

RetailWeek
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REPORTS

In association with



Unleashing shopping centre profitability

How the UK's top operators are
capitalising on untapped potential

RETAIL WEEK

FOREWORD



ISOBEL CHILLMAN
CREATIVE STRATEGIST

The retail sector is reliant on data; from sales figures to demographics, the ability to manipulate information plays a key role in aiding retailers, consumers and stakeholders to make informed strategic decisions.

But how are shopping centres using these limitless statistics to better serve shoppers and generate revenue? And how are they collecting this information in the first place? Technology is key, with the future of bricks-and-mortar retail sustained by advancing technologies.

Consumers expect seamless transitions across channels. Such is their expectation that hassle-free Wi-Fi in shopping centres is now no longer seen as a benefit but as a prerequisite.

Whether through creating experiential buying with virtual and augmented reality, or seamless payment with apps instead of checkouts, centres need to indulge the consumer's technological needs in order to draw them back.

Centre operators and retailers have not always been the best of collaborators, but by helping retailers to exploit the space available to them,

operators are in turn helping them to create higher profits. More revenue means a greater ability to pay rent, increasing value for centre shareholders and lowering vacancy risks. Teamwork is essential for future success.

In this report, in association with Yardi, Retail Week spoke directly to 11 of the UK's leading shopping centre specialists. Our task was to uncover – for the first time – their priorities and future strategies for utilising innovative technology platforms and the power of big data, in order to enhance consumer engagement in shopping centres.

We quizzed property companies and centre operators about how they are using technology to better serve shoppers and unearthed their investment opportunities for the future, in terms of how they see their destinations developing.

Their answers provide invaluable insight into how the market continues to evolve, showing which customer-facing technologies are working in harmony with bricks and mortar to maximise space and provide personalised experiences.

“
**Teamwork
is essential
for future
success**
”

With thanks to our respondents:
British Land, Capital & Regional,
CBRE Global Investors, Ellandi,
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M&G Real Estate, NewRiver REIT,
Realm, TH Real Estate

RETAIL WEEK CONNECT: UNLEASHING SHOPPING CENTRE PROFITABILITY

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YARDI

PARTNER VIEWPOINT



MARTIN BETTS
REGIONAL SALES DIRECTOR

With an abundance of data in the retail property sector, shopping centres naturally carry the risk of under-utilising information, resulting in loss of opportunity to maximise revenue or enhance the consumers' experience.

The challenge for technology companies is therefore not just to focus on short-term developments that are driven by trend, but to invest in solutions that support the retail sector's longer-term business objectives.

For us, while it might seem obvious to say so, innovation is clearly key. Listening to the industry is an extremely important part of what we do as we look to the challenge of advancing technology that will give the retail property sector a helping hand to define compelling offerings through the use of big data.

With the retail sector generating more data in a single month than many other vertical real estate markets, the use of simple tools and spreadsheets is redundant as firms

struggle to gain valuable insights into retail operations and trends.

Understanding the challenge of how invested firms develop financially successful retail centres from an operational standpoint is key to us. It is widely regarded that real estate companies invested in retail assets are among the leading pioneers of strategic real estate management, so we need to provide solutions that are like-minded.

We are driving a seamless approach: easy-to-use, integrated technology that not only aids evaluation of buyer behaviour and demographics, but delivers faster, role-based access to centre analytics and operational processes to streamline management and, importantly, allow informed, strategic decision making to help owners and operators maximise revenue potential from all rentable spaces.

We continue to advocate thought-leadership within the real estate market and are excited to support open discussions about technological needs within the sector.



Listening to the industry is extremely important



ACTION POINTS

NEXT STEPS FOR OPERATORS

- Obtain complete visibility of internal and external rentable space – this is critical in understanding centre revenue potential.
- Run detailed tenant reports on past performance to gauge retailers' present and future value as a tenant, as well as how they complement sales strategy and other tenants.
- Ensure that all key management data is at your fingertips to support informed decision making, which in turn will help to dramatically reduce vacancies and increase returns.
- Allocate adequate time to select a tenant mix that will help provide the highest rental return.
- Take control of the pre-lease process to ensure that the move-in process is cost-effective and key deadlines are hit.

INTRODUCTION

A CHANGING LANDSCAPE

Shopping centres the length and breadth of the UK offer asset managers and business owners the opportunity to capitalise on untapped potential, and ultimately increase their overall profitability.

The sector is finding fresh ways to generate income, by bringing in new and desirable services and operators. But how can this be done better in 2017 – and beyond?

This exclusive Retail Week report – produced in association with Yardi – analyses how the sector is commercialising its real estate, and delves into the practical ways it can better unleash the benefits of data to have a positive impact on the bottom line and generate returns for investors.

Based on in-depth interviews with 11 of the most influential shopping centre specialists in the UK, the results show a fascinating diversity of strategies and approaches to technology, reflecting the ways that different types of retail environments serve the consumer.

While free Wi-Fi is the standout requirement for shopping centres – with all of our respondents putting this as their number-one priority – some are questioning whether Wi-Fi is now a cost rather

than a benefit, as it has become expected by many shoppers.

Across other technological opportunities, the results are much more diverse, although a common thread is the desire to create more customer touchpoints and to influence and enhance the customer journey and experience. In this respect, personalised communications, in-centre information and promotions, loyalty and mobile apps have all crept into the staple of shopping centre provision.

This comes through particularly prominently when discussing future growth, where dedicated pop-ups, commercialisation of public space and events are identified as the three most important priorities among the majority of respondents. In fact, all of these play into the idea of differentiated and enhanced spaces, appropriate to the core offer.

Grappling with data and using it to drive insight and refine the retail mix is also a dominant theme among our respondents, with an emphasis on using data and information to promote genuine, practical change within shopping environments, and not to keep the data exclusively at the store's head office.



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INCREASING PROFITABILITY THROUGH TECH

FROM BEST TO WORST

Technology applications enhancing the consumer experience

*Underlining the perceived importance of Wi-Fi even further, when asked what technological improvements operators were looking to make, **improving** or **growing** the **sophistication** of Wi-Fi dominates responses*

1 Free Wi-Fi

2 Digital loyalty schemes

3 Click-and-collect

4 Digital promotions

5 Smart parking

6 Gamification

GAME
OVER

Gamification was **consistently rated lowest** among the options – it is seen as having a **very low profile** within shopping centres.

THE TOP THREE most influential pieces of technology for shopping centres to better serve visitors

- 1** Free Wi-Fi  **THE TOP REQUIREMENT FOR 90% OF CENTRES**
- 2** Personalised communications
- 3** Digital in-centre messaging

“Speed is critical, data needs to be collected more efficiently so we are able to import and output, interpret and report more quickly”

In what ways are shopping centres maximising available space?

- 1st** Dedicated pop-up units
- 2nd** Commercialisation of public space
- 3rd** Events
- 4th** Opportunistic pop-up units
- 5th** Branding opportunities/partnerships
- 6th** Lounges and rest areas for customers



“The **shopping centre of the future** needs to offer **interactive experiences** as the customer becomes ever more demanding. It’s important to **engage and inspire consumers**”

CHAPTER ONE

THE APPLICATION OF TECH

Free Wi-Fi is the standout technology feature within shopping centres; without it stores are immediately outdated

Integrating technological advances is fundamental to helping retailers maximise their sales potential

Customers are becoming less aware of the distinction between physical, online and m-commerce, wanting a seamless connection between them all

What technology is the most influential for the way shopping centres can better serve visitors and offer tailored experiences?

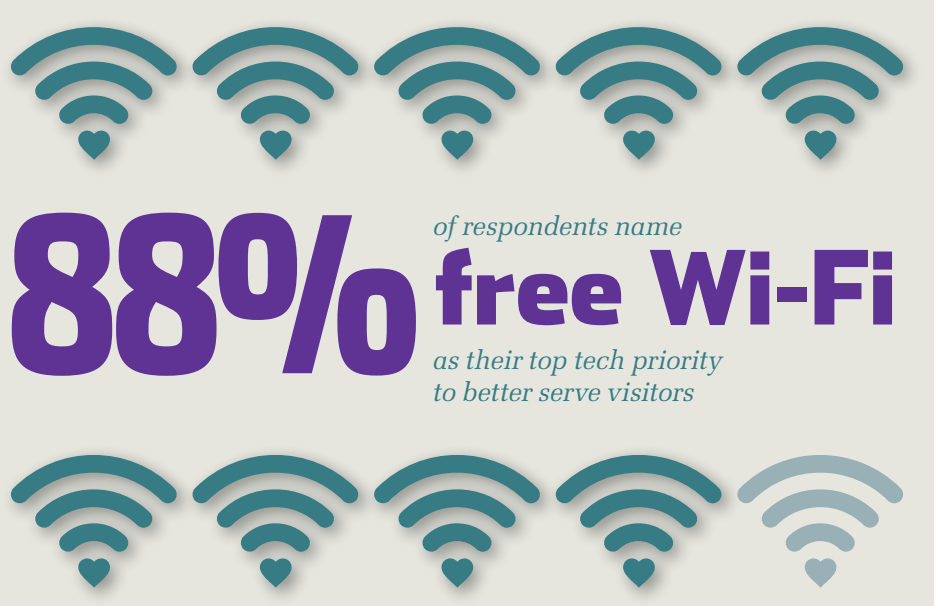
- 1st Free Wi-Fi
- 2nd Personalised communications
- 3rd Digital in-centre messaging
- 4th Beacons
- 5th Digital gamification

The era of constant connectivity has certainly fed into the expectations of consumers when shopping. Even though our research is based on replies from companies owning and operating a wide variety of retail portfolios – from dominant malls to those holding plenty of secondary stock – free Wi-Fi is clearly the standout technology and priority for our respondents, with 88% of our 11 shopping centre operators naming it as their top priority. While personalised communications and digital in-centre messaging are seen as consistently important, for both beacons and digital gamification the results are much more mixed, with ratings of importance varying dramatically.

When asked what technological improvements shopping centre operators are looking to make, improving or growing the sophistication of Wi-Fi dominates responses, underlining the importance of this technology even further.

One landlord believes digital is an essential and growing part of the experience, adding that integrating technological advances is fundamental to meet consumer expectation and help retailers maximise sales potential.

We are investigating what we would term as next-generation Wi-Fi, which, within the bounds of privacy, helps us to understand more about individuals. This allows us to increasingly tailor communications to particular groups to maximise the success of their shopping trips.



Another respondent, who provides free Wi-Fi in the majority of its centres, says the rate of connections is monitored to provide an indication of uptake. This in turn helps it to make refinements to centre websites, with connectivity a key consideration within its business plans, whether that is socially, physically or virtually.

Indeed, this point is developed by a number of our respondents, who see Wi-Fi not only as an essential provision for visitors, but as a building block for developing closer communications and relationships with visitors.

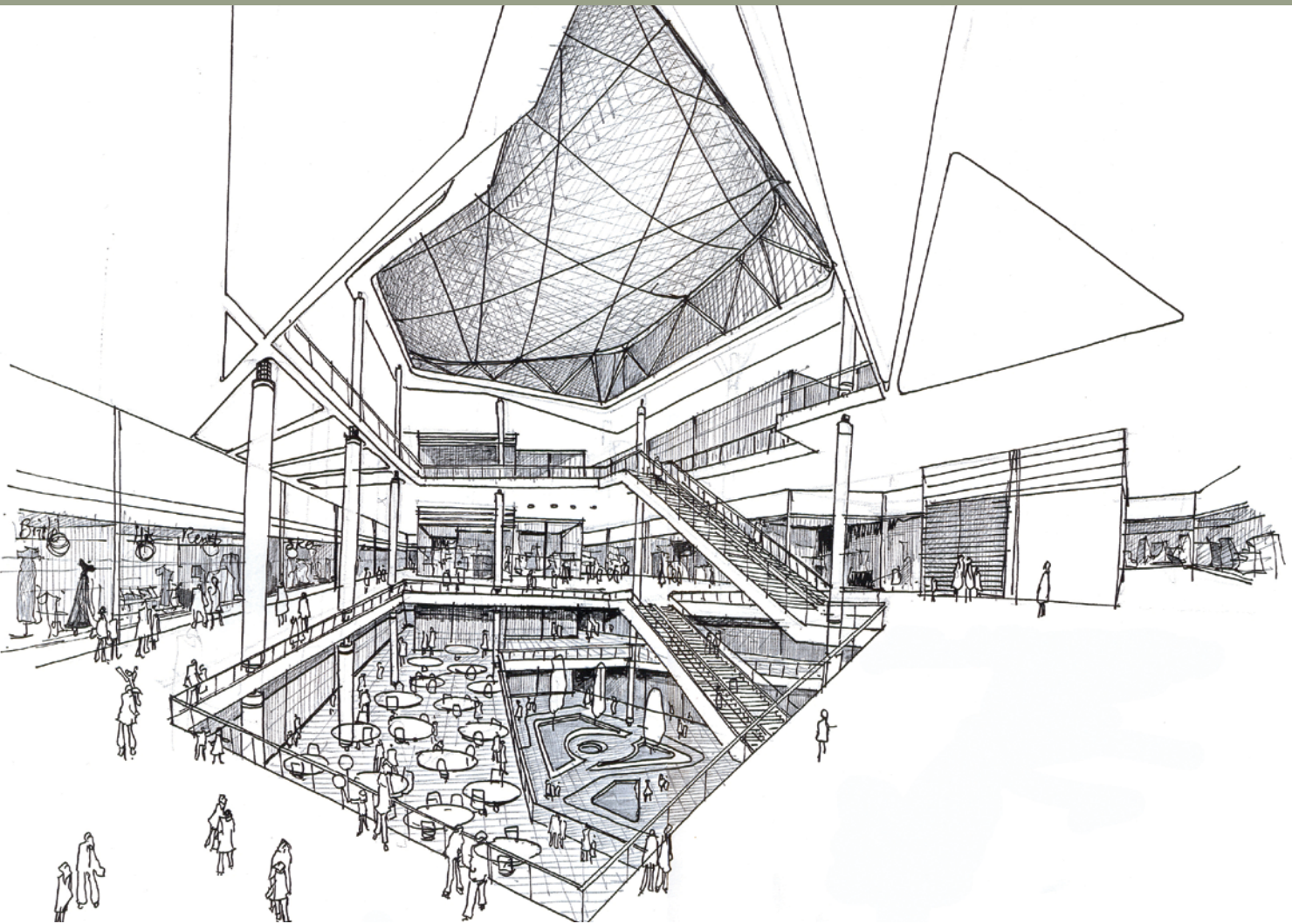
One of the respondents explains: “We are looking to improve the digital connection between centre and visitor. This is being driven by evolving apps – improved usability and relevance to the visitor.

“Understanding the visitor better is the end goal and increased regularity and periods of contact are what we are seeking to achieve. The apps are reinforced with direct emails, representation on social media and [increasingly digital] targeted advertising.”

On this theme, another operator says data derived from digital assets informs a centre’s customer demographic, and in turn this data is used to personalise content and events.

The shopping centre operator adds: “We always look to support our retailers with highly targeted and effective marketing opportunities. For us, current areas of focus are automated newsletters and personalising communications by leveraging data, as well as tailoring content for consumers on our app for when they are in or out of our centres. Consumer research has provided some clear areas of focus for us: parking, wayfinding, reward and Wi-Fi. To this end, we are looking at Wi-Fi infrastructure upgrades across our centres and innovating around the reward platform.”

Another says car number-plate recognition cameras have helped to establish where shoppers live and the regularity of their visits. This has been applied to shape marketing campaigns and billboard placement through knowing the demographics of a centre’s visitors.



“Automatic number-plate recognition (ANPR) allows us to establish with some certainty where our customers live; we can then buy demographic information on these areas and target specific marketing towards them. It also allows us to target areas where we appear to have lower penetration rates, as well as helping our longer-term leasing strategies by ensuring our tenant mix reflects the needs of our visitors.”

All this, one company points out, is in tune with the fact that the average customer is becoming less aware of the distinction between physical, online and m-commerce – and wanting to move seamlessly between environments, platforms and devices.

“We are looking to understand our customers better and adapt our schemes as appropriate. The landlord’s role will increasingly evolve to become that of a facilitator between physical and social sales platforms.”

Such a role would enable better integration of results from data analysis into asset management strategies to refine tenant mix,

adjacencies and centre configuration; better integration of results to refine commercialisation policies to animate space and create a sense of theatre; and better use of data as evidence in tenant negotiations.

One of the most devoted digital enthusiasts within our research group says it has invested in a range of successful technologies, including free Wi-Fi, digital advertising, click-and-collect and digital gamification, and it plans to continue to review and invest to further enhance its regional and local portfolio to ensure its centres are “fit for purpose now and in the future”.

The company will be investing more in next-generation Wi-Fi, digital signage and a combination of augmented and virtual reality.

However, in part explaining the diversity of responses beyond free Wi-Fi, another concludes: “As an owner of many different types of assets, it is important we focus on investing in technology on an asset-by-asset basis. While technology is becoming increasingly important in the omnichannel customer journey, different types of shopping centres require different solutions that we currently deal with as the need arises.”

Another looks at Wi-Fi as something that has passed from being a differentiator to being a necessity, with a cost involved. The company

“Gamification is an area of focus for British Land. For the 2016 festive season we launched one of the UK’s largest ever augmented reality games – it was rolled out over 21 of our local and regional centres across our multi-let retail portfolio. We have a loyal customer base that often shop with their children [18.3% compared with the national average of 14.8%], and the app-based children’s game encouraged families to follow a five-step virtual gift hunt – a fun interactive game that kept the children entertained.”

British Land

notes that Wi-Fi is in fact not a benefit but an expectation from consumers, and says: “Some providers are very costly, and we challenge whether the return on investment is great enough to warrant the cost. But, if we removed it, it would immediately date our centres.”

CHAPTER TWO

ENHANCING THE CUSTOMER EXPERIENCE

Wi-Fi is again the most important technology application when looking to enhance the consumer experience

Loyalty apps play an integral role in facilitating new ways to understand and engage with customers at specific locations

With the definition between online and store purchases blurring, consumers need more reasons to feel that the shopping centre is still significant to them

Given pressure from ecommerce, how are you creating compelling experiences to generate higher footfall and stimulate loyalty?

- 1st Free Wi-Fi
- 2nd Digital loyalty schemes
- 3rd Click-and-collect
- 4th Digital promotions
- 5th Smart parking
- 6th Gamification

When it comes to the use of technology to enhance the customer experience, Wi-Fi once again stands out as the most important element among our respondents.

However, other answers are more mixed. It is very difficult to divide click-and-collect and digital loyalty schemes because different operators attach very different priorities to both, based largely on the portfolios they hold.

Similarly, while responses to digital promotions are relatively consistent, smart parking is seen as very important and also not important, in relatively equal measure.

Gamification is rated lowest among the options and shows that, while this has entered the consumer world in all sorts of ways – from direct interactive gaming to the app screen on Uber – it is seen as having a very low profile within shopping centres.

One respondent says: “Technology is making it easier for consumers to visit the centre and shop through direct messaging via our app, have parking charges automatically debited via number-plate recognition or receive targeted direct marketing and special offers.

“Loyalty apps, such as Love Trinity Leeds, are a great example. Online data and mobile technology have played an integral role in facilitating new ways to understand and engage customers at specific locations, and ensuring shoppers receive relevant rewards exclusive to those locations. Crucially, this data enables us to differentiate our offline shopping destinations from more functional online retail channels. Far from posing a challenge to bricks-and-mortar destinations, online and omnichannel innovations have been seamlessly integrated into centre and in-store experiences, enabling retailers to flourish.”

Land Securities on engaging with the consumer

“Our focus is now on the whole customer journey. We’ve moved to a hotel/concierge-style approach where we consider the visitors as guests and we look at all the touchpoints, right from the signage as they approach the shopping centre.

“Amid talk of technology, it is also important to remember that the look and feel of the centre, cleanliness, good quality and availability of all toilets and so on, are very important factors.”

M&G Real Estate

“Digital payment [offered by some retailers] helps to ensure that the retail experience is fast, easy and contemporary.”

“We are using technology in the form of temporary digital mall installations to increase the number of the centre visitor contact details in our database to broaden the distribution of direct digital marketing. The shopper apps that we have been using are evolving and will increase in scope and improve in usability.”

Another points out that in high-footfall schemes it has applied technology to ‘remove friction’. This can be seen in some stores where handheld devices are being used to process transactions and increase sales by offering ordering facilities rather than losing out on sales, the company points out.



The respondent adds that interactive screens represent the most effective opportunity as they provide a more dynamic and flexible way of promoting retailer initiatives.

Another respondent says it has introduced multiple digital advertising panels across its regional and local multi-let retail portfolio, driving incremental income into the business while also benefiting from enhanced consumer insight to understand customers further, which informs its strategy and benefits occupiers by increasing retail spend.

The company adds: "It also enables increased engagement with consumers through touchscreens and interactive technology. It is part of our drive to enhance the use of technology across our centres and enliven the consumer experience in response to the changing way people live their lives."

While there is concern about consumer willingness to download and use a number of apps, one respondent says that it believes shopping centre apps – which allow direct access to local centres – are working well with its visitors.

Picking up on a common theme, the company says: "The apps allow all the basics to be covered, such as opening hours and retailer contact details, and we are currently trialling different versions: one that allows direct text communication between visitor and retailer, and one that will offer visitors the opportunity to shop our tenants' products from their mobile device."

CASE STUDY: Liverpool One augmented reality app

The free Liverpool One Tree Fairies augmented reality (AR) app encouraged visitors to capture their own tree fairy on Liverpool One's illuminated Christmas tree in Paradise Place at Christmas. Visitors could share their tree fairy on social media for a chance to win a Liverpool One gift card.

Launched to coincide with the switching on of Liverpool's city-wide Christmas lights, the app generated positive interaction on Twitter, and many visitors made a special trip to find and share their own tree fairy.

Reflecting on the app, operator Grosvenor Europe said: "Ensuring visitors have a great experience when they visit Liverpool One

is vital to its ongoing success. Innovation is key to this, so Grosvenor Europe works continuously with our retailers and other occupiers to find new and exciting ways to interact with and attract more visitors.

"Our Tree Fairies app engaged visitors with Liverpool One and encouraged them to share their experiences with others, generating conversations on social media that will lead to increased footfall."

The launch of the app coincided with the introduction of a new consumer marketing campaign for Liverpool One, which ran regionally throughout the Christmas period.

With the growth of internet shopping, centres need to remain important components of their customers' purchasing habits. For most retailers, the definition between online and store purchases is becoming so blurred it is now meaningless. Providing opportunities for customers to collect and return via stores, lockers or services like Collect+ gives people more reasons to visit and to feel that the shopping centre is still significant to them.

However, notable among the collective responses from our research is that a number are not yet linking technology investment with consumer experience, beyond Wi-Fi. This is in part explained by the types of portfolios operated, but also indicates a diverse opinion on the value of investment in technology at present.

Another conceded that technology is a far stronger point for the business in operational terms than it is for customer experience, and notes that making investment decisions in the latter is far more complex in mixed portfolios than for those with prime-focused portfolios.

CHAPTER THREE

MAKING BIG DATA BENEFIT EVERYONE

Big data from centre operators is essential to retailers' benchmarking strategies

Speed is critical; data needs to be collected more efficiently so operators can interpret it faster

It is crucial data is fed to those working within the centres, not simply kept by the data analysts, in order to be applied practically

In an era where the revolutionary impact of big data is much discussed, our shopping centre respondents are in broad agreement about the importance and direct application of the information that technology now allows them to assemble and assimilate.

One respondent says: "We collect sales data from across our portfolio and we gather details that provide information about our visitors, for example their movement around each scheme, the percentage of customers who go into a store and spend, and so on.

"We can help retailers to benchmark by giving them the wider context, enabling them to better understand why their sales are up or down on a certain week."

“What is important is that retailers see the value of the data that we share, which they do. We understand their requirements, their customer targets, where they're currently located and where there might be gaps in their network of stores. We can match where a retailer should be located based on our data. It is about using data to the advantage of shoppers and retailers.”

Another says big data is mainly a case of examining ways to combine data sets more effectively, visualising results effectively and sharing them within the business, and eventually with clients, through self-service dashboards.

The company shares a combination of sales and footfall data, consumer profiles, information on shopper missions and exit survey results with retailers that are already customers on its sites, as well as retailers it hopes to attract.

The company adds: "We invest heavily in data to meet the changing needs of our customers – it is integral to our business. Data is so important and valuable; we need to have a deep understanding of how consumers think and

“Our 33 shopping centres are community- and convenience-led. Our shoppers, of whom 46% are more than 55 years old, come to our centres two to three times a week to buy their weekly essentials – the items they require, not simply what they desire. To this effect, our digital offer is less relevant to them. What's important, however, is the data we can garner from technology to better understand our shoppers and their habits, in order to better aid our asset management and development.”

NewRiver REIT on the importance of customer data

behave in order to make the best investment and asset management decisions.”

“We use our own data capture, as well as data from specialists, to better understand our assets' catchments and customer demographics, and to measure footfall flow and spending patterns in detail across our portfolio. When we bring this together with our customer surveys, we have invaluable insight into our customers and rich data that tracks how we are doing over time.”

One shopping centre operator expresses a common view across many of our respondents: "Data helps to understand our retailers in greater depth, to look at those who perform strongly and why. What are the underlying conditions that are important to developing a robust tenant line-up and what do we need to do [and when] in order to deliver our asset management business plan?

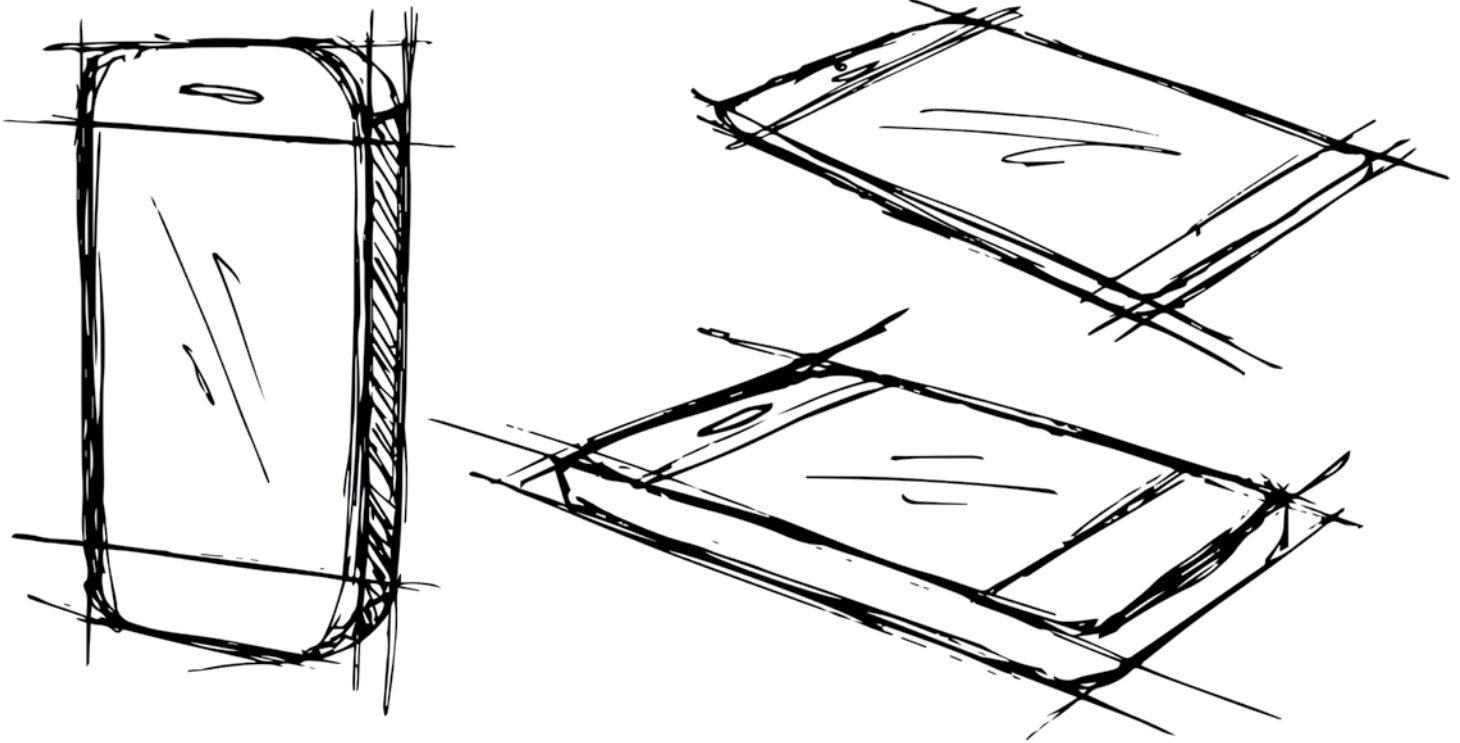
"Data also helps us to analyse the financial details of each individual centre, as well as the broader market conditions and climate so we are able to effectively time our strategic decision-making to maximum good effect."

The operator says that smooth, efficient and consistent transfer of data is key, because it needs this information for all centres in a way that allows for clear and accurate comparison.

"Data can all too often be collected in silo form with differing underlying collection and methodologies, which do not facilitate like-for-like comparisons," the company adds.

This view is shared by centre managers, who hold regular formal and informal meetings with individual retailers to exchange thoughts and sentiments. In these the operator looks at footfall, sales and relevant localised factors, including the impact from promotions.

At a more senior level, the company frequently discusses store, centre and portfolio



performance at executive level with individual retailers, working together to see how it can assist each of their needs.

Another insists that collected data has helped it to identify the right targets for a certain asset or a certain location within an asset, and in turn to help representatives from those target retailers to explain their decision internally to the decision-makers or boards.

Speed is critical; data needs to be collected more efficiently so we are able to import and output, interpret and report more quickly.

As part of a similar approach, one respondent says it is able to analyse demographic data that it collects on customers to appropriately position a shopping centre's retail offer.

This allows the company to source the most appropriate tenants and site them in optimally sized units. The appropriate product can then be stocked, with visitor satisfaction and store revenues maximised.

The operator adds: "Data from our portfolio has enabled us to establish which retailers are strong at driving revenues. This knowledge allows us to better develop methods of improving existing assets, as well as supporting our due diligence process at the point of purchase. We are at the beginning of a major project to update our data collection and evaluation tools, as we feel that this is a critical differentiator."

Improved KPIs, catchment monitoring, average drive times – "basically delivering insight to better inform future business

"We are looking carefully at frequency of visit and motivation for visit. We are trying to look more at linked trips and which retailers a typical shopper type will visit – basically breaking down the large number of stores into ones of relevance to particular groups."

Realm

decisions" – is how another operator describes its analysis of data.

The company says: "We provide quarterly briefings to tenants and biannual data analyses, which helps retailers to segment and profile their stores more accurately, and this has led to improved sales and total basket size."

Accuracy comes up regularly within the responses, and one company notes that the reliability of footfall counting – improved through new geolocation technology – has enabled, on request from retailers, underperforming individual retailers to receive intelligence. This has led to the removal of bad tenants and tenant mix gap analysis.

One community centre-focused respondent says: "What is important is the data we can garner from technology to better understand our shoppers and their habits, and better inform our asset management and development."

"Our decision-making comes down to three considerations: is it truly relevant for our shopper base, will it help us to understand our shopper and manage our assets better, and will it deliver effective return on investment?"

The company described data analysis as "very powerful" as "you simply do not know what you do not know until you uncover new trends of findings".

The shopping centre operator also stressed that it is crucial that the data is fed to those working within the centres, not simply kept by the data analysts, because it needs to be applied practically.

However, data sensitivity is also raised, with one research group noting: "We have to be careful how we share data to ensure that tenant confidentiality is not breached and privacy laws [mainly regarding centre visitors] are not compromised.

"Discussions with a retailer regarding its own performance is, of course, acceptable and we look to do this to develop the landlord and tenant relationship."

Meanwhile, another says: "We believe customer desires and behaviour is reflected in the data we are able to harvest and, therefore, reporting and reflecting this is essential for improved engagement.

"We are looking at harmonising data across our digital platforms, over web, social, app and Wi-Fi, so that we can identify behaviours as a customer transcends these platforms."

CHAPTER FOUR

MAXIMISING SPACE FOR FUTURE GROWTH

Experiential buying dominates growth opportunities, showing human interaction is still essential despite technology advancements

British Land research shows events can increase dwell time by 41%

Better retail space means bigger profits for retailers, which leads to more value for shareholders

In what ways are you maximising available space and managing short-term leases/shorter-term spaces?

- 1st Dedicated pop-up units
- 2nd Commercialisation of public space
- 3rd Events
- 4th Opportunistic pop-up units
- 5th Branding opportunities/partnerships
- 6th Lounges and rest areas for customers

Although much of this survey is dedicated to the convergence of digital and physical space and to the application of relevant technologies, when questioned about future growth, the replies point to more human interaction.

British Land said its recent research showed events can increase dwell time

by 41% and a recent enlivenment campaign increased footfall by 180 basis points ahead of the portfolio average.

Utilising this information, events and pop-up units form a core part of British Land's strategy to create 'Places People Prefer' through enlivenment, which delivers an enhanced experience in response to changing consumer lifestyles.

Meanwhile, CBRE Global Investors says: "We have developed a bespoke, proprietary, asset-scoring program called Vibrant Market Places to improve and benchmark the quality of the user experience in our assets.

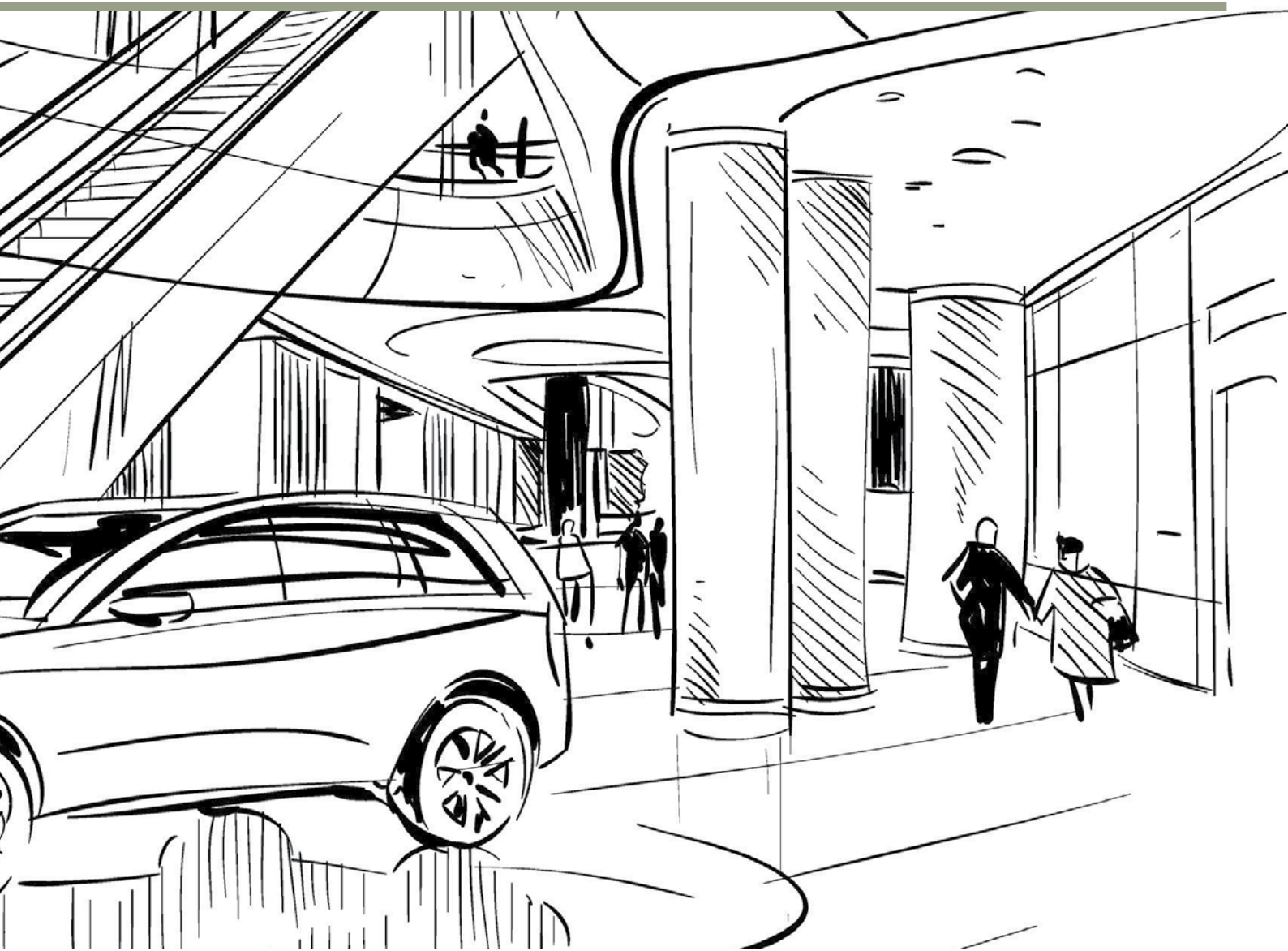
"Repeated annually, Vibrant Market Places ensures consistent and structured improvements across hundreds of checkpoints. The demonstrable improvement of the assets helps to ensure that centre visitor numbers and spend are maximised. This, combined with improvements in the quality of shop fronts, visitor services and speciality leasing, is helping to ensure we are working towards and attaining higher future revenues."

"Some landlords are hamstrung by a possible hit to values through the signing of shorter leases. However, we try to avoid this. Our focus is on signing the right deals to keep our tenant mix fresh, and we are open to discussions around flexible leasing."

LGIM

Another points to more community engagement outreach and events that are relevant to the shopper.

"Today, people go shopping for the experience. We believe there are two important factors that are crucial for attracting new retailers and maximising available space," says Land Securities. "The shopping centre of the future needs to offer extensive choice, including major high street names as well as opportunities for smaller brands with pop-up



“One of the key challenges for centres is to remain relevant to the customer, whether super-regional or community mall. As leisure uses increase, then so too will the types of leisure offer. As well as cinemas and restaurants, bowling is making a real comeback and new offers such as trampoline parks are looking for space, often in secondary or tertiary locations.”

Capital & Regional

shops. It also needs to include engaging, interactive experiences to compete as the customer becomes ever more demanding.

“We have embraced the inexorable rise of leisure space in shopping centres, whether that be through cinema or experiential moments such as the 22ft helter-skelter slide installed

at Trinity Leeds, a petting zoo at White Rose in Leeds or an indoor beach at Buchanan Galleries, Glasgow. It is important to engage and inspire consumers.”

NewRiver REIT has a dedicated commercialisation manager who manages its commercialisation across 33 shopping centres, working in close partnership with the marketing department and asset managers.

“Commercialisation represents a large and important income stream to our business,” says Allan Lockhart, property director at NewRiver REIT. “But it is also necessary to facilitate new or smaller businesses to test the market, as well as providing relevant, affordable and varied services for our shoppers.

“We [also] run a brand partnership across the portfolio where we have successful campaigns with Greggs, Iceland and EE. We are looking to take this further and find ways to amplify these partnerships to drive performance for our retailers across our portfolio of 33 shopping centres, 22 retail warehouses and 350 pubs to benefit from economies of scale.”

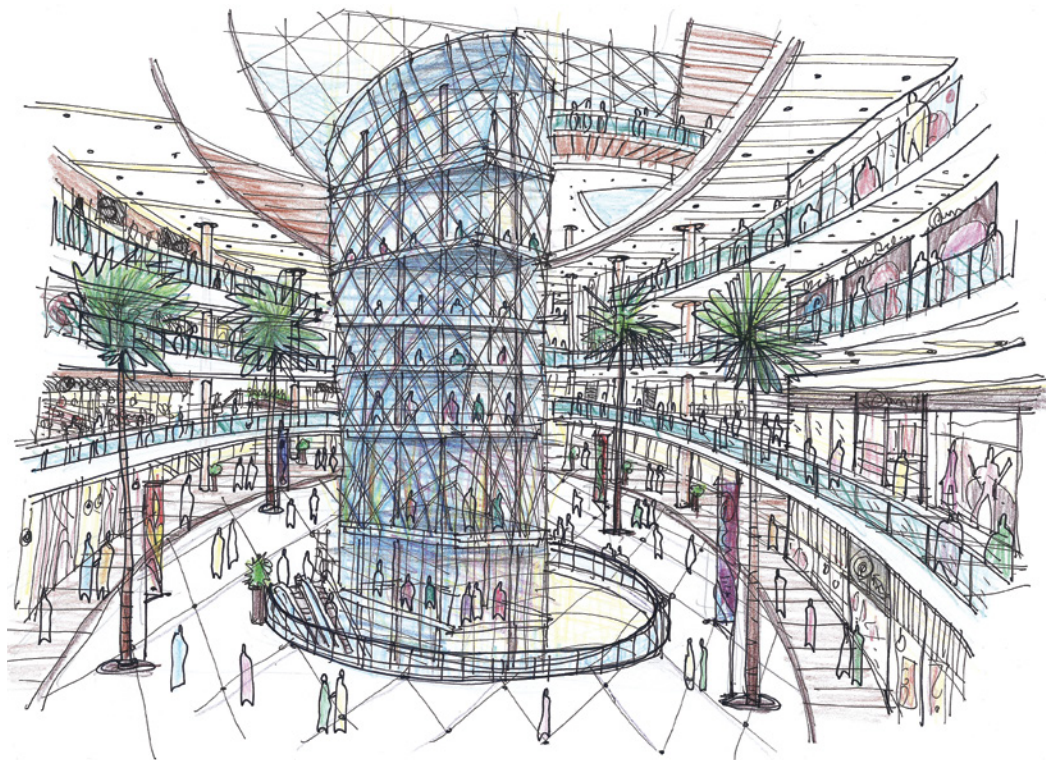
“Our future strategy includes the creation of dedicated event space and to provide pop-ups for key, on-trend brands.”

TH Real Estate

Another operator insists that its efforts are directed more towards delivering a compelling and varied dynamic experience.

It says that out-of-town has caught up with opportunities for this sector to learn and adopt initiatives from the main malls such as improved Wi-Fi and entertainment, which are targeted towards making these destinations more compelling and driving frequency of visit.

This all adds up to a simple sum: better retail space leads to bigger profits for retailers, which can only be good news for shopping centres. By combining new technology, enhancing customer experience, making use of big data and maximising space, operators can reap the rewards of a rapidly changing landscape.



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