

Experience Retail

Experience Retail – A new form of place for shopping, leisure and entertainment?

What's going on then?

So what's really been happening in retail development around the globe? If consumer trend analysis from specialist retail developers are any guide, there is a paradox at work, especially since the credit crunch began to bite. The first trend is that in developed economies, most visibly in the US and the UK, consumers are beginning to spend less. In parallel, the research is showing that consumers now regard shopping as a form of leisure and entertainment and are looking to spend more time in places which offer them a mix of experiences – including shopping, leisure, entertainment, sports, cultural facilities and even access to heritage attractions – in one centre or place. Locations for which we have coined the term 'experience retail'.

Experience retail is not just a loose combination of shops in a big box with a few leisure add-ons, say a multiplex cinema and a bowling alley – now pretty standard for many out-of-town retail developments. Experience retail is a more sophisticated offer, a place where consumers can satisfy many of their needs, wants and aspirations for the products, services and experiences that they require for their lifestyle and self image, combining innovative ways of delivering the retail experience together with the leisure entertainment and cultural experiences and residential lifestyle. And, in the delivery of the service in the retail environment, experience retail provides a more personal and higher quality service, with staff who really do know about the products they are selling, often modelling the clothes themselves, who designed them, where they are made and who are backed up by the latest technologies, like the dressing cubicles with built-in, time-delayed cameras.

In a recent publication the Brussels-based retail development company, Uplace, summarised the research it had been conducting on changes taking place in consumer behaviour. What it found was that consumers wanted to accomplish more in less time, that shopping is evolving into an

experience, that retail is becoming part of the 'entertainment industry', that shopping is a way for people to express themselves, that shopping associates people with desired lifestyles, that aspirational brands are becoming more important, that bricks are becoming a more important retail marketing channel and that the physical retail experience should be entertaining and authentic.

For consumers with money, and even those on temporarily reduced budgets, shopping is becoming more 'fun' than 'run'. Consumers are increasingly desiring experiential pleasure and feel good sensations from consumption; they are spending more money on quality experiences than on material goods and, to address this product manufacturers have recognised that they need to offer consumers experiential sales environments. The Abercrombie & Fitch store in New York looks and feels like an old-style select gentleman's club where their clothing fits like a glove, and that they now can distinguish such environments and offers in terms of the differentiation (quality, fun, level of service) of the experience they offer. In London, the new A&F store feels almost like a night club where fashion-conscious young people and models now hang out wearing the clothes from the store, where the actual displays seem almost incidental to their display on the bodies of those who 'inhabit' the store. It's a place to be seen in and one where the A&F cognoscenti feel at home. By contrast the lure of the Apple store in London's Regent Street is that it is a place where it's cool to be an informed 'geek', to be savvy about the cool technology, to be comfortable playing with it, to learn about its capabilities from equally or more savvy people of your age (if you are under 35), and to decide what to buy and have it shipped to your home within days.

And, as unlikely as it seems, these stores have a predecessor in the form of the Disney Stores which, although designed to shift product in large volumes, are also designed to give you a foretaste or remembrance of the Disney experience, whether it be to see one of their movies or to visit one of the Disneyland theme parks. Buying your Goofy puppet in store and taking it home extends the pleasure of that experience.

The implications of this are that retail development must offer consumers, who are becoming ever-younger, an authentic and entertaining environment in which to find, try on, buy, wear and display goods alongside a complementary and relevant mix of attractors and lifestyle experiences. Evidence from the US also indicates that such places are also offering a public realm 'in-store' or in the mall that acts as a stage for people to show off what they have bought and for them to listen to or participate in live music, drama and dance events and a setting for new forms of public art and sculpture.

The implications for developers are that shopping centres will need to include leisure and entertainment and sports offers and that they will be more like integrated high-urban entertainment centres with high-quality, well managed, and active public realm.

So, where can we see what's happening?

The full experience retail offer envisioned in this article has not yet been created, but there are examples of its principal elements being combined that can be seen around the world.

In the UK, for example, combinations of retail and indoor sports and leisure and entertainment facilities can be seen in Milton Keynes, where the first Xscape indoor snow sports facility development is located, offering an all-year-round snow slope, rock climbing, 'Airkix' (which simulates freefall skydiving) health and fitness facilities, bowling and a cinema, and in the Trafford Centre in Manchester, where there is an indoor state-of-the-art soccer dome which provides facilities for small-side soccer teams to play and practice, plus a 20-screen multiplex cinema and comprehensive upmarket food court. In London, Locum Consulting has been working for developer Hutchison Whampoa on the development of a new experience retail concept – 'The Creative Place' to sit at the heart of a new predominantly residential development of 25 hectares at Convoys Wharf in Deptford in London's Docklands. This creative facility is designed to attract people to live in the development and be a place for them to entertain friends and relatives as well as adding to the retail and leisure offer and





experience of the area and for people who live in its catchment area. Located in one of the Mayor of London's creative hubs, not far from Goldsmiths College, and centred on a listed former warehouse building known as the 'Olympia', this has taken creativity as its driving theme and Locum has proposed a mix of creative retail facilities and activities, including bespoke fashion designers' shops and workshops, workshops and showrooms for designers of fabrics, restaurants, cooking schools, specialist bookshops and spaces for performance arts – drama, dance, live music and theatre.

In the Eire, Locum has been working for a developer to create the concept of Europe's first 'retail resort'. Located midway between Dublin and Belfast, this will be known as 'The Perfect Place' – a place to stay and relax in a top-class spa hotel, while shopping in a retail facility that will be home to the world's top designer fashion, jewellery, shoe, accessory, furniture and interiors and automobile brands, eating at one or more of world-class chef restaurants or making use of a great range of indoor and outdoor sports

facilities, including watersports, sailing, golf, hill-walking, equestrian facilities and Ireland's first all-weather race track.

In the Middle East, good examples of ER can be seen in Dubai. For example, the Sahara Centre complements an international array of global retail brands with a food centre offering local and global cuisines plus an 'Adventureland' family entertainment centre offering 20 rides, an indoor rollercoaster, a multi-level train, an indoor water flume, a billiard hall and mini bowling alley. Dubai is also the site of the Middle East's first major comprehensive ER development, the 'Sunny Mountain Ski Dome', due for completion at the end of 2008. The project consists of a dome that will house a large revolving ski slope, going through and around an artificial mountain range created to emphasize the 'Arctic Experience' effect. Within the dome there will be a range of Arctic experiences, including a Penguinarium, winter aquaria, snow castle, ice rink, Arctic animal statues, four-season aquaria, snowfall, sound and light effects, cold and warm bath spa and other facilities, an ice bridge, a cable lift, snow maze, ice

slide, polar bears, all of which will be complemented by a deluxe hotel, a shopping mall, restaurants, coffee shops and other retail outlets.

In the US, the developer Rick Caruso, who heads up 'Americana at Brand', based in California, is a pathfinder showing the way on how to meet changing consumer demands. Caruso has significantly changed the face and form of US retailing by creating what Mathew Garrahan of the FT describes as "vibrant open air retailing centres instead of bland indoor shopping malls". A very good example is his development in Glendale California, which offers a mix of retail, leisure, entertainment, food and beverage facilities and a quality residential component, with condos and apartments to rent or buy. This is a place to live, to meet, to hang out and be associated with for the local population who have tired of big boxes with no sense of place or personality. This development is the opposite of so many impersonal retail malls across America, which are now feeling the full force of the effects of the credit crunch. Many of these malls have increasing voids and, with

their potential closure, their local communities are losing their principal meeting places, especially where the malls had replaced the old main streets. In a recent article in the Observer newspaper James Doran observes that many malls, once the centre of life in American towns and cities, are falling dark and local populations are feeling their communities have lost their sense of place and focus. How different this might have been if, instead of being predominantly retail, they had offered leisure, recreation, entertainment and sports facilities, as envisaged in our conception of experience retail.

In central Europe, some examples of retail developments that are moving towards the experience retail concept are Rivetoile commercial centre in Strasbourg, the Ballymore (Eurovea) riverside mixed-use retail centre in Bratislava in Slovakia and the new retail centre in Duisburg in Germany.

In conclusion, we believe that:

- Consumers will increasingly regard shopping as a form of entertainment and will desire a mix of high-quality retail 'experiences'.

- Retail development and environments need to include high-quality leisure facilities.
- Such places need to be true 'one-stop' destinations, where individuals and families can spend quality time.
- They need to appeal to kids, teenagers and adults, and people of both genders.
- Their built environment has to be architecturally clustered, based on life stages and lifestyles, and be authentic to the place in which they are situated.
- They need to have an authentic 'in-town' atmosphere and be designed to feel like a real place operating at a human scale.

Malcolm Allan
Experience Retail Director