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Shopping centres in the era of omnichannel

In today's fast-paced world, consumers are no longer confined to a single shopping channel. The rise of digital technology and changing consumer preferences have given birth to a new era in retail: omnichannel shopping. Omnichannel retail refers to a seamless shopping experience that integrates multiple channels—physical stores, online platforms, mobile apps, and more. The aim is to provide customers with a consistent and cohesive shopping journey across all touchpoints. This shift in consumer behavior has significant implications for shopping mall managers, who must adapt to this evolving landscape to stay competitive.

Mobile devices play a pivotal role in the omnichannel retail ecosystem. Shopping mall managers can't afford to ignore this trend as it directly affects how shopping malls must engage with their customers. Shoppers expect to use their smartphones to research products, compare prices, access discounts, and even make purchases. It's crucial for shopping mall managers to adapt to this mobile-centric shopping environment.

The last decade has seen many key changes in retail trends and the mindset towards physical shopping. And although the share of e-commerce in retail sales has stabilised at just over 8%, shopping centres that used to be a dominant retail market format encountered competition from retail parks, which forced them to redefine their use.

The retail sector has endured a period of sustained pressure, firstly through the growth of e-commerce and the rise of omnichannel retailing. Although the sector demonstrated great resilience in adapting to new conditions, it is simultaneously facing cyclical headwinds of high inflation, interest rates and service charges. Other significant challenges include the need to boost customer loyalty in an increasingly competitive environment and mounting ESG pressure.

More than 10 years ago, in 2010, retail growth centred around the expansion of e-commerce as out-of-town shopping centres and discount chains were booming and pop-up stores emerged on the market as a brand new format. Meanwhile, top trends in 2024 are that retail is more than 'shops' - it involves creating community destinations, health and wellbeing

zones. At the same time, consumers' attachment to physical shopping is shifting retailers' focus towards new solutions to deliver a positive shopping experience to attract customers.

Shopping centres should offer more than just points of sale. A diverse and broad tenant-mix and an appropriate food and entertainment offering and choice of other services are key to positioning centres as community destinations. In the era of omnichannel, consumers have a myriad ways to shop, customer loyalty is an increasing challenge for shopping centres.

Placemaking should be a core part of shopping centre management. In addition to a financial aspect, building an appropriate marketing strategy and communication with customers is one of key priorities. Shopping centres that create positive retail and leisure experiences and offer relaxation, entertainment, education and interaction zones will gain repeat customers.

Today's retail environment has been through its own share of challenges: be it market disruption from online players, changing demands of the shoppers or the increased need for innovation, now more than ever. The conventional approaches are not as effective as they once were, as they can be easily imitated. Therefore, creating a point of differentiation and adapting personalised approaches through which brands are able to create unique experiences for their customers should be a strategic priority for companies.

Highly personalised customer experiences, when offered to the customers by using proprietary data, enable businesses not only to differentiate themselves but also to gain an explicable competitive advantage. However, there could be certain challenges that come in the way while trying to get personalisation off the ground. One of the major ones being data management: collecting, maintaining and then analysing this data. But with the correct technological tool in place, personalisation can be executed at scale. Most retailers need to understand the importance of maximising the value that their existing technology platforms can offer, and how unifying these platforms can yield greater value for them along the way.