

Connect with the Future

**Drone-delivery, hand-picked products from
the local corner store, or homemade products ...
What will future consumers really want?
Where would they like to shop, and what
would they like to buy?**

Future Talk with trend researcher Dr. David Bosshart, CEO, GDI Rüslikon and
retail expert Marcus Wild, CEO, SES Spar European Shopping Centers



Dr. David Bosshart
Trend Researcher



Marcus Wild
Retail Expert

Dr. Bosshart, urbanization, aging, and digitization: What role will consumption play for people in the future?

David Bosshart: The consumer will become the user first. Everything we know, everything we feel, and everything we think will be preformatted in the digital world. Instead of focusing on goods, we should become better acquainted with services, for example, how people communicate about food on social media. Why the free offering of recipes, health tips, and even deliveries is considered normal. When services become more important, the shift from goods (food) to gastronomy (food service) will be crucial. Young people see gastronomy as more innovative than retail – because the products are already bite-sized. The urban world plays somewhat of a pioneering role, because the world changes much faster there than in rural areas. The most significant trends, such as veganism, animal welfare, local and organic products, superfoods, etc., all come from the relatively well-educated, urban middle class. Cities are predestined for the world of new services. If more and more elderly people lived in urban environments, this would be advantageous as they would be close to services such as neighborhood shops, medical care, and nursing care. Additionally, they would be surrounded by other people.

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As a trend researcher, how do you outline the consumer of the future and his shopping habits? Will we still be doing our own shopping in 2025, and what will appeal to our customers? What do you not believe will happen, contrary to all previous forecasts?

David Bosshart: It is not the brick-and-mortar trade that is dying, but today’s formats. They must be able to adapt much more quickly to changing customer needs. On the one hand, this means that everything to do with convenience and rapid satisfaction of needs will become increasingly important. Example: French grocer Auchan has opened fully-automated, 18 m² (3 x 6 m) stores, offering 500 articles, in China via Alibaba and Alipay. Access, payment – everything can be efficiently and quickly processed without personnel. A container shop will be successful in neighborhoods where inhabitants who are primarily commuters want to satisfy their morning and evening food requirements. Fast, easy, comfortable, and portable. On the other hand, we can see the Disneyfication of the food trade, as staged by FICO Bologna by means of a 100,000 m² theme park, including production plants, retail, and a great deal of gastronomy. To put it bluntly: There isn’t much left in the middle.

What must future retail properties offer, and what will consumers require from a shopping center?

David Bosshart: Flexibility and an experience tailored to one’s needs. The consumer no longer wants a standardized store feeling, which is interchangeable. The era of shopping centers as sales machines is slowly but continuously coming to an end. This is an old, industrial world, often only accessible by car. Rental income will fall. We assume that 40 to 60% of the products in all retail categories no longer have any entitlement to space: too boring, too lavish, too expensive for a shelf listing. Gastronomy is a service, but it will never achieve the profitability that successful retailers used to achieve. Furthermore, the half-life of concepts is decreasing. Therefore, low fixed costs and innovative strength are becoming more important. Even luxury hotels like Four Seasons are building short-term pop-up stores in unimaginable locations in order to offer a new brand experience and attract new customers. The experience goes where the customers are – it’s no longer the other way around.



How do you see the future development of the shopping center industry and retail in general, and why?

David Bosshart: The transitions from goods to networked services and from buildings to mobile devices as interfaces with users are irreversible. I once remarked that this was the 2:1 formula – the service becomes twice as important as the goods. Nowadays, people are the new product, so to speak: They present themselves on a shelf or on a stage, and the experience-oriented communication among themselves is the service – allowing others to also enjoy it via pictures and videos. The selfie culture, for example, has led to a great future for the beauty and wellness area. Those who understand people and their images also understand retail better.

Retail is gradually changing as a result of the development of mobile, cloud computing, artificial intelligence, and the Internet of Things. Future prosperity no longer consists of prices, turnover, and volume, but of data wealth: Whoever is able to develop the diversity of data better, whoever is able to maintain customer relationships better, wins. Hence, the symbiosis of personal relationships and intelligent data analysis.

Retail equals change: Is everything in a flow of change?

Marcus Wild: It is no longer a flow, but a rapid torrent. Less *Panta Rhei*, more Amazon. The number of traditional retailers, the majority of which were found in centers and downtown areas 15 years ago, is dwindling. Today, they only make up 10 to 15%.

This development has been accelerated by cut-throat competition, succession problems, globalization, forward and backward integration and, of course, online competition. Consumer behavior has also completely changed: Social media has had an influence on this, especially with regard to purchasing decisions.

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Who benefits from current developments?

Marcus Wild: Winning formats involve integrated brand distribution systems, such as that of ZARA, that can no longer be described as “retailers”. They control everything from precise product definition to brick-and-mortar shop product presentation, including the online channel, from a single source. However, new and focused concepts also enter the market successfully: start-ups as well as new brands of established players.

What is the role of the brick-and-mortar shop?

Marcus Wild: It serves as the “fake-free”, original, unadulterated brand message and will remain the most important communication and distribution channel in the future. From the fragrance of the store to the music and the shop design:

All of this transports the message and makes it perceptible by all senses. The location has become the medium. It influences moods and emotions far better than print or digital media. It defines how one experiences a brand. Shop location and surroundings are becoming increasingly important in this respect and give a center or shopping street its unmistakable character.

A location must succeed in becoming a meeting place as well as a vibrant marketplace, with the character that becomes the talk of the town. A real, tangible social platform in a digital world. This includes the offering of spur-of-the-moment food in an appealing atmosphere as well as the desire to test new trends on site.

Has anything changed in 20 years?

Marcus Wild: Everything has changed, yet nothing has changed. With EUROPARK, we embarked upon this quality-oriented path more than 20 years ago, and we have never left it. Our attitude has not changed: Our unconditional focus is on quality of stay and the appropriate way to interact with our partners. In the future, our motto will remain the same: Never be boring! That’s why architecture has evolved and our offer has changed every day. We have brought local heroes to our centers and have celebrated brand entries of international chains. That is another explanation for our leasing rate of nearly 100%. We have a reputation as an innovator: whether with regard to architecture, brands, our events, or the cultural sector. The OVAL – the stage at EUROPARK and “The Tree” by Jonathan Borofsky are excellent examples of our cultural innovation.

How do you see the future?

Marcus Wild: We focus on multifunctionality. We, therefore, remain dominant at our locations: consistently demonstrating our unmistakable Spirit of Retailing.

