

Retailing in 2011



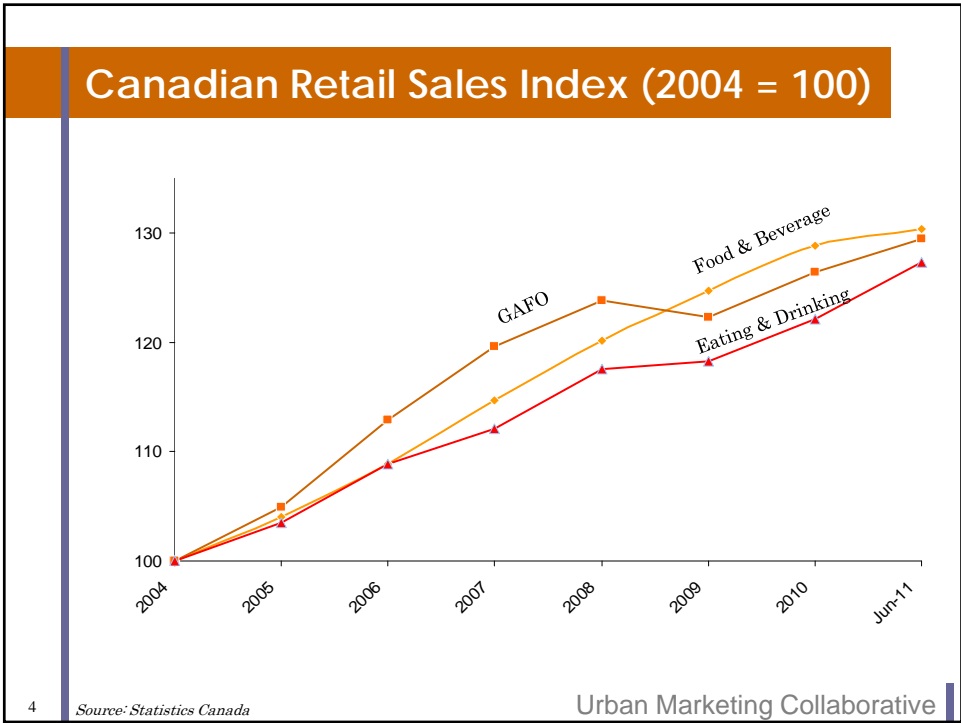
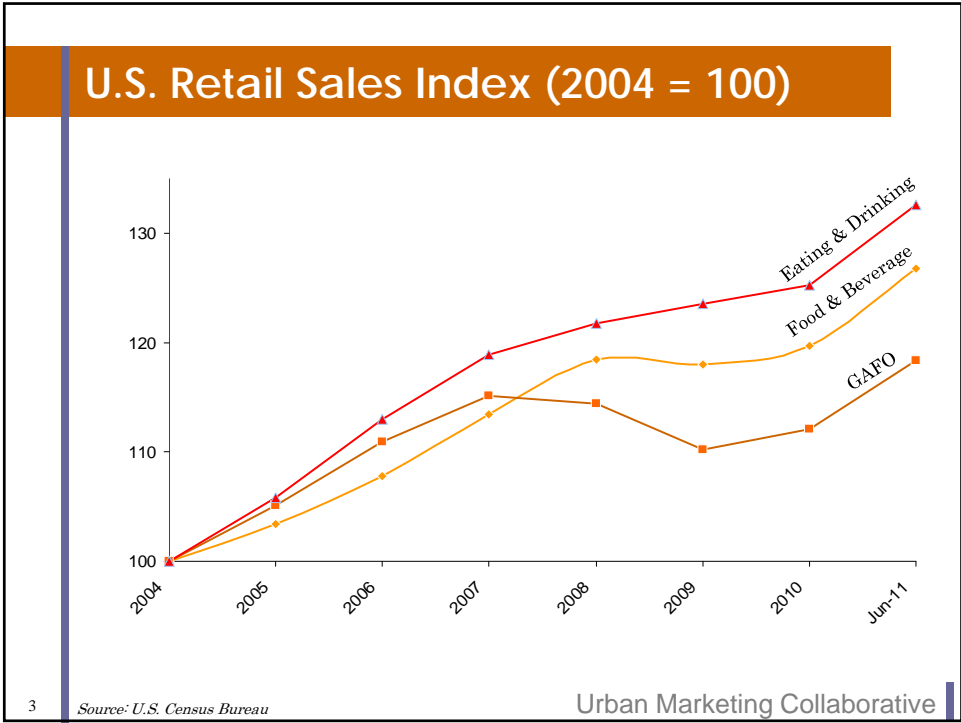
International
Downtown
Association

Presented by John Williams



September 24, 2011

The Retail Market



Consumer Confidence Index January 2004 – July 2011

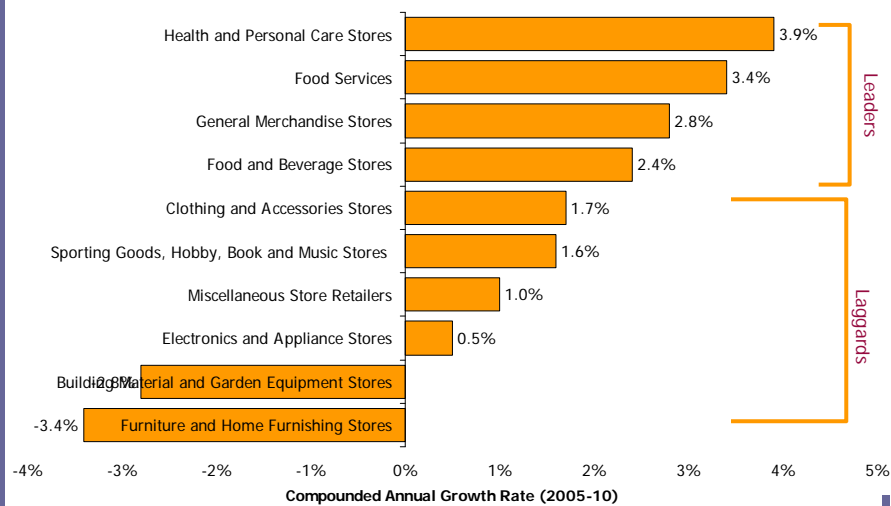


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Source: U.S. Conference Board, Canadian Conference Board

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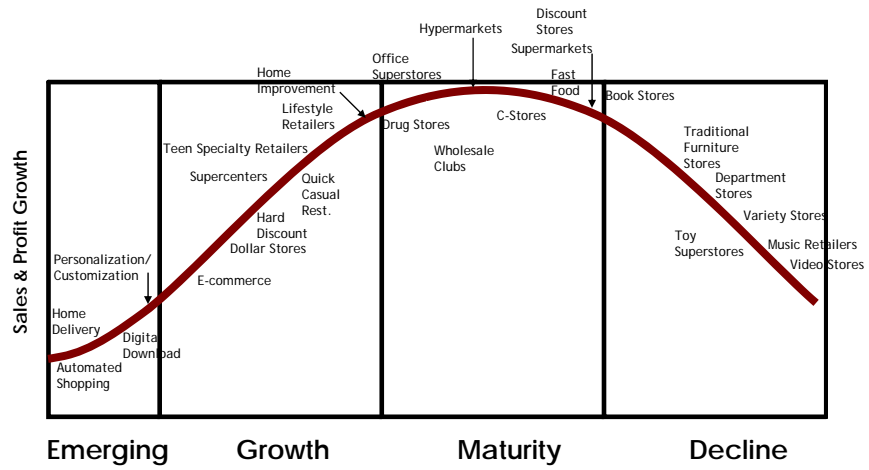
Store Types: Leaders vs. Laggards (CAGR – 2005–2010)



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Source: U.S. Census Bureau

Retail Lifecycle Changes Rapidly



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Source: McMillan / Doolittle

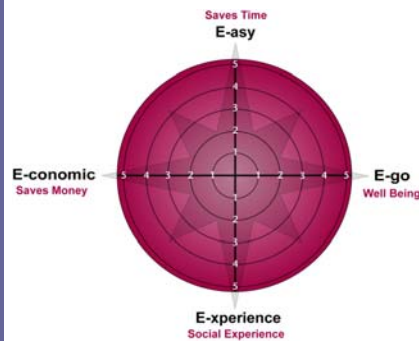
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Trends in the Market - 2011

J.C. Williams Group Strategic Retail Compass Model

► Trends segmented using J.C. Williams Group's Strategic Retail Compass model

- Approach is from the consumer solution perspective.
- Need a 5 to succeed!



- **E-conomical:** Saves me money
- **E-xperience:** Gives me a good time
- **E-go:** Helps me express myself
- **E-asy:** Saves me time

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Ego



lululemon  athletica



- Luxury retail continues to be strong during the economic slowdown
 - Bal Harbour Shops luxury mall had sales increases of 24% (for 2010) and 27% (to April 2011)
- Members-only prices for luxury products (e.g., Gilt Groupe) to masstige products (e.g., Coach, Lululemon)
- Status still has its place!

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Source: *trendwatching.com, Shopping Centres Today*

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Experience

- ▶ Westfield Shopping Centre – London
- ▶ Eataly – New York



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Westfield Shopping Centre – London

- ▶ Breaking Rules? Moving Forward! Wow!
- ▶ Here is a review as of November 2010
 - Size: 1.6m square feet
 - Tenants: 280 retail units, with retailers from over 15 countries
 - Food tenants: 65 places to eat
 - Shopper Traffic: 23m footfall
 - £170m invested in public transport

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Restaurant Row as an Anchor



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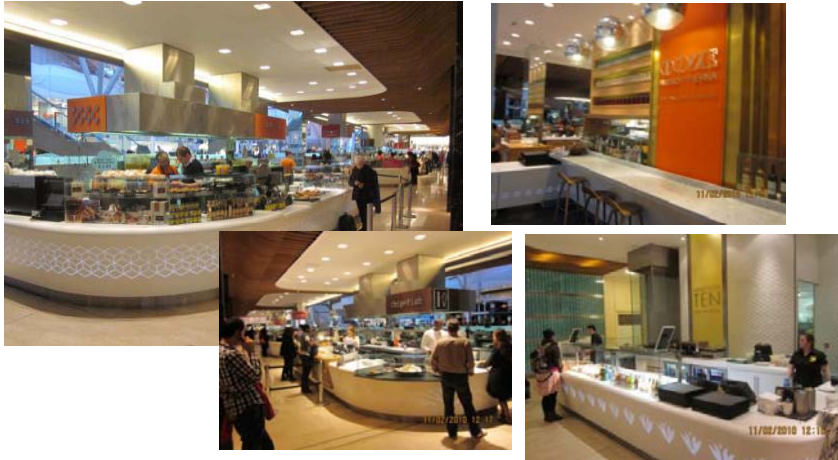
Wide Aisles Are Filled With Kiosks and Food/Beverage



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No Food Court As We Know It

- ▶ Food is “everywhere”—as shown
- ▶ Restaurant court around the center court
- ▶ Cafes come out into the center court



Eataly – New York

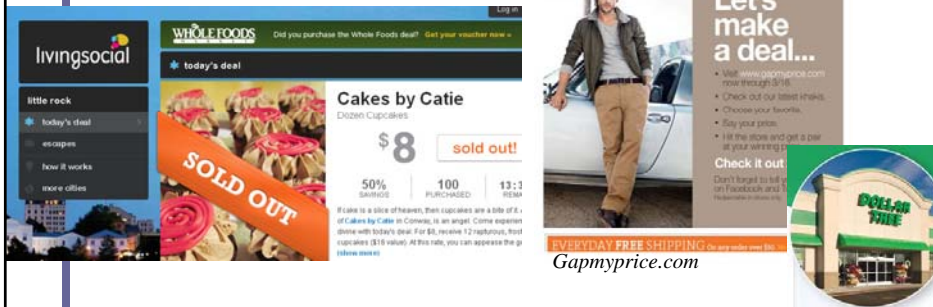


Selection and Explanations



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Economic



- ▶ Consumers continue to be enticed by savings and deals
- ▶ From dollar stores to group discounts (e.g., livingSocial) to deal-making retailers (e.g. GAP); the more this trend evolves the more it stays the same



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Economic



- ▶ Providing cost savings has its own price
- ▶ Groupon's cost to acquire a new customer went from \$7.99 in 2010 to \$23.46 in 2011

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Source: Wall Street Journal, Groupon

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Easy – Online Grows Stronger

- ▶ Online sales increased 12.6% last year and is expected to reach \$279 billion by 2015

FREE SHIPPING over \$50

SEPHORA

MAKEUP SKINCARE FRAGRANCE BATH & BODY HAIR TOOLS & ACCESSORIES MEN NATURAL GIFTS

SEARCH

BRANDS CHOOSE BRAND

amazon.com

More Ways to SHOP

Reserved for BestBuy.com In-store Pickup

The All-New Kindle

easy

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Source: Forrester, 2011, trendwatching.com

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Easy – Mobile Propels Easy to New Levels!



Figure 1 US Mobile Commerce Expected To Grow To \$31 Billion By 2016



- ▶ Mobile commerce is estimated to account for \$31 billion in 5 years accounting for 7% of overall e-commerce sales
- ▶ QR codes and mobile applications provide additional information for users and help create a great downtown experience
 - Red Laser provides a local search tool to find nearby stores and restaurants
 - Happy Hour Finder, used by tourists and residents alike, helps users find the cheapest drinks or the best happy hour spots
- ▶ Information is easier and quicker to access than ever

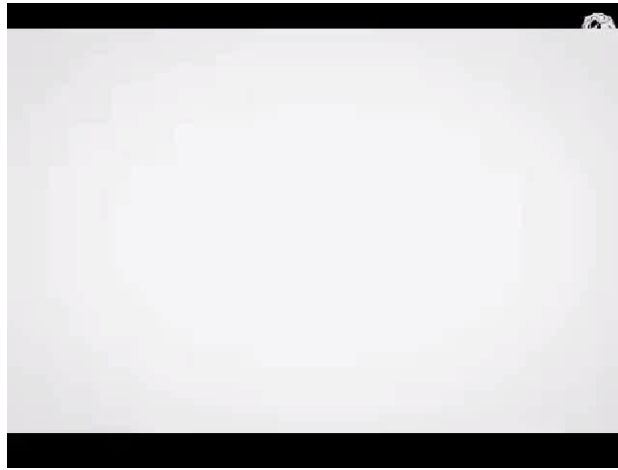


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Source: Forrester, Mobile Commerce Forecast: 2011-2016, trendwatching.com

A Glimpse of the Future

Homeplus (Tesco) in South Korea



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Summary

- ▶ Rate your retailers' retail lifecycle
- ▶ What is your downtown's strategy?
Which E?
- ▶ Is your downtown trend-right?
- ▶ What trend is your anchor?
- ▶ Are you harnessing technology?
- ▶ Can you coach your retail partners to
the future?

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