RETAIL INSIGHT RLI

Put the customer first

IAN ELLIOTT, INTERNATIONAL DEVELOPMENT AND INVESTMENT DIRECTOR WITH MAKE IT REAL GMBH, ASKS 'WHOSE SHOPPING CENTRE IS IT ANYWAY?'

etail layouts and the design of shopping centres have, in the last decade, been moving in the same direction –not only sanctioned but encouraged and originated by developers. The people will come because of the architecture'; 'this is an iconic building it will make the city famous and guarantee success'; 'with this design guru or that 'name' we will get permission'; 'this is our signature design you can't change it.' I have been at meetings where these and other such comments have been made.

The development of retail property in boom times tends to exhibit a 'point-and-fire' mentality as the consequences are likely to be someone else's responsibility. Most developers and consultants have weaknesses; they like to offer, however, subliminally, the 'sure-fire winner' that provides (usually it is said through design) what the retailers, shoppers and developers want, a successful project. In the recent past, success was measured by increasing rents and values, but in the very different economic circumstances that property development and investment now finds itself, the focus has to change.

In the recent past it has been surprising how many investors have bought retail properties or invested in development projects without having some due diligence as to whether or not the retail business will actually work. Accountants and lawyers are always employed to do their due diligence on a purchase, but Retail Due Diligence by a similarly independent person does not appear to have made it onto the list of 'must-haves'.

A similar situation has occurred in development projects but here the risk can be much, much greater. In retail property 'new' does not necessarily mean better, more cost-effective perhaps, but not necessarily more successful.

Misconceptions abound in this respect.

Because a centre is newly-designed it may not necessarily be better. But why would an investor want to pay for the same old design that has worked so well before?

The idea of giving customers what they want is obviously not new, the problem is trying to find how it can be transformed and translated into architecture and design. It is



not as if psychologists, marketers, designers, architect, developers and investors have totally forgotten about the customer, it's just that in the good times there were so many other distractions, such as making money, that the banks and investors were happy to ride the wave. Now, circumstances are rather different and they cannot invest other peoples' money in waves that may or may not come in.

Going back to basics is perhaps the easy way out, evoking rose-tinted hindsight in a historic vacuum is not really today's reality and may not be what people want. Spending more on groundbreaking design and architecture is just going to make a large hole in the feasibility. Architecture and design has to relate to and excite the customer by creating an authentic experience.

Perhaps it is time to focus more on the psychological aspect? 'Psychological architecture' shouldn't be thought of as being un-commercial; the design has to work because the centre or retail street must be popular, only then will it be a business success as well as a popular experience.

To gain a full understanding of the customer and the context of the location, property research must form the foundation stone of the design. Unfortunately in my experience, few architects ask for this information or work their design up either from their own or other people's research and understanding.

In the current economic climate, one has to be sure that the retail designs constructed in the next year or two are going to be relevant. Will these designs meet the changed and changing requirements of both retailers and shoppers? The architecture and design views of the last ten years have certainly had an effect, but are they working in an environment where the trust of people with business, especially big business, has diminished significantly?

Architecture and design must reflect current market realities and consider the direction they should be moving in. This cannot done by looking back at the glories of the past few years, but by getting back to first establishing who is the customer, and then providing an authentic and satisfying retail third-space experience.