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Innovation & Technology in Shopping Centres

Amongst the most watched events involving the community of real estate players gravitating around retail, MAPIC which is held in Cannes in mid-November is undoubtedly one of the most popular. In particular amongst Italians, great numbers of whom, thanks to their proximity to parts of the French Riviera, flock to the exhibition halls. This trend is becoming more and more consistent year after year, to the point that Italy is now the second country by number of attendees, after France of course. But beyond the numbers there is no doubt that Italians are well represented within the sector, both as promoters and as developers of shopping centres, as both managers and as occupiers of the retail spaces within, ie. as retailers.

It is therefore of significant importance that even a specialised newspaper such as *il Quotidiano Immobiliare* is attending the event, with its editorial proposals and setup within the Palais allowing it to capture sentiment in the Italian and international markets. It is a commitment that we have been meeting for over 15 years and with great satisfaction, because it allows us to learn about new projects, new businesses and new themes to reflect upon. Specifically, this year we plan to focus on the close connection between buildings and the technology that governs and controls them. There are huge gaps in recovering a shopping centre's efficiency in terms of energy, the movement of people, internal wellbeing for both staff and customers, and both safety and security in all its forms.

Guglielmo Pelliccioli



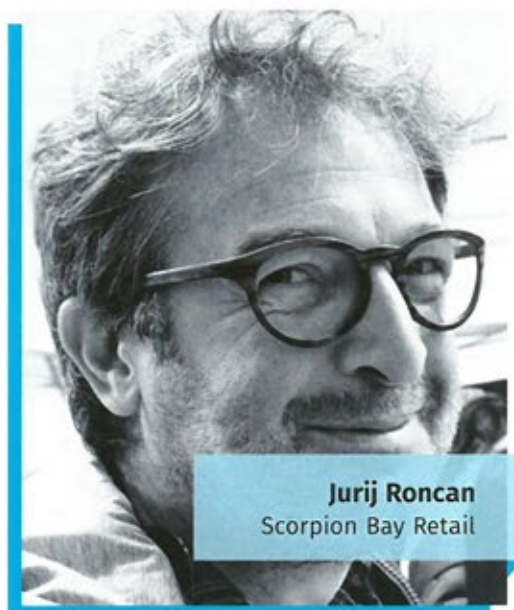
SUSTAINABILITY, TECHNOLOGY AND APPEAL FOR RETAIL LOCATIONS

DEVELOPMENT OF RETAIL NETWORK TAKES PRIORITY

Three retailers tell **FocusQI** about the criteria they apply when choosing to open a new store, the growth objectives for their retail network in Italy and how important technological innovation is in developing their business.

Jurij Roncan, Marketing and Development Manager of Scorpion Bay Retail, tells us about developments for the casual clothing brand (35 stores in Italy with the goal of reaching 60 units within the next 3 years). "Scorpion Bay – says Roncan – is now working hard on developing a retail project for empowering the performance of every monobrand store, having created a consolidated headquarters team that is structured to support our retail chain. Each flagship store is for us a means of communicating our brand and aims to increase awareness of Scorpion Bay on the market."

"To open a new store – remarks Roncan – we need to deal with today's market situation which forces our choice in two areas: one is the costs relating to a shopping centre, which need to be



Jurij Roncan
Scorpion Bay Retail

sustainable, and the other is the ability of the centre to maintain the same level of appeal as at the beginning, in order to keep the end consumer's attention alive.

There are also big expansion plans for Burger King in Italy. "For the five year 2015-2020 period – reveals **Michele Siggillino, Developer and Real Estate Director** at **Burger King** – we have allocated a €340 million investment to

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We are trying to achieve 28 new openings in 2016, while in 2017 we hope to break this record by opening 30 new restaurants



Michele Siggillino
Burger King

the Italy area, for the opening of 300 new restaurants with both direct and franchising management. This will lead to the hiring of 5,000 staff.” The majority of these openings will be in cities where Burger King has never opened before. Last year in San Martino Siccomario (PV), Burger King opened its first direct management restaurant. For the future, the brand is also studying new menus involving traditional Italian food.

“At the moment – Siggillino says – we have 148 restaurants in Italy. We are trying to achieve 28 new openings in 2016, while in 2017 we hope to break this record by opening 30 new restaurants. The new openings and related hiring plan will play an important role as far as regards employee training, which is currently a very important topic for us. For this reason, in April 2016 we founded the **BK Academy**, a school created to train young, motivated people who want to work in the food sector. Of the total course duration, 60% is time spent in class and 40% comprises training in our restaurants.” The well-known motto for international business, ‘location, location, location’, can also apply to shopping malls.

Burger King is always seeking the right location, especially in terms of visibility and accessibility, in order to enhance brand identity among clients. By being easily recognisable inside food courts and located close to major anchors or to elevators, escalators and moving walkways, visitor flows are boosted. The possibility to remain open after mall closure with exclusive access from outside the centre can be fundamental to Burger King’s business, as 70% of sales for each restaurant are generated at dinnertime, when other shopping centre activities are already closed.

Due to a very competitive market and a number of changes in shopping behaviour, the retail industry continues to fight to enhance provision of the best customer experience, by in turn providing a premium environment and focusing on innovation and technology. “Recently, the Italian shopping centre format has begun adapting to international trends, investing in leisure and catering offer – points out Siggillino –. “The same applies to modern QSR companies such as Burger King, where experience and offer are everything. For our brand it is crucial

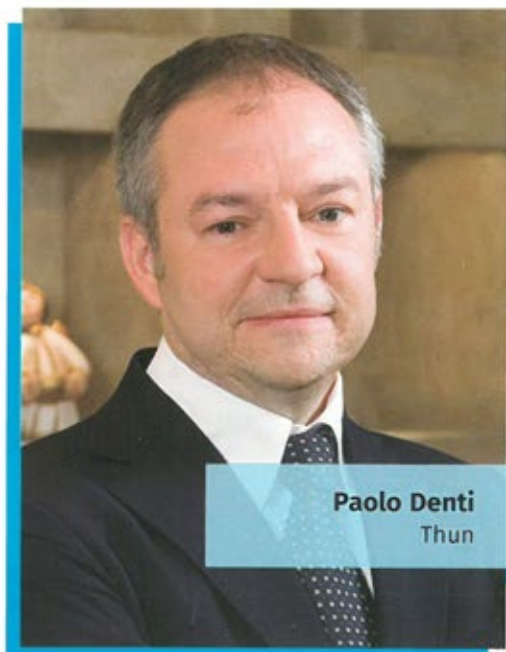
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Our creations are now on the shelves of more than 1,140 sales outlets, of which 334 are single brand stores managed either centrally or by small businesses, in addition to two flagship stores in Bolzano and Mantua

to select shopping centres which aim to understand customers' needs and desires, providing the ultimate customer experience. Also being able to push their experience beyond that of a 'physical' restaurant may justify an uplift for properties in terms of higher rents or higher condominium expenses. Adding value to all the technical and logistic activities, the ad hoc equipment or the centre's marketing strategies which are put in place to increase brand awareness, are just a few examples of what we look for when appraising a shopping centre. One of the most innovative retail solutions, placed in strategic spots both inside and outside the shopping galleries, are multimedia kiosks which can be used to accelerate meal orders and reinforce brand promotion."

Paolo Denti, CEO of Thun, completes the overview: "our creations are now on the shelves of more than 1,140 sales outlets, of which 334 are single brand stores managed either centrally or by small businesses, in addition to two flagship stores in Bolzano and Mantua". The year 2015 ended for Thun with a turnover of €82 million and 2016 is

already seeing single digit growth, thanks to inclusion of the 'Everyday' product line, offering gift ideas at affordable prices without sacrificing brand design, and the launch of a new, advanced distribution model which rewards customer relationships and maximises selling out. The brand began the year with advanced management of over 100 direct sales and franchise outlets. "In 2017 we aim to double this,



Paolo Denti
Thun

with a 100% growth projection and a weighted impact on turnover that aims to exceed 55%, in contrast with 2016 which is expected to close up 30%," Denti says. In 2016 Thun opened 50 new Thun stores nationally, including 40 held in direct management. Opening of a new shop is evaluated via an initial geo-marketing analysis of the potential, taking into account walkability and the characteristics of catchment area demand, as well as location and "familiarity" with the brand. Add to this an in-depth retail analysis and it is possible to detect the supply of customer services, comfort within the space, ease of access and parking, the presence of retail attractions and, last but not least, an estimate of store profitability in the medium to long term.

Digital loyalty, social engagement and marketing offers, which are increasingly customer oriented, accompany the customer not only in his or her purchases but also in their passion: these are the areas in which Thun is now investing in order to build relationships with increasingly demanding consumers and "omnichannel shoppers". Intercepting the client at the touchpoints,

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personalising contact with them, is now an essential condition for a company which, like Thun, aims to be a real retailer and wants to invest in both brand and sensations, to create a unique, unrepeatable customer experience. According to Denti: "It goes without saying that a presence on the social network and the availability of both WiFi and recharge points for smartphones and tablets have become a must for any shopping centre in that they allow physical and digital experiences to be mixed in real time, facilitating the sharing and closure of a customer purchase."