted in a way that was detrimental to the Arcade's *raison d'être*.

The intended tenant was a tenant who retailed through a single unit, providing a distinct and unique retail offering. The architecture of the Arcade was purposed towards this arrangement, with a cellar providing storage, a ground floor facilitating retail activity, and upstairs domestic accommodation. This logic was eroded from the earliest days of the Arcade, with units becoming an additional store for a firm initially located elsewhere. The earliest example of this is the partnership of James and Williams who, in an advertisement

**Table 4.** Original shareholders and shareholding by Socio-Economic Group, 11 June 1868.

Occupation	Shareholders		Shareholding		Average
	Number	%	Number	%	Shareholding
Professional	13	29%	159	34%	12
Retailer	10	22%	100	21%	10
Merchant	10	22%	77	17%	8
Tradesman	7	16%	70	15%	10
Gentleman	3	7%	30	6%	10
Service	2	4%	30	6%	15
Total	45	100%	466	100%	10

Sources: DDM1/30, Register of Members and Shares, 1868–1927; DDM1/1, List of Persons holding Shares in the Cardiff Arcade Company Limited on 1 February 1869; DDM1/1, List of Persons holding Shares in the Cardiff Arcade Company Limited on 11 March 1868.

of March 1860, described themselves as retailing from both 'The Arcade, 35, St. Mary-street, and 281 Bute-street'.<sup>84</sup>

Engrossing tenants took tenancies on multiple units from which to run their retail activities. From the beginning of the tenancy allotment, the Arcade Company was willing to accept multiple tenancies. In September 1869, 'An application to rent two shops' was received from a prospective tenant and a fortnight later the Company Solicitor 'reported that he had let 2 shops ... at £50 per annum—the rent to commence Nov. 1 1869'.<sup>85</sup> In the early stages of occupancy, multiple tenancies were clearly a means to avoid vacant units, particularly where the tenant was seen as a good commercial prospect.

Adjoining tenancies remained a feature of tenancy arrangements, providing an attractive commercial opportunity for the tenant and a convenient financial arrangement for the Arcade Company. However, as a policy, it ran the risk of reducing the variety of goods sold in the Arcade and creating an overly influential class of tenant. By the early 1880s some businesses were already accumulating multiple units, some of which were dispersed throughout the Arcade. David Morgan took this process to its greatest extent. In 1883, he acquired his first four tenancies in the Arcade.<sup>86</sup> These units backed onto his drapery store which he had opened in 1879. Initially, Morgan acted as a head tenant, permitting the previous lessees to remain trading; however, he later took these units in hand. By 1905, he was operating seven units in the Arcade trading as 'Morgan & Co., drapers': see [Tables 1 and 2](#).<sup>87</sup>

Head tenants, those who sub-let to other retailers, took two forms. In their minor form, they would be a tenant retailing through a single or multiple unit who sought to maximise the use of space by sub-letting a part-unit. Such appeared early on, when a tenant who lived elsewhere might sub-let the upper floor domestic accommodation to a service provider who did not require ground floor accommodation. In their major form, head tenants could effectively establish an arcade within the Arcade. This appears to have occurred for two reasons. First, changes in family circumstances meant that the number of tenancies held were no longer required for retail activity. Second, demand for tenancies outstripped supply providing the tenant with the opportunity to maximise economic value, while covering costs. These two factors came together in the in the mid-1900s for one head tenant: William Salisbury. He had accumulated tenancies since the 1870s and in partnership with other family members had managed various retail businesses trading in fancy goods and tobacco. By 1905, he had ceased trading under his own name in the Arcade and instead chose to sub-let his units.<sup>88</sup> The Arcade Company acquiesced in this arrangement, even working with Salisbury in the management of his relationship with sub-tenants. For example, in April 1903, the Board gave him permission to sub-let to a tobacconist.<sup>89</sup> When a few months later the sub-tenant approached the Board about compensation for water damage, the Board referred the sub-tenant to William Salisbury for resolution of the matter.<sup>90</sup>

Sub-tenants ran their own retail business and took two forms. First, service providers who did not require a full unit but who sought to benefit from trading within the Arcade. Second, retailers who wanted to trade in the Arcade through complete units but were faced by a lack of vacant tenancies. The Board was willing to accept such arrangements as long as the sub-tenant's trade did not contravene the Arcade Company's policies and good references were obtained.<sup>91</sup> However, this arrangement came to an end in the late-1900s as the Board began to remove head tenants and deal directly with those who had been brought in as sub-tenants.

By actively diverging from the intended tenant configuration, or tacitly accepting divergence, the Board surrendered some control to the retail interest. There were good reasons for doing this; for example, when tenants could be relied on to pay their rents regularly and manage attractive retail operations, or find suitable sub-tenants at no cost to the Arcade Company. However, this meant that engrossing tenants and head tenants gained increased influence both with the Arcade Company and with the retail community within the Arcade. This theme is explored in the next section.

### ***Community and kinship: Relationships***

Community played a large part in the development of the Arcade. Kinship further deepened social and commercial connectivity. The community was a counterpoint to the Arcade Company. This theme allows us to address the third research question: how did socio-commercial relationships influence retail activity in arcades?

The Arcade was designed and built to house a resident community; providing those engaged in retail activity with domestic accommodation. It partly achieved this. In its truncated form of eight units, only one household of two residents were living there in 1861.<sup>92</sup> Ten years later, with the Arcade extended to 48 units, there were 65 residents.<sup>93</sup> There were fourteen households, with one family occupying two domestic units; therefore, residents occupied less than a third (15) of the units. Of the fourteen household heads in the 1871 census, none of them were born in the town. This was a community of migrants, part of the influx of population into the town from rural areas such as Devon and Somerset, and urban areas such as Birmingham and Liverpool. For these households, the Arcade offered both a means to earn a living and domestic accommodation. Most residents lived with at least one other family member: nearly a third (13) were under ten years of age. However, over the next decade the number of residents declined to 21: with one family living across three properties, only seven units were occupied on census night 1881.<sup>94</sup> Increasingly, the Arcade did not provide domestic accommodation for those working there. By 1901 there was only one resident.<sup>95</sup>

Collective community action by the tenants appears in the Arcade Company records in a number of forms. During the 1870s, when the resident population was relatively high, petitions and deputations emerged as a means by which to influence the Board's thinking and create benefits for the tenants. For example, in 1871, tenants wrote to the Board, and a deputation attended a Board meeting, complaining that the Beadle was failing to keep the Arcade clean.<sup>96</sup> However, collective action by the tenants declined during the 1880s and 1890s as the resident population fell, rents rose and demand for tenancies was strong. Corporate prosperity created a context in which the Arcade Company could exercise strong managerial control. Nevertheless, the community could still assert itself through collective action when conditions caused general disquiet. For example, from the establishment of the Arcade, the Company Solicitor's charges for preparing new tenancy agreements were passed on to the tenants. In the late 1890s this led to a dispute: the tenants considered his charges too high. The Board sided with the tenants, and the Company Solicitor was required to publish a scale of charges.<sup>97</sup> Likewise, in 1904, squeezed by the long-term upward movement in rents and the cost of unit improvements required by the Board when tenancies were renewed or initiated, a petition was received from 'a number of tenants' for a 20% reduction in rents.<sup>98</sup> While the tenants did not achieve their ambitious aims, the Company adopted a

more accommodating approach to tenancy agreements and entry requirements. A positive outcome for the community in the short term, but one which in the longer term strengthened Company control as tenancies fell vacant and were shortened.

Community interest was asserted in other ways. These are visible through the activities of prominent individuals who had considerable investment and interests in the Arcade. Engrossing or head tenants acted as community leaders or representatives. For example, William Salisbury acted for another tenant in a compensation claim in the 1890s.<sup>99</sup> For some years the Arcade Company accepted their role; by bringing them into their confidence and working in tandem with them, the Board was able to exercise control as well as ameliorate individual grievances. However, as part of a new managerial approach which emerged in the 1900s, the Board sought to remove this class of tenant. As their tenancies fell vacant the Board invited their sub-tenants to take out short-term agreements directly with the Company. In this way the Board reaped three benefits; it was able to realise full economic value for the retail units, establish direct commercial relationships with sub-letting retailers, and remove a middle rank of tenant who was proving disruptive to the corporate interest. Coupled with the greater use of monthly tenancy agreements, reviewed annually, the Board was able to mitigate the impact of community views and aspirations.

It was not only the Board that countered the emergence of a collective community interest. The community was very good at doing this itself. The Board regularly received complaints of tenant infringements of tenancy agreements and Arcade regulations directly or indirectly through community leaders and the Beadle. These complaints reflect the rivalry that emerges in close knit communities: they could be both commercially and socially motivated. The infringement of trading regulations was an endemic source of concern. Complaints could be generated because one retailer had impinged on the trade of another or because an irregular extension of trade was an opportunity to bring an unpopular retailer to the notice of the Board. Inter-tenant rivalry and tension, exacerbated by irritations created by social interaction in a space in which the domestic and the commercial collided, could turn violent and see otherwise peaceable tenants finding their way into the Police Court, as did a ticket writer and bookseller in 1860.<sup>100</sup>

While kinship created shared commercial interest, it cut across collective community interest. Throughout the period considered here, the retailers in the Arcade operated primarily within a sole trader or family business context. Family connections permeated the commercial life of the Arcade. Consequently, the interests of the family acted as both a source of shared community values and a counterweight to the collective interest when family interest was at stake. The Reynolds, Roberts and Salisbury families illustrate how socio-economic community connections were sustained through descent, siblings and marriage.

Although the resident community in the Arcade declined from the early 1870s, family networks formed and reformed creating a social dimension to the life of the Arcade which contributed to its socio-commercial dynamic. The Reynolds sisters, Sarah, Ellen and Amelia were resident in the Arcade in 1871.<sup>101</sup> Trading from numbers 20 and 22, 'in the name of J. Williams', Sarah's late husband, 'as Dealers in English and Foreign Fancy Goods, Perfumery, Cabinet Goods, &c.' their partnership was dissolved 1877 on the marriage of Ellen Reynolds to widower George Roberts, carver of number 35 the Arcade.<sup>102</sup> Ellen joined her husband in his business venture, and a new partnership was constituted between her sisters; while in due course, George Roberts' son from his previous marriage opened a separate venture as a picture dealer in the Arcade.<sup>103</sup> Similarly, in 1871, as a 'Dealer in Fancy Goods', the widowed

Sarah Salisbury, along with her son William Salisbury, were resident in the Arcade.<sup>104</sup> In 1878, in order to enter into a partnership with his younger brothers George and Charles, William Salisbury, 'of 4, 7, 9, and 11, Royal-arcade ... Wine Merchant, Tobacconist, and Refreshment House Keeper' instigated the liquidation of his business and paid off his creditors.<sup>105</sup> They traded as the Salisbury Brothers, 'Wine Merchants, Tobacconists, and Fancy Goods Dealers, at the Royal-arcade', an arrangement which was in turn dissolved in 1881.<sup>106</sup> It was replaced by a partnership involving 'George Salisbury and Charles Salisbury, carrying on business at 10, 14, and 16, and 44 and 46, Royal-arcade ... as Dealers in Fancy Goods and Tobacconists', and known as 'Salisbury and Co.': this partnership was dissolved in 1883.<sup>107</sup> In 1885, a visitor to the Arcade walking from St Mary Street to The Hayes would have encountered on the northside the business of William Salisbury at numbers 7, 9 and 11; opposite and a little further on the fancy goods dealership of Charles Salisbury at numbers 14 and 16; and again on the southside at numbers 44 and 46 as the Arcade neared its eastern end, the business of George Salisbury, tobacconist.<sup>108</sup>

However, nowhere was the family interest more pronounced or more important for the long-term development of the Arcade than through the influence of the Morgan family. As noted above under the theme of engrossing tenants, David Morgan began acquiring units in the Arcade in 1883, and by 1905 had accumulated seven units. In April 1905 he acquired 41 ordinary and 12 preference shares in the Arcade Company: adding to the 23 ordinary and 18 preference shares which he had accumulated since October 1887.<sup>109</sup> Family influence further increased in 1906, when his son joined the Board.<sup>110</sup> By the half yearly meeting of the shareholders in July 1906, the Morgan family constituted 50% of Board membership, held 16% of ordinary and 22% of preference shares, and held extended leases on 14% of Arcade units.<sup>111</sup> By 1914, father and son accumulated another 10% of ordinary and 11% of preference shares, and added another retail unit to their portfolio.<sup>112</sup> Through this process, the Morgan family outperformed other engrossing tenants and took the logic of their accumulated interest further through shareholding and board membership. They understood the community interest well and the need to restrain it. They secured their own family interest by investing time and money in the Arcade Company, and asserted the Arcade Company's corporate interest through the introduction of tighter managerial control mechanisms.

The foundational Board created a retail estate with commercial and social characteristics. It succeeded in meeting the expectations of shareholders, and even surpassing them; however, this Board did not assert the corporate interest in the same way as the managerial Board did from the early 1890s. The foundational Board established an Arcade inhabited by a community of tenants on long term leases: seven years was common. However, as tenants began to live away from their place of work, commuting in from new urban growth beyond the old town, this enabled the managerial Board to create a more commercialised environment based on short-term tenancies that were reviewed annually.

## Discussion

There was a rapid diffusion of retail arcades across Britain in the late nineteenth century: the retail arcade format filled a niche in a modernising retail structure. In industrialising towns and cities, its attraction was embedded in a sense of otherness: an adherence to the unique. Offering experiential retailing, arcades provided a connection with a wider metropolitan

and cosmopolitan world. The arcade offered an eclectic mix of retail indulgence and experience. The four themes explored above emerged from the archival record: realisation, reification, returns, relationships. They identify the conditions required to establish and successfully develop the innovative qualities of the arcade format in the rapidly emerging urbanised landscape of the late nineteenth century.

The physical characteristics of the retail arcade have been well documented and they played an important part in creating the environment in which experiential retailing was made possible. However, archival research shows that the arcade, as a business entity, brought into existence a complex set of relationships. It was this community of interests that generated the distinctive qualities of this retail business format. Retailing in an arcade was overseen by the corporate entity, but it was not directed by it on a daily basis. This is evident in the detailed archival record of the Royal Arcade; as the corporate interest developed and a more managerial approach emerged during the 1890s, greater influence was exercised over the community. However, the community interest could reassert itself very quickly. This was a dynamic environment in which corporate, community, civic and family interests all combined in the development of this retail format and its distinguishing characteristics.

As noted in the introduction to this article, the arcade as innovation, provides an opportunity to build on calls for further work on the recombination of institutional orders. We suggest on the basis of the archival findings presented here, that the arcade as innovative retail format was shaped by the recombination of characteristics associated with the corporate, state (civic), community and family orders. As part of a dynamic process, the mechanism of entrepreneurial agency recombined order characteristics over time. Further, we suggest that while one order's characteristic might be dominant at any one time, two or more order characteristics might be present, if only in recessive form. Thus, the civic (state) interest, where the basis of strategy was an increase of civic good (the creation and maintenance of a thoroughfare), was supplanted as actors gradually asserted corporate ordering through an emphasis on increased firm performance (turnover and dividends). However, in the archival record explored here, in the late 1880s and early 1890s because neither civic nor corporate ordering was dominant, there was dissension within the organisational structure. Likewise, an early source of identity (shared emotional connection) derived from the resident community was eroded by the decline in that community and assertion of the corporate interest through the formalisation of bureaucratic roles within the corporate structure. Within the timeframe considered by this research, there was the gradual segregation (subtraction) of community category characteristics and assertion (blending/addition) of corporate category characteristics within the organisation.

However, overlaying this assertion of the corporate interest, were tensions created around the primacy of one economic system over another. The corporate interest is characterised by managerial capitalism; however, family capitalism was asserted through entrepreneurial agency both from within the community and the organisational structure. From a community perspective, it was not possible to impose cooperative capitalism, despite moments when this characteristic was apparent, because the interests of family capitalism were always present through influential patriarchies or matriarchies. From a corporate perspective, family capitalism was embedded in the organisation in the early years through the role of actors previously involved in the partnership structure and, in later years, by the dominance of one family on the Board of Directors. Family capitalism was harnessed by both the community's and the corporation's source of identity (shared emotional connection and bureaucratic

structure). However, in the case of the Royal Arcade and time period considered here, it was the harnessing of the corporation's bureaucratic structure that proved the most effective mechanism for logic recombination.

This article contributes to our understanding of the hybrid organisation within an historical time frame. Hybrid organisations are defined by Pache and Santos (2013, p. 972) as 'organisations that incorporate elements from different institutional logics' and consequently they may be considered to be 'arenas of contradiction'. As Battilana and Dorado (2010, p. 1420) observe, hybridisation is 'challenging for organisations because it is likely to trigger internal tensions that may generate conflicts among organisation members'. Therefore, rather than creating new dynamic organisational forms, there is a danger that conflict rather than cooperation will characterise the organisation. This is exacerbated in new forms of hybrid organisations, because they are not able to rely 'on an existing model for handling the tension between the logics they combine'; neither are they able to draw on individuals 'with experience in doing so' (Battilana & Dorado, 2010, p. 1420).

The business form discussed here is a hybrid organisation. As an early example of the nineteenth century arcades that developed in rapidly developing industrialised urban landscapes, it represents an innovative retail organisational form. Therefore, as a corporate entity, it was not able to draw on experienced individuals. Likewise, while it was able to emulate early elite examples of the arcade, there is no evidence to suggest that it was able to draw on existing organisational practices at any level beyond the observational. Therefore, the hybrid organisation discussed here had to find ways of handling inherent interinstitutional contradictions. Consequently, the half century of historical documents explored in this research provides an opportunity to understand the instantiation of multiple logics within a single hybrid organisation; and how conflict, coexistence, blending and segregation manifest over time.

As Besharov and Smith (2014, p. 369, 367) have shown, hybrid organisations may be classified according to their degree of centrality and compatibility, where centrality represents 'the degree to which multiple logics are each treated as equally valid and relevant to organisational functioning' and where compatibility represents 'the extent to which the instantiations of logics imply consistent and reinforcing organisational actions'. Thus, hybrid organisations along these dimensions will exhibit different levels of conflict: extensive, moderate, minimal, none. Within this framework, the business considered here represents an organisation where multiple logics were core to operational functioning, they provided compatible prescriptions for action, such that conflict usually manifested as a balancing process. However, centrality altered fundamentally over time. With the waning influence of civic and community logics and the assertion of corporate logic, the latter became increasingly core to the functioning of the organisation. While this facilitated commercial efficiency, it was not a prescription for innovation derived from the tenant community, instead innovation was derived increasingly from knowledge embedded within the corporate entity.

Besharov and Smith's (2014) insightful framework for understanding the centrality and compatibility of institutional logics is conceptually based on organisations that embody two logics. The research presented here represents a greater number of institutional logics: family, community, civic, corporate. In the early years of the organisation under discussion, a multiplicity of logics created a degree of contradictory prescriptions for action; this was in part a consequence of the innovative nature of the organisational form and the lack of organisational experience. This research illustrates the evolution of competing logics, and provides



an opportunity to examine how these competing logics create a dynamic and ultimately successful organisational form. Indeed, it illustrates how a multiplicity of logics may enhance organisational performance rather than impede it. However, additionally it shows how reduced influence of one logic may increase conflict between other logics. With the declining influence of the civic logic, the conflict between corporate and community logics became more apparent. Ultimately, it was the coexistence of family and corporate logics that reasserted balance in the organisation; albeit at the cost of the creative, challenging, influence of the community.

From the late 1850s to the late 1880s the Royal Arcade represented an innovative form of retailing, by 1914 it represented a well-established retail format that had proliferated within its own local urban environment and across the country. The creative tension shaped by the interinstitutional complexity of its own organisational form had been superseded by an organisational form in which the corporate had become the core logic. As the role of the civic logic diminished, board members increasingly represented an ascendant corporate logic. Alongside this, the community logic was subverted by changes in tenancy agreements and undermined by residential depopulation. One family's interest had come to dominate the corporate structure, while other family interests had been curtailed through the reduction in head tenancies.

The Royal Arcade brought together four logics, which led to the creation of a commercially successful retail operation. Other arcades may well have experienced different configurations and combinations. Further research would provide an opportunity to consider other combinations. For example, while the community logic will be present in all cases because of the operational characteristics of the arcade format, some arcades will not have had the same civic involvement or corporate framework. Some arcades may have seen family and community as dominant logics. Such differences may have created conditions in which different gradations of centrality and compatibility will have led to different commercial outcomes.

## Conclusion

Focussing on the development of retail arcades in Britain, we asked three research questions. Our general consideration of British arcades provided a partial answer to the first of these three questions; while our detailed consideration of a single arcade through the use of archival material enabled us to develop our answer to the first question and allowed us to address the other two questions.

First, what motivated the development of retail arcades in rapidly urbanising industrial centres? By bringing attractive retail spaces and a range of *fancy* merchandise to an urban environment that welcomed new profitable commercial opportunities, they brought improvement to the civic infrastructure. To achieve this, developers had to provide a passageway or thoroughfare that linked two busy parts of a town. This created a sufficient volume of passing trade to support the retail enterprises that stood on both sides of the arcade thoroughfare. This required possession of an appropriate block of land across which they could build an arcade and in so doing raise the rental values. To realise this, developers required civic engagement and a shared retail space that would attract sufficient investment.

The operation discussed here illustrates the requirements of a successful retail arcade, but it also highlights where a less commercialised endeavour would fail. The wealth of detail provided

by the archival material offers insights and a depth of understanding; thereby, presenting an opportunity to consider longer term trends and development of managerial practices. For the first twelve years of its existence (1858–1870), it failed to provide the basic requirement of an arcade, it did not link two busy parts of the urban centre. This was only achieved following the establishment of a corporate entity in 1868 that was dominated by members of the civic hierarchy. Incorporation facilitated the raising of the finances required to complete the Royal Arcade and a management framework through which it could be sustained. This civic-corporate partnership made the innovative enterprise possible and gave other developers within the urban area the confidence and financial encouragement to build more arcades, so that by the end of 1914 the city had more arcades than anywhere else in Britain.

Second, how were arcades managed during the second half of the nineteenth century and early years of the twentieth century? Developers and subsequently arcade managers had to provide an environment conducive to experiential retailing. This would enable them to attract traders willing to provide a unique fancy merchandise range and encourage foot passengers to engage with the retail units that lined the thoroughfare. They had to turn an abstract concept of experiential retailing into something real, through the maintenance of a sanitised (safe, clean, well-lit) privately managed public space which encouraged consumer engagement. They had to achieve this while ensuring sufficient returns on investment for different interests: investors and retailers. Arcades brought together a variety of interests all of which had to see good returns from their financial commitments.

Having established a much-needed thoroughfare within the urban environment, the developers of the Royal Arcade were able to attract retailers to take up tenancies. This involved creating a physical environment supportive of experiential retailing and establishing practices to support a conducive environment. This required working with tenants to establish tangible and intangible features of the retail environment. Features that would encourage foot passengers to stop and make purchases as well as encourage other retailers with desirable offerings to seek tenancies. It required careful balancing of interests and it required the ability to professionalise the management operation. The practices and policies of the foundational Board were replaced in the late 1880s and early 1890s by the practices and policies of the managerial Board. The skills required to establish the Royal Arcade as an innovative format on a profitable basis were not the same skills that were required to maximise profitability and enhance retail performance as the enterprise moved into a more mature commercial stage.

Third, how did socio-commercial relationships influence retail activity in arcades? Arcades had to provide a framework within which commercial relationships and conflicting interests could be balanced and managed. Without such mechanisms it would be more difficult to maintain an experiential retail environment and expected financial returns. Ensuring a balance between retail community interests, corporate interests and civic interests was fundamental to the success of this innovative retail format.

This balancing process had the potential to evolve over time, as the example from the archival record discussed here shows. The civic interest was fundamentally important at the outset and, in the early decades, the community interest had a considerable role. The foundational Board succeeded in delivering promised profits to its investors who acquiesced in the success of the business. The civic interest that dominated the early Board, drawn as it was from the merchant class of the urban area, proved itself capable of managing the Royal Arcade's retail estate, raising the corporate profits annually and increasing shareholder

dividends on a regular basis. However, as the corporate interest became more managerial in nature and retail focussed, it achieved an enhanced influence, albeit one that was moderated by the interests of the retail tenant community.

The archival data enable us to explore the innovative character of this retail format within an institutional logics theoretical framework. This allows us to respond to Decker et al. (2018) call for research which seeks to explore institutional theory within an historical context and thereby better understand the interaction of business and society. Further, it provides an opportunity to respond to their specific methodological observation that in early institutional logics research, primary material derived from historical archives was absent. In this article, we contribute to research on institutional logics through our use of such business archive material. The core themes that emerged from the historical data indicated a relationship between those core themes and the conflict, coexistence, blending and segregation of multiple logics that manifest in a hybrid organisation. Further, the historical setting and the extended timeframe of the research provides an opportunity to understand the dynamic processes at work. The research presented here facilitates consideration of the nature of conflict, the evolution of coexistence, together with logic blending and segregation within a framework of institutional centrality and compatibility in a hybrid organisation over a period of more than half a century.

Archival based research presented here considers the period 1858 to 1914. Through the use of surviving commercial documents, it has shown how the retail arcade was developed and managed during its heyday. As noted in the introduction to this article, Britain's retail arcades have passed through three periods of development: thriving development before 1914, decline and marginalisation during the mid-twentieth century, and regeneration in the early twenty-first century. From a business history perspective, through consideration of the development of British retail arcades in the late nineteenth century and early twentieth century, this article addresses a gap in the literature. This was a period of extensive retail arcade development in a rapidly urbanising and industrial landscape. In this research, due to the survival of an archival record, we were able to consider the oldest arcade in the British municipality that saw the largest number of arcade developments from the 1810s through to the 1910s.

Further research is required on other retail arcade developments in other urban centres in Britain and internationally when other archival sources are located or become available. A number of future research themes present themselves: the development and management of arcades in smaller urban centres such as county towns and fashionable resorts; the relative paucity of arcades in London; why some arcades succeeded while others did not. Likewise, further research is required on the next period of retail arcade history: the mid-twentieth century. In particular, this research would be important for two reasons. First, it would place Benjamin's social research focus within a business context. Second, it would provide an opportunity to further consider the value of the institutional logics theoretical framework explored in this article; that is, if the recombination of order characteristics in the late nineteenth century was sustained during a period of economic uncertainty.

## Notes

1. It was originally published in German in 1979 and then in English in 1983: Geist (1983).
2. Benjamin's research was carried out during the 1930s in Paris, a collection of his notes and archival material were published later: see Benjamin (1999).
3. For the decline of the arcade and its cultural significance; see, for example: Benjamin (1999), Fabijancic (2001), Smith (2004). For arcade regeneration and heritage; see, for example: Forsyth (1997), Vanderburgh and Du Four (1999), Plevoets and Van Cleempoel (2011).

4. For a discussion of the relationship between the public space of the street and the semi-private space provided by the retailers in the context of 'urban excursions', see Hahn (2009, p. 36). See also, Alexander and Doherty (2021), for a discussion of how arenas of consumption are defined by social and commercial practices.
5. For a discussion of the exchange, see: Walsh (2003) and Baer (2007). For a discussion of the bazaar, see: Mitchell (2010); Mitchell (2014), chapter 7, 129–152.
6. Between 1810 and 1869, 17 arcades were opened; between 1870 and 1914, 108 were opened: MacKeith, 1986.
7. *The Engineer*, 25 December 1857, 180c–181a
8. This feature of arcades distinguishes them from the exchanges that preceded them, which as Baer (2007) has noted, provided destination retail locations.
9. *Leeds Mercury*, July 24, 1889, 5d.
10. *Birmingham Daily Post*, February 20, 1874, 4g.
11. *Blackburn Standard*, February 16, 1884, 8c-d.
12. *Bradford Observer*, August 27, 1868, 4d-e.
13. *Bradford Observer*, August 27, 1868, 4d-e.
14. *Western Times*, August 3, 1880, 5e.
15. *Birmingham Daily Post*, February 20, 1874, 4g.
16. *Exeter and Plymouth Gazette*, April 27, 1883, 7c.; *Western Times*, May 8, 1895, 2g.
17. *Western Times*, April 30, 1903, 4e.
18. *Birmingham Daily Post*, May 18, 1881, 6c.
19. *Manchester Courier and Lancashire General Advertiser*, December 23, 1905, 4f.
20. *Leeds Mercury*, July 24, 1889, 5d; 'The Exeter Arcade', *Western Times*, August 3, 1880, 5e; *Birmingham Daily Post*, September 30, 1876, 6c.
21. *The Engineer*, 25 December 1857: 180c–181a
22. *Western Times*, April 30, 1903, 4e.
23. *Glasgow Herald*, June 9, 1866, 1f.
24. *Bradford Observer*, August 27, 1868, 4.
25. *Western Times*, August 3, 1880, 5e.
26. *Birmingham Daily Post*, February 20, 1874, 4g.
27. *Weekly Mail*, 19 June 1886, p. 3d.
28. *Western Mail*, 29 October 1889, 2j.
29. *Western Mail*, 28 April 1882, 4g.
30. David Morgan Collection, Glamorgan Archives: DDM1/2, 24 July 1889; DDM1/3, 23 January 1897.
31. *Birmingham Daily Post*, July 24, 1882, 6e.
32. Daunton (1977) notes the general improvement of retailing in the city in this period, with the first department store James Howell being established in 1865.
33. *South Wales Echo*, 3 November 1886, 4c.
34. It was one of the earliest arcades in Britain catering for the growing middle-class market: MacKeith, 1986, 158.
35. The Arcade Company was acquired by David Morgan Limited in 1960: DDM1/52.
36. The Minute Book account of boardroom and management decisions on a monthly, and at times weekly basis, provides a particularly valuable resource (DDM1/1–4).
37. Half yearly financial reports (DDM1–4); individual account ledgers (DDM1/12–16); register of members and shares (DDM1/30); deed book (DDM1/50).
38. *Western Mail*, 18 January 1870, 3d.
39. DDM1/1, 25 January 1868, 3.
40. *Western Mail*, 18 January 1870, 3d.
41. DDM1/1, 25 January 1868, 3.
42. DDM1/1, 25 January 1868, 2.
43. DDM1/1, 25 January 1868, 2.
44. Matthews, 4, 1903; Matthews, 5, 1903.
45. Representing 18% of shareholders and holding 17% of shares.
46. DDM1/1.

47. *The Cardiff and Merthyr Guardian Glamorgan Monmouth and Brecon Gazette*, 7 August 1858, 8e: hereafter *Cardiff and Merthyr Guardian*.
48. DDM1/1, 25 January 1868, 3. When the Arcade Company was formed, the regulatory framework for limited liability commercial activity was of relatively recent origin. The legislation which regulated the Arcade Company was passed in 1862. See: Shilts, 2004.
49. DDM1/2: 19 December 1892, 258.
50. DDM1/1–4.
51. DDM1/2, 15 October 1888, 151; DDM1/2, 19 November 1888, 156: Peter Price replaced the recently deceased Edward Jenkins as a Director, in turn Peter Price was replaced as Company Secretary by his son, Wentworth Price.
52. DDM1/2, 19 November 1894, 317; DDM1/3 19 June 1900, 172; DDM1/3: 17 July 1900, 176; DDM1/4: 15 March 1910, 89: Henry Heard was succeeded in 1894 by his son Percy, who on his death in 1900 was replaced by William Jones, who became a director of the Company in 1910.
53. As James and Price expressed it in a letter to the Board of Health of July 1858 published in *Cardiff and Merthyr Guardian*: 7 August 1858, 8e. A revealing allusion to the earlier cosmopolitan, elite phase of arcade development.
54. *Cardiff and Merthyr Guardian*, 24th March 1860, 4a: *Cardiff and Merthyr Guardian*, 14 Jan. 1860, 1b.
55. DDM1/1, 14 November 1868, 26.
56. DDM1/1, 21 December 1869, 63.
57. For example, displaying goods on ground in front of shops (DDM1/3, 19 July 1904, 304), hanging signs too low (DDM1/3, 21 March 1905, 320–1).
58. Additionally, his membership deepened civic embeddedness: he served as a ‘councillor’ for the North Ward of the town and was Mayor in 1877. Matthews, 4, 1903; *Post Office Directory of Monmouthshire & South Wales*, 1871, Kelly & Co. Ltd., 220–221.
59. DDM1/1, 10 September 1868, 24.
60. DDM1/1, 11 March 1869, 32. Again, reflecting the civic embeddedness and expertise of the foundational Board he was mayor of Cardiff in 1872.
61. *Cardiff and Merthyr Guardian*, 1 May 1869, 5f.
62. DDM1/4, 14 December 1911, 151: Here ‘roadway’ refers to the arcade’s thoroughfare.
63. DDM1/4, 10 May 1910, 95.
64. DDM1/1, 12 July 1870, 77: John James West, Confectioner, was an original shareholder, subscribing to twenty shares, twice the average (DDM1/1, 11 March 1868, 8). On 2 August 1870, following his appointment to the Board he acquired a further 20 ordinary shares, representing 9% of the total (DDM1/30, Register of Members and Shares, 1868–1927, 8–9).
65. DDM1/3, 24 April 1906, 348.
66. DDM1/4, 14 April 1908, 35; DDM1/4, 19 May 1908, 75.
67. DDM1/1, 7 February 1870, 65.
68. DDM1/1, 3 March 1870, 68.
69. Restrictions on what tenants were allowed to sell was lifted temporarily: DDM1/1, 14 March 1881, unnumbered; DDM1/1, 11 April 1881, unnumbered.
70. DDM1/4, 21 July 1908, 43.
71. DDM1/4, 31 July 1908, 45.
72. DDM1/4, 29 August 1912, 176. The tenant consulted in July 1908, transferred his tenancy to another fruiterer in the December of that year: DDM1/4 15 December 1908, 56.
73. Slater’s Directory of Cardiff and its Suburbs, 1885, 75; Western Mail Cardiff Directory, 1905, 553–554.
74. DDM1/1, 25 January 1868, 2.
75. DDM1/1, 25 January 1868, 2.
76. DDM1/1, 24 January 1874, 113.
77. DDM1/2, 14 July 1884, 25–26.
78. DDM1/30, Register of Members and Shares, 1868–1927; DDM1/1, List of Persons holding Shares in the Cardiff Arcade Company Limited on 11 March 1868; DDM1/1, List of Persons holding Shares in the Cardiff Arcade Company Limited on 1 February 1869.
79. DDM1/1, 25 October 1870, 80: Lloyd Beard, took a ten-year lease at £30pa. An ‘Art Photographer’, he moved from Bute Street to unit 33 in the Arcade: *Western Mail*, 8 December 1870, 4c

80. DDM1/4, 90th Half Yearly Report 30 January 1915, p. 271–2; DDM1/30, Register of Members and Shares, 1868–1927, 16–17, 24–25, 28–29, 30–33, 36–37.
81. DDM1/1, 8 May 1876, none; DDM1/4, pp. 249–250, 271–272.
82. DDM1/1, 9<sup>th</sup> and 10<sup>th</sup> Half Yearly Reports 30 June and 31 December 1874; DDM1/4, 89<sup>th</sup> and 90<sup>th</sup> Half Yearly Reports 30 June and 31 December 1914.
83. DDM1/1, 3<sup>rd</sup> and 4<sup>th</sup> Half Yearly Reports 30 June and 31 December 1870; DDM1/4, 89<sup>th</sup> and 90<sup>th</sup> Half Yearly Reports 30 June and 31 December 1914.
84. *Cardiff and Merthyr Guardian*, 14 January 1860, 1b. Evidence in advertising messages suggests the Arcade branch was considered the more prestigious location.
85. DDM1/1, 29 September 1869, 56; DDM1/1, 12 October 1869, 57.
86. DDM1/2, 12 November 1883, 5.
87. *Western Mail Cardiff Directory*, 1905, 554.
88. *Western Mail Cardiff Directory*, 1905, 554.
89. DDM1/3, 21 April 1903, 273.
90. DDM1/3, 21 July 1903, 281.
91. DDM1/3: 15 April 1902, 241; DDM1/3: 13 May 1902, 244–5.
92. Census 1861, RG9/4033/5/4.
93. Census 1871, RG10/5359/66/32–34.
94. Census 1881, RG11/5278/86/53–54.
95. Census 1901, RG13/4981/78/22.
96. DDM1/1, 14 August 1871, 92.
97. DDM1/3, 21 November 1899, 157.
98. DDM1/3, 21 September 1904, 307.
99. DDM1/3, 17 October 1898, 118.
100. *The Cardiff Times*, 16 November 1860, 6d.
101. Census 1871, RG10/5359/66/34.
102. *The London Gazette*, 26 Oct 1877, 5819. Principal Probate Registry, Calendar of the Grants of Probate and Letters of Administration, London, England, 1889, 176.
103. *Slater's Directory of Cardiff and its Suburbs*, 1885, 75.
104. Census 1871, RG10/5359/66/34.
105. *The London Gazette*, 18 January 1878, 304.
106. *The London Gazette*, 24 May, 1881, 2699.
107. *The London Gazette*, 1 May 1, 1883, 2340.
108. *Slater's Directory of Cardiff and its Suburbs*, 1885, 75.
109. DDM1/3, 18 April 1905, 323; DDM1/30, Register of Members and Shares, 1868–1927, 28.
110. DDM1/3, 20 March 1906, 346.
111. DDM1/30, Register of Members and Shares, 1868–1927, 30. J.L.I. Morgan acquired 12 ordinary shares in March 1906 before becoming a director.
112. DDM1/30, Register of Members and Shares, 1868–1927, 28, 30.

## Disclosure statement

No potential conflict of interest was reported by the authors.

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