

Mall and retail trends for 2014



By Doug Mayne

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We are very fortunate to work in the very dynamic space of malls. Sitting at a coffee shop in a mall having coffee is often considered work. I think that overall it's going to be a tough year for retailers, but those that truly embrace technology, focus on staff and their knowledge and deliver an authentic, world class experience could edge ahead of competitors. With relationships with over 70 malls nationally here are a few possible insights from my perspective for 2014.

1. Connectivity:

Free, carrier grade Wi-Fi is going to be one of the game changers in 2014. I think we in South Africa have had a turbulent history with poor quality Wi-Fi and a dependence on 3G but this is all set to change.

This snippet from a recent article detailing MWeb's plans is a good example:

'MWeb plans to tackle the incumbents in the public Wi-Fi hotspot market in South Africa with an aggressively priced offering of its own. As it invests in public Wi-Fi, MWeb will face competition from [Telkom](#), which is ramping up its investment in public Wi-Fi, from AlwaysOn, which is linked to [Internet Solutions](#), and from [WirelessG](#), which is aligned to [Vodacom](#). Kasu says MWeb's hotspots will allow customers to register their devices once with the network and then roam seamlessly between Wi-Fi zones without having to authenticate themselves each time. "Once connected, it's like taking your home Wi-Fi network with you," he says.- (c) 2013 NewsCentral Media'

The mall environment is going to play a key role in connecting people. What this means is that more people than ever will have world-class connectivity options. It also means consumers that know more than ever. The retailers that truly embrace this trend will win.

The recent 'buy your coffee through Twitter campaign' that Starbucks ran in the US (with our \$180,000 of sales) is just one innovative example of embracing connectivity.

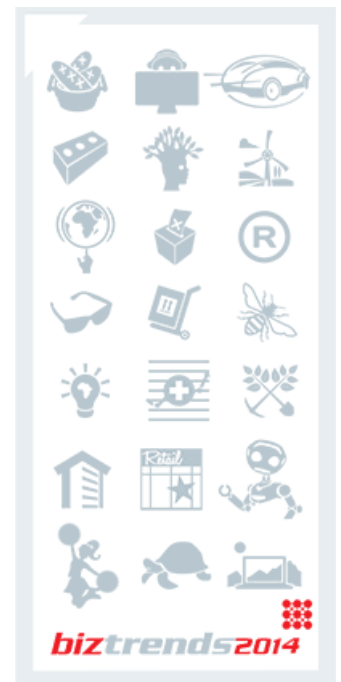
The ideas and opportunities are endless, especially when you consider the growth in the number of smartphones in SA and more affordable local SA smartphone product offerings.

As Hayden Lamberti, business unit manager, Enterprise Mobility from Internet Solutions says: "It's only when businesses, municipalities and service providers begin to differentiate themselves on the quality of the public Wi-Fi service they offer, especially at strategic locations, that we'll begin to unlock mobility's true potential through the augmented heterogeneous networks that Wi-Fi enables."

2. E-learning:

The trend in retail is how staff can keep up with the consumer that knows it all before even engaging with a product or service. The big solution I see happening in 2014 is e-learning. Once again, connectivity and the cell phone will play a key role here.

Studies show that Africa is the most dynamic e-learning market in the world. The major opportunity for retailers is to



level the playing field against the consumer and counter act showrooming and other cell phone related trends. Empowering staff with the latest product and service trends, product knowledge, pricing information and other key data is going to be priceless.

According to CEO of Ambient Insight, Tyson Greer, Africa now represents a lucrative opportunity for suppliers, and Ambient Insight have revised its previous forecasts significantly upward for most African countries for three major reasons. "First, there are far reaching academic digitisation programs underway in every country in this report. Second, the sharp rise in online higher education enrolments in Africa is nothing short of astonishing, and finally, we are seeing a spike in the uptake of e-learning in the corporate segment, particularly in the booming economies."

Following a recent survey, revenue from e-learning projects in Africa is expected to surge to more than US\$512 million by 2016, and according to Greer, "E-learning projects and products that will generate the highest revenue in Africa throughout the forecast period relate to packaged content."

3. Meaningful gamification:

For me this is already a part of our lives, the plethora of loyalty programmes competing for a space in our wallets (soon to be mobile wallets) is a prime example. We are all playing a giant game to earn more points so we can get better rewards. I think the challenge here is how to create staff or shopper/consumer relevance and excitement with so many offerings that are out there. It is important to get beyond the buzzword.

The Primedia Group is one great example of driving this internally. With 49 different companies getting different individual staff members to engage and embrace company values can be a challenge. The team launched an interactive online portal to encourage innovation and participation by posting challenges from relevant businesses. Employees were then rewarded for their levels of participation and if their ideas were selected. The results speak for themselves with six major challenges posted during the year and a phenomenal 2157 ideas received.

Alicia Fiorlette, associate editor of Retail Touchpoints, reckons the global gamification market is worth approximately US\$100 million and could be worth US\$2.8 billion by 2016.

"Gamification in retail is turning typical retail customer behaviour - purchasing, visiting a website or store, or signing up for a newsletter - into elements of a game where customers receive tangible or symbolic rewards for their participation in this game," says Scott Silverman, co-founder and VP of Marketing for Ifeelgoods, a virtual goods solution provider.

"I would expect that at least half of all national retailers will consciously employ gamification strategies in the next two to three years. The majority of retailers we're talking to today are exploring gamification; it's also a big topic for senior executives. They are in the process of finding the right application to bring it to their business."

4. Authenticity:

This is a personal observation (based on being privileged enough to work in the retail environment and for a mall division that has relationships with over 70 malls in South Africa). I think shoppers are yearning for authenticity. It's almost an opposite effect of technology for me, we are yearning to go back the village days when you asked your butcher for the best cut of meat and fisherman for the catch of the day. I think this will go to another level in 2014. Brands and retailers that embrace this and the experiential component of their business will benefit.

My reasoning behind this is based on the massive increases in authentic retail experiences. Food markets are a great example, there are now more than ever and many offer a world-class and truly authentic experience. Micro-breweries is another example. Safe and secure mountain bike parks (with food, fruit and vegetable, garden nursery additions) and store within store concepts with butcheries, bakeries, fisheries and coffee shops are more examples. It's

everywhere, you just have to look.

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ABOUT DOUG MAYNE

Doug Mayne, MD of Primedia Lifestyle, founded his marketing and advertising career at Ogilvy Durban, where his leadership qualities ensured his progression from account executive to group account director. Joining Primedia Lifestyle in 2007 as KZN regional marketing manager, Doug was appointed MD in July 2011. His particular area of interest is the digital and CRM space within retail, and the use of mobile, social and loyalty tools to drive customer engagement and personalised retail experiences. Website www.primedialifestyle.co.za.
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