

# RETAIL DESTINATION

MAY 2019

FORMERLY SHOPPING CENTRE MAGAZINE

THE BUSINESS OF RETAIL

## COMPETITIVE SOCIALISING PEPS UP THE LEISURE MIX

### Destination R Review

Highlights from two busy days in Birmingham

### Marketing

Mobile and data combine to drive shopper behaviour

### Leisure

eSports venues emerge as new leisure format



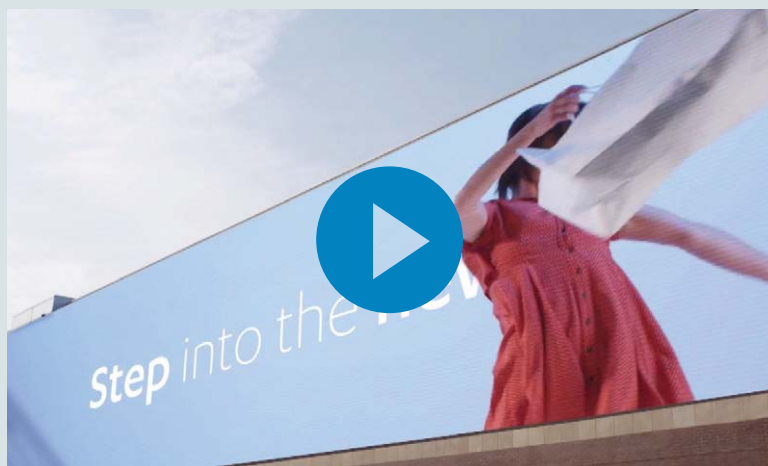
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## EDITOR'S LETTER

It's difficult to pull out the highlights from an event as diverse as this year's Destination R conference in Birmingham, but for me the standout session was the panel on homelessness chaired by Revo's Samantha Sen.

Rough sleeping is an issue that retail destinations across the country are grappling with, and it's not just confined to the major city centres. Physical interventions like installing spikes to make it impossible to sleep in shopfronts or hosing down pitches have drawn unwelcome publicity to retailers and malls because, frankly, they're inhuman. Homeless people need somewhere warm and safe and retail destinations are often the places that provide this.

But destinations quite rightly feel they have to do something to prevent aggressive begging and public drug-taking. The panel session concluded that if a solution to this issue can be found anywhere it will be in a partnership approach working with police and the local authority.

Vaughan Allen of Manchester's CityCo summed this approach up: "Don't ignore rough sleepers— talk to them, they are human beings. And treat people as individuals even though we have issues with their behaviours."

**Graham Parker**  
Editor, Retail Destination



## NEWS & ANALYSIS

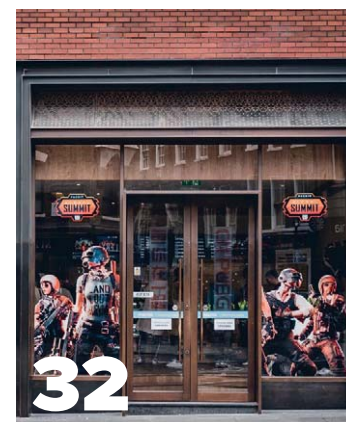
- 04** Kuwaiti investor takes 50% Intu Derby stake
- 06** Incentive FM picks up Landsec portfolio
- 08** Doncaster's Herten Triangle completed
- 12** Service charges on the rise
- 13** The future is dark for F&B

## FEATURES

- 14** **DESTINATION R REVIEW**  
Highlights from two busy days in Birmingham
- 26** **MARKETING**  
Centres need to rethink their marketing to older generations
- 30** **DATA MARKETING**  
Combining mobile and data analysis opens new ways to influence consumer behaviour
- 32** **LEISURE**  
The growing popularity of eSports is providing a challenge to traditional leisure formats

## REGULARS

- 40** **DATA**  
Retail facts & figures
- 43** **PEOPLE**  
Brunswick brings Bollywood to Bloomsbury



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# KUWAITI INVESTOR TAKES 50% INTU DERBY STAKE

**Intu properties and Cale Street Investments, an investment firm backed by the Kuwait Investment Office, have formed a 50/50 joint venture for the Intu Derby shopping centre. Cale Street is paying £186.3m for its stake, in line with the centre's valuation at 31 December 2018 of £372.5m.**

Intu Derby is located in the centre of Derby and is a key retail and leisure destination in the East Midlands, with an annual footfall of 22 million. The 1.3m-sq ft centre was extended and redeveloped in 2007 and provides over 200

units and includes key retailers such as M&S, Debenhams, Next, H&M, Sainsbury's, Zara, Hollywood Bowl and Showcase Cinema de Lux. Intu will continue to manage the centre on behalf of the joint venture.

Chief executive designate Matthew Roberts said: "In what is a challenging investment market, this innovative transaction, which is in line with the December 2018 valuation, shows Intu is delivering on its strategy of reducing loan to value through disposals and part-disposals. We expect the impact of this transaction to reduce our loan to value by around one per cent."



## SURREY HEATH PICKS KIER IN CAMBERLEY

**Kier Property, the development arm of Kier Group, has been selected by Surrey Heath Council as the preferred developer to work up a mixed-use scheme on the London Road development site in Camberley.**

The proposed scheme will transform a run-down area of the town centre and create a thriving new town square surrounded by a large mixed-use development, including retail, residential, parking and new public realm.

Situated fronting the London Road, opposite the Royal Military Academy Sandhurst, the 5.5-acre site has the potential to create a mixed-use development and improve the gateway to Camberley. Kier's proposal was chosen over rival bids from Countryside, Hub Group and Berkeley Group.







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### MUSE CHOSEN FOR DARTFORD SCHEME

Muse Developments has been selected by Dartford Council and Homes England to take forward the £75m regeneration of Dartford's Westgate area. The mixed-use development incorporates a six-screen cinema at the heart of a new social neighbourhood with bars, restaurants and family-friendly hospitality. Designed by tp bennett, the scheme will see the creation of a new public square, a 109-bed hotel, a multi-storey car park and up to 140 new homes around a vibrant public realm with 37,250 sq ft designated for restaurant and bar space.

### LOTHBURY IM SELLS CONGLETON PARK

Lothbury Investment Management, acting on behalf of Lothbury Property Trust, has sold Congleton retail park in Cheshire to Middlesbrough Council's Teesside Pension Fund, advised by CBRE Capital Advisors, for £15.09m, representing a yield of 6.46%. The 64,800-sq ft retail park, which was originally developed in 2004, comprises 10 units let to B&M, Boots, Marks & Spencer, Laura Ashley, Shoe Zone, Bensons, Carphone Warehouse, Jollies Pets, Halfords and Topps Tiles. The units generate an annual rental income in excess of £1m pa with a WAULT under 3.5 years.

### DONCASTER CINEMA GRANTED CONSENT

The Frenchgate Limited Partnership has received planning consent for a multiplex cinema in part of the former BHS on North Mall at its Frenchgate shopping centre in Doncaster. Occupying 15,000 sq ft and comprising up to eight screens, the cinema will be complemented by three new F&B operators totalling in excess of 6,000 sq ft. The remainder of the ex-BHS store is home to a 30,000-sq ft Flip Out trampoline park. Work on the £8m project will begin later this year, ahead of a spring 2020 opening.

## PRIMARK GOES BIG IN MILTON KEYNES

**Primark has opened its highly anticipated 75,000 sq ft store at centre:mk, owned by Hermes Investment Management and AustralianSuper. Even before the addition of the new anchor store, the Milton Keynes mall was recording footfall growth ahead of the national benchmark with close to 25m shopper visits in 2018.**

Located in the former BHS unit on Silbury Arcade, the new store features larger shopping aisles as part of Primark's new store format, and showcases the entire range of womenswear, menswear, childrenswear and homeware. Exit surveys had shown Primark to be the most requested store among visitors to the destination.

Hermes' Ed Sellick said: "The opening of Primark is a huge milestone and highlights the dedication to our strategy of 'reimagining an icon' that has seen over £60m investment across the shopping destination since 2016. This includes the recently completed 1,400-space new technological multi-storey car park, and £10m refurbishment of Sunset Walk and award-winning Guest Services area to ensure our visitors have an experience reflective of our status as a leading UK shopping destination."

MMX Retail and CBRE acted for centre:mk and Douglas Stevens & Co represented Primark.



## INCENTIVE FM PICKS UP LANDSEC PORTFOLIO

**Independent facilities management company Incentive FM has extended its strategic partnership with Landsec by securing a five-year contract to provide a full range of FM services at five premium outlet shopping centres across the UK.**

Under the terms of the new deal - which commenced on Monday 1st April - Incentive FM will deliver both cleaning and security solutions, take responsibility for M&E and the building fabric, as well as provide guest services at the Galleria in Hatfield, Braintree Village, Gunwharf Quays in Portsmouth, Clarks Village in Street and Junction 32 shopping village in Castleford.

In addition, 250 staff will be transferred to Incentive FM under TUPE, where they will receive a full induction, refresher training and take part in Incentive FM's 'Incredible Experience Programme', which promotes a best-in-class customer journey.

Colin Wilding, senior general manager at Landsec, said: "Since 2015 Incentive FM has demonstrated



its commitment to excellence while working with us at Bluewater. We are now excited to extend this partnership even further and we are sure that this latest agreement will benefit our guests at our outlet destinations."



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# DONCASTER'S HERTEN TRIANGLE COMPLETED

**Doncaster Council has received the keys for the Herten Triangle development at Doncaster Lakeside from contractor Willmott Dixon. The council-led scheme includes three restaurants, a coffee shop, dessert parlour and three drive-through units.**

It features a mix of local and national companies with Burger King, Costa Coffee, Creams Desserts, Dunkin' Donuts, Estabulo Brazilian Restaurant, Taco Bell, TGI's and Urban Burgers and Fries all signed up.

Mayor Ros Jones said: "For the council to bring this exciting scheme to fruition and get it fully let in a difficult market shows how attractive Doncaster is to these high-profile leisure outlets. It is important to remember that the original development had ground to a halt under the private sector developer but as the landowner we took the bull by the horns and have made it happen."

The highly sustainable scheme includes timber clad units, solar PV on the roofs, 5,000 plants and shrubs and 120 trees. There are 181 parking spaces and nine electric car charging points.



# HARLOW MALL SITE SOLD FOR RESIDENTIAL SCHEME

**EPISO, an opportunity fund advised by Tristan Capital Partners, in partnership with Addington Capital, have sold a mixed-use 4.5-acre site with consent for 447 residential units to Strawberry Star Homes for a price in excess of £15m. The site is alongside the joint venture partners' Harvey shopping centre in Harlow.**

Addington secured planning permission for the site, which was previously a shopping mall, to create a mixed-use regeneration scheme. The plans include four new standalone blocks, which provide 447 residential units and around 40,000 sq ft of retail space, together with below-podium car parking. Above the podium there are planned landscaped private amenity areas.

Tristan director Jeremy Bullock said: "We saw a real potential to transform this part of the town which had long needed investment by creating nearly 450 new residential homes in an attractive setting. Addington and Tristan have been early movers in the repurposing of underperforming shopping centre space and with the shortage of quality housing in the area, we believe this will provide benefits to all."

Addington Capital principal Martin Roberts said: "We were offered a good price for the site and wish Strawberry Star well in progressing the redevelopment. We will continue to intensively asset manage the rest of the shopping centre in the meantime."





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# SERVICE CHARGES ON THE RISE

## Bellrock's annual Service Charge Operating Report shows continued upward pressure on service charges



**Andrew Morley**, business unit lead - Real Estate Services Division, Bellrock

**F**or the past eight years Bellrock has published SCOR, an annual analysis of service charges in shopping centres, and this year the report shows that shopping centre service charge costs have increased by 7% compared to those reported in 2017. This follows a double-digit increase the previous year.

And according to Andrew Morley, business unit lead in Bellrock's real estate services division, costs are forecast to rise still further, largely due to the increase in the National Living Wage and its counterpart the London Living Wage.

The report benchmarks service charge costs and assesses accounting compliance with the Royal Institution of Chartered Surveyors' industry standards for the management of commercial service charges. This year service charge budgets and year-end certificates for 101 prime and secondary shopping centres were subject to a detailed cost analysis with the collection and analysis verified by prof Andrew Holt of Metropolitan State University of Denver.

The analysis found that 60% of total service charge costs (split roughly equally) can be attributed to the Total Cost of Management, Security and Cleaning/Environment cost categories. This is consistent with prior years. These three costs represent the most significant component of total service charge cost at most shopping centres. The Total Cost of Management category now represents approximately 20% of total annual expenditure, yet the basis for these charges is rarely given in year end certificates.

Apart from "Fabric Repairs and Maintenance", all other categories of expenditure have a higher median cost per sq ft in London than the rest of the UK. Typically, occupiers of shopping centres in London pay almost 40% more than those outside the capital.

End of year service charge statements are analysed for compliance with ten RICS accounting requirements. These are:

- Timely delivery of documents within four months of service charge year end.
- Fixed management fee.
- RICS cost classes used in the accounting report.
- Use of the RICS cost categories.
- Explanation of any significant variances from the annual service charge budget.
- Interest accrued on the service charge account is credited to that account.
- Tenants service charge apportionment is clearly set out.
- A suitably qualified manager has provided a certification statement.
- The accounting principles are disclosed.
- The schedule of accruals is disclosed.

The results show 40% of the documents reviewed for SCOR scored four or less on the ten-point scale and there seems to be no trend to a higher compliance rate despite the best standard practices set out by the RICS in its Code of Practice, 3rd Edition, released in 2014.

This year's SCOR is designed to coincide with the implementation of the 2018 RICS Professional Statement on Service Charges in Commercial Property, which came into effect for service charge years beginning on or after 1st April 2019.

In situations where the lease is silent on specific elements of the service charges and their management, the RICS professional statement establishes mandatory best practice. The RICS should be congratulated in its latest attempt at improving best practice within the industry. The challenge is to establish an agreed framework for effectively verifying and monitoring compliance with the requirements of the professional statement.

The 2018 RICS professional statement includes new mandatory requirements for RICS Professionals and regulated firms involved in the management and administration of service charges. Stakeholders within the industry who wish not only to comply with the mandatory elements of the statement but go further and embrace the best practice elements of the document should bear in mind that:

- Service charge budgets must be issued annually and should be produced at least one month prior to the start of the service charge year.
- Annual statements of service charge expenditure should be presented to occupiers within four months of the service charge year end.
- If service charges are significantly above industry norms, an adequate explanation for the charges should be provided.



# THE FUTURE IS DARK



## Are dark kitchens the best way of satisfying the ever-growing demand for fast-food deliveries?

**A**head of the Mapic Food conference in Milan, a new analysis highlights the way delivery is driving growth in the F&B sector, and changing the location and unit configurations favoured by food operators

According to MAPIC's editor-in-chief Mark Faithfull, delivery has opened up a second boom in the F&B sector. "Driven by millennials who don't hesitate to order food two or three times a week and who expect fast service, wide choice and good value, a whole new industry has emerged to cater for their seemingly endless appetite," he writes.

"Such has been demand that established restaurants have sometimes struggled to cope with a horde of motorbike helmet-clad couriers waiting in line for collection and have had to consider reconfiguring their restaurants to ensure the in-store experience is not impacted or to move delivery out to so-called dark kitchens.

Deliveroo has opened its first dark kitchens in London and Paris, and Uber Eats has announced it is to set up its own sites. Foodstars, a London-based startup that specialised in dark kitchens, has already been snapped up by a US-based investor.

According to Faithfull's analysis for Mapic Food, hosting different restaurants in this way has multiple benefits. Firstly, it allows operators to offer a wide variety of different cuisines from a single location, appealing to a broad spectrum of consumer tastes. What's more, dark kitchens enable restaurants without their own delivery services to tap into the lucrative home delivery market.

Working closely with the chefs of the original restaurants, dark kitchen managers can ensure that standardised dishes are produced which match their brand. The sharing of ingredients across different brands in a dark kitchen also improves economies of scale.

Another crucial value in the dark kitchen model lies in changing menus quickly and easily. Many traditional restaurants open in response to changing tastes and trends, leaving them vulnerable to the latest food fads. With no physical premises to refit or remodel dark kitchens can change their menus – or even the entire concept of their restaurants – quickly and easily.

While proprietors of dark kitchens do miss out on walk-in sales and the high mark-ups of drinks purchases from dine-in customers, their ability to operate without any of the high overheads of traditional restaurants makes for a compelling proposition.

But as more and more people eat delivery meals at home, often alone, a new opportunity is opening up for physical restaurants to differentiate themselves by offering a social experience that delivery can't replicate.

The growth of food halls like Eataly, Time Out Markets and Market Halls is already a reflection of this – the food hall is as much about social interaction as it is about the quality and range of food on the menu.

Mapic Food will hear from retail food specialist Marco Beolchi, who believes that physical and social media communities will play a growing role in driving F&B innovation and creating loyalty around brands. Beolchi believes F&B specialists "Will have to be increasingly guided by ideas and interactions with consumers, turning them into contributors.

"Those who follow a brand need to feel a sense of real belonging to the brand community and to perceive that they are playing an active role that generates new ideas and products, based on real-time feedback from buyers. This is how the community will become not only a customer but also the biggest asset of the brand," he concludes.





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## More than 500 delegates gathered at the Birmingham Metropole for the inaugural Destination R conference

The revamped shopping centre managers' conference, organised by Retail Destination in partnership with Revo, drew its biggest-ever attendance in 2019. The packed conference programme covered everything from economics to homelessness but equally important to the success of the event was the bustling exhibition area, where more than 40 suppliers to the industry set out their stalls.

Opening with a drinks party on Tuesday night, the event concluded with the presentation of Revo's ACE Awards for customer service, recognising staff

at retail destinations who go out of their way to improve the customer experience.

The following pages contain just a taste of a very successful couple of days. Thanks are due to all the speakers for their engaging presentations and their enlightened contributions to the discussions; to the sponsors and exhibitors whose financial support makes the event possible, to the organising committee for helping to shape the content and to the organising teams at Retail Destination and Revo.





# IS THERE LIFE BEYOND 2019?

**Stephanie McMahon, head of research at BNP Paribas Real Estate, lead the day's discussions with a focus on Perception versus Reality**

**Stephanie McMahon, head of research, BNP Paribas Real Estate.**

**I**t's a tough gig at the moment, isn't it, trying to find clarity in what's going on," opened Stephanie McMahon, head of research at BNP Paribas Real Estate before launching into her whistlestop tour of predictions for the economy, the UK's commercial property outlook, and a post-Brexit Britain.

She began her presentation with a look at the global economy, pulling up charts that show that both the US and the Eurozone are facing a similar downturn in capital expenditure, then a similar picture with downturn in consumer confidence after a few exuberant years of quantitative easing. In spite of this, McMahon said: "It's not a disaster...on the whole, business leaders and country leaders alike are feeling relatively confident around the economy."

It is, as she put it, a matter of perception: "I think we have to ask ourselves whether the perception, sentiment, confidence

and reality are all the same thing. Perception versus reality is an interesting thing. In the UK, we have the fifth largest economy in the world and we think we're twelfth. That is something that we need to continue to remember when we are in very uncertain times as we are at the moment," then adding: "We've got pretty slow growth, but we're not hitting a recession, but we're not looking at anything very exciting."

Touching on Brexit, she highlighted the confusion surrounding the UK's attempts to leave the EU, before honing in on the soft power that the UK holds in regards to long-standing stalwarts, such as the English language, the Common Law legal system and the Royal Family: "Our traditional institutions and culture are very resilient and my belief is that they will see us through these turbulent times."

On commercial property, she reflected on the strong year just passed, with transactions coming in at £62bn, £5bn higher than the projected £57bn. In contrast, she says that 2019 is looking far less certain, pointing out that forecasters are struggling to find some clarity amid the uncertainty and are unable to settle on a consensus, particularly in regard to shopping centres, on what returns will look like for this year. Still, posing the question 'does it make sense still to go into property?' her answer was: "Yes, it does."

She explained: "Volumes are down 30 per cent on the year before and the sector that has been most hit is shopping centres. Shopping centres are the one people feel most confused about. We've had the lowest level of shopping centre transactions ever in 2018. But does that mean we've all gone off our love of shopping? Of course it doesn't, we love to shop. Shopping actually drives the whole of the UK economy."

And finally on disruptors and the future of retail she highlighted both the rise of ethical consumption - "It takes a lot of water to make a pair of jeans" - and technology, saying that voice assistants, as they become more intelligent, will have a huge influence on how consumers shop.

"Please think about perception and reality," said McMahon in her closing remarks. "They are quite different things and for me at the moment that is the vital point to hang on to when we think about the noise going on. Investors are still very interested in UK real estate. 2018 was much stronger than expected. 2019 is going to be much less exciting, and if it is going to be exciting it will be so on the down side. And retail evolution continues through structural change."

"We still see a lot of opportunity in real estate, we are just in one of the biggest changing spaces I've seen in my whole career," she concluded.







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# EXPECTATIONS VS REALITY



**The first panel session of Destination R looked at some of the key forces driving change in the shopping centre sector.**

Chaired by Revo president and Ellandi co-founder Mark Robinson, the session featured Stephanie McMahon, head of research and senior director at BNP Paribas Real Estate; Herculano Rodrigues, associate director at Javelin Group and Mary Wallace, senior managing consultant at IBM Group.

Rodrigues opened: “There’s a combination of things we’ve not seen before coming together: digital, changing consumer expectations and getting to market and getting to billions of consumers has never been easier.”

“Real estate is still doing things the same old way, but the world’s moved on,” added BNPPRE’s McMahon. “Real estate hasn’t started to grapple with these issues.”

“Retail is everywhere now – the behaviour of retailer has changed and tech is enabling access for everybody,” said Wallace. “The government believes leaving it to the market will fill the gaps in the high street. Citizens and communities are totally absent from the Future of the High Street committee report. But we’re seeing more fluid demographics and hyper-local solutions. People in communities have got sick of it so they’re starting to help themselves.”

And all three agreed that the technological revolution that has transformed retail still has a long way to go. “Amazon posted a profit for the last four quarters and that’s driven by Amazon Web Services,” said Rodrigues “They invest 16% of turnover in R&D while a typical retailer only invests 4%. Already 50% of all US online sales are going through Amazon and when they get their clicks & mortar strategy right they’ll really encroach on the shopping centre space,” he predicted.

“We’ve seen the convergence of channels,” he continued.

“Shopping online is seamless and 70% of meaningful purchases now touch digital. That means there is an overprovision of physical shops.”

McMahon added: “There’s been a transference of activity from one channel to another and that’s happened in combination with towns becoming less economically viable while the housing market has been flat for some time. The real mismatch is between the way that wealth is distributed in towns: Businesses have invested in upgrading shopping centres and the people who gain are the people who have bought houses in the area.”

Ellandi’s Robinson agreed: “Massive oversupply is at the core of it, while the change in the housing market means people don’t use their house as a piggybank now.”

However he does see some positive changes in the political climate. “I’m encouraged by what I see coming out of the combined authorities because not every town is now competing for the same bit of business,” he said. “And once government policy was all about housing and they didn’t care about what happened on the ground floor. That’s changed since the Future High Street Fund.”

IBM’s Wallace said: “40 years ago at a time of political turmoil and economic stagnation people got hold of available technology to create punk which changed music, magazines and shops.” She said something similar was now happening with tech. “Things like ShopAppy [which allows local retailers to compete with online giants] are getting out onto the high street. The question is how do we scale that so it’s on every high street? There are loads of ways to talk to and listen to your consumer. Anchor tenants don’t carry the weight they did so we need new solutions to get people to come to a space.”



**Left.** (from left to right) Herculano Rodrigues, associate director at Javelin Group; Stephanie McMahon, head of research and senior director at BNP Paribas Real Estate; Mary Wallace, senior managing consultant at IBM Group; Revo president and Ellandi co-founder Mark Robinson.

But Rodrigues warned tech isn't a cure-all. "Playing devil's advocate for a minute, there are huge challenges in getting tech right," he said. "We've already seen tech weaponised to swing elections. The real power lies in the combination of technologies – no one single tech will solve things. We need to start with the problem and ask which technologies will solve it."

"I'm a geek and I constantly see people trying to sell tech into real estate businesses, but I've yet to see a killer app," interjected Robinson.

"Appear Here is an example," said Wallace. "What does that flexibility mean for established retail landlords?"

And Rodrigues chipped in: "Sweden has just seen the first recyclable mall, called Retuna: you drop off stuff you no longer need, it's upcycled and sold in the front of the mall."

The panel then moved on to the issue of changing consumer behaviour. Chairman Robinson set the scene. "I think consumers are a little bit spoiled," he said. "Already we're seeing ASOS rowing back from free returns." And he pointed out: "There is a mismatch in consumer behaviour – they won't use plastic straws but they want five pairs of jeans to be delivered only to

buy one and return four. If another recession comes along, will ethical consumption go out of the window?"

"I'm not sure when push comes to shove people will stick to ethical consumption," McMahon said. "They'll still want five pairs of jeans."

Rodrigues asked: "Is decision-making devolved to the people who talk to the consumers every day? Do centre managers have input into leasing decisions that could allow centres to meet the needs of their communities?"

"The inflexibility of real estate is in an impediment," agreed McMahon. "And part of the reason it's inflexible is because we haven't been forced to change. Look at valuations for instance: the way we value centres is a huge barrier to change."

Mark Robinson thanked the panellists and summed up. "For me the key take aways are that the solutions have got to be community-led and we have to empower people on the ground. And ethical consumers are a challenge to retailers – the old approach of 'build it and they will come' no longer works."





## Designing the retail destinations of tomorrow with Ralph Ardill and Grigor Grigorov

**G**rigor and I spend a lot of our time with our heads stuck in the future dreaming what it might be like and trying to design and deliver it, and either making lots of trend-presentations or attending them,” said Ralph Ardill, founder of Ralph Ardill Ltd, opening his presentation alongside Grigor Grigorov, partner at Make Architects, in their session Tomorrow’s World: Designing the Future.

“We often find they can go soaring over the heads of our audiences so we thought we’d try something a little bit different today and try showing you a new story for how in the not too distant future the future of retail and shopping destinations will look for all of us.”

The pair then presented their fictional future retail destination, located ‘somewhere in the UK’ to remove any audience preconceptions about real locations, painting the picture of a family shopping trip on a Saturday morning, six years in the future.

The analogy follows a family of four going on a shopping trip to a hypothetically-designed future mall. The main purpose of their visit is to get something to wear for an upcoming wedding, but the overall idea is that the many engaging offerings in the mall will entice them into having a complete day-out experience. Each family member is going to the mall with a different mindset and a different purpose and the story shows how this new concept destination mall turns their unpleasant shopping mission into a full and fulfilling day.

First up is stressed-out mother Sarah, whose plan to order a

dress online went awry when on arrival it did not turn out like the pictures and needs a new one. “She goes to a store called Digital Natives which represents digital brands that are only available online and in this one physical location,” Grigorov explained, demonstrating their expectation that clicks-to-bricks will soon become a reality.

“What you can get here is nowhere else on the high street with the added benefit of you being able to touch it, feel it, and try it on. As she goes in, she utilises the digital technology and the changing room equipment to have her friends and her sister comment on the outfits as she tries them on, and she is able to choose one based on their approval.”

Next comes dad Tom, who is a complete suit-buying novice, only owning one he got for a funeral ten years ago. He goes to the same-day concept store, where he is assessed by the retail concierge before stepping into a virtual body scanner, which then simulates images of him wearing various suits. Ardill said that this is where retail meets experience: “His son is with him and enjoying the fun process. When he chooses a suit it is then assembled live in under three hours. A fun and worry-free experience.”

Third is daughter Chloe, who is extremely sustainability-conscious, and does not understand why you should buy a dress to wear once and then put in a wardrobe never to wear again. Her eco-conscious mind is something retailers have recognised, and she is able to go to a store which recycles plastic and makes it into a wearable outfit. “She can see the bottles-to-bridals and watch skilled craftsmen building outfits



on the spot. This is the first time she's happy about something during the day by achieving her parents' objectives but in a way that are true to her own beliefs," Grigorov explained.

Finally there is son Dylan, who is excited to get his very first suit. He is, much like so many young consumers, brand conscious, but does not fully appreciate the strain it puts on his parents' purse strings to buy a designer label he will fast outgrow. Sarah's intuitive app suggests a new store concept, 'WardrobeBnB': a business that stocks other people's clothes to rent, and Dylan is able to choose something that is a label at a reasonable price.

Having achieved their goal, they family then decides to see what else the centre has to offer that day. The rest of their day sees them having a customised, drone-delivered lunch; Tom visits his local alcohol-free pub at which he is a shareholder; Sarah attends an entrepreneurial talk at the centre's co-working office; Chloe meets up with a friend at the 'wellbeing oasis' for some 'body and mind healing'; Dylan takes part in a penalty shoot-out and a Fortnite live event; they have dinner at a food-market hall dining concept; and then meet up with Tom's parents, who they are alerted are also in the centre, to go and view X-Factor Live at the holographic projection arena.

"This is a day in the life of the not too distant future," said Ardill, then asking: "What's that story telling us about things we need to be thinking about as we evolve and transform shopping places for the future?"

He then asserted that it is the emotions that are driving the behaviours and that it is behaviours that we need to transform and connect into: "We believe that shopping places of the future need to have much more intelligence in terms of understanding the psychology and emotional needs of the consumers and the visitors in real time.

"Seeing someone going home happy is what success looks like, not just them going home with a dress at the right price. Understanding that emotional and behavioural makeup will become a critical part of understanding shopping trips in the future."

Grigorov added that there has been a shift from destinations to

journeys saying that is not just about going to one place and completing a transaction but about understanding that every one of us is on a personal journey and where we choose to take that journey is dependent on how well the places accommodate us.

"In terms of what we do when we get there we need to create enough draws for people when they get there to make your destination part of their journey and part of what they want to achieve rather than it being a one off place you go to, do one thing, and leave never to come back," he said.

"It's about going somewhere without making a plan and make a really good day out of it regardless of not having looked up anything. That kind of spontaneity has been taken away from us, so being able to turn up somewhere have a fantastic experience is crucial for making successful places."

One way to do this, Ardill asserted, is to turn old habits to new behaviours: "We see a huge opportunity for shopping places to harness the power of experience to introduce us to new behaviours. We're adept at adapting to new technology and new behaviours, look at the way we use our phones to order things – which is something we just didn't do a few years ago. We're just now assuming that capability.

"It's about the transformation of ourselves through the power of experience, not just the provisional experience of giving us a good night out. There's a huge market opportunity for that and some of the contexts we've touched on today are trying to tap into that trend."

Concluding their presentation, Ardill said they believe the evolution of what shopping places are into what they will become next is participatory, and will only happen in conjunction with communities and their audiences in terms of understanding their needs and behaviour.

He said: "It's a case of collectively prototyping, rather than going away and wondering what people want and building it and seeing if they come, instead we change the dynamic. Everything is co-created, and people feel like they have a stake and that these places mean something in communities and they mean something to the people who use them."

**Left. (from left to right) Ralph Ardill, founder of Ralph Ardill Ltd and Grigor Grigorov, partner at Make Architects.**





**The opening afternoon session at Destination R looked at four different approaches to an issue that affects almost every retail destination – homelessness.**

Opening the session was Jean Templeton, chief executive of the homelessness charity St Basils and chair of the West Midlands Combined Authority Mayor’s Homelessness Task Force.

“Each of the metro mayors have made homelessness a priority,” Templeton began. “But they have no statutory powers or resources as these remain with the local authorities. However, what they do have are convening powers.” And she believes that the issues around homelessness can only be solved by bringing people together. “No part of the system is able to resolve homelessness alone – that’s why we have to do it together,” she asserted.

“Homelessness has risen to unprecedented levels but the term is often used interchangeably with rough sleeping,” she explained. “Rough sleeping is only the visible tip of a very large iceberg. If you only talk about crisis and rough sleeping frankly all you’re going to get is crisis and rough sleeping.”

Explaining the backdrop to the new crisis, she said: “Homelessness is caused by a multitude of factors but the unifying factor is the shortage of affordable housing. Shelter say there’s 320,000 people are homeless in Britain today and the most common reason for homelessness is the end of an assured shorthold tenancy. We’ve shifted from a situation where a home was indefinite and that allowed people to become part of a settled community. Now things have changed for whole communities – rising debt levels and the shift to Universal Credit are all having an impact on neighbourhoods.”

And she pointed out that homelessness isn’t just something that happens to ‘other people.’ “I guarantee that there will be people working for you who are at risk,” she said. “If you can keep them in employment it’s a huge preventative factor.”

Templeton concluded with a call to action. “We want to foster a commitment to collaborate from the business sector,” she said. “If there is light at the end of the tunnel it’s the great work being done by partnerships.”

#### **COMPLEX LIVES IN DONCASTER**

Pat Hagan, head of service (communities) and Debbie McKinney, service manager, described steps taken by Doncaster Council, which has adopted a “people and places” approach.

Beginning with physical interventions in the town centre, Hagan explained: “Doncaster has suffered the impact of online, out of town and retail failures and the town centre has not been resilient.

“The council moved to revitalise Sir Nigel Gresley Square which is anchored by the Cast theatre,” he said. “The markets have regional and national significance and the Wool Market reopened last week. And now we’re revamping the station forecourt to provide a sense of welcome.”

“The other side is people, people who have complex needs,” added McKinney. “It’s absolutely crucial to integrate rough sleeping into the plan for managing a town centre but this approach would not succeed without buy-in at chief executive level from the police and the local authority.”



The result, Doncaster's Complex Lives Alliance, is a multi-disciplinary approach, getting practical help to people who need it and it has succeeded in cutting rough sleepers in the town centre from 67 to 11.

"I'm confident we've developed an approach that delivers results with empathy," McKinney concluded.

#### MANCHESTER'S INTEGRATED APPROACH

Vaughan Allen, chief executive of CityCo described the robust approach initiated by CityCo, the city centre management company for Manchester that runs the city's BID, the Business Crime Reduction Partnership and the F&B Network.

"Manchester was probably the first to see the new wave of rough sleeping which began in 2014," he said. "Our approach has been to work with businesses to deal with the practical issues raised by rough sleepers."

Allen explained that Manchester has 80 to 150 rough sleepers depending on the weather. "The vast majority of these do have access to accommodation of one form or another," he said

"One of the big challenges was to set up an integrated system, not just having police acting as police and social workers acting as social workers," he said. "There is no point taking police action against somebody who has no money, so we've worked with the magistrates to ensure people are bound over to engage with help."

He said that particularly effective has been an alternative giving scheme to provide micro payments that make

a practical difference. "We also support the Street Support Network— a nationwide resource highlighting where help is available," he said.

Concluding, Allen told delegates: "Don't ignore rough sleepers— talk to them, they are human beings. And treat people as individuals even though we have issues with their behaviours."

#### COFFEE FOR CHANGE

Julian Burnham, managing director, Change Please described the work of the social enterprise that operates a network of coffee vans staffed by people who were formerly homeless. It has already helped 84 people off the streets.

"Change Please trains homeless people to be baristas," he explained. "It's a long-term solution. They are paid a living wage, we find them accommodation and a bank account and will act as a referee and provide loans for rental deposits."

And the transformation these practical steps can bring is remarkable. "We are giving them skills, engaging with people and giving them a reason to get up and get out to work on time," he said. "We also provide therapy to insure this is a long-term sustainable change."

Change Please currently employs 15 people. "The next step is to find jobs for them to move on to. Already six have moved on to become mentor baristas, training others."

Change Please currently operates from eight managed sites, and it is sourcing more through a partnership with Transport for London. "In the places you manage there's bound to be a spot where we could work," he told the audience of centre managers.

**Left. (from left to right) Jean Templeton, chief executive, St. Basils; Samantha Sen, head of policy and campaigns, Revo; Pat Hagan, head of service (communities), Doncaster Council; Debbie McKinney, complex lives team manager, Doncaster Council; Julian Burnham, managing director, Change Please and Vaughan Allen, chief executive, CityCo.**





**Towns like Altrincham are redefining their offer to meet the growing consumer desire for a day-out experience that's about more than just shopping**

**F**undamental shifts in consumer behaviour continue to push our industry to come up with new, innovative ideas to drive footfall and harness sales," opened Retail Destination's very own editor Graham Parker, chairing the day's final session titled Experience Plus. "Tomorrow's success will belong to those owners, occupiers, and operators willing to break traditional moulds and practices and fully embrace a consumer driven future. But what will this look like?"

This question was posed to both the audience and the expert panel made up of: Matt Colledge, former chair of Altrincham Forward; Elizabeth Faulkner, BID manager at Altrincham Unlimited; Andy Lewis-Pratt co-founder of Market Halls; Stephanie Potter, marketing director, Shoppertainment Management; and Jack Busby, director of retail operations at Landsec.

Colledge and Faulkner then took the stage to give their presentation on Altrincham, a town in South Manchester in the borough of Trafford, which has gone from being deemed a 'ghost town' in 2010 to winning the Great British High Street Award in 2018.

"Back in 2010, we were a ghost town absolutely at the top of a league that nobody wanted to be in of vacancy rates and that really captured the despondency of the town," Colledge shared, setting the scene for the recovery story. "Businesses had closed long before the recession, and in part I think this was down to an outmoded and a broken view of regeneration that the council was driving forward, and that is just a primary fixation on big glass and steel palaces of retail and that clearly

wasn't working for Altrincham.

"Effectively, socially and culturally as an environment, Altrincham had reach rock bottom." This, he said, sparked what was fundamentally a complete reimagining of the town.

"We looked at one of the most significant assets we have in the town: the people who represent the businesses," he told the audience. "We came together and formed what evolved into Altrincham Forward.

"Our town shopping centre owner was really important to Altrincham forward, but there were also smaller owners involved and different types of landlords; retailers large and small coming together; residents; young people; community groups and town centre partnerships; people from leisure and culture and engagement events."

In order to establish a clear vision going forward, they asked themselves a number of questions: "We wanted to look forward to what a town would feel like to be in it, what does it make you feel like when you go out? What do you say about it that's positive? What's it like to shop? What's it like to relax and enjoy? We challenged ourselves to think differently and came together with a very unified view of where we needed to go. Our vision and our action plan was critically curated, honed, and driven forward by all those people. It wasn't just one single organisation, and that proved to be really, really important."

Over time, Colledge said they decided they wanted to position themselves as a modern market town. "We wanted Altrincham to be a logical place not just to shop but to live, to



set up business and build all the things around that to make Altrincham a destination to do all those things. And then the Market became absolutely crucial.”

The Altrincham market has since been established as one of the towns hubs of activity. It is a food market-hall concept made up of local independent stallholders with quality offerings, relying on local produce. It was an overnight success, and sparked renewed interest in the town.

“We started to see units in the area that had been empty for years being occupied by small to medium independent operators, all bringing something a bit different and complementing the market’s offer,” College shared. “We then saw the more traditional centre completely transformed from being boarded up to buildings coming back to life.”

Faulkner, the BID manager from Altrincham Forward, which took over the town’s regeneration project with the launch of their BID in 2016, first championed the BID scheme, calling for everyone in the audience to get involved in staking their claim, before saying that the market put the heart back into the town: “It has created that regeneration ripple effect, but as we know it’s like gardening; it can’t stand still, it’s got to constantly evolve and move forward.

“The BID has been in place for three years. We’ve organised a series of projects and events. The businesses tell us that those events are critical to helping them get their message out there. We have heard that some businesses have set up in Altrincham because there is a BID there to help and support them. We’ve now got shops on our high street that are selling nothing but sewing lessons or a float spa experience or a children’s dressing-up experience or a maths lesson or a music lesson. Ten years ago you would have never imagined this on our high street but it is now happening.”

Faulkner explained: “Our three principles are: Quality, because people’s demands of experience are high quality; its about community, which is important in our market town; and it’s about embracing what’s unique and special about Altrincham – what can you do here that you can’t do anywhere else, what opportunities does our environment create?”

Following this presentation, the panel then opened up the discussion on all things experience. Shoppertainment’s Potter gave some insight into their ‘Are You Hungry Hull?’ event, which involved a number of social media teaser campaigns for a two day festival, bringing together more than 15 pop-up food retailers of many different cuisines for an artisan-feel weekend.

“We’re living in this ‘experience economy’, the shopper is demanding more than they used to, so we need to provide that extra element,” Potter said. “People want more in their social lives, they want to be able to connect with their friends, or to be entertained. It’s all about providing that extra entertainment, thinking outside of the box. We put on events, but we have to ask ‘is it wow enough for them? What are they actually looking for in an event? At every touch point you need to be able to layer your event so that you’re meeting the target audience.”

She added that centres have to evolve all the time because even though they might have an amazing idea, and the shopping centre down the road will also have an amazing experience: “You’re constantly fighting for that footfall coming through the door so you always have to be thinking forward and predict what they want from their shopping experience, so you do get to the mindset of their needs to find how to appeal to them.”

Andy Lewis-Pratt discussed bringing the hugely popular European communal eating concept to the UK with his Market Hall business, which has just signed up to open its third site at intu Lakeside. He said that the response from operators looking for a site was staggering, which he put down to food trends and the massive variety of restaurateurs in the market: “I think a lot of us are bored with the same old restaurant, with the same old stuff and the same old cookie-cutter look and feel. It’s much more exciting when you can go as a family or as a group of friends and all choose what you want, because you won’t all want the same thing at the same time. The atmosphere you create with good food and good music, the overall vibe is what makes it a success.”

And talking about the future of retail and experience, Jack Busby of Landsec said that public spaces are fundamentally changing, and that retail and leisure are increasingly operational, meaning working closely with centre managers will be fundamental to progress and being able to outperform.

He said his role going forward will be playing around with the kitchen scales: “One over here is cost, and one over here is experience, and how do we play around with these two elements on the scales without detrimentally effecting the business? If we wanted to, we’d be massively raising customer experience to greater levels, but that comes with cost.”

Closing the conversation, College added that everything needs to be considered realistically: “I think it speaks back to challenging orthodoxy, and actually having that challenge built into the business model. There has to be a recognition that there will be failure.”

**Left. (from left to right) Graham Parker, Retail Destination editor; Jack Busby, director of retail operations, Landsec; Andy Lewis-Pratt, co-founder, Market Halls; Matt College, former chair, Altrincham Forward; Elizabeth Faulkner, BID manager, Altrincham Unlimited and Stephanie Potter, marketing director, Shoppertainment Management.**



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# PLEASE HOLD

## Telephone messaging is an often-overlooked part of the marketing mix

**W**ith high street retailers under such unrelenting pressure from online sales, shopping centre owners and landlords need to leverage every opportunity they can to cross-sell and upsell the one-stop-shop advantages of consumer choice under one roof.

“From billboard advertising to social media and events to CSR activities, the importance of a marketing strategy in generating footfall has already been established,” says Mark Williamson, sales and marketing director at PHMG. “Yet, the more forward-thinking of owners realise they cannot just depend on the usual marketing suspects in order to succeed in the current retail climate.”

The underutilised medium Williamson is referring to is the telephone. “It’s still a valuable touchpoint,” he says, “The telephone provides shopping centres with a golden opportunity to drive maximum visitors and spend. But only if the caller experience is a positive one.”

As with face-to-face encounters, callers to shopping centres can develop a lasting perception of the business based on how well they are treated while on the line. They may be calling for any number of reasons: a customer wants to know Christmas Eve opening times or what events are on for Father’s Day.



**Mark Williamson**, sales & marketing director, PHMG.

“Whatever their reason for ringing, it is important to ensure they are dealt with to the highest standard, especially when 73 per cent of Brits wouldn’t buy from a company again if their first call wasn’t handled to expectations,” he explains.

As well as employee behaviour, another aspect to consider when implementing call handling best practice, Williamson suggests, is hold time: “Consumers across the globe have suffered at the hands of a company’s poor on-hold procedure. No one wants to hear repetitive ‘please wait’ messages, nor do they want to hear constant ringing or monotonous beeps. They’re frustrating and can lead to caller hang-ups.”

Yet, he says, putting a customer on hold does not have to equate to loss of sales. Instead, he believes shopping centres should look this time as a unique chance to turn the telephone into a highly effective marketing tool.

“PHMG research has found that shopping centres keep customers on hold for an average of 51.97 seconds per call, enough time to engage, entertain and speak directly to the already interested listener,” he tells. “This can be done through targeted on-hold messages, snippets of informative dialogue that not only helps keep callers on the line for longer but also offers a promotional opportunity for the centre and its shops.”

An on-hold marketing production works by complementing a company’s existing brand image and values through sound. The voice and music used in these messages can be designed to reflect specific company values – everything from the pitch of the voice to the tempo of the music can influence how a person perceives the brand. Williamson says that PHMG’s experience has found shopping centres tend to use tracks with an upbeat, current feel that do not lean heavily on one particular genre in to help appeal to the mass market. They also use a mixture of masculine and feminine voiceovers with friendly, relaxed styles of delivery and with regional accents.

When it comes to content, a shopping centre could promote its free parking, newly-opened stores or any upcoming sales, such as Black Friday or Boxing Day.

“Perhaps a customer is calling to enquire about gift vouchers, only be told about a personal shopping event that they would be interested in attending,” Williamson adds. “Ultimately, on-hold messaging provides centres with a chance to increase visitors and boost sales. Given its advantages, businesses in the industry would be well advised to consider it an essential part of the marketing mix.”



# CARE FOR THE COMMUNITY

## Centres are finding new ways to engage with their local communities

At the Destination R conference held last month in Birmingham, a major topic was around how centres have adapted in the past ten years, moving from offering just retail and shopping customer service, to becoming one stop destinations for whole days out.

In particular, 'A Tomorrow's World: Designing the future', a talk by Make Architects, showed an in-depth knowledge of how people wanted shopping centres to create an emotional connection, as well as a shopping experience. Research by Gensler found that 94 percent of visitors took their time in spaces, meeting friends for coffee and, where they could, enjoyed taking part in standalone initiatives such as climbing walls and soft play areas.

"While that's all very well and good for thriving centres with big budgets and strong redevelopment plans, does this mean that the others are left behind?" asks Andrea Petrou, social media manager at marketing agency, OnBrand. "In our view: no."

The trick, says Petrou, is how to retain the lessons and apply them when budgets dilute the opportunity. "That's where creative solutions to get footfall and community messaging through the door, come into place," she explains. "Yes, a lot of that does lie in events, but it's also about making the most of social media and engaging with the wider community."

The key to this is experimentation when it comes to social media as, after all, each scheme has a different audience and agencies like OnBrand need to see exactly what engages whom.

"For each scheme we have a content plan that tests social content and how it's received. We explore celebrity, fashion, food and community content to see what resonates best with the local catchment.

"Photos of charity collectors in the building, mentioning centre staff and store managers who had gone above and beyond, and, of course, promoting external events around the area, have all gained high engagement. We've also found talking about local human stories have done well.

"All of these initiatives result in building positive brand reputation," she adds.

It may not result in immediate footfall, but this type of strategy is a long term push. It means more followers who see the centre as the source of good quality informative local content. The more association to them means a better advocacy and loyalty, thus converting to shopper visits and higher visibility of all content.

"The more of a community reputation there is, the better it stands out from a competitor in a small radius with the same offerings, thus increasing the footfall moving forward," says Petrou. "We have already seen strong evidence of how a small budget event coupled by a strong community social media offering has equalled strong results."

A valuable opportunity to engage with the community are empty units, according to Emma Thompson, marketing solutions at OnBrand, saying that the agency has been working towards this idea for a few years: "We have been able to convert dead spaces into energy-filled spaces that benefit everyone," she says.

"Where a local business or charity can't afford a permanent shop, but the centre management doesn't like to see too many closed-up units, we are able to create an event, workshop or even local business marketplace and brighten up the unit for a day or a weekend. Shoppers are intrigued and happy to join in with the activities, so this approach is a win-win situation."

Thompson points at evidence of using empty shopfronts for branded photo opportunities, charity events such as sponsored cycles, music days or recruitment areas, which have seen increased footfall and local business branding. But she believes that there's an opportunity go further with initiatives such as introducing empty shops as community spaces, connecting like-minded shoppers through events such as cookery classes, storytelling times for new mums or an area where kids can learn and play.

"Of course," adds Thompson, "we need to engage more with a raft of stakeholders and local councils. We want these initiatives to be longer term, but it's worth the work."

**Below.** Grigor Grigorov (Partner at Make Architects) at the Destination R 2019 conference.





## Centres need to rethink their marketing to older generations

**A**s people live longer and have fewer children, there is set to be a significant rise in the proportion of the UK population over the age of 65. Currently, the older generation makes up around 18% of the country's population, and it has been predicted that in the next 30 years, that will rise to 25%. As many of this age bracket are set to live longer, and with the number of people over the age of 85 expected to triple by 2050, now is the time to consider how this should be addressed by the retail industry.

While they make up less than a fifth of the population, the over 65 consumer demographic hold nearly 40 per cent of the UK's total household wealth, but studies have shown that a large proportion of this consumer base feel they are being ignored in their needs and desires by retailers and marketers. The Centre for Future Studies has predicted that retailers who are not adequately elderly-friendly by 2030 could be losing out on up to £4.5bn annually.

So what can retailers and landlords do to capture this market? Janet Monks, director of marketing and commercialisation agency Shoppertainment, says that the key is in creating and advertising centres as a place for social experience. "With shopping centres moving towards becoming lifestyle destinations, they are laying the groundwork for making retail spaces areas that families and friends of all ages go to spend time together."

Loneliness is widely reported as being one of the biggest issues faced by ageing populations, with three quarters of older people polled by Gransnet, a social media network for over 50s, reporting that they suffer from loneliness.

"If shopping centres are placing more of a focus on being community hubs, then they are positioning themselves to be able to perfectly attract older generations, potentially without meaning to, because they can effectively provide a solution to this problem," says Monks.

Void units are an ongoing problem for many retail destina-

tions, and making these units into a place where consumers, specifically older people, can come and socialise then it fills this void. It takes away the problem of "where do we go" which is one of the main barriers that older people have when it comes to socialising. Many of the over-65 population are reluctant to leave their homes, especially if they are worried about a shopping centre not being old-person friendly, and so giving them somewhere specifically designed for them to just have a seat during their shopping trip can be a positive way to entice them to the centre.

"If shopping centres are looking to market themselves as a community hub then one of the most effective ways to do that is to allow community groups to take over empty space within the centre," says Monks. "For example, it could offer space once a week for the elderly in the community to meet and have afternoon tea, or perhaps provide space for a local yoga or dance group that offer senior classes. Another way that centres can attract older shoppers is by ensuring that their events are relevant to that demographic, maybe by holding events on days when the centre is slightly less busy."

The 'Silver Pound' exists and it is a massive opportunity for retailers, and landlords who look ahead to address the needs of the older shopper will be far more equipped for the growth of the ageing population.

"The key is inclusivity," adds Monk, saying that instead of targeting one specific demographic with an event, centres should make it as relevant as possible to everyone. "For example, we organised a Summer Garden Party to help launch a community allotment initiative at a centre, the event and the allotment appealed to shoppers of all ages.

"In fact this should be applied to every aspect of the centre, from its marketing material to its built environment such as how much seating is available. If all these aspects are as inclusive as possible to all demographics then a centre is going to find attracting an ageing population is easier than they think."





# MOBILE DATA DRIVES DECISIONS

## The collision of mobile communication and data analysis is opening up new opportunities to influence consumer behaviour

**T**he fact that consumers value convenience is evidenced by the speed with which they have embraced mobile digital platforms, which offer a myriad of services right at their very fingertips,” says Ashley Murdoch, CEO of Corethree, a global leader in mobile ticketing and commerce.

Murdoch gives the example of WeChat, China’s phenomenally successful ‘super app’, known as the ‘app for everything’. The app, which originated as a simple messaging service, now lets users do anything from mobile banking to social networking, booking taxis or a doctor’s appointment, finding a date, ordering food and lots more. “Combine this number of services with data about user preferences collected from mobiles and retailers gain an extremely powerful marketing tool – namely a communications channel, direct to consumers,” says Murdoch.

But what has this got to do with retail? “Mobile apps built with mobile ticketing technology at their core, are a great way to link promotions from retailers with those offered by other services, boosting the number of data points that can be used to drive personalisation and customer engagement opportunities,” he explains.

Murdoch says that where m-ticketing for public transport already exists, there is a massive opportunity for collaboration between retailers, transport operators and other relevant services: “From a loyalty voucher for the café next to the train station to a VIP invitation to get first pick of the new season’s hottest clothing trends, a m-ticketing app can become a powerful user engagement channel, providing retailers with multiple opportunities to strengthen customer relationships through proactive offers and rewards, leading to greater customer satisfaction and retention.”

The retail-transport opportunity, he explains, is not just about driving footfall to the store but also about the retail

experience before they get to the outlet and after they’ve left – before A and after B: “Imagine a scenario where a consumer is visiting a town shopping centre for the day. While travelling, they receive an offer to start their shopping spree with a free coffee and a voucher for lunch at their favourite eating place. They are also kept informed about arrival times, given reasons for any delays and are able to plan which shops to visit based on tailored promotions from stores that are relevant.

The idea is that at the end of the day, transport departure times are provided, along with connection times for the last leg home. All this turns the day into a more valuable, joined up, omni-channel experience where intelligent use of data has made it possible to offer relevant and timely experiences resulting in more frequent interactions, the opportunity for up and cross-selling and ultimately happier, more loyal long-term customers.

“The intersection between mobile and data is providing the single biggest opportunity to create direct marketing promotional communication to consumers,” says Murdoch. Doing it well, he explains, involves specialist knowledge and the back-end capability to integrate, analyse and monetise content, products, and services. Data is the underlying asset in this, and an m-ticketing app can be a valuable data-driven marketing communications channel for sharing tailored, personalised retail promotions direct with the mobile account holder.

“Retailers looking to take advantage of the m-ticketing opportunity should look to partner with an existing m-ticket app provider; one that is already proven and secure in mobile payments is a good place to start,” Murdoch adds. “A partner with a robust digital platform already in place will be ready and able to perform the data analysis to ensure retail promotions are always relevant to customers, and through open API integration, you can be up and running with marketing promotion trials in no time.”



# COMPLIANT CUSTOMER TRACKING

**How to make sure  
shopper tracking  
technology complies  
with regulations**

**A**lmost a year has passed since the GDPR compliance deadline hit, completely reinventing how companies can collect data. For shopping centres, customer tracking technologies are increasingly common, but owners must make sure that they are up to scratch with potential data-protection compliance issues, says Elliot Fry, senior associate at law firm Cripps.

“The upside of customer tracking is that visitor activity data is hugely valuable when it comes to influencing rents, layouts, and advertising decisions,” says Fry. There are any number of ways this has been done in the past, he says, and long are the days since obtrusive clipboard surveys, with technology having paved the way for intelligent data collection.

“The outputs will usually be statistical data, including heat maps, unique visitor counts and other insights, which are based on technology and can guarantee a high accuracy rate,” he explains, adding that as technical advances continue, centres may also be able to provide personalised customer experiences. But he warns: “Despite these benefits, shopping centres must consider the potential privacy issues which are raised by tracking visitors.”

The main aim of visitor tracking is generally to create aggregated statistical data rather than targeted advertising in which an individual profile is used to market, as is the norm for online marketing. It is easy to assume that footfall counting and heatmapping does not involve any personal data, and other than in situations where a customer logs into a shopping centre’s wi-fi network, it is likely that the centre will not hold the contact details or names of the vast majority of visitors it tracks.

However, the definition of personal data has always been broader than obvious identifiers like names and contact details, and last year’s GDPR and UK Data Protection Act 2018 made that even more explicit.

“The definition of personal data includes information relating to individuals who can be identified ‘directly or indirectly’, including by reference to an identification number,” Fry explains. “For instance, if your technology tracks mobile devices in your shopping centre using their Media Access Control (MAC) addresses, you may be processing personal data if an individual can be identified from that MAC address (either by itself or with other information you hold – such as operating a free wi-fi service which also records MAC addresses alongside contact details).

“Another instance would be using the MAC address to track the individual in order to single them out or treat them differently (for example, to provide a tailored customer experience, even if you can’t directly identify the person).”

He adds that the use of technologies which do not rely on mobile devices, like gait analysis and facial recognition, also raise potential issues as biometric data, when used to uniquely identify an individual, is classed as ‘special category data’ under data protection law, meaning more conditions are imposed on its use. So what, then, is the way forward for centres?

“Shopping centres engaging in visitor tracking need to ensure that either their activities as a whole don’t involve using personal data (which may be difficult, especially when the tracking data could technically be combined with other services like wi-fi, loyalty cards and parking), or that their activities comply with data protection requirements,” Fry suggests.

“Compliance in this area will include implementing appropriate security measures, minimising personal data, and providing a suitable level of transparency. Shopping centres should ensure their privacy notices clearly state what tracking technology is being used, and take reasonable steps to make visitors aware of it.”



# COMPETITIVE INSTINCT

**BOUNCE**

THE HOME OF PING PONG





## Savills predicts consolidation in the competitive socialising sector as the growing leisure phenomenon matures

Introducing Savills' new report *Competitive Socialising & Emerging Concepts in Leisure*, Tom Whittington, the firm's director of retail and leisure research notes: "In this fast-paced sector we are seeing an increase in venues in prominent leisure schemes and shopping centres," adding: "The highly fragmented nature of this sector means that operators need only a handful of sites to become a genuine contender as a national brand."

The report, which was produced in collaboration with the Leisure Property Forum, gives a comprehensive review of competitive socialising, focusing on some of the new players in the market and raising the logistical benefits and barriers for retail destination landlords.

One of the key takeaways from the report is that landlords are still hesitant to lease to some of these new concepts as, despite several years of development as a business, many are still undergoing their beta trial phase to determine their longevity.

What is becoming more apparent is that landlords are looking for leisure offerings that appeal to all demographics. While millennials are being widely reported as wanting to spend less on products and more on experience, this trend is present in all demographic groups, meaning that landlords should be letting to offers that appeal to all ages.



Left. Bounce, Old Street, London  
Above. Puttshack, Westfield London

Mini golf has always proven its popularity: it's fun, affordable, and anyone can play it, and so its move into the shopping centre sector has proven a success. From a landlord's perspective, mini golf's size requirements offer a positive solution for large units left vacant by CVAs and brand administrations.

Bar and game concepts are proving their popularity in city locations, but due to their being wet-led, they alienate the family market and rely on the millennial generation to engage, making them more of a gamble for a retail-led site.

Virtual reality (VR) concepts are proving their worth as they do not need prime centre locations or large units to function. They can exist in spaces as small as 2,000 sq ft and as the VR kit is not fixed, it is easy to uplift and relocate.



That said, there is still the issue of mass appeal, and the while set-up costs can be low, the better-quality experiences require higher initial investment.

Similarly, against-the-clock experiences, such as escape rooms, are proving to involve low set-up costs and flexible space requirements, allowing them to increase occupational efficiency in underutilised spaces. Additionally, while the cost for the consumer may be high, the larger the franchise operations become, the more these costs are likely to drop. In order to succeed in shopping centre locations, the concept needs to increase its appeal to families, perhaps by offering all-ages challenges.

Even though the growth across all of the competitive socialising market is a good counter narrative to the rest of the market, the Savills report adds that several landlords are keen to reinforce that this sector is still, and is likely to remain, a very small part of what they are doing, and most of the leisure income still comes from cinema and F&B.

The big reminder for landlords in the report is that individual retail, leisure and F&B brands do not make a destination alone. They may drive footfall, but the majority are not anchors in their own right. It is the variety which creates the destination, and having a clever and diverse mix which appeals directly to the local demographic is the key to achieve destination status.



# A CHALLENGER APPROACHES



## The growing popularity of eSports is providing a challenge to traditional leisure formats

The phenomenon of eSports, a form of competition using video games, has rapidly become a multi-million pound industry, and as players make the move from online arenas to physical ones, they are beginning to rival traditional sports in terms of the sheer volume of attendance, causing it to make waves in the retail and leisure property market.

So far in the UK, the trend is showing small ripples of growth, but if looking abroad has taught us anything in the past, it's almost a certainty that the industry will be exploding here soon. If you compare the overall audience of the 2016 NBA final (31 million) to that of the 2016 World Finals of virtual battle-arena video game, League of Legends (36 million), it is obvious that there is no shortage of interest.

For a long time, gaming has been seen traditionally as a 'geeky' pastime for teenagers locked away in their bedrooms, but the tide has quickly changed, according to Tony Levine, leasing surveyor at Shelley Sandzer. "The social aspect of gaming has surfaced significantly, bringing devices outside of the home, and into a shared social environment," Levine explains, saying that it is one of the key drivers in the coming together of retail and leisure: "you'd be wrong in thinking gaming has been forgotten in this amalgamation of activities."

In the UK, he says, this can be largely attributed to the Belong gaming platform, launched by gaming retailer Game in 2016, which brings together eSports fans together in a physical location to compete in video game tournaments. "By joining forces, both Game and Belong have recognised the major demand for physical space in which gamers can engage and socialise together," Levine adds.

A recent entry to the UK market is Wanyoo Café, Asia's largest gaming café, which opened in Shaftesbury's Central Cross in London's West End at the end of 2018. The cyber café concept has a portfolio of over 1,100 sites across 50 cities in Asia, the US, Canada and Australia, and Levine says that Shelley Sandzer is working with the brand to secure a second London site,

"The site requirements for such brands is sizeable," he continues, pointing out that Wanyoo Café's debut site covers over 5,300 sq ft across two floors. "Wanyoo Café has utilised this growing demand for community gaming space, with plans to partner with local universities to host large-scale tournaments and events."

It's not just Wanyoo and Belong that are tapping into the hot new market, with Platform, a new eSports venue that provides eSports events, video games, drinks, and award-winning pizzas, launching in East London in the coming months.

Also, in 2015, UK-based eSports company Gfinity partnered with Vue Cinemas to launch the UK's first-ever dedicated eSports arena, offering tournaments in their theatre-like format for spectators to experience. "In the same way football fans buy tickets to watch their team play in a local stadium, eSports fans are demanding a cinematic and shared experience, offering potentially great opportunities for brands like Vue," Levine explains. "Similar brands are equally suited to act as gaming arenas and can learn from this trial by adapting a screen to create a dedicated eSports arena. This diversification



could help to future-proof cinemas. eSports enthusiasts are also observing game playing through eSports community platforms like Twitch.tv, rather than watching conventional television."

In addition, Levine notes the rise of VR-specific venues emerging across the international market, offering an even higher level of out of home experience. He cites ANVIO in London, and Immotion VR which has sites in Birmingham, Bristol, Manchester and many other locations. "The brand predominately trades in shopping centres, such as St David's in Cardiff, which has a standalone Immotion VR store featuring Immotion racing car simulators," he adds.

"Though these brands have sparked new interest in leisure leasing, it is still very much in its infancy and there is certainly room for growth. Brands like Wanyoo Café and Platform that have a differentiated offer bring enormous potential to the UK market, and may be the trailblazers of a highly lucrative trend. Amongst all the doom and gloom, it's definitely not game over for the leisure industry," Levine concludes.

Left & Above. Wanyoo Café, Shaftesbury's Central Cross





# PLAY TIME

**Retail locations need  
to provide multiple  
reasons to visit, and  
leisure attractions  
are increasingly  
part of the mix**

**F**or many, shopping trips are becoming a day out rather than just shopping for necessity. As time becomes an ever more precious commodity shopping trips, in the traditional sense, are increasingly morphing into multi-purpose visits where both retailing, leisure, and use of amenities and public services are incorporated into one single journey.

“It is therefore vital that shopping centres offer a diverse mix of uses, including leisure, to attract visitors who wish to ‘play’ as well as shop,” says Julie Pears, head of future places at Ellandi. She says that initiatives like escape rooms, adventure games for the young and farmers markets bring a different mix to the shopper experience and allow centre to become destinations/hubs in which to enjoy with friends, family and the wider community.

If centres are to remain attractive to the local communities, Pears says that retail locations need to provide multiple reasons to visit. Shoppers are putting an increasing value on their time, especially when it comes to spending time with family and friends, and so providing a compelling leisure attraction, a good food and beverage offer, events, and innovative retail experiences will all drive footfall, increase dwell time, and ultimately increase spend.

“A recent survey of our 30 shopping centres demonstrates that shoppers spend an additional 15 per cent when they have spent money on food & beverage (this is based upon an average basket spend of £36),” Pears says. “Not only do farmers markets around town shopping centres create food experiences they also enhance leisure time around shopping.

“There’s a plethora of distinct leisure attractions within retail arenas which include cinemas, table tennis, gyms, bowling, theatre productions, play centres, and a ballet school which opens in Eastleigh later this month. The school seeks to involve as many people from the local community as possible including children with additional needs and will hold afternoon tea dances.

“There’s a drive within the town to promote health and wellbeing and it being inclusive to all,” says Pears.

Pears believes that events create unique and innovative destinations where customers can shop, eat, be entertained and connect. Pop up markets and seasonal events, such as those aimed at school holiday periods, are increasingly being deployed, such as “Books In The Community” which was recently launched in Stockton to provide a book swap shop. The service is free to use, and customers are encouraged to dwell, enjoy reading with their children, and take a book home to enjoy – in return for donating to an honesty box.

Also, table tennis initiatives have been rolling out in spaces in shopping centres, capitalising on the growing popularity of the sport thanks to brands such as Bounce, generating a groundswell of interest with enquiries from local corporate offices to provide break out space for staff.

“Changes in demographics and shopper behaviours are increasingly relevant in how shopping centres are evolving and it’s vital that we keep listening to the needs of the communities,” she concludes.





# SOUND





# ADVICE

**In a highly competitive industry where the ability to attract new customers is increasingly important, more centres are using music to help shape a superior visitor experience, writes *Alex Munro***



**Alex Munro** is brand director of Audica and Q Acoustics

**I**t takes a lot more than just pressing play in order to create the optimum ambience, and there are a number of key considerations to bear in mind. First is the importance of interlinking systems.

Within any retail complex there are likely to be two separately managed sound systems. Typically, there will be a public address and voice alarm system for the entire complex, and secondly, there will be separate solution within each retail unit that is used to provide the ambience. It is important they are interlinked so that if the primary complex-wide sound system needs to be used to deliver an important message, or to sound an alarm, it will override the individual systems within each store. This is why you will tend to see two separate sets of speakers in a retail store – one that was installed when the fabric of the building was built, and another that was put in by the installer as per the requirements of the retailer.

The second point to consider is absorption. Believe it or not, the contents of any room - including staff, customers, garments, goods and anything else you may find in a store – will impact the absorption of sound. That is why the volume will have to be quite a bit louder than you originally anticipate, but don't be scared off. Retailers must also be conscious that the level of sound doesn't impact employees that are overseeing commercial transactions, or handling returns, or other areas of the shop where conversations will regularly take place throughout the day. This will involve lowering volumes delivered by speakers in specific locations. To overcome this, some retailers may opt to use a sound designer to create a computer model of the sound coverage, based on the correct parameters, where products will be stacked, and the busiest footfall routes.

Having specified the system, it's time to consider the science behind a playlist. Quite often playlists are carefully chosen to feature tracks of a similar nature, which creates a consistent atmosphere, before slower music is introduced nearer to closing time. For some retailers, the science behind constructing any playlist may even extend to beats per minute. As a result, retailers require quality speakers that can deliver high-end sound regardless of what type of music is being played, as well as for a prolonged period of time.

Of course, one key consideration for retailers is to ensure the sound system is very easy to turn on and off, as well as tamperproof. Many businesses will also consider systems that incorporate hidden volume controls that have been pre-set by the sound designer. This is to avoid employees turning up the volume when one of their favourite tracks is being played, and then the sound remains 10db higher for the rest of the day.

In recent years it has become more common for installers to work closely with the retailer's building designers to ensure that the speakers play an important role in the overall look and feel of the store – for instance, replicating the look of a nightclub or university campus. However, the most popular brief for installers remains the challenge of fitting speakers that are essentially invisible, or seamlessly blend into the fabric of the store. This trend continues to grow in popularity as manufacturers develop smaller loudspeakers that deliver sound better than you'd ever expect by the clever use of equalisation – which has proven to be incredibly effective with our MICROdot ceiling speaker from Audica, measuring only 100mm wide.

There is a common misconception that good quality speakers must be bulky and therefore take up a lot of room. However, most installed speakers are discreet and easily inserted into the fabric of the building, without compromising on the sound quality. In addition, our range of speakers from Q Acoustics Install are covered by grilles that can be spray painted to match the surrounding wall or ceiling, so they seamlessly blend in with their surroundings.

Many retailers settling on a minimalistic approach may consider hiding both the speakers and the lighting, so some installers are now fitting troughs from the front to the back of a store. When peering up at the ceiling a customer may see a fresh, clutter free surface, however within the trough, there will be a plethora of components and wiring that are delivering atmospheric sound and audio.

However, if a retailer chooses to install in-ceiling or in-wall speakers, there are a few things they must consider. The first is the potential for sound pollution between floors. Installing a speaker can dramatically reduce the acoustic integrity of a ceiling or wall. As many buildings are shared spaces with multiple tenants, it is important that sound doesn't travel and disturb other occupants within the facility.

There are also safety aspects to bear in mind, especially the increased risk of the spread of fire between floors. According to UK Building Regulations, it is a legal requirement that small spaces, such as cavities in external walls (i.e. the ceiling) need to be enclosed at the compartment boundaries by fire-resisting materials to prevent the spread of fire from one storey to another. That's why our fire and acoustics hoods have been designed to melt when they come into contact with high temperatures, creating a robust seal, and thus dramatically slowing the spread of fire between floors. They comply with Part B and Part E of the UK Building Regulations, maintaining 30-60 minutes of fire-resistant rating.



## INVESTORS RETURN TO RETAIL PARKS

Opportunistic investors are returning to the prime retail warehousing sector, enticed by yield levels which now balance the potential risks inherent in UK retail with the rewards of moving ahead of the wider market, according to new analysis from Savills.

Yields on open A1 retail warehouses currently stand at 6%, having risen from 5% a year ago and 175 basis points since 2015. However, increasing demand signalled by a spate of recent deals in Bath, Basingstoke and Brighton indicate that yields on high quality stock may move inwards in the future, Savills said in its latest Market in Minutes report.

James Gulliford, joint head of UK investment at Savills, said: "The investors currently buying prime retail warehouses appear to have a sound approach, and are not merely being driven by the prospect of picking up a bargain. We believe retail warehousing is the segment of the UK retail sector most defensive against the structural change of omni-channel retailing, largely being home to retailers selling products that customers want to inspect before buying, and are therefore unlikely to see the same issues emerge as high street retail."



# CAMBRIDGE TOP OF THE SHOPS

Cambridge has again been named as the UK's leading retail location according to a list scoring Britain's best and worst retail centres. The university city topped a list of 1,000 retail centres compiled by strategic retail property consultancy Harper Dennis Hobbs.

The HDH 2019 Vitality Index determines the retail health of a shopping area based on the proportion of upmarket and discount stores, vacancy rates, as well as the number of less aspirational tenants, such as pawnbrokers, money lenders and bookmakers. The suitability to the local shopper is a key factor, meaning that the presence of low-end retailers is not necessarily a bad thing as long as the local area consists largely of residents that prioritise value for money.

Cambridge – which also took first place in 2017 when the last Vitality Index was published – saw off competition from retail destinations in London, including Westfield London and Knightsbridge.

Market towns that dominate a small but affluent, and relatively rural catchment area, continue to score well – in many cases they are proving to have a 'healthier' high street than some large cities. Marlborough, in Wiltshire, has fallen in rank since 2017 but remains in the top 10, while two notable examples in the top 50, Berkhamsted and Marlow, have climbed in the ranking due to a fall in vacancy rates and growth in quality retail in those towns.

Taking the dubious title of least vital shopping destination for a second time was Byker Shields in Newcastle, followed by Stretford in Greater Manchester and Kirkby in Merseyside.

Jonathan De Mello, head of retail consultancy at Harper Dennis Hobbs, said: "While the big cities and most prominent shopping malls should absolutely be a key priority for any retailer trading in the UK, this research highlights the fact that small but flourishing towns and suburbs can be viable retail locations, particularly as rents are typically more affordable."





# SUPERMALLS DRAW SPEND FROM THE HIGH STREET

**Consumer spend in the UK's supermalls is set to reach £10.9bn by 2023 as they suck sales from the high street, according to new research from GlobalData. As physical retail spend comes under increasing threat from the online channel, supermalls are set to outperform the total offline market over the next five years as their destination appeal will ensure that growth is resilient, GlobalData predicts.**

GlobalData's report: 'UK Supermalls 2018 - 2023' reveals that supermalls retail spend will rise 7.0% by 2023 as supermalls divert spend away from lacklustre and often neglected town centres. Supermalls are able to offer the best offline alternative to online shopping in terms of product and retailer range, which will bolster the growth of the location as consumers become accustomed to a vast choice.

GlobalData retail analyst Emily Salter said: "Clothing & footwear drives the bulk of spend at supermalls, accounting for 59.1% in 2018, and retailer

investment will ensure this continues as a number of players open and refurbish stores in supermalls, such as Primark's recent opening in Bluewater. Primark is the most visited clothing retailer in supermalls – 30.2% of supermall visitors browsed a store – as its discount credentials appeal to a wide range of shoppers, and it continues to expand its presence in such locations, becoming a new type of anchor retailer."

Salter concluded: "Supermalls hold the most appeal for younger consumers, as more 16-24 year olds have visited them in the past 12 months than any other age group. The retailer selection is well suited to young shoppers, as supermalls are often dominated by mass market clothing & footwear retailers, such as H&M and Zara.

"To remain appealing to this demographic, it is essential that the retail and leisure offer is frequently refreshed with new and exciting brands. Pop-up shops and flexible food service options, like street food style eateries, can be valuable mechanisms to offer continual variety and maintain appeal as a social destination."



## VOIDS GROW OUT OF TOWN

**Trevor Wood Associates has identified a further rise in retail warehouse vacancy rates. The retail property analysts calculate that the UK's out-of-town vacancy rate hit 7.5% at the end of 2018, up from 6.3% six months earlier. The figures reflect tough trading conditions for UK retailers and show the biggest increase recorded since the consultancy began gathering data at the end of 2001 with an extra 5m sq ft of vacant space coming to the market.**

2018 proved a challenging year for many UK retailers as turbulent economic conditions and diminishing confidence took their toll. Tenants including Fabb Sofas, Maplin Electronics, Poundworld and Toys "R" Us went into administration or entered into a CVA. In addition, there were disposals, relocations and downsizing by the likes of Carpetright, Office Outlet and Homebase.

However, the current rate is still significantly lower than the peak vacancy rate of 11.8% Trevor Wood Associates recorded in mid-2009. The report also indicates that there is some cause for optimism with second-hand space helping fuel the growth of expanding retailers. During 2018, more than 2m sq ft of floorspace was taken by retail park tenants.

Much of the recent take up has been by comparison goods retailers predominantly interested in good quality open A1 Non-Food consented units, together with variety retailers looking for good value bulky goods units. Trevor Wood Associates calculates that at the end of 2018 the open A1 vacancy rate had risen to 6.2%, compared to 4.7% in 2017. Meanwhile, Open non-food units rose from 4.9% to 8% and the rate for other units increased from 4.6% to 7.0% in 2018.





# OUTLETS

## Rioja Developments' *Giles Membrey* reflects on the past, present and prospects of outlet shopping

**Outlets have become an established feature of the British retail landscape since Joey Kaempfer first brought McArthurGlen to Europe in the 1990s. Where Cheshire Oaks led, 50 other schemes have followed; the sector now has a market value of over £3bn and combined annual footfall at the top 15 schemes exceeds 60 million.**

In the context of UK retail in general, outlet shopping remains a niche sector. However, outlets have outperformed all other retail property classes for the last six years and continue to grow despite the slowdown in full price retail. More and more premium brands are embracing outlet as a means of offloading out-of-season stock, attracting new customers and, above all, generating revenue.

So why are outlets performing so strongly? One reason is the creeping homogenisation of many high streets and full price shopping centres. Across the country shoppers are faced with the same predictable line-up of uninspiring brands, unappetising food offer and lifeless customer experience. Rather than spend their leisure time in such an environment, many are opting for the convenience, choice and value to be found by purchasing online instead.

In many ways outlet shopping is the antithesis of the bland high street experience. Outlets tend to

boast an interesting mix of premium brands, which it is hard to find elsewhere, alongside an appealing leisure and food offer. Most have been recently built, with careful attention paid to creating an attractive and enjoyable shopping environment. Striking architecture and expansive boulevards are the norm, and innovations such as loyalty schemes, VIP lounges and technology-enabled targeted offers are improving the customer experience every year.

Economic challenge and uncertainty provide further explanations. We live in what a recent PwC report dubbed 'the era of cautious consumption', with many shoppers feeling the pinch and looking, if not to reduce spending, then at least to make their money work harder. This trend is particularly pronounced among consumers under 35.

Outlets present an attractive resolution to this 'buy less / buy smarter' conundrum, by allowing shoppers to continue to feed their style and brand appetites while keeping within budget. Amid a cultural shift from bragging about how much an item cost to how little, outlets offer a guilt-free shopping experience where customers can indulge their twin impulses of style and value.

Indeed, for many, outlet shopping has become a leisure experience; a pleasant environment in which to spend quality time shopping, eating and socialising. And since the goods on offer at outlets tend not to be the kind of commodity items often bought online – in a snatched moment in a busy schedule – but premium (albeit discounted) branded goods, the physical experience enhances customers' perception of the brand, and therefore of the value derived from each item purchased and from the outlet scheme itself.

However, despite these and other advantages, the UK may be nearing 'peak outlet'. Grantham Designer Outlet Village is likely to be the last new-build, regionally dominant outlet in the UK. This is less to do with diminished customer demand than with more practical considerations.

Outlets have thrived during recessionary environments in part because many brands end up with a large amount of unsold stock which they then look to shift through outlet stores. However, maintaining a balance between full-price and outlet stores is critical. Getting that balance wrong risks devaluing brands and cheapening the overall outlet proposition.

In addition, suitable plots of land are scarce. Given the nature of outlets, and their need to draw from a wide geographical area, there can only be one (or at least one with a premium market position) in each region to avoid cannibalisation. Preferred locations are large plots of land with ample parking, on busy highways, with good public transport links and high visibility. Such locations are rare.

So, outlets will continue to evolve by increasing and improving the leisure elements within and surrounding the schemes; by becoming more sophisticated in their retention and targeting of customers; and by deepening the partnership between landlord and retailer to offer the most attractive shopping experience possible.

**Giles Membrey** is managing director of Rioja Development



## BRUNSWICK BRINGS BOLLYWOOD TO BLOOMSBURY

Nine thousand Londoners descended on the Brunswick shopping centre in Bloomsbury to enjoy a night of free high-energy Bollywood inspired fun. ‘Go Bollywood’ saw the centre come alive with the sights, sounds and aromas of traditional and contemporary Indian culture, as they celebrated all things Bollywood.

Bhangra bands, dance troupes and

Indian street food formed the perfect way to unwind into the weekend with a huge celebration of culture and community.

John Themis, events and marketing manager for the Brunswick said, “It has been a labour of love working towards this amazing Go Bollywood event. I have enjoyed every minute of it, from its conception to its final manifestation. The sense of community, positive vibes, family atmosphere, exotic aromas, vibrant colours and multiculturalism were all heavily in the air at this unique, quirky, one-of-a-kind shopping centre and chill out zone in the heart of our great city.”



## APRIL MOVES



CBRE has appointed **VICTORIA NICHOL** as centre manager at Merseyway shopping centre in Stockport. She has over 20 years of industry experience, managing mixed-use and retail schemes both across the North West and in the South of England, and moves to Merseyway following five years as centre manager at the Galleries in Wigan.

**ORCHARD STREET** Investment Management has strengthened its retail team with the appointment of **PAUL NICHOLSON** as asset manager. He joins Orchard Street from Savills, where he spent the past 11 years until recently as an associate director in its retail team.

**ROBIN COADY** and **DERMOT SUPPLE**, founders of Coady Supple, have joined the retail capital markets team at **CUSHMAN & WAKEFIELD** as international partners with **DAVID SADLER** also joining as a partner.



**AVISON YOUNG** has appointed **RICHARD WILLIAMS** as principal and managing director to spearhead and direct the expansion of its property management business. Joining Avison Young from CBRE, he brings over 30 years’ experience in strategic property and asset management across all sectors, nationally.



CBRE has appointed **SIMON HENDERSON** to its property management senior leadership team, based in CBRE’s Glasgow office. He joins from JLL, where he managed some of their largest property management mandates.



**HAMMERSON** has appointed **ABBY HUGHES** as senior leasing manager for F&B and leisure. She has a wealth of experience from a variety of F&B sectors, including hospitality venues, private equity firms, and multi-site corporate bank and law firms. More recently, she managed contract catering at Selfridges and the FT.



## BALLOONS BRIGHTEN INTU ELDON SQUARE

Shoppers visiting intu Eldon Square in April were in for an almighty surprise, with over 80 balloon displays installed on the malls. A huge variety of vibrant and colourful balloon installations, created by North East company Balloon-ilicious, covered the entire shopping centre and were on display throughout April.

With the use of colour and repetition of circular patterns found to be contributing factors to spreading joy, intu Eldon Square hoped the balloon displays would create an immersive shopping experience with lots of smiles from those visiting the centre.

The balloon displays further highlight intu Eldon Square’s support of positive mental health within the

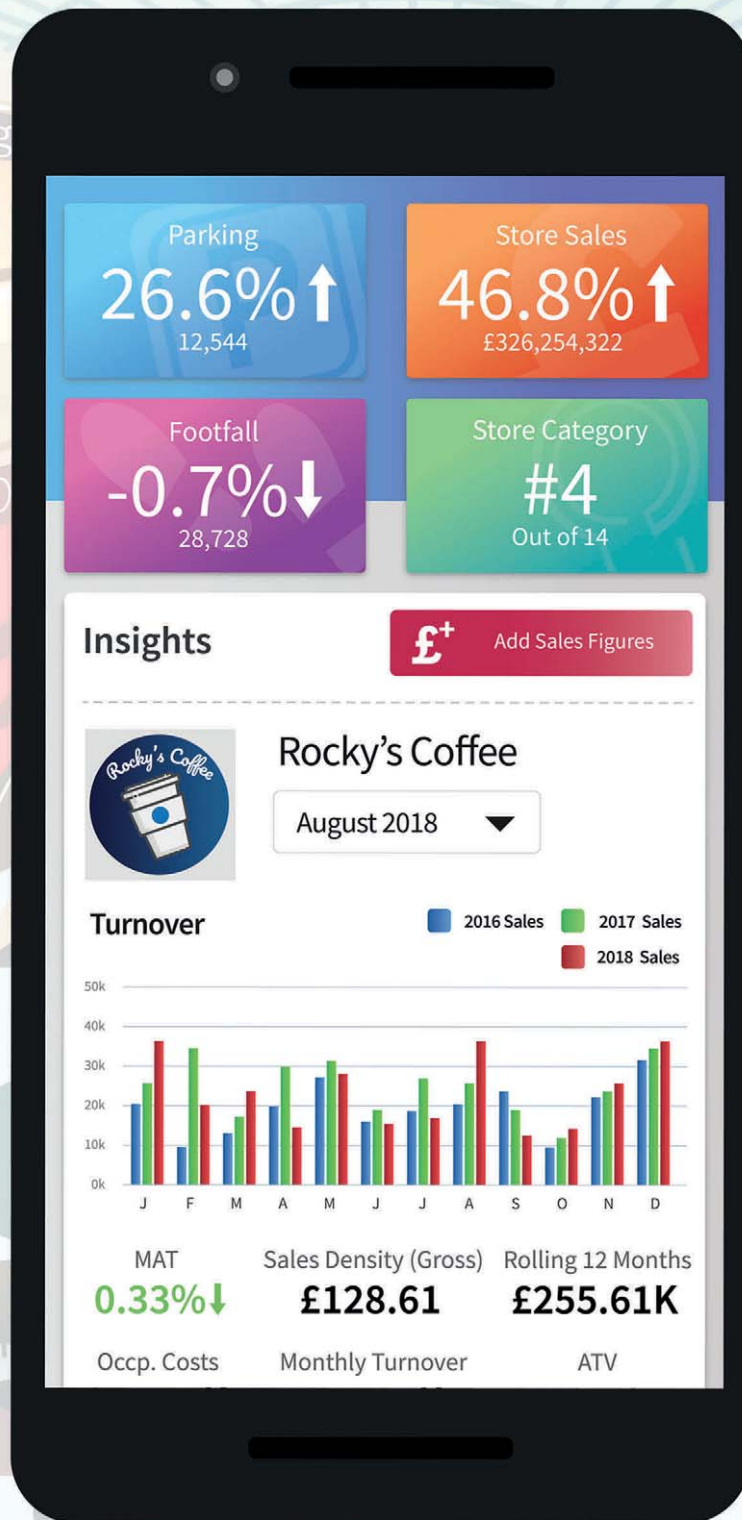


North East, as it recently announced Tyneside and Northumberland Mind as its Charity of the Year for 2019.

General manager Phil Steele said: “At intu Eldon Square we strive to create memorable, joyful moments for our shoppers and we hope our colourful balloon installations will do just that.”



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