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The Consumer is In Charge in Retail

BY CARRIE ROSSENFELD

TUSTIN, CA—Gone are the days of “if you build it, they will come,” **Coreland Cos.**’ president **Chris Hite** tells GlobeSt.com. Rather, it’s vital to give today’s customers a real reason for coming to your center, he says. We spoke with retail experts exclusively about how shifting demographics will continue to change the retail sector and what readers should know about this dynamic category. Stay tuned for a full-length feature on how shifting demographics are impacting the retail sector in an upcoming issue of *Real Estate Forum*.

GlobeSt.com: How will shifting demographics and buying habits continue to change the retail real estate sector moving forward?

Faith Hope Consolo, chairman, the retail group, Douglas Elliman Real Estate: America will continue to be more diverse, so look for more languages to be included in store communications—more experiential to get Millennials and aging Baby Boomers out of the house. And look for sales to pick up as Millennials finally get more financially established and can begin buying homes and starting families.

Shahin Yazdi, SVP, George Smith Partners: Industrial real estate will inevitably become big business for retail brands, since more traditional retailers will increasingly need additional warehouse space to manage their online components. Core markets will be in the highest demand for these retailers’ industrial locations based on these retailers’ need to have industrial spaces as close to customers as possible to ensure delivery speed. Brick-and-mortar retail locations will also continue to gravitate to the highly populated core urban markets where people are increasingly living, shopping and being entertained all in one convenient place.

While online retail has certainly changed the physical retail property landscape forever, overall online retail has strengthened retail as a business. That said, many contend that the retail landscape has changed so much that the traditional mall environment is no longer viable. I disagree with that sentiment. The fact is the traditional shopping mall will never actually die. People like to shop in the US—so much so that it has become a leisure activity. Based on that fact, the mall will never disappear, but it will evolve, and retailers will continue to incorporate new online options in-store in order to compete.

Hite: Retail is constantly evolving. No retailer would ever remain in business if it did not evolve with the changing demands of its consumer. An online social-media presence and mobile platform are just as important today as a tenant’s positioning within a shopping center. Those retailers and landlords that embrace that will reap returns.

Bottom line, the consumer is in charge today. The malls of the past, built with an “if you build it, they will come” mentality, are no longer relevant. Owners and retailers have to figure out how to grab the attention of the increasingly informed and distracted consumer who wants goods and services delivered in a very personalized or experiential way.