

Authentic Destinations

The Evolution of Retail Communities and Mixed-use Development

In the research, exploration, and discovery on the topic of the future of retail communities, the concept of Authentic Destinations emerged.

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In a time of retail reinvention fueled by the rapid growth of ecommerce and the shift toward NewCommerce, much has been pondered and theorized regarding the ‘future of retail’.

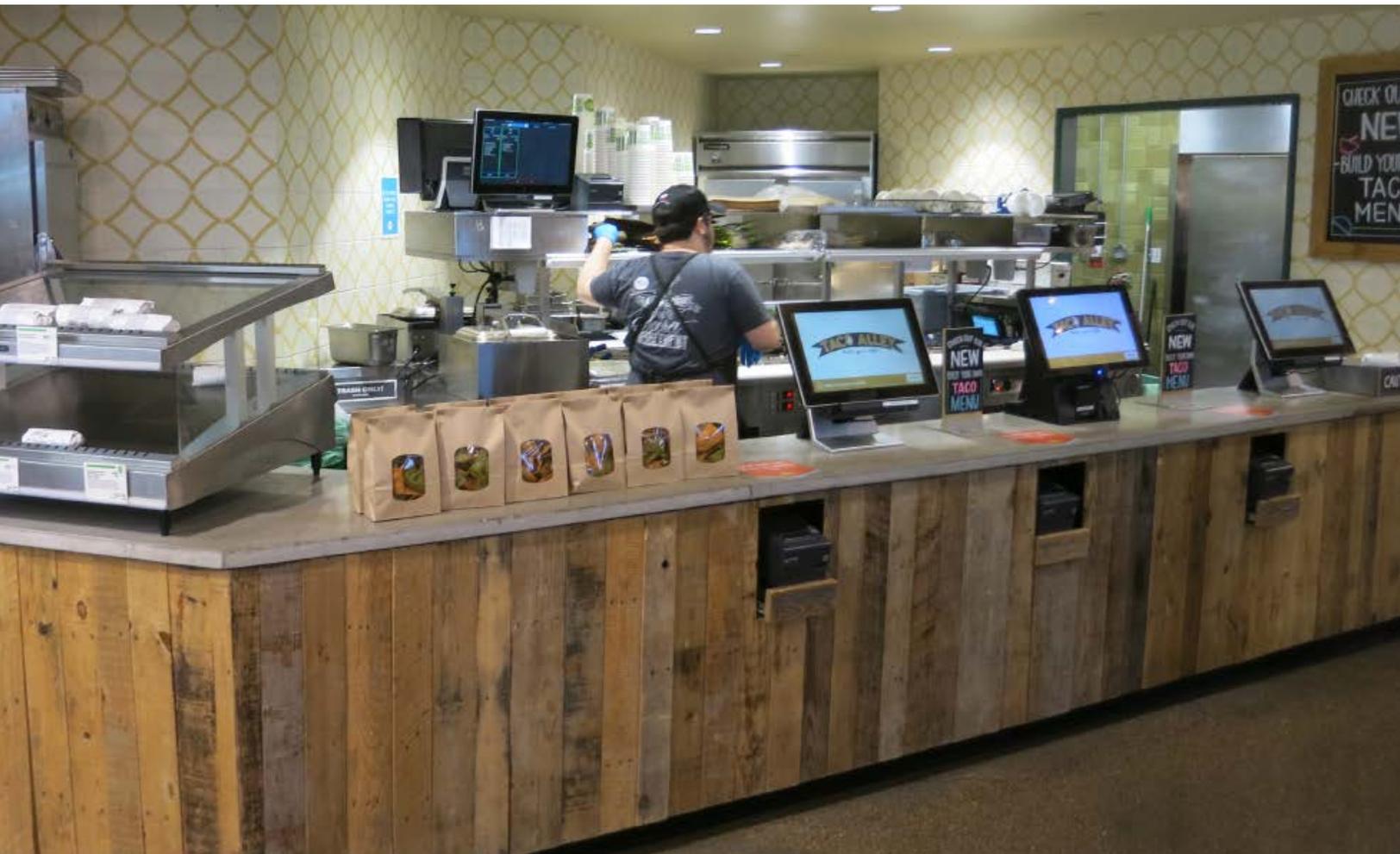
Rapid change can incite feelings of dread, but more importantly creates opportunities for exploring new solutions to age-old challenges. The expansion of ecommerce is not replacing or destroying conventional retail, it has simply affected a reinvention: the development of experience-heavy Authentic Destinations.

Increasingly savvy consumers have expressed the need for an elevated experience when they venture out to establishments where they shop, eat, attend events, exercise, engage, and hangout. How these environments are conceived, sited, designed, and constructed to create relatable and experiential environments is a topic creating big discussion and opportunity in the retail industry.



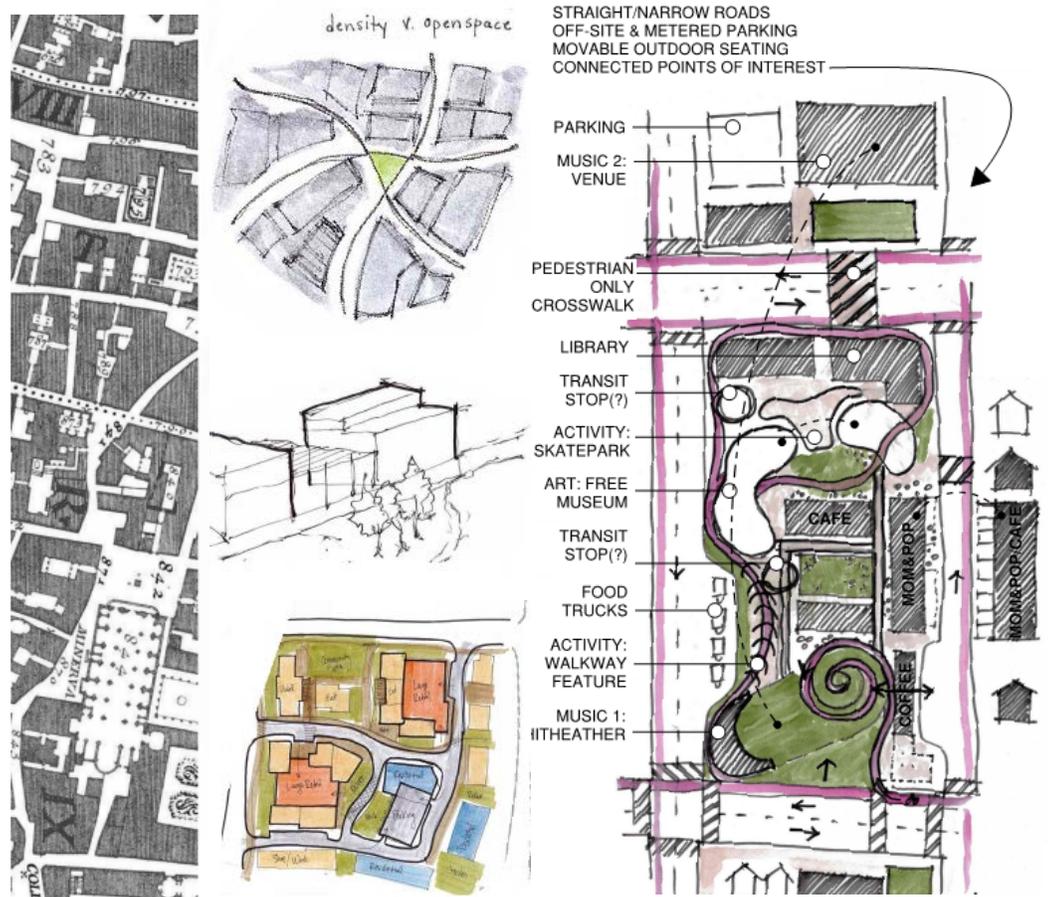
The current reinvention of retail, much like the impact on mercantile and trade during the emergence of the industrial age, opens the door for innovation and opportunity. Developers, landlords, retailers, purveyors, and designers are presented with exciting challenges in creating unique and authentic communities and experiences to engage the modern and ever more sophisticated consumer.

Despite the rapid growth of ecommerce and a move to online purchasing, consumers still need to be present in the physical retail space to reinforce and enhance the online shopping experience; clicks to bricks, as the concept is now known. Physical location and the context of the experience is critical to making this dynamic a success.



Retail communities harken back through the ages to the concepts of mercantile and trade in Roman city centers and piazzas which were fundamentally based upon human connection and gathering through the trade of goods, ideas, culture, and the creation of a sense of community.

Today, demand for these multi-functional locations has taken hold of US consumers, and there is an incredible, unmet demand for authentic gathering spaces. This demand has provided unending opportunities for the vision of developers, designers, and retailers to transform existing (or new) retail spaces into Authentic Destinations. These manifest themselves in the form of a curated and purposeful balance of epicurean delights: breweries, distilleries, curated shopping, event spaces, gathering environments, green spaces, outdoor amenities, walking trails, and experiential entertainment spaces.



‘Authentic Destination’ is the intentional curation of uses in a thoughtful mix to create a unique experience and innovative environment.

A *National Retail Market* Report published in May 2017 reveals the challenges facing the retail industry as it experiences an increase in bankruptcies and closures. These negative indicators are providing opportunities for innovation in these environments.

Widespread big box closures and the current health of Class A and B malls is creating demand for elevation in community and retail development. Specialty centers, lifestyle centers, regional malls, strip shopping development, power centers, and mixed-use structures will be either redeveloped or replaced by experience-driven, authentic destinations implementing a harmonious mix of commerce, live, work, and play concepts.

New players are emerging in this space because of the elevated curation of product lines, the rise of global brands in the U.S. marketplace, and mergers and acquisitions across existing brands to create dual brands. These retailers delivering in smaller footprints will comprise up to 30% of tenancy in future retail developments.

Anchors in authentic destination are not big box tenancies anymore but rather food and beverage concepts and experiential entertainment.



Tenancy Trends:

Wellness; healthy, plant-based food options, yoga, running, outdoor engagement, meditation rooms, spas

Entertainment; experiential entertainment; escape rooms, wrecking rooms, barcades, Topgolf, iFLY, live music, street theatre, festival venues, outdoor film

Culture; museums, interactive thinkeries, libraries, theatre, art, film

Food and Beverage; food halls, craft breweries, cooking experiences, food theatre

Services; couriers and delivery, dry cleaners, e-banking

In discussing the future of retail, the continued growth of ecommerce cannot be ignored, and should be embraced. Amazon alone experienced a 33.7% surge in Q3 of 2017, and the acquisition of Whole Foods Market immediately created distribution opportunities for the e-commerce giant, setting the stage for other online retailers to follow suit.

But there is room in the marketplace for both e-commerce and authentic destination retail.

Human gathering will not be replaced by technology, but rather enhanced by technological tools and resources. The desire and need for physical engagement (the reveal, the unexpected, the hunt) is still critical to how humans shop and are entertained.



It is in the spaces between the physical uses that human interaction and engagement occurs, calling for elevated place-making and options for cultural exchange among consumers, charging the economic success and growth of these communities.

However, there is no room for mediocrity or poor execution; expectations are high as consumers demand to be delighted.

Metrics in planning of Authentic Destinations:

- Walkable communities
- Urban locales over suburban
- Access to transportation
- Parking considerations
- Acoustics and sound considerations
- Food and beverage options
- Experiential entertainment
- Curated retail
- Art and culture
- Affordable living
- Boutique hotel offering
- Wellness
- Service retailers
- Media and storytelling opportunities
- Organic connections to nature: water elements, hiking and walking trails, landscape and indigenous vegetation



When creating place and crafting experience in authentic destinations, planners and designers' attention to detail is paramount:

Design decisions must be made to leverage walkability in order to increase dwell time in the community and enhance the experience of users.

Engagement in lingering spaces such as pocket parks and thoughtfully placed green areas in the community provides opportunities to rethink the outdoor experience.

Density versus open space ratios provides the appropriate palette for curation and balance of adjacencies in supporting unique character and maintaining authenticity of space.

Jewel box storefronts that uniquely identify retailer's brands and provide views into the customized and curated products and spaces add enticement for visiting consumers.

The layering of experience is further enhanced by technology integrations such as smart kiosks, electronic messaging, and autonomous transportation at a small scale within the fabric of the retail community. On a larger scale, line of sight considerations create view portals and reveal opportunities in the communities to further shape customer behavior. Macro and micro considerations from the massing of physical buildings to the twinkle of string lights over the lawn spaces, all fuel the authentic destination experience factor.



A November 2016 *Cushman & Wakefield* report indicated that Food Hall growth increased by 37.1 % in 2016 and restaurant growth resulted in a 25% increase. Craft breweries, food halls, experiential entertainment, art and culture will occupy up to 70% of these destinations, and curated retail will occupy 30% complementing clicks and bricks.

It is that integration of offerings for the highly engaged and savvy consumer that will fuel the future of retail. The retail industry must adapt to deliver upon this need in a manner that delights and engages the consumer beyond their expectations.





Contact us to learn more about our retail design service offerings.

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