

Uplace

A new type of destination

Malcolm Allan introduces this article by Lorin Pays and Hendrik Winkelmans of UPlace, the international real estate group. "The retail sector is going through a period of profound change and not just because of the credit crunch reducing levels of consumer spending. The real drivers of change are the changes in consumer's lifestyles and their demand for new experiences. We are seeing the emergence of demand for shopping as a form of urban entertainment and for a more intensive mix of shopping, leisure, entertainment, cultural and sporting activities in single places. Through the joint Locum and Colliers CRE 'Experience Retail' Team we are at the forefront of analysing, tracking and influencing the development of these new destinations. One of the pioneers in the field is the Brussels based retail developer Uplace who are currently progressing the development of this concept of an urban retail and leisure experience in the north of Brussels." Malcolm Allan is the leader of the Locum and Colliers Experience Retail Team which draws together knowledge and expertise on this concept from around the Colliers network to offer developers and investors a comprehensive service to enable them to create and manage retail places that offer great experiences.

In this article Lorin Parys and Hendrik Winkelmans of Uplace, discuss the value of integrated destinations that deliver successful destination experiences.

'If you build it, they will come' is a tenet that no longer holds true for the destination business. All too many shopping malls, lifestyle centres and mixed-use destinations have languished because of faulty strategies, miscalculated tactics or unforeseen circumstances.

'Knowing thy customer' is the key to creating successful destinations. The profile of destination guests is profoundly different today than it was only a fortnight ago. Recent shifts in behaviour of an increasingly sophisticated and demanding customer significantly affect the maturing destination business. In the following article, we aim to share some key-findings of the Uplace research department.

At Uplace, we develop all-in-one experience destinations where living, relaxing, working, shopping and play all effortlessly blend into one another. Discovery, fun and experience combine to turn a Uplace destination into the coolest place in town. This requires plenty of experience in the real estate business, a thorough understanding of the hospitality and entertainment industry and in-depth knowledge of what moves your guests.

Accomplishing more in less time

For our guests, life is becoming increasingly hectic. The average consumer has countless interests, priorities and activities vying for their time, attention and resources. Willmott and Nelson assert in their well-known book 'Complicated Lives' that managing complexity and choice is the challenge of the 21st century. Research shows that many consumers have trouble juggling their many options, from hedonistic to functional, from self-centred to focused on friends, children or partners. It is not so much that non-work time has become more scarce (actually it has slightly increased over the last 20 years in Western societies), rather people's 'to-do lists' have exploded. This means, for example, that retail centres have to become more than just shopping centres and include recreational and convenience offerings. Developers and place managers have to accommodate this dynamic on a number of levels. This includes combining shopping and non-shopping in a truly one-stop-place, structuring and designing the retail space into an authentic environment that is also functional, and stimulating continuous rejuvenation and animation.





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In search of experiences

In their quest for quality of life, consumers are increasingly turning to experiences. What is more, they want those experiences to be unique and personally meaningful. Uplace works together with Professor Schmitt, who researches and teaches about the consumer experience at Columbia Business School and believes that people don't buy things based on rational criteria such as product features and benefits. He proposes that consumers want to:

- 'feel' (creating or appealing to emotions);
- 'relate' (building a connection with and among customers);
- 'sense' (allowing to test, touch & try merchandise); and
- 'act' (inviting customers to do and participate).

Professor Schmitt's research shows that retailers that deliver on these experience dimensions and create excellent in-store experiences outperform on top line growth. However, this trend is not exclusive to the retail arena, as people increasingly spend money on unique and quality experiences rather than on material goods per se. The implications for destinations are wide-ranging. They need to appeal to and connect with their guests. They need to provide a varied and continuously innovating offer that allows for a personalized experience for each guest.

Connectivity

The age of individualization has unquestionably come and gone. People are looking for connectivity again. This is illustrated by the success of interactive applications, such as SMS and chat forums. But in the off-line world, people are also looking for places and opportunities to spend time with family, friends and peers. Destinations that offer them the opportunity to spend quality time together will be the clear winners. This trend also illustrates the need for a clustered offer based on audience segmentation. People want to spend time in an environment that is welcoming, familiar and personally interesting to them.

Me, me, me

Today's consumer is sophisticated, demanding and the centre of their own universe. The days of the formulaic solutions and of passively accepting everything that is offered are long gone. Time Magazine knew this back in 2006 when they named 'you' as the person of the year. Consumers expect a place that caters to their individual needs, wants and preferences. They want to be treated as valued guests and expect service of the highest level. What was a nice little extra yesterday is standard fare today. Consumers are moving the bar. Successful destinations are those who are always one step ahead.

Craving authenticity

Authenticity has recently emerged as a factor of significant importance. People want to spend time in places that look and feel real and that offer an authentic experience. This trend illustrates the fundamental limitation of standard solutions. What is real can be very location and culture-specific. Thorough research and the willingness to adapt to the local preferences and identity are crucial in developing and positioning a destination.

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The above-mentioned trends indicate that consumers are looking for a genuine third place (after home and work) where need, desire and people meet. Combining rich experiences, a unique retail mix and unparalleled service, 'experience destinations' will be the go-to places for the generation that wants it all.

Now more than ever, destinations need to incorporate and reflect customer demands and expectations. As audiences change and evolve, constant research and the willingness to adapt and localize will make destinations thrive.

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