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## Industry leaders say food is the new frontier in retail

Food is like fashion – driven by trends, seasonality hype, and retailers need to make brands “fashionable” to increase their appeal to customers, according to industry leaders speaking at last weeks Talking Shop Retailer Engagement Series workshop.

Speaking at the event, Narelle Hutchins, head of place strategy at AMP Capital Shopping Centres, said food is important across the company’s portfolio of centres in Australia and New Zealand.

“Shoppers aren’t just visiting our centres for the essential food top-up, but also to connect with friends, and relax and recharge over a casual meal or a few drinks,” Hutchins said.



At the workshop, a panel discussed the concept of “food fashion” and its relation to how consumers are increasingly looking to retailers to provide interesting experiences, in addition to goods for sale. The point was made that retailers that make their brand “fashionable” by adapting to these trends can increase their appeal to customers, in particular the key millennial demographic.

Research undertaken by AMP in July found that 82 per cent of shoppers would spend as much or more if food experiences were designed to provide opportunities to relax and have time out.

“We know that shopping centres are increasingly becoming hubs for community activities, and much thought and effort goes into ensuring our centres provide meaningful and valuable experience to all shoppers,” said Hutchins.

“Similarly, there’s real opportunity for retailers around food offerings – if the brand provides “insta-licious” or likeable and sharable experiences that are unique to the shopper, we know this can drive increased engagement with the brand and overall sales.”

According to Urbis Shopping Centre Benchmarks 2016, gross lettable area dedicated to food and beverage outlets has increased by around five per cent in Australia's regional shopping centres as retail landlords adapt to global trends. Urbis said increased numbers of food outlets open up the opportunity for centres to take advantage of Australia's growing night time economy, which can maximise sales and thereby increase rental optimisation.

The Urbis Benchmarks also found that food and beverage sales in large regional centres grew by over 3.6 per cent this year, while specialty apparel turnover only grew by 1.3 per cent in comparison. Food and beverage sales in neighbourhood centres are up by 9.9 per cent while apparel turnover decreased by 6.9 per cent in comparison.

Francis Loughran, founder and managing director of Future Food, supported the idea stating restaurants and food venues have accounted for 45 per cent of all shopping centre expansions in the USA over the last five years.

"We expect demand for food and beverage experiences will continue to grow, and trends such as integrated food halls offering both fresh and prepared food will guarantee the future of bricks and mortar shopping centres," Loughran said.

Belinda Daly, AMP Capital Shopping Centres' head of shopping centre marketing, said it's possible for food brands to be 'fashionable.

"We know consumer behaviour is changing, and shoppers are looking at our centres as community destinations that offer far more than just a place to pick up the groceries," she said.

"Now is the time for retailers to take advantage of this opportunity to redefine their position within a crowded marketplace, and ensure the longevity of their brand."