

Southern African shopping centres require a holistic, fluid strategy

According to the Clur Report of SA Retail Property, shopping centres in Southern Africa need to adopt an integrated, holistic and fluid strategy to drive performance given shifting local and international approaches to lifestyle, health, wellness, environment, work and community living.



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The Clur Report of SA Retail Property tracks shopping centre performance and trends for property funds owning 2.4m² of physical retail space in South Africa and Namibia.

Against a backdrop of changing consumer attitudes and values driving new trends and trigger points, monitored centres are showing a continued overall positive movement in trading density growth since September 2017, says Belinda Clur, managing director of Clur Research International.

A holistic approach

She says the national Clur benchmark for annualised trading density at all SA monitored shopping centres in June was R34,777/m², reflecting year-on-year unadjusted growth of 4,3%. The Clur benchmark for super-regional and regional centres showed year-on-year growth in June of 3,7% to R36,715/m² in annualised trading density. The year-on-year growth in the Clur benchmark for small regional, community and neighbourhood centres was 5,8% to R30,530/m².

Clur says: “Most significantly, retail must increasingly respond to a holistic approach to life that has emerged in which people are striving to live their most rounded and fullest life. This embodies happiness, health, energy, mindfulness, experience and balance.

“We have also moved beyond a service-based economy and into a more intimate relationship-based economy, where retail, community, lifestyle, work and wellness need to be cleverly synthesised within an adaptable, chameleon-like holistic shopping environment – which reflects the consumer position. Within this context, predictive convenience and superb customer service ethos are key, especially during tough economic times.”

These are, she says, among the key trends that are emerging and will shape the landscape of life with implications for retail and other sectors.

“Integrated and connected community spaces are a critical building block of future places given that single-person households are on the increase and are expected to gain significant momentum over time. The ever-growing singles demographic is receiving much attention, with pride and many benefits now being associated with this status – which is now most often an intentional choice. Anecdotally, ‘Singles Day’, a highly successful shopping holiday celebrating “singledom” on 11 November, which started in China is now spreading globally.”

Higher value on health and wellbeing

She says that the holistic consumer is placing an ever higher value on health and wellbeing. She believes this is a defining trend of the future which will influence and shape many areas.

“An example of a global shift to health consciousness can be found in Moscow where 30 squats in front of a monitor at a rail station get you a free metro pass. Embracing a healthy lifestyle in terms of exercise and eating has become a new status symbol, along with sportswear and trainers as they reflect this aspirational trend. Thus ‘athleisure’ is an important current and future international retail category.

“In addition, there is a fluid link developing between health, sport and cosmetics, as signalled by Lululemon having just launched ‘Selfcare’, a practical gender-neutral sports-oriented natural cosmetics range. There is a shifting position to beauty from the inside-out, rather than from the outside-in. Skin-quality, sun and pollution protection is specifically important to consumers as the quest to remain youthful escalates, along with growth in ‘medi-cosmetics’.

“A further influence is the impact of intense personal social media which is entrenching the desire to look as good and as healthy as possible. We are now constantly on display, not only staging and curating our homes but also our online presence and reputation. We are ‘peacocking’ like never before.”

She notes that edible cosmetics is a growing area of interest as people desire organic and naturally derived options – which do not harm. This links to our new age of consumer culture, with social, sustainable and ethical practices being respected and holding community value.

Back to basics

“Tied to this is a back to basics trend. People want to know the origins of goods they buy as well as the production process. This has huge implications for brand integrity and product development. The desire to connect to the core, to understand a brand’s fundamental principles and positioning applies to all brands, be they retailers, shopping centres or broader businesses.

“Internationally, a trend towards thrift shopping and apparel recycling and reselling is on the rise. This is driven by a desire for interesting bargains and the emotional reward of conscientious exchange. This trend is also allowing a new wave of luxury brand buyers to emerge, thanks to decent quality at a lower less prohibitive price point. Globally, eco-protectiveness is leading many consumers to review their need for quick disposable fashion and to focus on quality, durability and re-use.

“Allied to doing good, social entrepreneurship is an important trend. Businesses are focusing on making a social difference, marketing kindness and giving back. In this respect, malls have a huge role to play in providing retail incubators for new brands to develop a market foothold.”

She notes that traditional working structures and hours are giving way to new approaches, with a shift to flexibility and a focus on the desired outcome rather than the number of hours worked.

Let's get physical

“Employees are also showing less tolerance to sitting all day, as health and wellness come to the fore, placing pressure on employers to provide gym facilities within the office environment.

“Workforce changes are also inevitable as retirement age shifts out. Fewer people can afford to retire and aim to stay youthful and healthier for longer. On one level, what's emerging is an interesting blend of the wisdom and experience of the older with the energy, hunger and naiveté of younger workers. On another level, increasing living costs and much competition for jobs across all age groups, is driving an increase in intergenerational living.”

Clur says there is an increasing fluid crossover in retail channel experiences, with physical retailers operating online and digitally native retailers creating stores as they realise the benefit of foot traffic in malls in creating and raising brand awareness. She says a recent survey by the International Council of Shopping Centres found that new physical stores generate an average 45% and 36% online traffic uplift for emerging and established brands respectively.

“Interestingly new format delivery services such as Uber Eats are driving a different angle on this. The demand for these delivery based businesses is potentially skewing fast food operational needs, with spend taking place but foot count not entering a shopping centre.

“There is a trend collision in this digital age, with a rebellion against continuous technology and digital screens in favour of tradition, intimacy, character, warmth, tactility, texture and sophisticated design in the home. A view of the home as a sanctuary within which to relax, breathe and enjoy natural elements should be increasingly applied to retail space as people seek home-like escapes away from home.

“As retail and entertainment merge, so retailers are pushed to continuously think differently about store design, fit-out and the in-store experience. Sophisticated imageability is critical and the expensive tenant concept and installation process should be guided by people's sensory hunger for the smells, tastes, sights, sounds and touches of life.”

“Internationally, Milan embraces this, offering high-style designer inspired mixed-concept stores such as 10 Corso Como which combines trendy fashion, art gallery displays, books, music and cuisine in a multi-layered beautiful lifestyle space designed for relaxation, sensory indulgence and people watching.

“Beyond the creative, the customer experience continues to be significantly influenced by a host of practical operational factors such as ease of moving into and out of a centre, the generosity of parking space, the positioning of parking ticket issuing machines, effective signage, safety and hygiene, adequacy of light, aisle size, product placement and non-slip floors, to mention a few.”