

# Behind the shopping mall invasion

by Wayne Morrow

## Battle of mall managers continues

In the beginning there was the Student Centre, splendid in its glory, full of strolling students and greasy food.

Then came York Lanes with much of the same and more, or less, depending on who you talk to.

Then came the competition.

"We've got something which is welcoming and pleasant, which is something they don't have next door," boasts Rob Castle, manager of the Student Centre.

"We're not just a shopping mall stuck here to Hoover the money out of your pocket. We're a part of the university," Douglas Dodds, manager of the York Lanes mall, retorts.

From the beginning, the Student Centre Corporation has been opposed to the very existence of York Lanes.

"I personally feel that those operations over there shouldn't be in existence," says Chia-yi Chua, the Student Centre's chair.

Originally, the Student Centre was to be the only building on campus with fast food. But the construction of York Lanes has resulted in two establishments facing off for the same almighty student dollar — one run by a student organization; the other by the university bureaucracy.

In April 1988 the Student Centre Corporation signed an agreement with the administration which made the Centre fully student-run and independent from the university.

The agreement included a clause which guaranteed that the university would not enter business agreements which would compete directly with the Student Centre.

A month earlier, the York Administration had announced plans to build a shopping mall on campus. It was to be called York Lanes, and it was going to be right beside the Student Centre, but there wouldn't be any competition between the two.

Student Centre executives wanted to be sure York Lanes would not drive the Centre out of business. The non-competition clause guaranteed this wouldn't happen.

But a quick stroll through York Lanes today reveals several outlets which are in direct competition with the Student Centre. These include a sit-down restaurant, a muffin outlet and a frozen yogurt vendor.

Almost as soon as the ink was dry on the 1988 contract, the York administration was beginning to break it. That same year, a market survey revealed a gold mine in the student food market — and the university wanted a piece of the action, regardless of the ethical price.

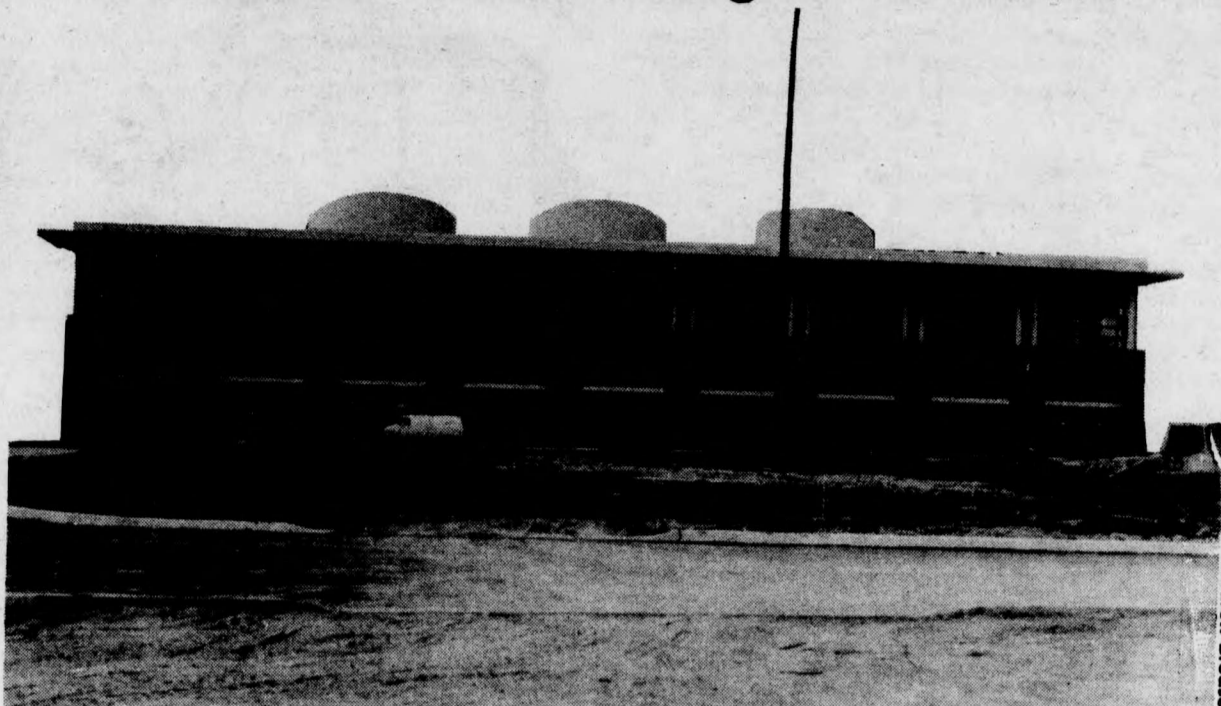
Rob Castle says he was very surprised when the university decided to build York Lanes.

"When we first talked about our food court they laughed at us. A year later they were mimicking us."

For Student Centre Corporation executives York Lanes was a threat to the successful operations of the Centre. Furthermore, it disturbed the overall narcissism that had begun to envelope the brass within the student-run corporation.

Members of the student centre board protested loudly, but the university went ahead with their mall and its food court until November 1990. Finally the York administrators, represented by Vice President Bill Farr, agreed to sit down with the students.

Because the university had broken its promise and built a food court, Farr agreed to keep the Student Centre in business. If the centre earns less than \$403,000 a year during the next



The recently-completed Student Centre has some aggressive neighbours to deal with. Its student-run food court competes directly with the York Lanes fast food restaurants next door.

five years, the university will make up the difference.

"Our original planning had been based on being the only game in town," says Rob Castle. "There was no guarantee as to what impact York Lanes would have on the Student

Centre. So the new agreement acts as a cautionary safety net."

The bottom line is that the Centre won't go under, at least not for the next five years.

But the university can still use its mall to take a huge slice out of student

revenues — although they'll deny it if you ask.

"I don't see that there needs to be any concern about competition, both from a business point of view and from an attitudinal point of view," said Douglas Dodds.

Chia-yi Chua, chair of the Student Centre Corporation, disagrees. "The market, although large, is a finite one."

But most store owners, new to the campus market, are too busy grinning to complain about competition.

"I don't see a problem with York Lanes being there. I am anticipating the top sales for all of Toronto," says Dawn O'riley, manager of the Student Centre's Kentucky Fried Chicken franchise.

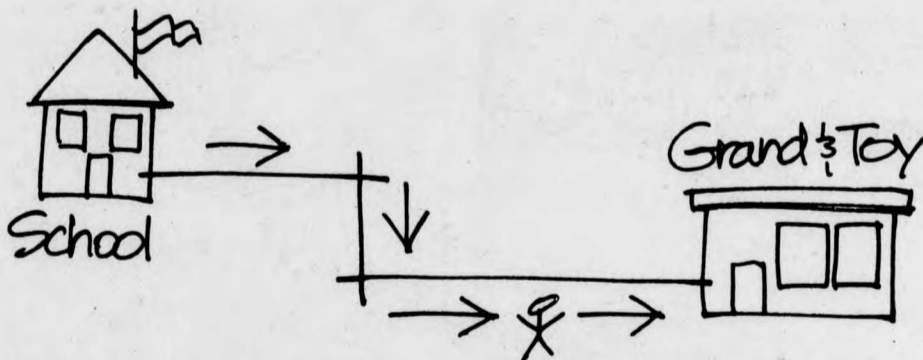
Most Student Centre vendors can find little to complain about — unless you consider not having enough storage space to keep up with the demand a problem.

"I have to get three deliveries per week to stay in stock, which isn't that bad. But I think it's worse for the other outlets." Said John Burchill, owner of Treats in the Student Centre.

"I feel that healthy competition is good for the consumer," says Ali Jasani, owner of Gateway Cigar Store in the Student Centre, "but too much is not." Jasani faces three direct competitors, all of them in York Lanes.

In a frank remark, Rob Castle summarizes the situation. "I just hope that students don't begin to feel that they are being asked to spend too much."

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