

Creativity on the march across the retail landscape

Creativity is on the march across the retail landscape as sector players get to grips with shifting consumer values and influences in the wake of the Covid-19 pandemic.



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Conditions today may be thought of as a kintsugi economy, says Belinda Clur, managing director of Clur International, which produces the Clur Report on SA Retail Property. This industry barometer and asset management support system tracks performance and trends across 3.3 million square metres of retail space for listed and unlisted funds.

Kintsugi, Clur says, is the Japanese art of fixing broken pottery with gold.

"It symbolises a humble philosophy especially relevant now to business and life, where sustainability, resourcefulness and economic pressures are in the forefront. It celebrates experience and time and embraces flaws and imperfections, with which one can create a stronger and more beautiful whole. Rather than casting aside broken pieces which hold value, experience and rich substance, we should recognise their significance and mend them through creativity, care and sound decisions."

According to the Clur Benchmarks, the May 2020 rolling 12 month annualised trading density at shopping centres came in at R34,325/sqm and negative 1.2% year on year growth on an unadjusted basis. Clur says a positive growth trend was in place within the sector before the start of lockdown, and that the forced economic state has swung the trend.

"An examination of the very short term data shows an improvement in the numbers since hard lockdown was eased, with more retailers trading and people returning to the centres."

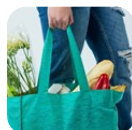
Need for agile shopping centre design

In response to the fallout from the pandemic, shopping centres should be sensitive to a shift in concepts for these properties, as well as the global influences of the times, Clur says.

"The lines are blurring between chameleon and hybrid concepts. The chameleon shopping centre concept represented a move to fluid rather than fixed formats, comprising an ever changing, quickly adaptable, high impact, connected and interactive experiential environment. The hybrid centre takes this further, embracing the need for a new mixed use format including retail, storage warehousing, showrooms, galleries and event spaces. Design must be agile as times change.

"In bad times, this would allow vacant retail space to generate rental income, albeit at a different rate, and would shorten the supply chain and limit stock issues, driving efficiencies. This may represent a solution to ring-fencing turnover rental lost to online sales, if the product is sourced at the shopping centre storage warehouse, with various delivery and pick-up options.

"A more entrepreneurial approach with less red tape is sought, along with an appreciation of the importance of flexibility, shorter term leases and alternate rental structuring in valuations."



What's influencing where South Africans shop during lockdown?

2 Jul 2020



Preference for smaller, more intimate formats

Clur adds, "Covid-19 has created a small, limited frame of reference for life. As the virus is controlled, people adapt and broader interactions are trusted, so will the personal radius of activity expand. This is driving a current highly community focused trend, and a preference for smaller, more intimate formats, which inspire a feeling of safety. This is not a new trend, but has accelerated.

"In a trading update, Mr Price said it is looking at micro, small and medium format stores post Covid-19, also citing online sales growth of over 90% in the 20 weeks to mid August. Dis-Chem has also noted [a 344% growth](#) in online sales.

"Lockdown has led to an intensified interest in our home environment. We are looking at it critically, fixing and sorting. We are focused on creating a sanctuary within which to relax, breathe and enjoy natural elements. The home trend has led to a surge in gardening and vegetable planting as both supply fears and organic influences play out. As we move to the hybrid shopping centre concept, we have also embraced a hybrid home concept, incorporating offices.

"In the US, the pandemic has been reported as fuelling home category sales, such as coffee makers, mixers and interactive whiteboards, as well as DIY. Our homes will also be critically important as entertainment spaces, initially only inviting small trusted circles into our cocoons. This dynamic will see demand for the grocery category increasing as home entertainment and cooking entrench during this time."



How Dis-Chem customers changed their shopping behaviour during lockdown

31 Aug 2020



Factors influencing mall selection

Clur says hygiene and cleanliness processes now represent a deciding factor in mall selection and visitation.

"Globally, robotic technologies have been accelerated by Covid-19, and are becoming more prevalent, playing an important role in both the hygiene management of malls and in cost cutting for retailers. These technologies are helping customers feel safe during the pandemic. In general, open air formats, space, ventilation and healthy green areas are a vital component of the new mall and store design mix.

"Antimicrobial materials, such as cork, vinyl, ceramic, porcelain and wood are also gaining attention, materials with qualities which can help to create a safer environment for employees and customers.

"As we move from micro to macro activity over time, so we will also move from outdoor to indoor formats, specifically for entertainment. The pandemic has caused a throwback to drive-ins and road-house style offerings. In Paris, a floating open air cinema concept, viewed from socially distanced boats on the Seine River, has emerged as a popular creative new format being replicated in other high profile cities.

"Nostalgia is an important linked theme, which has a very powerful bonding influence when used in a consumer setting. It instils a feeling of safety, security and comfort and is a great creative and agile use of available space at shopping centres and other destinations with capacity. This has also lead to increased patriotic brand support, with more consideration of where one shops."

Consumer values reset

She says consumer values are resetting, with a shift from a direct to a more integrated spherical economy, underpinned by an increasingly social, ethical and sustainable consciousness.

"These are defining overall trends, blending with many categories and changing the future face of homes, retail, the workplace and indeed life. Tied to this is a back to basics trend, as people want to know the origins and production processes linked to goods they buy.

"A holistic approach to life has evolved, embodying happiness, health, energy, mindfulness, experience and balance. People seek to live their most rounded life. Wellness, fitness, youthfulness, tolerance, respect for elders and their wisdom, multigenerational living and 'refirement' are key elements."



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Karin Du Chenne 17 Sep 2020



Trends taking hold internationally and locally include a rise in thrift shopping, vintage items and apparel recycling and reselling and the move to veganism, says Clur.

"The emotional rewards of both conscientious exchange and ethical healthy eating drives this. Vegan fabrics and materials have now also entered the fashion world, driving consumer interest and cost efficiencies. Consumers are reviewing their need for fast fashion, focusing on quality, durability and re-use. "

She says [Luxity](#), an SA retailer of pre-owned, high-end brands is a good example of this trend, and the emergence of a new wave of luxury brand buyers, thanks to quality at a lower less prohibitive price point.

"In January, France, the US, UK and Denmark saw increases of 132%, 63%, 43% and 42% respectively, in products

described as vegan. Paris is expected to become the sustainable capital of fashion by 2024. Vegan footwear and accessories are fast growing sectors .

“Chanel, Gucci, Burberry, Versace and Victoria Beckham have all pledged to go fur-free on their catwalks. Diesel has introduced Green Label, garments created using innovative techniques that significantly reduce the use of water and chemicals during the production processes.

"Ralph Lauren has invested in Natural Fiber Welding, a startup that has revolutionised the reuse of natural fibres, and Timberland is embracing green store design, winning an award at its Carnaby Street, London, flagship branch. Two Mexican entrepreneurs have created Desserto, a vegan eco and cruelty-free leather made from prickly pear plants. There is also a trend towards tie dying as people re-innovate their existing clothes whilst stuck at home."



Timberland strives for net positivity by 2030

2 Sep 2020



Lockdown has also led to a hybrid clothing theme, says Clur. Growth in the ‘working from home uniform’ has been reported as consumers prioritise comfort on the bottom and a smarter top half, with sweatpants having a high sellout rate in the US.

“That’s come along with growth in accessories that enhance one’s video-conferencing attractiveness, such as trendy glasses frames and watches, along with demand for blue light lenses. The existing athleisure fashion trend has now moved towards chic loungewear, with the global loungewear market estimated to generate retail sales of \$37.7bn in 2021.”

Spotlight on equality and diversity

There is also a move to an all embracing equality culture, says Clur.

“Black Lives Matter and women’s rights have been at the forefront recently, but there are numerous other examples of this. Valentina Sampaio is the first transgender woman to appear in the *Sports Illustrated* swimsuit issue 2020. She was also the first openly transgender model to be hired by Victoria’s Secret in 2019, and was the first transgender woman to appear on the cover of *Vogue Paris* in 2017.

"Gillette Venus has also embraced realness, digital feminism and inclusivity in their new gaming fashion line, with avatars representing and celebrating all types of skin, including wrinkles, cellulite, freckles, vitiligo as well as disability, showing these in a positive light rather than the usual perfect models.

“The move to gender neutrality and fluidity is emphasised by David Beckham appearing on the cover of *Love* magazine, wearing green eyeshadow. Chanel launched ‘Boy de Chanel’, a men’s cosmetic line, as well as Tom Ford. The male grooming business has been accelerating, and this takes it to a new level. Lulu Lemon has also launched a gender neutral sports cosmetics range, as the lines between sports and cosmetics blur. Linked to the organic trend, the global cannabinoid skin care market size is projected to reach \$3.48bn by 2026.



Mattel reveals line of gender-neutral dolls

26 Sep 2019



“Sophisticated imageability is an increasingly important theme, both as we move from outdoors to indoors, and as the physical and virtual store experiences marry, an example being Burberry’s first social retail store in Shenzhen, China, marking a shift in how to engage with customers. This influence is specifically important in terms of the increasingly

creative and popular immersive digital and art trend.”

Substance, integrity and realness are key themes driving consumer connection and loyalty, with kindness, compassion and empathy almost representing a new language of the world, says Clur.

“We see this echoed in the recent collaborative release of Bob Marley’s ‘*One Love*’ song for Unicef in support of families and children affected by Covid-19. It is also significant that China is opening markets to beauty brands that don’t test on animals. An increase in pet ownership, particularly dogs, in North American and European markets has been reported over lockdown as families and individuals seek companionship at home and on socially distanced walks.”

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