

The Far East's approach to Shopping Mall management can benefit consumers, landlords and tenants, says Eurostop

LONDON, UK, February 22, 2018 /EINPresswire.com/ -- In light of the recent mega-mergers in the retail property/shopping mall sector, and the move to a more experiential approach to attracting footfall, Phillip Moylan, Sales Manager at [Eurostop](#) explains how a partnership approach to managing retailers could yield benefits all round.

At the end of 2017 we saw two large mergers in the retail sector. French company Unibail-Rodamco and its proposed acquisition of Australia's Westfield Corporation, and the takeover of Intu by Hammerson, both UK based companies. Both deals are expected to bring new ideas particularly around evolving shopping malls into leisure destinations with cinemas, and more food and beverage outlets, as well as more flexible and vibrant retail space.



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Phillip Moylan, Sales Manager, Eurostop

The rise of the ‘supermall’

Industry pundits are underlining what we’ve all known for years, that fashion and footwear retailers are looking to the so called ‘supermalls’ to create large scale stores and moving away from town centres. Out-of-town shopping malls are switching their focus and are increasing their upmarket food halls, restaurants and bars, and looking for tie-ins with other leisure facilities such as cinemas and bowling alleys, as well as keeping a good mix of tenant retailers.

But what is the right mix? We know that good malls need anchor tenants, those that attract large numbers of customers, and they also need to have a reasonable turnover

of fresh, new brands to excite consumers and keep them coming back for more.

However, without the anchor stores, or if occupancy dips too low, the mall is almost certainly destined to fail. So there is no doubt that attracting the right tenants is critical. Add to this the challenge of ensuring that high performing brands get a prime position to encourage visitors and subsequent sales, and landlords are looking at a very fine balancing act.

Making sense of the data

A Tenant Management System (TMS) helps landlords to gather the sales and footfall information they

need to make fact-based decisions, to ensure that their assets perform and that their marketing is effective. Landlords are reliant on good data, however, without the appropriate technology that can be difficult to come by. With a good TMS landlords are able to track turnover by square foot, and see the percentage turnover by product, brand or retailer. In addition they can match footfall to turnover, retailer, product sales or brand. This enables the landlord to optimise the space, by offering successful and sought after brands premium positions within the mall, or possibly two positions in different locations.

The information is collected via WiFi (so no cabling required) from the retailers' EPOS systems. Alternatively, retailers can complete manual returns, which can be useful for pop-up stores and the like.

Lower rents, higher performance – a more vibrant mix

In the Far East where the mega-mall shopping culture is arguably ten years ahead of the UK, rents are typically a mix of price per square footage, and a percentage of turnover/sales. This means that rents can be kept lower, encouraging new brands to the mall. Those brands that are highly successful generate more income for the landlord, and it is therefore in the landlords own best interest to ensure that they have a prime location within the mall. With the data that shows the location of sales, landlords can see the hotspots within the mall, and so allocate accordingly.

Tracking marketing success

Having an overall view of sales means that landlords can see the result of specific marketing campaigns. So for instance, a special offer designed to increase traffic on a quiet day of the week. Further analysis can show if visitors increased and whether the conversion rate to sales was maintained. This can be particularly useful when promoting complimentary leisure activities, or offers in the mall bars and restaurants.

An example of a highly successful temporary store and promotion was in 2016, when technology company Samsung achieved 125,000 visitors in less than three weeks to their pop-up store in Westfield White City.

Eurostop clients that are currently benefiting from the TMS include Frasers Centrepoint, Tanjong Pagar Centre (GuocoLand), Katong Square and SingPost, all in Singapore.

By combining a fixed price element to the rent, with a performance related element, shopping mall owners are able to attract new, up and coming brands to help create a fresh and vibrant mix, while also earning more from the most successful tenants. A TMS enables landlords to collect the data required for this type of arrangement, and also delivers many more benefits in the overall management of the mall. Not only does the landlord win, but so too does the retailer, and ultimately, the customer.

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