

Winter 2017

Top 10 Industry Trends of 2017



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INDUSTRY TRENDS OF 2017

Yes, you've heard it before: the only constant in retail is change. As e-commerce becomes firmly entrenched, the physical retail landscape is changing in noteworthy and spectacular ways. We explore the enduring trends that have sprouted recently and will continue to make waves this year. Here's what to expect.

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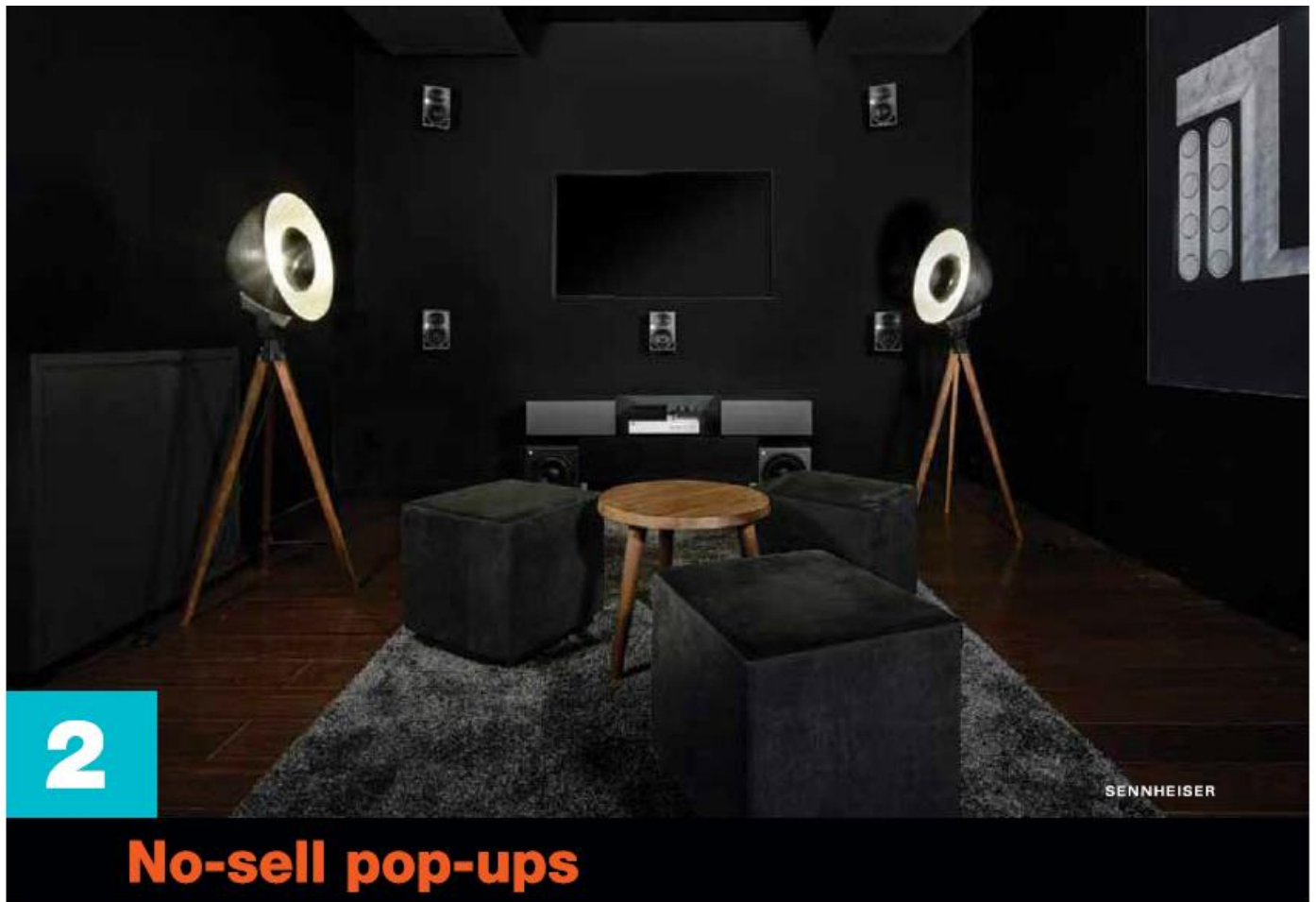


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It's all about the experience!

Millennials love experiences, the more outlandish the better. Given that people 18-34 in 2015 are now officially the largest demographic segment in the United States at 75.4 million, shopping centers are increasingly paying attention and delivering just the kinds of experience they're looking for. Skydiving in a mall? You got it! Paint-and-sip studios? Sure thing! The Mall of the Emirates in Dubai even has a "snow bullet," a zipline which soars above an artificially recreated ski slope.

Bryan Laing, the VP of Client Services for Footwear and Apparel for IDL Worldwide, a global firm focused on experiential marketing, says that the craving for experiences is a natural offshoot of our increasingly digital lives and the level of noise in the marketplace. Millennials, he points out, have grown up expecting elevated experiences. "You even see it in things like college recruiting—amazing new dorm experiences, unbelievable athletic facilities, and gourmet food options." Laing predicts that this appetite for experiences will continue to play out in the physical retail landscape as well with stores becoming more like showrooms and delivering experiences instead. One could argue that pop-up shops have become increasingly popular because they deliver a valuable experience in a narrow window of time.



No-sell pop-ups

Say what? A shop that doesn't sell product? What business does it have in the retail space, you ask. Why, brand engagement of course.

Millennials who are big online shoppers may have no desire to do typical "mall" shopping. But they are still looking for places to go even if they don't intend to shop or make purchases, says Alex Cohen with CORE, a real estate brokerage firm in New York City. The value of a pop-up then is to engage these consumers with new products and new experiences that can drive sales whether in-store or online. For example, Sennheiser, a German audio company, launched a pop-up store in New York through CORE that allows customers to test and listen to different head phones and other products—something they can't do online. By holding concerts and other special events in the store, Sennheiser also engages consumers who may or may not be familiar with the brand. "Social media can enhance and diversify store engagement as customers instagram and snapchat their in-store experiences to their friends," Cohen says.

Suzanne Cayley, Vice President, Specialty Leasing with Toronto-based Aurora Consultants, says that many brands and even celebrities (Justin Bieber or Kayne West, anyone?) use pop-ups to connect with consumers and as an extension of their marketing outreach. "Pop-ups allows them to be able to get feedback about their products, but ultimately it's all about engaging the consumer and developing a stronger relationship with the consumer in the end," Cayley says.

The lower-time-window-commitment from pop-ups allows for secondary purposing of these spaces such as hosting fundraisers for local charities, with developers sometimes using the boost in traffic to redirect customers to other areas of the shopping center.

