

The age of 'chameleon' shopping centres

New research on the top South African property funds, released by Clur Research International, indicates that successful shopping centres can be characterised as 'chameleon'.

"The chameleon shopping centre represents a move to fluid rather than fixed formats," says Belinda Clur, MD of the company, whose Retail Live system monitors shifting trends in consumer behaviour at centres representing more than 2.5 million sqm of trading space.

"The chameleon centre comprises an ever changing, quickly adaptable, high impact, connected and interactive experiential environment. Given the current fast moving times and consumer position, a focus on predictive convenience is becoming pivotal."

Amelia Beattie, CEO at Liberty Two Degrees, concurs, "Shopping centres and retailers, now more than ever, need to be perfect hosts in attending to their customers' every need. Ease, pleasure and warmth should govern all actions. The resultant need for predictive convenience is critical when designing the full centre concept and experience."



Belinda Clur

"Consideration of this is also critical in planning key operational aspects such as parking areas, parking pricing, security, ablutions and access routes to shops and entertainment. Attending to every need and removing inconvenience will better allow centres to respond to the increasing call for trendy lifestyle and convenience aspects."

Brand identity critical

Clur continues, "Another emerging indicator is that clear brand identity, brand integrity and the story behind the brand are becoming increasingly important for consumer buy-in. Retailers should be encouraged to create more differentiated stores in terms of design concept to further feed the required mix of both top quality product and experience, particularly in the case of flagships.

"Experiential aspects are now becoming extremely important in driving a competitive edge within the retail space. This is due to the latest key indicators of families now socialising together across age groups, millennials being more likely to spend money on experience and communications rather than material goods and the resultant increasing need for malls to provide the 'third place'.

"This represents a turning point, as a relaxed leisurely 'third place' experience, after home and work, will now be the differentiator that leads the attraction to shopping centres first and spend will then follow. Accordingly, malls should focus on providing lifestyle trend-driven and tranquil community meeting points comprising a social, relaxation, design and shopping experience."

Shifting trends

Latest Retail Live March 2017 findings support this, as consumers shift spend away from apparel and towards entertainment, person and communication.

"There is positive trading density growth in a range of categories, despite the economic downturn. Personal fitness, wellness, improvement of self and body and personal adornment are trends driving positive growth in health, beauty, cosmetics, gyms and optometrists. The current experiential and communications trend is supported by positive growth in family entertainment, fast foods, movies, cellphones, electronics, e-commerce and travel.

“The rise of the ‘niche economy’ is shown by growth in demand for categories such as speciality, craft/hobbies and boutique bottle stores. DIY has also become trendy, with growth in hardware stores evident. Grocery performance is also up.”

Apart from apparel, negative growth is seen in music and large department stores; with junior and mini format department stores favoured as smaller more focused store formats now seem preferred.

The latest findings underscore trends Retail Live first indicated in 2015, with consumers seeking super-convenience and clarity as well as differentiation. “The findings then were that consumers need to easily identify the shop and the product allowing for easy, quick and focused shopping. In certain cases, a simple store colour change, which had the correct positive association in the consumer’s eye, resulted in staggering trading increases.

“The demand for differentiation means that brands, be they shopping centres or stores, must innovate to provide a unique and different experience and adapt to provide more local flavour where appropriate.

“The new absence of family social segregation, where previously teens and tweens went their way and parents another, leads to opportunities for much-desired family entertainment and food facilities, especially since children are known to be responsible for 30% or more of their parents’ spend.”

Online world

A further key indicator is the impact of the online world. “The online world has led to the creation of highly self-important and time aware consumers. For this reason, it is essential that communications are highly visual and send an immediate correct message, and that easy customer transport options are available.

“Free Wi-Fi, which offers a great opportunity for marketing, and charging points are increasingly in demand. This is key, along with being the location of choice for tagging and selfie taking on social media.

“This trend is also leading to the increased use of online shopping. While this growth is still low, one should watch this trend as it might lead to a warehouse sales model, with implications for shopping centre turnover rental structures. This is a further reason why malls should focus on providing the ‘third place’.

“As working hours become longer in tough times, a strategic approach to trading hours may be necessary,” concludes Clur.

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