US Shoppers' views and habits 2021

Popularity of Shopping Centers

SPRINGBOARD.

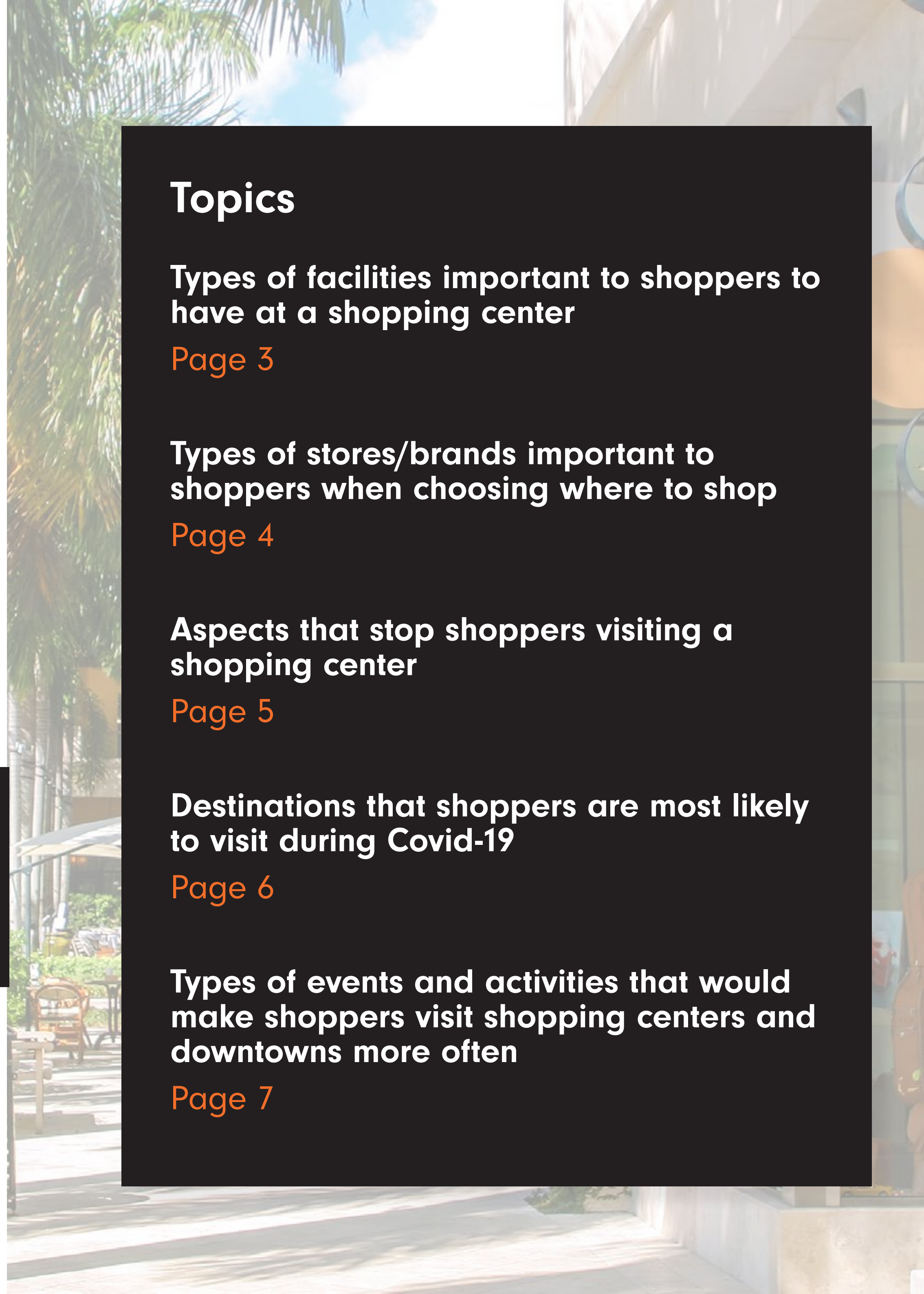
PREDICTIVE RETAIL INTELLIGENCE

Introduction and Overview

The impact of Covid 19 has been more far reaching than any other singular event since WW2, and it is inevitable that it has led to fundamental changes in the attitudes and behaviors of shoppers. However, much of the narrative around the impact of Covid on retail is around the acceleration of trends that were already occurring, and therefore, unravelling what in fact is the impact of Covid from the impact of other ongoing structural changes in retail is complex.

Our key objective is to understand the motivations of shoppers as we emerge from the Covid pandemic, in order to be able to determine what should be priorities for retailers and those who own and manage bricks and mortar retail destinations.

This report – the first in our series – looks at shopping centers, and the priorities of shoppers in what is the transition period out of the pandemic.



Topics

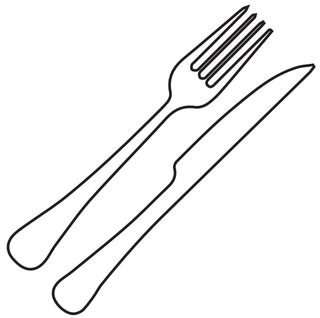
Types of facilities that are important for shoppers to have at a shopping center

Key Takeaway

Hospitality is a very high priority for shoppers when they visit a center - more than other facilities - and both sit down restaurants and fast food restaurants are equally important.

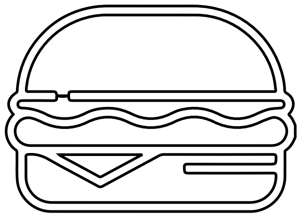
More than four out of five shoppers stated that it is important for a shopping center to have restaurants - either sit down (83.2%) or take away (82.5%).

While the greatest proportion of shoppers chose hospitality as a priority, two thirds of shoppers (66.6%), prioritise health services and nearly a half of all shoppers regard gym/ fitness facilities as being important (48.3%). Only one out of every five shoppers (19.4%) chose day care facilities as being important for a shopping center.



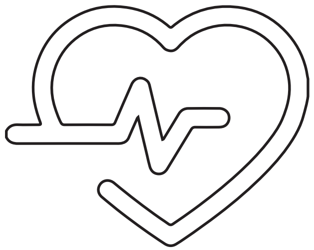
Sit down restaurants

83.2%



Fast food restaurants

82.5%



Health Services

66.6%

Types of stores/ brands that are important to shoppers when choosing where to shop

Key Takeaway

The presence of discount department stores and pharmacy brands are key in shoppers' decisions about where they shop. While having restaurants (either sit down or fast food) within a center is a clear priority for the majority of shoppers, coffee shop brands are far less important for a center than key retail brands.

Discount department stores scored 5.6 while coffee shoppers scored just 3.0. In fact 61.3% of shoppers ranked discount department stores a 1 or 2 in terms of their importance in choosing where to shop whilst just 10.8% of shoppers ranked coffee shops a 1 or 2.

Discount department stores and pharmacies are considered by shoppers to be the most important, followed by home improvement stores, grocery stores and pet stores. A furniture store is considered to be the least important type of retail store for a destination to offer by shoppers, lower even than coffee shops.

Most Important → Least Important

5.6	4.9	4.0	4.0	3.8	3.0	2.9
Discount department stores	Pharmacy brands	Home improvement stores	Grocery stores	Pet stores	Coffee Shops	Furniture stores

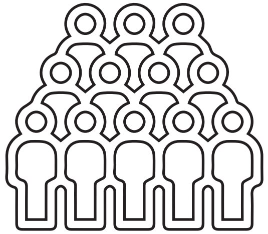
Aspects that stop shoppers from visiting a shopping center

Key Takeaway

Over crowding and lack of parking are key deterrents for shoppers, and so effective car park management and clear communications to shoppers about when shopper numbers are lowest will help to drive more visits and maximize shopper satisfaction.

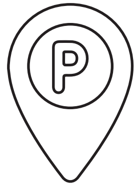
Over-crowding and limited parking were the two aspects that scored most highly in terms of acting as a deterrant to visiting a centre with scores of 4.9 and 4.1 respectively. The lack of curbside pick-up facilities was regarded as the least important aspect with a score of 2.2.

1. Too crowded



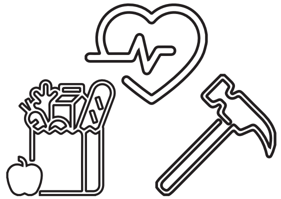
4.9

2. No parking/ valet parking



4.1

3. Lack of variety



3.7

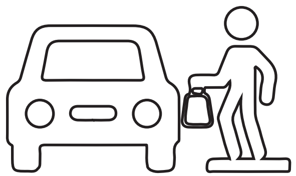
4. Lack of clear Covid safety measures

3.2

5. No visible security

2.9

6. Not offering Curbside pick-up



2.2

Destinations that shoppers are most likely to visit during Covid 19

Key Takeaway

In choosing where to visit, shoppers are prioritizing open air malls and centers, but the deterrent to shoppers of over-crowding indicates that managing visitor numbers - and messaging to customers that this is happening - is key in maximizing their attractiveness.

Over 70% of shoppers state that they would prefer to visit an outdoor shopping center/strip mall (71%) or an outdoor shopping mall (72%). Covered destinations are least popular (46% would visit a covered shopping mall and 42.5% would visit a single large store). Just 32.3% stated they would visit downtowns despite the fact they are external environments, which is likely to be a consequence of many people working from home so downtowns are less accessible, together with the fact that sidewalks can become crowded with shoppers.

The lure of curbside collection is not enough on its own to persuade most shoppers to visit a destination (37% would visit a destination offering this).

Open-air / Outdoor shopping mall

71.5%

Downtown

32.3%

Types of events and activities that would make shoppers visit shopping centers and downtowns more often

Key Takeaway

All key types of events are important to shoppers, but events such as farmers markets and entertainment that occur regularly are as important to shoppers as seasonal events that only occur around festive periods.

All four options achieved a significant response, however, farmers markets were more favored (56.9%) as was entertainment (54.4%). Seasonal events and family friendly activities were marginally less appealing to shoppers (47% and 44.5% of shoppers selected these respectively).

Farmers Markets

56.9%

Entertainment

54.4%

Seasonal Events

47.0%

Family friendly activities

44.5%

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Springboard's reports on US shoppers' habits and views are designed to understand the changes in consumer behavior that underpin the demand for bricks and mortar retail as we emerge from the Covid pandemic. This understanding will enable those who own, manage and occupy bricks and mortar retail to establish the priorities for shoppers, and so ensure they can maximize their revenue potential and business success.

To find out more:
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https://insights.sbretail.ai/springboard

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