Settlements and Services
22 cities with at least 10 million people
  • See map for cities with red dots

Seven of these are in LDC’s, more in future
  • Fastest growing, high natural increase rates, loss of farming jobs and resulting migration to cities

Three cities with over 20 million people
  • Tokyo
  • New York
  • Seoul

Hard to define exactly
  • What is the boundary of the metropolitan area?
  • How many people are actually there?
SÃO PAULO, BRAZIL
Population: 19,140,000. Area: 2,590 sq km
MEXICO CITY, MEXICO
Population: 18,430,000. Area: 2,137 sq km
NEW YORK CITY, UNITED STATES
Population: 20,280,000. Area: 11,264 sq km
SEOUL–INCHEON, SOUTH KOREA
Population: 20,010,000. Area: 1,943 sq km

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TOKYO—YOKOHAMA, JAPAN
Population: 34,400,000. Area: 7,835 sq km
OSAKA–KOBE–KYOTO, JAPAN
Population: 17,270,000. Area: 2,720 sq km
DELHI, INDIA
Population: 17,640,000. Area: 1,425 sq km
MUMBAI (BOMBAY), INDIA
Population: 19,360,000. Area: 777 sq km

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JAKARTA, INDONESIA
Population: 19,880,000. Area: 2,849 sq km
MANILA, PHILIPPINES
Population: 17,080,000. Area: 1,347 sq
Cities in History

- Cities originated in several places and urban living spread from there
  - Fertile Crescent (Middle East)
  - Egypt
  - China (East Asia)
  - Indus Valley (South Asia)

- Largest cities changed over time

- City States – a “country” as a city and its hinterlands
Ur, which means “fire,” was where Abraham lived prior to his journey to Canaan in approximately 1900 B.C., according to the Bible. Archaeologists have unearthed ruins in Ur that date from approximately 3000 B.C.
MDCs have a higher percentage of urban dwellers than LDCs

- Industrial Revolution - 1800s
- Change to service economy – 1900s
- People migrating from farms to cities for 200 years due to concentration of factories and services

Percentage of people in cities worldwide

- 3% in 1800
- 6% in 1850
- 14% in 1900
- 30% in 1950
- 51% in 2008 first time in human history
- From now on more people in cities than rural areas
Percent Living in Urban Areas
Percentage of GDP from Services
In the U.S., primary and secondary sector jobs have declined, while tertiary sector jobs have grown.

Within the service sector, public service jobs have declined as a percentage of total service jobs.

Within consumer services, health care has grown the most.
Types of Services

Three types of tertiary sector jobs
- Consumer Services
- Business Services
- Public Services

Over \( \frac{1}{2} \) of all U.S. jobs are in Consumer Services

Most common Consumer Services
- Retail and Wholesale
- Education
- Health Care
- Leisure and Hospitality
Types of Consumer Services

RETAIL AND WHOLESALE
About 11 percent of all U.S. jobs. One-fifth each in department stores, grocers, and motor vehicle sales and service. In addition, 4 percent of all jobs are in wholesale services that provide retailers their merchandise.

EDUCATION
About 11 percent of all U.S. jobs. Two-thirds in public schools, one-third in private schools.

HEALTH CARE
About 10 percent of all U.S. jobs. Primarily hospitals, doctors’ offices, and nursing homes.

LEISURE AND HOSPITALITY
About 10 percent of all U.S. jobs. Three-fourths in restaurants and bars, the other one-fourth divided evenly among lodging and entertainment.

OTHER U.S. JOBS
Types of Business Services

The purpose of Business Services is to facilitate other businesses.

About ¼ of U.S. jobs are in Business Services.

FINANCIAL SERVICES
About 6 percent of all U.S. jobs. One-half in banks and other financial institutions, one-third in insurance companies, the remainder in real estate.

PROFESSIONAL SERVICES
About 13 percent of all U.S. jobs. One-tenth in management positions; two-fifths in technical services, including law, accounting, architecture, engineering, design, and consulting; one-half in support services, such as clerical, secretarial, and custodial work.

TRANSPORTATION AND INFORMATION SERVICES
About 6 percent of U.S. jobs. One-half in transportation, primarily trucking, one-half in information services such as publishing and broadcasting, and utilities such as water and electricity.

OTHER U.S. JOBS
The purpose of Public Services is to provide security and protection for citizens and businesses.

16% of U.S. jobs are in Public Services (does not include school employees).
Hierarchy of World Cities

Highest Scoring Cities: London, New York, Paris, Tokyo
Score is based on the extent and type of business services.
World Cities

- Located in MDCs
- Financial services
  - Banking and insurance
- Information-gathering services
  - Publishing and media
- Professional services
  - Law, medicine, science, and education
- Contain much of the world’s art and culture, consumer spending on luxury goods, and political power
Hierarchy of Business Service Cities in the United States

World Cities: New York, Chicago, Los Angeles
Secondary Cities: San Francisco, Houston, Washington DC, Miami
Talent is not distributed uniformly among cities. Talent is attracted to cities that are diverse and cool.
Cities with talented populations are centers of innovation. They start new businesses and begin fresh trends, promoting the creation of high-tech and high-paying jobs.

Some cities like this are San Francisco, Washington DC, Seattle, and Boston.

Near the bottom of large U.S. cities on both talent and factors that attract talent is Las Vegas.
SCIENTISTS
Per 1,000
- 30 to 40
- 20 to 30
- 10 to 20
- less than 10

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UNIVERSITY GRADUATES

Percent

- 40 to 50
- 30 to 40
- 20 to 30
- 10 to 20

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Three factors that attract talent:
1. Coolness
2. Gays
3. Cultural Amenities

“Coolness” Factors:
1. Percent of population in their 20s
2. Number of bars and nightlife places per capita
3. Number of art galleries per capita
COOLNESS

Coolness index

- Red: 8 to 10
- Teal: 4 to 6
- Orange: 6 to 8
- Green: 0 to 4

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Central Place Theory explains the location of consumer services

- German geographer Walter Christaller in 1930s

A central place is a market center for the exchange of goods and services by people attracted from the surrounding areas

- Market area – center of a node
- Hinterland – the area from which people are drawn to the market area
The hexagon is used to illustrate Central Place Theory.

Each hexagon represents a node where a service is available, the central dot, and the hinterland.

People living near the periphery of the hexagon may choose to obtain services from another node.
Types of Consumer Services:

1. Health care
2. Wholesale
3. Retail
4. Hospitality
5. Education
Range: the maximum distance people are willing to travel to obtain a service

• Radius of the circle drawn around the market area in central place hexagons
• People usually go to the nearest place a certain service is available, i.e. shortest time to go there
• Farther for special purpose or large purchase (ball game/concert, buying a car)
• Closer to home for everyday purchases and services (convenience stores, fast food)
Threshold: the minimum number of people needed to support a service business

- How many customers are needed to make a profit
- Large-ticket items, such as cars, have a greater threshold

Next slide: nesting settlements and services. Large settlements provide both larger and smaller market areas.
Central place theory

- city
- town
- village
- hamlet
Rank-Size Rule

- Nth largest settlement in a country is \( \frac{1}{n} \) the population of the largest settlement
  - In plain English, the second largest city is one half the size of the largest city, the fourth largest city is \( \frac{1}{4} \) the size of the largest city, etc.
  - The U.S. and some other MDCs have these proportions for distribution of urban population, few LDCs
  - Goods and services are available all over the country – wealthy society
  - This graphs in a straight line

- Primate City Rule: the largest settlement has more than twice the number of people as the second-ranking settlement
  - Primate City is political and cultural capital as well as economic center
  - Common in LDCs and some MDCs
  - Goods and services are only available near the primate city – lack of wealth
Baltimore, MD and Jaipur, India

Both have about 2.5 million inhabitants.
Market Area Analysis

- Determine the profitability of a site by analyzing the range and threshold
  - How far will people travel for the particular service
  - How many customers are needed to make a profit
- Plot consumer data on GIS
- Draw the market area circle,
  - Count the number of potential customers within the circle
    - Typical department store needs about 250,000 customers
  - Take into account any competitors – market share
  - Gravity Rule: the farther away they are from the market, the less likely they are to patronize it.
- Locational Analysis – retail geographer