

Top tips for retail tenant survival

While, according to StatsSA, retail sales in SA have increased somewhat recently, pressure remains on consumers' discretionary income. With shopping activity predicted to remain relatively muted this year, retail stores and centres across South Africa will continue to feel the pinch.



Image source: www.unsplash.com

“With consumers having become increasingly price conscious and holding onto their hard earned money tighter than before, many retailers are struggling and we are seeing a number of independent retailers asking for rent reductions and/or closing down,” explains Simone Homan, regional manager of Spire Property Management.

“Gone are the days where increased mall foot traffic equalled increased sales. In this recessionary environment tenants need to do everything possible to get more feet into their shop and to convert those feet to sales.”

Survival advice for retail tenants

“Customers are cognisant of the economic uncertainty in the world and are accordingly cautious with their purchases so it takes hard work to have shoppers spend their money in your store. Mall foot traffic may still be up but people are spending less per visit. Passion and service sell and therefore owners of independent stores should ensure they are consistently training and monitoring their staff to ensure that their merchandise is being passionately presented and sold to customers.”

“If a mall shopper walks past your shop front and doesn’t look at it, you have failed,” warns Homan. “Shop fronts must be visually appealing with specific attention paid to lighting. Displays must be constantly changed – at least once a week.”

“Another good tip is that people, being increasingly price conscious, will often not come into a retail store if they do not believe they can afford the items in that shop, and so therefore the lower priced items in shops need to be clearly displayed in order to attract shoppers.”

“Additional ideas are for shops to add flattering and mood enhancing lighting as well as attractive smells – things that make the shop appealing and different to the norm.”



Andrew Jennings on surviving the era of digital retail

17 May 2019



Good news for independent retailers

Thankfully, it is not all doom and gloom for independent “boutique” retailers, advises Homan, who says that South African consumers have become increasingly bored with the uniform, large chain stores that are present in most of the country's retail centres. “By and large the same blue print has been rolled out over and over in many malls.”

“The smaller independent stores are often the first to feel the pinch in recessionary conditions, however, consumers are increasingly looking for something different, a more personalised experience - and this offers the smaller boutique stores an opportunity to grow by tailoring their products and services accordingly.

“Experience has shown that consumers increasingly want a shopping/retail experience and so smaller centres can remain relevant by offering amenities that fulfil this need. More greenery and park-like settings, increased natural light, interesting architecture and speciality retailers are all draw cards. Additionally, the foodie culture is now mainstream, and the typical food court options don’t cut it. Community retail centres can offer exciting dining options for the surrounding community,” says Homan.



10 retail trends for 2019

Jackie Kalis 15 Jul 2019



Smaller centres remain attractive

Neighbourhood retail centres with the correct tenant mix and offerings, and specifically those that sit firmly in the residential nodes, are very attractive from a convenience point of view. In fact, we are moving to an age of hyper convenience and personalised service. Consumers living in the nearby suburbs will frequent their local centre on an almost daily basis to purchase household goods and groceries, to enjoy a meal at their local restaurant or socialise over a cup of coffee, and make use of other services offered such as a laundromat or hair dresser.

According to Homan, ease of access and more-often-than-not free parking are additional draw-cards held by these smaller centres which see them surviving in the face of declining consumer spending habits.

“With conscious effort, passion and enthusiasm, independent retail stores and centres can become, and remain, successful businesses that not only attract feet through the door, but also convert these feet to sales, ensuring a thriving,

profitable business which rewards the shop owners and contributes to the shopping centre as a whole.”

For more, visit: <https://www.bizcommunity.com>