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Question of the Month: How are retailers, developers, owners and comm'l. R.E. practitioners utilizing technological opportunities? - by Shirley Harpool, CCIM

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Technology and the digital lifestyle are profoundly impacting retailers, changing the shopping experience. Computers and mobile phones have made comparison shopping virtually effortless, while social media has revolutionized marketing to consumers.

Marketing disciplines are evolving. Analytics provide retailers with tremendous amounts of customer information – including psychographic profiles – increasing insight on consumer purchasing behavior. CCIM is keeping up with this expanding need.

CCIM Institute STDB (the Site To Do Business) powered by Xceligent, is a resource for CCIMs to access detailed reports, specialized mapping and more at no cost. The retail market place profile shows supply and demand. To demonstrate what a great tool this is, I will, upon request, initiate and send this report for you for a particular location. If you are not a CCIM, we have a CI 101 course coming up.

Are there other methods available for determining the value of a retail site or property?

A strategic analysis model works: Those who have taken the CCIM CI 102 course know the CCIM strategic analysis model as the framework for making decisions whether to buy, lease or pass on a retail property or location. This model considers goals and objectives, alternative opportunities, and other decision criteria.

Retailers: They know where they need to be. I have worked with great retailers/owners/developers. Richard Russell, director of real estate for Dillons Company, a Kansas-based supermarket chain (wholly owned subsidiary of The Kroger Company) selected me as his broker in 1999.

Russell and I worked together for 10+ years until Dillons Company exchanged cities with AWG. Dillons took Wichita and Topeka and AWG kept KC. I was also involved with the dispositions of land and a center that was not included in the Dillons/AWG deal.

Clients: They request specific areas where they want a store(s) or location. I provided local market research and worked with many government officials, finalizing deals while solving complex problems (such as building a road on government land so 18-wheelers had space to make deliveries.)

Technology and the Digital Experience Changed the Ways Consumers Shop

A CSC survey found that 87% of Millennials click-and-collect – meaning they complete a purchase online, then pick up the items in-store.

A new survey released today by the International Council of Shopping Centers (ICSC) shows that consumers welcome technology that provides simplicity and access to the shopping experience. The ICSC retail technology survey reveals that consumers of all ages seek integration of technology and shopping. With the right mobile and digital platforms, retailers can still draw customers into their store for an in-person purchasing experience.

“Consumers are the drivers of demand, and they’ve made it clear they want more technology integrated into their shopping experience,” said Tom McGee, president and CEO of ICSC. “Our study shows that consumers are calling for access to more information in stores. The retailers who innovate in this area, making the experience more efficient and the consumer better informed, will win at the register.”

Consumers are seeking more in-store technology to streamline information gathering and purchasing, and they believe that technology is poised to do just that.

By 2020, consumers stated they want to:

- Have access to products/sizes available in-store without engaging a salesperson (62%)
- Virtually view how home furnishings and accessories fit in a home before they make a purchase (55%)
- Compile a shopping list on a store app and receive a floor map to locate products (54%)

Consumers Clicking and Connecting Through Entire Shopping Journey

Technology’s integration into every facet of our lives shapes the way consumers consider their next purchase. From informing their decisions early on to checking out at the store, technology vastly improves and simplifies the experience. With nearly three out of four consumers (73%) having made a click-and-collect purchase, it is a powerful example of how the purchasing landscape is shifting.

Other ways consumers use technology to connect while shopping include:

- 87% of Millennials and 79% of Generation X use their mobile device to make a click-and-collect purchase
- 71% of consumers have one or more retailer apps on their phones and 74% of them access these apps at least once a week
- 86% of Millennials, 74% of Generation X, and 61% the Baby Boomer generation access a retailer app weekly
- 37% of consumers have used a digital assistant (i.e., Siri) to build shopping lists or to purchase via click-and-collect
- 35% of consumers have used a mobile pay option.

“Technology creates innumerable opportunities for retailers to better reach – and convert – consumers,” continued McGee. “Collecting data on a shopper’s specific buying habits can create a healthier connection. Through closely understanding the wants and needs of shoppers, retailers can drive more store visits and create a stronger bond.”

Staying Current

If you aren’t working with a commercial real estate specialist in retail, let’s meet to discuss what you are looking for.

Methodology

The ICSC Retail Technology Survey was conducted online by Opinion Research Corporation on behalf of ICSC from February 16-19, 2017. The survey represents a demographically representative U.S. sample of 1,022 adults 18 years of age and older.

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