

Rethinking retail property in 2022

By  Amelia Beattie

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The South African retail sector has traditionally always been a high growth market; however, the wake of the pandemic has caused the sector to experience profound changes. From a slump in retail performance and immense consumer financial pressure to initial evidence of a sound recovery, the current environment has told an interesting story - one of perseverance and strength. In some cases, it has sped up longstanding changes already apparent over many years, while in others, it has sparked unexpected developments. This massive shift has forced the sector to quickly adapt, abruptly enforcing a point of no return, and the ones that have embraced the opportunities in the current market will likely be the ones that are set apart in 2022.



Amelia Beattie, chief executive of Liberty Two Degrees

Growth of personalised retail experiences

Experiential retail continues to take a lead role as the ability to connect with customers as consumer habits evolve becomes paramount. Striking the balance between rediscovering human contact in 'brick 'n mortar' and maximising the online experience through an omnichannel approach is non-negotiable. While some may hold the view that the rise of e-commerce will eliminate the physical store, this is not quite the reality in South Africa. We will continue to see an increase in customer spend in quality and well-positioned malls as people look for an overall lifestyle experience. Rather than simply mirror the global view, we need to consider and re-examine how the digital and physical worlds combine with agility and innovative retail formats at the fore.

Smart solutions will need to be delivered alongside traditional engagement strategies, but the importance of complementing this with online platforms and a world-class shopping and retail destination will be critical.

Smart data drives smart insights

To succeed – or even survive – retailers and tenants will also need to maximise smart data solutions which will offer insights that can be explored alongside traditional experiential strategies. There is a proliferation of digital solutions that bring convenience and frictionless experiences to customers and enhance operational efficiencies of tenants. Consumer insights will prove complementary to the tenants' data to enhance the shopping experience across all touchpoints.



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Creating robust assets that can benefit generations

In addition to technology, environmentally sustainable approaches will also be critical to the customer experience journey. By 'building tomorrow' together with customers, it is possible for both tenants and shoppers to make a positive and impactful change that aligns with the UN's 2030 Sustainable Development Goals. Behavioural change is a significant driver of minimising environmental impact and facilitating awareness and the retail property sector should be adamant on opportunities in the sector that promote the adoption of environmentally safe practices throughout operations – including

green leases which govern energy efficiency, water consumption and waste management.



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The highest standards of hygiene, care and security

Lastly, the existence of retail rests on the premise of attracting increasing numbers of customers - balancing shoppers' need for social interaction with their need for a safe shopping experience. Therefore, creating safe spaces should underpin all experiences within retail environments going forward. Retail environments should seek to act in the best interest of its tenants and shoppers and therefore exemplify the highest standards of hygiene, care and security. With regards to safety and security of tenants, shoppers and mall employees, which is of utmost importance, retailers should continuously seek to improve this element in 2022.

Going forward in 2022, retailers must embrace a customer-first approach and deliver frictionless shopping experiences using tech-led retail solutions. Commercial spaces in the future will be markedly different. As retail environments capitalise on the opportunity to reinvigorate the shopping environment, which will undoubtedly continue to succeed in the long term, the future of retail means understanding ways in which to integrate technology to enhance customer and tenants' retail experience, while still finding ways to engage people to come into malls – which translates into convenient, safe, and more memorable and diverse good spaces. And if we want to continue to attract shoppers and quality tenants into our spaces, we need to develop our capabilities and offerings in line with consumer demands and trends.

ABOUT AMELIA BEATTIE

Amelia Beattie is chief executive of Liberty Two Degrees (L2D).

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