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# The historical evolution of the Greek retail trade: a first overview of its organisational-functional and spatial restructuring

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## Abstract

The history of retailing has become an area of growing scholarly interest over the last few decades, with publications mainly concerning the national historiography of retail and wholesaling. On the other hand, although the retail sector is considered to be one of the most historically significant sectors of the Greek economy, the economic history of the Greek retail industry remains a notoriously underdeveloped area of inquiry and, as such, is on the margins of economic and social studies in Greek historiography. In this paper, we attempt to provide a first concise (and certainly not exhaustive) analysis of the historical development of the Greek retail sector from the nineteenth century to the present (*in circa*) day. Specifically, we aim to analyse the evolution of the Greek retail trade to assess the spatial and social impacts associated with establishing and operating “new forms” of commerce. The focus is on the sectoral and organisational restructuring of the retail trade with the changes in the standards of the spatial location, which relate to the establishment and operation of retail businesses. Students and scholars of the history of retailing would benefit from this worthwhile exercise which for the first time provides a first overview of the historical development of the Greek retail sector.

**Keywords:** Greek retailing, History of retailing, Organisational structure, Spatial restructure, Small shops, Department stores, Consumption

## Introduction

Historically, the retail sector developed largely in tandem with the Industrial Revolution and is most closely associated with the subsequent transition to a mass-production economy. During the second face of the Industrial Revolution (1850–1880), mass production of cheap goods encouraged a significant increase in consumption, paving the way for the emergence of the retail industry. In plain terms, it was the revolution in mass production, which created an endless stream of (relatively) cheap goods accessible to the masses, that sparked the retail trade. This, in turn, spawned the first small, specialised shops and then department stores.

The history of retailing has become an area of an increasing scholarly interest over the last few decades (see *inter alia* Alexander & Akehurst, 1998; Findlay & Sparks, 2002; Deutsch, 2010; Stobart & Howard, 2018; Scott & Fridenson, 2018) with publications mainly focusing on the national historiography of retail and wholesaling (Jacques & Sandgren, 2018). In this vein, Alexander (2010) assesses the evolution of the British retail market during the twentieth century, while Alexander and Doherty (2022) take an institutional view of the historical shaping of retailing in Britain. Ekberg and Jensen (2018) analyse the development of modern retailing in Denmark and Norway from the perspective of cooperative food retailers. Hardaker (2017) explores the evolution of the Chinese grocery retail industry by delineating the impact of international retailers in China over time. Meanwhile, the of retail trade in the Iberian Peninsula over the long period from the nineteenth century to the Second World War is discussed by Alves and Morris (2017) and Jacques (2018) examines contemporary French retail history, studying both the transformation of retail structures and the evolution of government retail policy from 1945 to 1973. Heyrman (2018) provides a detailed assessment of the role of legislation in the evolution of the retail sector in Belgium. Hilton (2018) challenges the idea that the history of retail development can be defined exclusively by the Western experience and seeks to explain socialist forms of retail in former socialist Eastern European countries. Yi (2015) traces the fundamentals historical characteristics of the Korean retail trade. On the other hand, there have also been numerous studies (e.g., Bailey, 2015; Crossick & Jaumain, 2019; Howard, 2021) on the historical development of retailing in North America and Western Europe, with a focus on the development and operation of department stores as business enterprises.

It is worth noting that although the retail sector is considered as one of the most historically important sectors of the Greek economy (Balios, et al., 2015; Panigyrakis & Theodoridis, 2007), the economic history of the Greek retail sector remains a notoriously underdeveloped area of inquiry. This means that the study of the history of Greek retail trade has not received much attention from economists and economic historians, nor social scientists in general. Thus, there seems to be a considerable gap in the study of the history of the Greek retail trade, which could be considered as the Cinderella of economic and social sciences, as it is on the margins of economic and social studies in Greek historiography. Two notable exceptions are Aranitou's (2021) edited volume *Retailing: History, Economy and Transformations in retail trade* and Chatzioannou's (2018) edited volume entitled *Retail Stories*. In the introductory chapter of the later volume the editor notes that the volume inaugurates a new and attractive field of study, that of retailing (Chatzioannou, 2018). Additional exceptions could be considered a few archival publications from various Greek chambers of commerce and industry (Eleftheriou et al. 2021); (Chatzioannou & Mavroidi, 2022; Laliouti, et al., 2017), which provide a detailed mapping of the historical development of trade unionism, with some references to the historical development of Greek retail.

We, therefore, attempt to provide a first concise (and certainly not exhaustive) narration of the historical development of the Greek retail sector from the nineteenth century to the present (*in circa*) day. Specifically, we aim to analyse the evolution of the Greek retailing to assess the spatial and social impacts associated with the establishment and operation of "new forms" of commerce. The focus is on the sectoral and organisational

restructuring of the retail trade with the changes in the standards of the spatial location, which relate to the establishment and operation of retail businesses.

In what follows, the first section presents a brief history of the retail trade from the end of the nineteenth century to the first decades of the twentieth century, with the emergence of the first small shops, especially in Athens, the country's capital. During the nineteenth century, as Potamianos (2017b) observes, Athens's growth led to the rise of consumption and caused the multiplication of retailing. This is when the retail trade acquires its structural characteristics of small size and locality. The second section presents the transition from small to large stores, focusing on the process of shaping the ecosystem of supermarkets. The third section examines the transition from department stores to shopping centres, which marks the modern economic history of retailing and encapsulates wider changes at the level of consumption. The further development of department stores based on investments by Greek companies (e.g., Fokas, Hondos Center) is overshadowed by the entry of large international chains (e.g., IKEA, Zara, Media Markt), which are undergoing a reshaping of market shares. Installing large shopping centres—multi-spaces that combine entertainment with shopping (food, fun, fashion)—is modifying consumer habits. Finally, some essential economic characteristics of retailing are depicted and highlighted to identify its historical transformations through its microeconomic variables. Last, we offer our open conclusion and guidelines for further research.

### **The long nineteenth century: from the itinerant trade to small shop**

The long nineteenth century here refers to the period from 1821, the year of the Great War of Independence that led to the formation of the Greek state, to the late 1920s, when the effects of the Asian Minor Catastrophe began to be felt so severely in Greek society and the structure of the retail trade in particular. Borrowing the term "long nineteenth century" from Hobsbawm (1962), we have coined this phrase to accentuate the distinctiveness of a historical period emblematic of the evolutionary formation of the Greek retail sector. Specifically, it is the period of the gradual transition from the itinerant trade to the establishment of the small shop.

The significant contribution of trade to the historical development of the Greek economy is well documented in numerous studies (e.g., Harlaftis, 1994; Harlaftis & Kardasis, 2000; Kardasis, 1998). *Ipsa facto*, the historical importance of the Treaty of Kioutsouk-Kainartzi (1774) for the flourishing of trade and the economic revival of Greece is undeniable. Commercial activity, extended from Alexandria to Odessa, led to a resurgence of Greek economic activity and a profound transformation of ideas and ideology (Kardasis, 1998). In this context, the revolutionary character of the commercial capital for the Greek War of Independence in 1821 is also undeniable (Mazower, 2022).

Additionally, the decline in commercial activities before the outbreak of the 1821 revolt, combined with the depreciation of the Turkish currency and the subsequent fall in real wages, aggravated the poverty of the middle and lower classes in the Greek areas. The next crisis in the commercial sector exacerbated the general economic crisis into which the Greek era had been plunged. It paved the way for the culmination of revolutionary perspectives. It was also for Moskof (1972, p. 105) this economic decline that "... brings about a change in the psychology of the Greek ethnic man", that leads him/her

to accept the ideological romanticism that flourished in Europe throughout the nineteenth century and politically linked to the creation of nation-states. Thus, the prosperity of trade in the last quarter of the eighteenth century and its subsequent decline in the first quarter of the nineteenth century are also (indirectly) related to the formation of national consciousness in the Greek Christian region.

The Great Revolution of 1821 led to the formation of the independent Greek state, which, through challenging conditions, attempted to integrate into the European market throughout the nineteenth century. It was during this process that the sectoral structure of the Greek economy began to take shape. However, inefficiencies and discontinuities, a reflection of the underdeveloped and immature stage of the Greek social formation characterised it.

As far as the retail trade is concerned, the sector was initially structured mainly on the basis of the itinerant business, which accounted for the bulk of domestic consumption. Itinerant traders supported daily consumption by supplying (primarily) necessities and (less frequently) luxury goods. From Sombart's (2019 [2011]) economic sociology perspective, the itinerant merchant of the time can be conceived as the decisive 'economic actor', the 'social agent', able to foster change and transformation in Greek retailing. In plain terms, the itinerant merchant was the social agent, who triggered the transition from the Ottoman bazaar to the organised store, one of the most fundamental transformations in Greek economic history (Mazower, 2022). Mainly, Potamianos (2018) shows how itinerant traders gradually became shopkeepers, thus contributing to the transformation of the retail trade from an activity of mostly travelling merchants to an organised housed, 'established' business. It is in this context that the fundamental characteristic of the Greek retail trade, its small size, unfolded and developed: small traders, itinerant traders, and small self-employed professionals, they all in Athens, the country's capital city (Chatziioannou, 2018); (Aranitou, 2006; Potamianos, 2015a, 2015b).

In the mid-nineteenth century, the first small commercial establishments began to appear, following the (rapid) urbanisation of Greece and Athens in particular.<sup>1</sup> Athens was the city where the configuration of urban space (and the intensity of urbanisation) mainly pronounced. Significantly, in only 50 years, the urban population rose from around 8% in 1853 to 28% in 1879 and 33% in 1903 (Svoronos, 1994). Foreign travellers' descriptions are revealing. For instance, Deschamps (1992, p. 47) notes that "the new Athens is lengthening its streets, enlarging its squares, spreading its new houses and growing at an incredible rate". Cheston (1887: 104) vividly depicts the Greek capital: "Athens is being transformed into a beautiful city of 50,000–60,000 inhabitants. Ermou Street, from the Palace Square to the Piraeus Railway Station, is full of small shops, as are Aiolou and Athinas Streets". In a similar vein, Biris (1965, p. 48) points out that Aiolou Street in downtown Athens "...is full of cafés, pastry shops, restaurants and various shops".

The urbanisation process in the country's capital has been invariably trending towards the concentration of retail trade in specific districts and streets. The most significant commercial street was Athinas Street, which houses concentrated the so-called "general

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<sup>1</sup> By 1834, when Athens became the official capital, the city numbered only 7000 residents.

trade". Building blocks away, on Ermou Street, luxury clothing and footwear stores have been concentrated. In his novel, *The Spectacles of Psyri*, Mitsakis (1988 [1890], p. 181) points out that in the historic district of Athens, "in the surrounding small shops..., there are many street sellers, small groceries, small tobacco shops and small corner shops". Between the 1860s and the 1890s, the retail ecosystem was mainly based around Ermou and Aeolou streets and the surrounding alleys, which comprise the city's current commercial centre make up the current commercial centre of the city (Lozos, 1984). In the late nineteenth century, Athens' shopping streets gradually began to resemble their European counterparts. According to Biris (1965, p. 48), "... the commercial life, despite the peculiarities with which it was formed, resembles the corresponding ones in Western European cities. In Ermou and Stadiou Streets, one could find all the novelties of Parisian culture and several foreign languages were spoken".

Despite the cosmopolitan character of the streets, small businesses continued to constitute the backbone of the retail sector. Given the relatively inelastic demand for food and the ability of the existing food industry to ensure a constant and regular supply, the vast majority of shops initially appeared were grocery stores. They were followed by shops selling building materials and other materials necessary for the growing needs of urbanisation and housing in the capital. On the other hand, some of the first retail shops catered to the urban public, who could afford to buy expensive fabrics, clothes and shoes (Kairofyllas, 1999).<sup>2</sup>

Retailing, with relatively low barriers to entry, started to expose a large proportion of the population to market fluctuations. This means that the professions of artisan, shopkeeper and small trader, which developed after 1870 and which were based on the possession of small means of production, made part of the urban population, engaged in these professions, dependent on the fluctuations of a market that was less predictable than the one in the agricultural sector (Pamuk & Williamson, 2011).

At the end of the nineteenth century, according to the press of the time, the grocery trade accounted for the largest share of retail activity in Athens and Piraeus' markets,<sup>3</sup> supplying a wide range of foodstuffs, both fresh and pre-packed,<sup>4</sup> often used, also, as meeting places, especially for the lower classes.<sup>5</sup> The provision of these products was heavily dependent on various imported goods, Russian flour, French bacalao and Danish butter being the most important imports. On the other hand, it was food retailing that essentially commodified agricultural production, forming the final link in the value chain of food supply that gradually developed during the nineteenth century.

On the other hand, textile, clothing and footwear retailers, as well as luxury goods retailers (e.g., florists, glassware, etc.) are concentrated in the traditional shopping

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<sup>2</sup> Late nineteenth-century urban fiction is also evidence of this. Specifically, in Vlachos' (1997 [1884], p. 205) short story *The First Ticket*, the wife and daughter of Perdikis, the book's wealthy protagonist, "dress up in Lizie," in a downtown Athens' luxury store. Clothing as a symbol of social stratification and status was a ubiquitous feature of the nineteenth century. As Hobsbawm (1975, p. 343) aptly puts it: "Clothes make the man", the German proverb goes, and no age was more conscious of this than one in which social mobility could actually place large numbers of people in the historically novel situation of playing new (and higher) social roles and therefore having to wear the appropriate costumes".

<sup>3</sup> Piraeus is the port city of Athens, in the sense that it is located within the Athens urban area in the Attica region of Greece.

<sup>4</sup> Newspaper Eboria: Commercial, Industrial and Maritime Newspaper, Year First, (1896), no. 6, p. 1.

<sup>5</sup> Greek literature of the late nineteenth century bears witness to this. For example, Papadiamantis' short story *Father at Home* (1895) takes place in a grocery store in a south-western district of the city, which also functions as a social meeting place.

**Table 1** Typical retail stores during 1870–1935

Name	Store label	Year/place	Description
Georgios Sgourdas	Sgourdas	1870, Aiolou	Building hardware
Athanasios Pallis	Pallis	1870, Ermou	Stationary
Konstantinos Eleytheroudakis	Eleytheroudakis	1898, Syntagma Square	Bookstore
Georgios Dragonas	Dragonas	1896, Aiolou	Clothing
Fotios Pournaras	Pournaras	1910, Fokionos	Clothing
Nikos Georgiou or Lemisios	Lemisios	1912, Likavittou	Footwear
Konstantinos & Theoklis Stroggylos	Stroggylos	1931, Ermou	Shirts
Panos & Minos Athanasoglou	Salon Avert	1935, Ermou	Clothing

streets of Athens, contributing to the shopping centre's glamour (see Table 1). According to Potamianos (2017a, 2017b), between 1875 and 1925 there was an intensification of a trend that can still be seen today, namely the concentration of similar shops (piazzas) in certain areas of the centre.

As regards the main issues faced by most retailers, the cleaning of the sidewalks, the weight measurement, the keeping of trade records, the establishment of trade schools, the combating of smuggling, mutual accounting and bankruptcies constituted the significant problems of the time. Additionally, the problem of high prices and shameful profits, remained a principal challenge till the popular mobilisation against high prices in Greece during WW I (Potamianos, 2015b). More specifically, regarding book-keeping, the press recorded many classes of traders that did not keep books and attributed to "...the merchants' ignorance of the usefulness of books. This has resulted in breaking the law, cheating in commercial transactions and deceiving society".<sup>6</sup> Concurrently, the first shop advertisements appeared in the daily and weekly press and the bill of exchange started to be used in commercial transactions.<sup>7</sup>

The Asia Minor Catastrophe in the second decade of the twentieth century constituted an accelerating factor for further developing the Greek retail trade. First, refugees that had settled in Athens after 1922, enhanced the city's trading ecosystem, since a large proportion of them started to get involved in retailing, either as owners of shops, or as employees. Indicatively, the League of Nations had recorded that one in seven people registered with the Athens Chamber of Commerce (EBEA) in 1926 was a refugee. It was a man from Asia Minor, Antisthenes Meimaridis, who founded *Ilion Crystal*, which would later become one of the most famous department stores in Athens. Second, the availability of a larger labour force, of entrepreneurial skills and capital brought in by well-off refugees, contributed to the further specialisation in retail. This increased the volume of speciality shops considerably, selling knitting, fabrics, footwear, and stationary. For the first time, several shops that decoupled womenswear and menswear. These shops made Athens' historic centre an attractive place for small-scale activities incentive time pressure, like leisure and "fun" shopping. Most shops were concentrated around Omonia and Syntagma's squares and the Aiolou and Ermou traditional shopping streets.

<sup>6</sup> Newspaper Eboria: Commercial, Industrial and Maritime Newspaper, Year First, (1896), no. 8, p. 3.

<sup>7</sup> Newspaper Eboria: Commercial, Industrial and Maritime Newspaper, Year First, (1896), no. 11, p. 2.

Special mention should be made of Greek comprador capital, which was a constitutional factor that hindered the development of the retail trade, since it subordinated productive investment to short-term speculative activities. Having become addicted to high rates of profit, the Greek comprador bourgeoisie sought short-term profits in practices and sectors that could easily lead to its withdrawal, usually through acquisitions and sales. Specifically, it began to invest mainly in speculative ventures, banks, mines, the merchant fleet, shipping and commerce (Tsoucalas, 1977).

Unfortunately, the outbreak of the Second World War, the German occupation and following Greece's Civil War interrupted the economy's normal reproduction and adversely affected the retail sector. Despite the micro-history of the grocer who became rich by exploiting the opportunities of the "black markets" during the war (Mazower, 2022), the sector experienced inevitable destruction.

### **From the small to the department retail store: a transition with a time lag**

An important chapter in the history of retailing, the emergence of department stores, can be traced back to the mid-nineteenth century in England, France and the United States (Cochoy, 2018; Howard, 2021; Porter, 1971).<sup>8</sup> Undoubtedly, the development of department stores was associated with the gradual increase of massive consumption and prosperity that had marked the period that followed the second phase of the Industrial Revolution (Haupt, 2012). The urbanisation trend and the creation of large urban markets favoured the development of big establishments. Initially, department stores specialised in clothing and footwear and catered mainly to upper-class shoppers. However, as the average per capita income increased and urbanisation intensified, department stores expanded to appeal to a wider audience, celebrating a democratising luxury.

In Greece, the first large stores appeared later than in other European countries, at the end of the nineteenth century. "Small trade" and small shops continued to constitute the core characteristic of the country's retail sector, since only a handful of department stores were established in Athens until World War II (Table 2). Yet, despite this slower development, these first Greek establishments shared all the organisation novelties and innovations with their European counterparts: the increased number of employees, set of building blocks, wide range of products, and innovative forms of management, constituted forces that fundamentally revolutionised the retail landscape. It is worthy mentioning, that in most cases, the labels contained the owner's name and most of them became known by their owner's name,<sup>9</sup> indicating that these first large establishments evolved from small shops.

On a micro-historical scale, one of the most prominent examples was the Labropoulos, Bros., Ltd. department store, which until its closure in 1999, was the main competitor of Minion, the largest store in Athens. Founded in the early twentieth century, Labropoulos' store showed remarkable resilience during the German occupation of 1941–1944. It continued to cater to its public and civil servant clientele, selling its products at pre-war prices and running soup kitchens for its employees and the homeless. Though forced out

<sup>8</sup> In his novel, *The Ladies' Paradise* (1883), Emile Zola colourfully describes the new world of retail that was emerging in Paris in the 1870s. Larger and brighter buildings with a wide variety of goods appeared in the central streets of Paris.

<sup>9</sup> It was not until the 1960s that this peculiarity started to fade away.

**Table 2** The first emblematic landmarks

Owner	Store label	Year/place	Description
Georgios Dragonas	Dragonas	1896, Aiolou,	Department store/clothing
Chrysikopoulos	Athenee	1898, Stadiou	Department store/clothing
Iosif, Gerasimos & Kostas Klaoudatos	Klaoudatos	1900, Aiolou	Department store/wide range of goods
Xenophon & Vasilios Lambropoulos	Labropoulos Bros, Ltd	1906, Aiolou	Department store/wide range of goods
Anastatios, Antonis & Antisthenis Meimaridis, Katina Pirogioglou &	Akron Ilion Krystal	1925, Aiolou	Department store/ crystal and glassware
Giannis Georgakas	Minion	1934, Hafteia	Department store/wide range of products
Nikos & Giorgos Katrantzos	Katrantzos Sport	1939, Stadiou	Department store/sportswear

of business during the Greek Civil War, the establishment enjoyed steady growth in the years that followed, largely because of the 1950s rapid urbanisation.

In the post-war period, the impressive performance of the Greek economy, which had been characterised by monetary stability, economic growth, rising disposable income and extensive state intervention, stimulated and promoted the further development of big establishments in Athens (Iordanoglou, 2020). Department stores reached their zenith between the early 1970s and the early 1980s. During this period, department store companies were key in initiating the development of regional shopping centres that attracted people to the city centre. The latter covered around 2 km, from Omonia Square via Hafteia and Stadiou, to Athens' Town Hall Square and Ermou.<sup>10</sup>

The development of department stores (until the 1990s) inevitably led to a higher turnover, to an increased number of waged labourers, thus constituting the retail sector as one of the largest employer in the Greek economy. Eventually, the department store crisis began in the mid-1990s, when some old-established retail 'brands' such as Diamanti Bros. (1996), Meimaridis-Pirpiroglou SA (1997) and Labropulos Bros (1999), went bankrupt due to economy containment.<sup>11</sup> Gradually, department stores became a relic of another age, substituted by shopping centres and malls, thus signalled the start of a new era in Greek retailing.

### The emergence of supermarkets in Greece

As the most frequently visited type of large food store, the supermarket reflects the ideal of large-scale retailing as it restructured the whole commodity chain of food supply from start to finish, transforming retail markets at an extensive scale. The first supermarkets appeared in the United States, with the King Kullen brand being the first to operate in New York City since 1930 (Magnan, 2012; Stanton, 2018), while in Europe the great expansion of supermarkets took place in the 1950s (Bailey & Alexander, 2017). In Greece, the first supermarkets opened in the 1960s, a period marked by the development

<sup>10</sup> Smaller cities had fewer department stores, but the differences were primarily ones of scale rather than the organizational patterns of operation.

<sup>11</sup> During the 1990s, three successive governments introduced austerity packages as part of a tightening economic policy. The aim was to reduce inflationary pressures and the country's large current account deficit, which led to a significant decline in consumption and demand.

**Table 3** The first supermarkets

Owner	Laber	Year/location	Description
Dimitris Marinopoulos	Marinopoulos	1961, Kolonaki/Athens	SM
Panagiotis Thanopoulos	Thanopoulos	1962, Kypseli/Athens	SM
Co-op	Consumer KONSOYM COOP	1964, Thessaloniki	SM
Ioannis Karaoglou	Karaoglou	1967, Larissa	SM
Gerasimos & Charalampos Vasilopoulos	Alpha-Beta Vasilopoulos	1968, Psychiko/Athens	SM
Ioannis, Spyros Sklavenitis & Miltiadis Papadopoulos	Sklavenitis	1968, Peristeri/Athens	SM
Nikos Veropoulos	Veropoulos	1973, Athinon-Lamias Highway	SM
Co-op	Metro	1976, Korydallos/Aths	SM

**Table 4** The first wave of shopping centres

Shopping centre	Location	Year
Shoppingland	Kifissia/Athens	
Galleria	Glyfada/Athens	1980–1983
Plaza	Glyfada/Athens	
Maroussi Centre	Marousi/Athens	
Megaro NTORE	Heraklion	1981
Megaro Ermeion	Thessaloniki	1985
Megaro Prapopoulou	Patra	1985

of a robust internal mass-consumer society (Charalambis, et al., 2004).<sup>12</sup> Supermarkets not only transformed food provisioning and eating habits but also started to change the previously more interpersonal nature of retail transactions with the introduction and spread of self-service.

In 1961, the first Marinopoulos store was opened in Kolonaki, followed by Panagiotis Thanopoulos, who installed his first store in Kypseli, and expanded relatively quickly by ten more stores between 1962 and 1972, becoming the largest supermarket chain in Greece at the time. In 1968, the first Alpha-Beta Vasilopoulos was opened in Psychiko, while in the same year the first Sklavenitis store was opened in the middle-income district of Peristeri. It should be noted that the first food retail cooperative in Greece was established in 1964 in Thessaloniki, the country's second-largest city, to meet the basic need for housing for the lower-income city's population. During the 1970s, Greece experienced a remarkable increase in supermarkets, concentrated in the country's largest cities of Athens, Thessaloniki, Patra, Larissa and Heraklion (Tables 3, 4 and 5).

In the mid-1980s, a dramatic reduction in small grocery stores was recorded, due to increased competition from supermarkets.<sup>13</sup> Competition among supermarkets has also intensified as powerful new players, including large multinational supermarket chains, have entered the Greek market. This resulted in numerous mergers and acquisitions,

<sup>12</sup> During this period, the Greek economy performed remarkably well, with GDP tripling in just a decade.

<sup>13</sup> According to Amer Nielsen Research (1997), published in *Self Service* journal, the number of large and medium-sized grocery stores increased by 148.6% between 1986 and 1985 (from 3,160 to 7,857), while the number of small stores decreased by -58.8% (from 21,332 to 8,768) (Self Service, 1997).

**Table 5** Second wave of shopping centres

Shopping centre	Location	Year
Sanyo Carrefour Mall	Maroussi	1999
Village Park	Agios Ioannis Rentis	1999
Shopping Center Macedonia	Thessaloniki	2001
Veso Mare	Patra	2001
City Gate	Thessaloniki	2004
City Link	Athens	2005
Outlet	Thessaloniki	2008
Mediterranean Cosmos	Thessaloniki	2005
The Mall Athens	Maroussi	2005
Golden Hall	Maroussi	2008
Mc Arthur Glen Designer Athens	Spata	2011
Smart Park	Spata	2011

mainly by multinationals.<sup>14</sup> Undoubtedly, the economic history of supermarkets is of particular interest since they consist of the most dynamic sector of Greek retailing.<sup>15</sup>

## From department stores to shopping centres, malls and discount villages

### The first wave of shopping centres

The geographical concentration of several shops in a given area was undoubtedly a revolutionary process that mainly, if not exclusively, benefited the large (multinational) chains (Cohen, 1996; Howard, 2015; Ozuduru, et al., 2014). As Sombart (1967, [1913]) vividly demonstrated in his influential studies of capitalism and luxury, the shopping centres, being the epitome of modernity, represents the rationalisation of consumption and reflects the commodification of needs in the urban West, being as such a key instrument of modern consumer society.

In Greece, in the 1980s, the aforementioned escalation of the department store crisis paved the way for the gradual emergence of shopping centres, shopping malls and discount villages.<sup>16</sup> In the early 1980s, the emergence of the first two shopping centres in the high-income districts of Kifissia and Glyfada in Athens added a new dimension to the structural changes already underway in the retail sector and accelerated the existing tendencies towards concentration in the sector. Later, shopping centres started to appear in other major Greek cities, essentially precipitating the emergence of malls.

The first wave of shopping centres demonstrated that Greek retail sector was maturing and industry contributed significantly to redefining urban space. Contrary to the American (and European) experience, Greek shopping centres were the result of (mainly)

<sup>14</sup> In 1991, Praktiker and Continent opened their first stores in Greece. A year later, Macro inaugurated its first store in Athens, and in 1995 consumers started shopping at IDEA. The first wave of acquisitions began in 1991 with the Belgian Delhaze and Alpha–Beta Marinopoulos. In just 6 years, between 1991 and 1996, 295 acquisitions and mergers took place, representing 19% of the total number of existing supermarkets (Self Service, 1997).

<sup>15</sup> Consistently the industry with highest annual retail volume.

<sup>16</sup> Shopping centres and shopping malls are often used interchangeably. Historically, however, the former denotes a planned development that was typically open-air and situated away from the city centre. On the other hand, the term mall refers to the enclosed shopping centre, a format which, as we will see, succeeded the first wave of shopping centres.

construction/contracting sector initiatives.<sup>17</sup> In fact, the Greek construction capital took advantage of the existing infrastructure and started to build the first shopping centres in areas with easy and high accessibility. It is therefore not surprising, given the accessibility and proximity to major roads and the Athens and Piraeus electric railway station, that the first two shopping centres are located in Kifissia and Glyfada districts.<sup>18</sup> Gradually, shopping centres began to be settled along the main road axes (e.g., Kifissias and Vouliagmeni high roads), hence leading to the over-concentration of shopping centres, at first in the northern suburbs of Athens, in the municipality of Maroussi, making the latter the largest commercial centre in Greece at the time. Then, more shopping centres started to emerge in other high-income district of Athens, such as Chalandri, Cholongos and Psychilo. However, they were relatively small, no larger than 1200 m<sup>2</sup> (e.g., LemosCenter, Cosmos).

As mentioned by Delladetsimas and Loukakis (2013), the criteria for the establishment of a shopping centre in a specific area were either increased commercial activity or the absence of a sufficient commercial circuit. In addition, market capacity, proximity to a road network and the availability of land played an equally important role. However, largely due to the country's fiscal turmoil in the 1990s, only a very small number of the first wave of shopping centres survived as they faced unresolved financial hardships.

#### **The second wave of shopping centres: the appearance of shopping malls**

Until the mid-1990s, Greece was ranked at the bottom among European countries regarding shopping centre to population ratio. The second wave was characterised by multinational companies entering the Greek market, followed by the first malls. The latter is considered to be larger than shopping centres and include a wide variety of both branded and locally based shops, offering a range of consumer choices and activities, from retail and supermarkets to cafes, play areas and cinemas. The first malls were located in suburban areas of Athens and other major cities in the country, at transit and transfer points, close to intersections and highways.

In addition, the emergence of second-generation shopping centres resulted from initiatives by large private investors, mainly credit institutions, and transnational retail companies. Moreover, unlike the first generation, this second generation did not rely exclusively on the existing infrastructure but also established new plants and facilities.

The first commercial centre that marks the arrival of the second generation of shopping centres is Sanyo Carrefour Hellas Holding S.A., which began operations in 1999. Another notable example is Village Park, which opened its doors a few months later in the same year. It is also worth mentioning two examples that represent the pinnacle of the evolution of second-generation shopping centres. The first is the Mediterranean Cosmos (2005) in Thessaloniki, which is comparable in size and scope to the capital's major shopping centres. The second is The Mall Athens, also founded in 2005, which today is considered the most important representative of the success story of shopping centres in Greece, since, among other things, it records more than thirteen million visitors per

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<sup>17</sup> Both in U.S.A. and Europe department store companies were key in initiating the development of shopping centres.

<sup>18</sup> Shopping centres developers carefully plotted the location of their projects, hoping to make it as enticing as possible for affluent suburban population to come and shop.

year, in a country with a population of eleven million (Lalas, 2012).<sup>19</sup> As Lalas (2012) aptly concludes, the emergence and subsequent development of malls indicates the systematic reproduction of an explicitly commodified and spectacular experience of the dominant consumer culture in Greek society..<sup>20</sup>

### **The Greek retail trade: a first depiction of numbers**

Historically, the structure and composition of the retail sector in Greece have always been characterised by its very small size and, consequently, by the presence of a large number of very small (micro) and small enterprises. It also accounts for a particularly high proportion of the country's employment, whether in paid work, self-employment, family or care work.

During the inter-war period (and according to the 1930 census of the General Statistical Service of Greece (GSSYE)), 99,240 firms were recorded, employing 174,460 people. The low average level of employment in the retail trade sector (1.75 per establishment) indicates the limited use of wage labour by the sector. Furthermore, out of 99,240 firms, 70,094 employed one person, while 26,411 employed between two and five. Significantly, 63.3% (110,142) of the 174,460 employees in the sector are the business owners. The fact that there are only 196 establishments with more than 26 employees, most of which are credit/banking institutions, also documents the dominance of small size in the sector (ELSTAT, 1934).

The next available recorded data are from 1958, some 15 years after the end of the Second World War. It is worth noting that, despite the devastating effects of both the inter-war Great Depression and the Second World War, the total number of enterprises appears to have increased by 5.5% in the 28 years between 1930 and 1958. The average number of employees remains low (1.72 employees per establishment). On the other hand, sole proprietorship is the dominant form of business ownership (90.7% are sole proprietors), while the share of limited liability companies is extremely low (0.1%) in the sector. During this period, approximately 26% of the country's retail activity, i.e. 26,890 shops and 55,724 employees (average employment of 2.07 employees per shop), is located in the commercial capital of post-war Greece, Athens. Most of the establishments are primarily engaged with the retail sale of food and drinks (13,247 operations or 49.2%), followed by the sale of textiles, clothing and footwear (2251 operations or 7.5%).

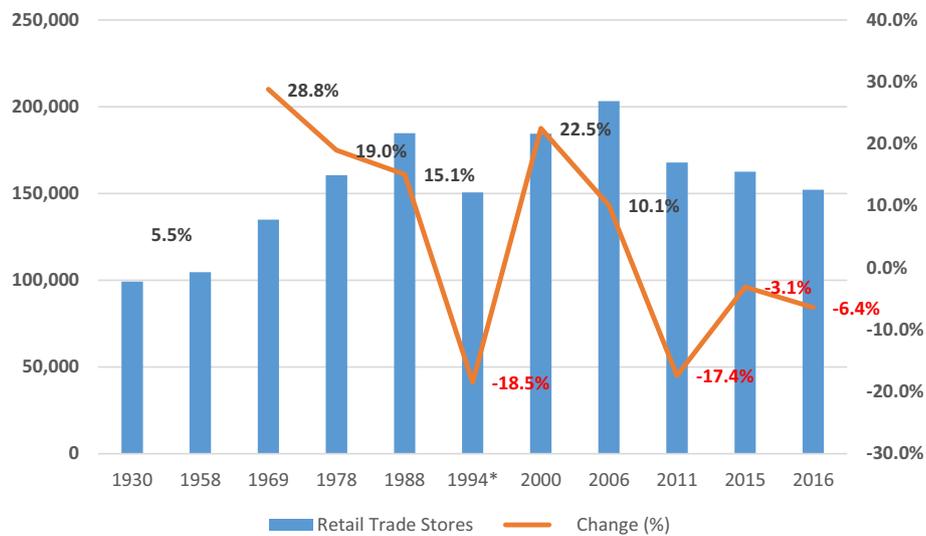
More generally, "the short" twentieth century, as shown in Fig. 1, is characterised by a steady increase in the number of shops in absolute terms over time, but at a declining rate. The cumulative increase is approximately 76%, reflecting the 'normalisation' of the economy after the Second World War and the country's subsequent civil war, as well as the tertiarisation of the economy and the deepening of the country's deindustrialisation. It should be noted that the methodology used by ELSTAT has changed since 1994, and therefore it is impossible to make reliable comparisons with the preceding period.<sup>21</sup> As there were no facts at the time to justify such a significant

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<sup>19</sup> These are pre-COVID19 pandemic recordings.

<sup>20</sup> By dominant consumer culture we denote these meaning-creating activities that tacitly embrace the dominant representations of consumer identity and lifestyle ideals, portrayed in advertising and mass media, which generate imperative ethos of radical individualism oriented around a ceaseless quest for personal distinctiveness and autonomy in lifestyle choices (Arnould & Thompson, 2005).

<sup>21</sup> The authors contacted ELSTAT to investigate this change in methodology, but it was not possible to identify the specific changes as ELSTAT does not keep archival records of previous methodology.



**Fig. 1** Retail stores (numbers and %). Resource: Hellenic Statistical Authority/Authors' calculation. \*Change in the methodology used by the National Statistical Service for the period 1994–2016 compared to the period 1930–1988

reduction in retail activities (i.e. -18.5%), it can be argued that this reduction should be attributed to the new methodology adopted.

Undoubtedly, the Greek sovereign debt crisis between 2010 and 2019 has seen the greatest pressure on the retail sector, reflected in the contraction of both domestic consumption and production, with the cumulative decline in the number of retail establishments between 2011 and 2016 amounting to – 27%. The figures in Fig. 1 highlight the resulting centralisation of the market through the process of "creative destruction" that takes place during the crisis.

## Epilogue

The economic history of retailing is an exceptionally multifaceted field of study, which requires a critical evaluation of complex documentary material (archives, the daily and periodical press, urban literature, etc.) and its connection with the development of the Greek economy over time. Moreover, understanding the transformation of Greek retailing from the itinerant trader of Ermou Street, to the individual commercial enterprise, to the department store, to the shopping centre and the mall, requires an understanding of the economic changes in Greek social formation. As the title suggests, this article attempts to provide an initial overview of the historical organisational and spatial transformations of Greek retailing. Of course, much of the history of the Greek retail sector remains to be written, and there are big opportunities both for illuminating, conceptually sophisticated studies of particular cases and for wide-ranging integrative, comparative and interdisciplinary work. By the same token, a more systematic study is therefore required of the micro-history of the people (owners and labourers) who underpinned the development of Greek retailing. Also, to shed light on the wider macro-economic and social aspects that have been dialectically linked to the establishment of retail chains and department stores.

Today, amidst the mega-trends of the international economy, such as the pandemic and the energy crisis, the Greek retail sector faces the challenge of digital transformation, which could trigger a new series of transformations. In any case, the specific nature of the Greek retail sector, characterised by the resilience of its small size, should once again determine the range of these changes. The Greek retail ecosystem comprises micro-enterprises as 96% of them are employing less than 9 persons. The digital transformation is a major challenge for these enterprises as digitalisation is not only tending to modernize retail operations but is leading to a “paradigm change” through the shift from the physical to the digital sphere. Thus, retail enterprises should invest in “omni-channel” retailing by merging physical and digital interactions and offer to consumers a modern shopping experience. The technologies of the Fourth Industrial Revolution, such as Artificial Intelligence (AI), Data mining, Blockchain or 3D Printing are transforming the retail era and lead the Greek retail ecosystem towards a complete transformation.

#### Acknowledgements

Not applicable.

#### Author contributions

Authors have worked together and contributed equally.

#### Funding

No funding received.

#### Availability of data and materials

Not applicable.

#### Declarations

##### Competing interests

The authors have no competing interests to declare that are relevant to the content of this article.

Received: 26 July 2023 Accepted: 10 October 2023

Published online: 20 October 2023

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