

RETAIL

Physical retail needs to add value for omnichannel consumers: Coresight

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Center courtyard of Bal Harbour Shops outside Miami. Image courtesy of Bal Harbour Shops

By SARAH RAMIREZ

There is a widening gap between retail offerings and post-pandemic shoppers' expectations.

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During a LinkedIn Live event hosted by Coresight Research, retail experts discussed the challenges facing the industry. While consumers have returned to physical shopping as pandemic-era restrictions have faded away, their expectations and behaviors have changed.

"We've looked at this idea of the mall as a platform," said Deborah Weinswig, founder/CEO at **Coresight Research**, New York. "The tenant is paying rent and the landlord should be providing services."

Case for shopping centers

According to Sam Abouchami, director of sales and operations at Toronto-based customer journey company **Adeptmind**, malls from North America to southeast Asia have seen a fall in occupancy rates in recent years.

The shopping centers best positioned to succeed are those that offer distinct services that add value to both shoppers and tenants. Brands and retailers are gravitating to top-tier malls, while lower-quality locations are the seeing more occupancy issues.



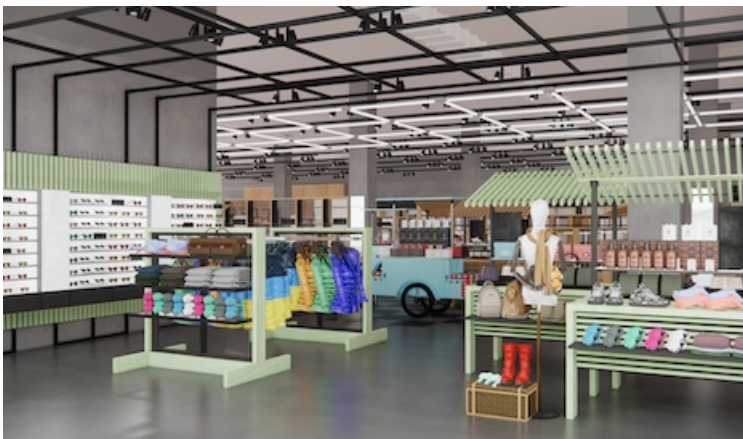
In-store or curbside pickup can be faster than shipping and delivery. Image credit: Neiman Marcus

One way shopping centers can boost foot traffic is by becoming more discoverable online, touting that products are a short drive away for shoppers who have become accustomed to instant gratification thanks to the likes of Amazon.

Click-and-collect services often have faster turnaround times than traditional online shopping fulfillment options.

"Rather than ordering online, where delivery will take three days, [consumers] can order from their shopping center and it will be ready within two hours," Mr. Abouchami said.

Mall operators and owners should also highlight that physical retail can have a less costly impact on the environment than ecommerce, since offline transactions allow shoppers to feel products firsthand and reduce returns.



Retailers have been scaling down stores for the last several years, offering a more curated selection of products. Image courtesy of Bloomingdale's

Encouraging in-person returns also fosters foot traffic and puts consumers in front of additional inventory, while improving the return experience itself.

Mr. Abouchami also points to "commitment marketing," or the ability to offer customers' benefits across both in-store and online channels as an important priority for brands and retailers.

Rethinking malls

With consumers returning to shopping centers for product discovery, malls can level up by expanding service offers, such as coffee shops and dining options from a variety of tenants.

In this new era of shopping, malls have an opportunity to pivot and attract new tenants and shoppers. Some thoughtful adaptations may include adding fitness centers, new restaurant concepts, coworking spaces or even art exhibits to recreate urban environments in suburban settings.

Additionally, if retailers have fewer locations, malls will be able to further differentiate themselves as destinations for a specific type of consumer rather than offering a nearly identical experience from a nearby shopping center ([see story](#)).

According to the 2022 retail trends forecast from analytics platform Placer.ai, consumers have steadily returned to brick-and-mortar stores because of their unique value propositions. The retailers most likely to find success are those with a unified approach to online and offline channels, leading to a better customer experience ([see story](#)).

"Perks that are given to a loyal customer and are be able to tie in this whole holistic experience from the in-store experience to the online experience can increase the intensity of their customer relationships," Mr. Abouchami said.

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