



Omni- Dimensional Convergence

NELSON

INSIGHT REPORT

OMNI-DIMENSIONAL CONVERGENCE:

An integrated orchestration of a **multitude** of experiences—strategically blending **e-commerce** and brick/mortar platforms, **digital and analog** touch points, a robust **diversity of uses**, and emerging **consumer and commercial needs**.

A revolutionized standard for retail centers and mixed-use developments

The COVID-19 pandemic spurred an overnight disruption to our daily lives—driving unprecedented shifts in every business sector. As hubs of commerce that span almost every sector, shopping centers and mixed-use properties will be forced to juggle a myriad of “new norms.”

Successful developments will increasingly represent a diversity of uses and will create meaningful, holistic platforms for engagement that account for both the consumer and commercial journey. It will be pivotal that developers accommodate for how COVID-19 uniquely transformed each sector represented in their properties—from retail to restaurant, services to hospitality, entertainment to healthcare, and residential to workplace.

With consumers feeling a profound loyalty to their communities more than ever before, developers also have the unique opportunity to create elevated microcosms that enable community connection, growth, and differentiation. A rise in surban destinations will borrow the best of both urban and suburban dynamics to respond to evolved consumer desires.

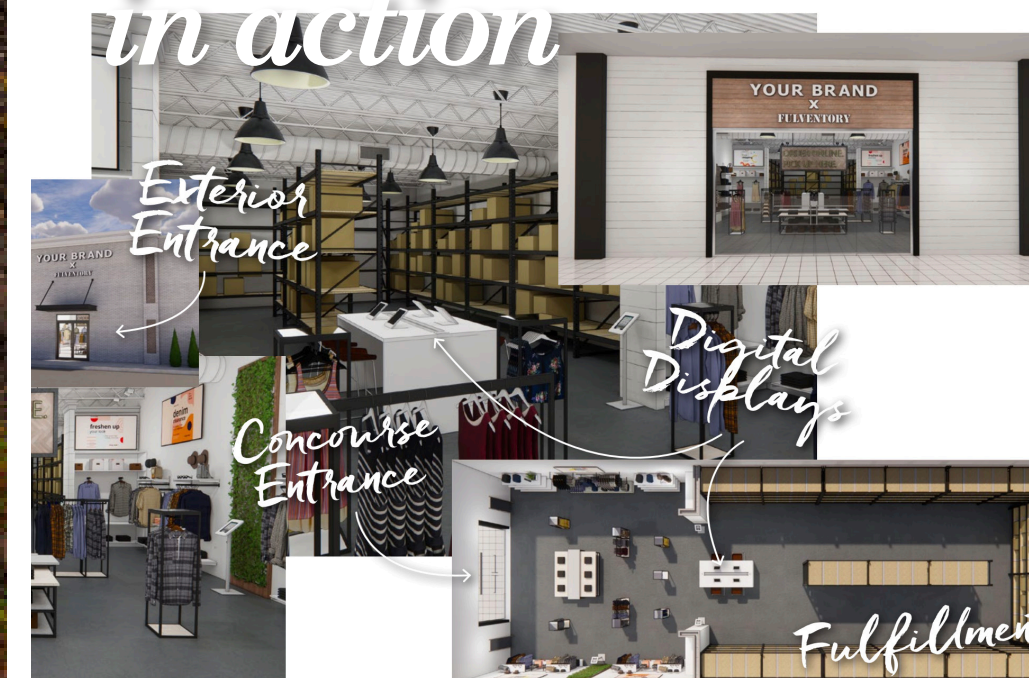
Leading developers will make concerted investments to reposition properties, integrate fulfillment options, and activate a compelling brand point of view that resonates with post-COVID-19 attitudes.

Read on for six key shifts that will drive the future of the retail and mixed-use industries.



“Consumers will start to see developers emerge as brand names they recognize, attaching value and perceptions to their actions.” —Tori Tasch, NELSON Strategy & Insights

innovation in action



INSIGHT

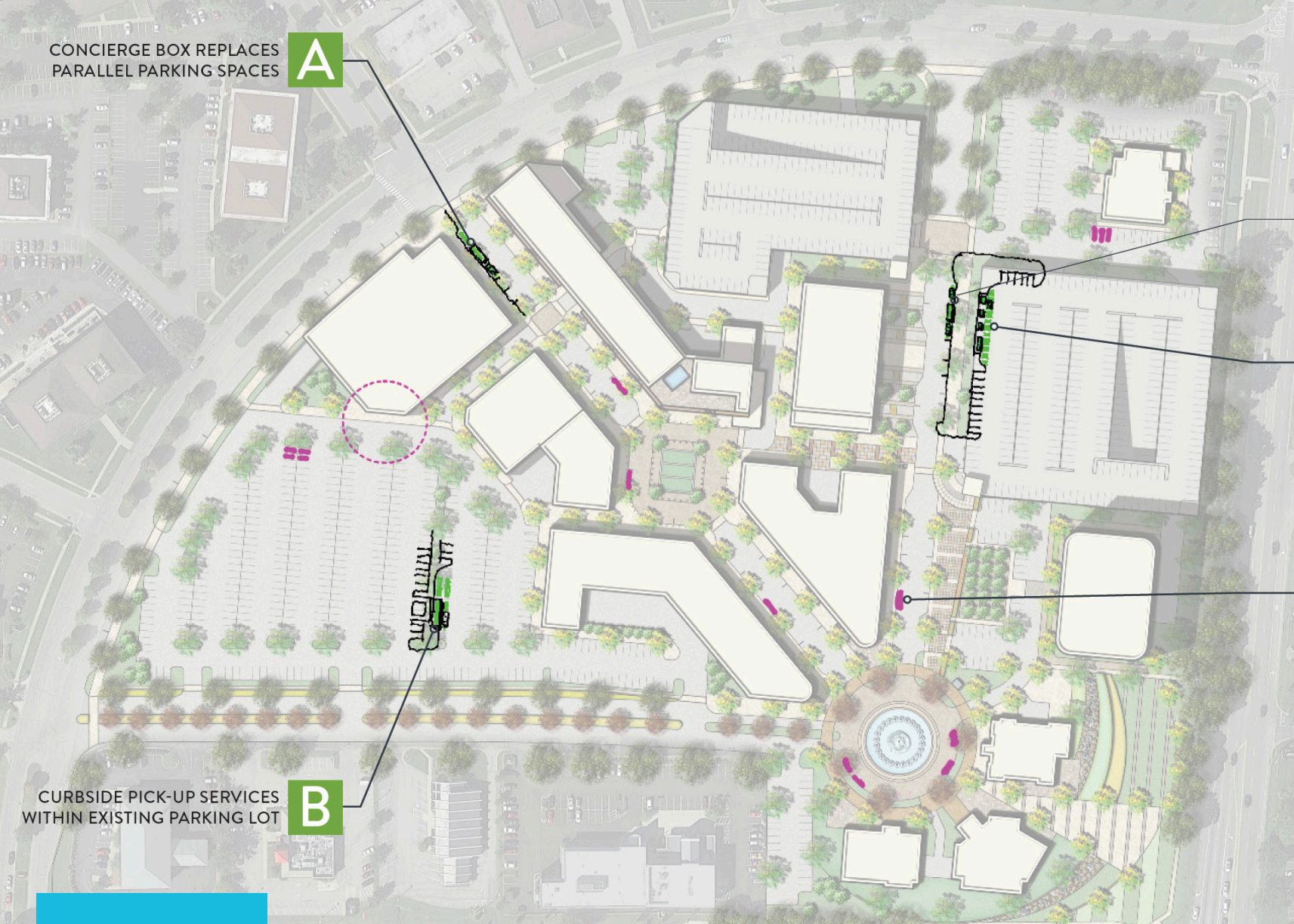
#1

DEVELOPER INFLUENCE

More than ever before, developers and property owners will take on a more active and externally-facing role. Brand development and storytelling will make their often hidden names more prominent in the context of the guest experience, and as consumers crave to know the businesses behind every commercial entity they support. They will also amp up their business-to-business presence as they look to attract and galvanize partners and tenants in an increasingly competitive marketplace.

Washington Prime Group Fulventory

Washington Prime Group recently launched the Fulventory program, enabling retail tenants to rent additional, separate spaces in its centers at a reduced rate. Designated for fulfillment and inventory management, the developer suggests leveraging these locations for last-mile fulfillment, BOPIS/BORIS purchases, or the distinct marketing of discounted merchandise.



CONCIERGE BOX REPLACES
PARALLEL PARKING SPACES

A

A

CONCIERGE BOX REPLACES
PARALLEL PARKING SPACES

C

CURBSIDE PICK-UP SERVICES
WITHIN EXISTING GARAGE

POTENTIAL CURBSIDE
SERVICES BY INDIVIDUAL
RETAILERS

CURBSIDE PICK-UP SERVICES
WITHIN EXISTING PARKING LOT

B

INSIGHT
#2

EXPERIENCE CURATORS

Master planning will take on a whole new meaning as developments become the hub where countless businesses and brands attempt to navigate a new normal. From reconfiguring parking lots, to reinventing shared amenities, convenience will be the primary driver. Properties will also be empowered to create meaning and connection across these new touch points and experiences. Crafting purposeful journeys through curated zones—some may even be completely dark as fulfillment centers surge—will differentiate leaders.

“Developers will need to see beyond the quick fix to collaborate on experiential convenience that will both accommodate tenants’ service models as well as introduce their own.” —Graham Post, NELSON Senior Architect

*innovation
in action*



Box by Posti

Finland’s postal service Posti created an all-in-one destination that reinvents how consumers engage with e-commerce orders. Elevated parcel lockers enable shoppers to pickup purchases within a dynamic environment that also lets them try on items, return unwanted ones, and even recycle packaging. A showroom completes the space, allowing new brands to debut products, host events, and conduct live research with visitors.



INSIGHT
#3

RESIDENTIAL REFRESH

As dark anchors proliferate and drive the conversation around demalling, residential proves to be a viable and reliable solution for unused space. COVID-19 may also cause corporations to leverage more remote work, freeing up offices that could be repurposed to solve for affordable housing shortages. The incorporation of residential will force properties to be truly lifestyle-driven and prioritize the unique needs of residents vs. visiting shoppers—resulting in a diversity of uses from entertainment to dining, healthcare to fitness, and services to education.

50% of the 1,000 department stores in U.S. malls are vulnerable to permanent closure by the end of 2021 (Green Street Advisors)

*innovation
in action*



Funan Mall

This major mall in Singapore boasts six floors of living and co-working spaces, and six more of shopping and entertainment. Fitness is purposely integrated throughout, including a track for bicycling, a rock climbing wall, and a rooftop football field. The ground floor resembles a modern town square and 60 percent of its tenants are local brands, directly connecting the mixed-use center to its surrounding community.



“The dial of aspiration that was set on global,
then went glocal, will now shift back to local.”
(Stylus)

innovation
in action

Well
Picked
Goods

INSIGHT

#4

COMMITMENT TO COMMUNITY

A heightened appreciation for immediate proximities will continue to influence consumer behavior following COVID-19. Deepened emotional ties to local communities and businesses will shape an unprecedented demand for brands, programming, and experiences with an authentic local or regional relevance. A shared sense of connection and solidarity with peers and neighbors will also dissolve perceived boundaries and amplify opportunities for partnerships and collective initiatives that uplift and support each other.

Washington Prime Group

An innovator worthy of another mention, Washington Prime Group (WPG) instituted Well Picked Goods, a program enabling local town centers to curate and sell merchandise from top retailers online during COVID-19 mandated closures. WPG also partnered with The University of Chicago and the Institute for Justice to create the Open for Small Business initiative that offers tools and resources that help small businesses navigate topics like lease renegotiations, advertising, and leadership.



\$10tn *the global healthcare industry is expected to exceed ten trillion dollars by 2022* (Deloitte)

innovation
in action



INSIGHT
#5

WIDESPREAD WELLNESS

Public health has never impacted the global economy to this extent, which will drive a collective pursuit to prioritize wellness as a central tenet to our lifestyles. The previous focus on health-driven tenants will only magnify, with a specific purpose to cater to a spectrum of emotional, physical, and mental wellness needs. Developments will also need to signal sustainable choices throughout experiences by fostering a purposeful integration with the outdoors. Dynamic, and truly functional, communal spaces will also be highly sought-out destinations for wellness.

Westfield Century City

This acclaimed mall from Unibail-Rodamco-Westfield features several next-generation healthcare and fitness brands—One Medical (primary healthcare), Forward (preventative healthcare), Theragun Reset (percussive therapy), Next Health (cryotherapy), Gloveworx (boxing gym), Mirror (fitness technology) and Tonal (home fitness systems)—to respond to evolving consumer interests.



“REAs and co-tenancy will need to transform from an obstacle position to one of cooperation for the greater health of the mall or mixed-use development.” —Jim Harkin, NELSON SVP, Mixed-Use Practice Leader

innovation in action



INSIGHT
#6

EVOLUTION OF REAs + CO-TENANCY

In the wake of COVID-19 and uncertain economic conditions related to the retail industry, the REA and co-tenancy relationships between the developer/owner and retail tenants will need to fundamentally evolve. This will be critical for any property to be successfully repositioned. Co-location and flexible contracts may infuse novelty into centers, and solve for short-term tenancy needs. Accelerated innovation will also reinvent anchor pads as malls attempt to emerge with mixed-use relevancy, respond to shifting business realities (i.e. higher focus on fulfillment) and attract a new kind of consumer.

Macerich BrandBox

A pre-COVID-19 initiative from Macerich, BrandBox offers short-term real estate contracts and modular store designs. It was a progressive example and signpost of how real estate solutions will continue to shift and influence the conventional dynamics of mixed-use centers and shopping malls.

industry snapshot

impact on sectors



MALLS

Continuously challenged to retain relevance, enclosed malls will be hit the hardest as they face more dead space due to tenants reevaluating brick and mortar locations in the wake of COVID-19.



OPEN-AIR RETAIL CENTERS

As non-essential specialty retail regains its footing, shoppers will seek out open-air developments for BOPIS, quick needs, and a taste of the new normal shopping experiences.



STRIP/SHOPPING CENTERS

Grocery and mass retail paired with service providers will reinvigorate stale norms for how everyday shopping centers should function as more active community participants.



LIFESTYLE MIXED-USE

The growth of this sector—and the role of local within—will prevail as both urban and suburban centers activate uniquely positioned propositions and programs in their neighborhoods.



SPORTS-ANCHORED DEVELOPMENTS

As safety is redefined in the context of large crowds and events, developments centered around sports venues will need to assess capacity and flow while maintaining a spirit of entertainment.



OUTLETS

Discount-driven retail may have an advantage as the economy recovers post-COVID-19. Most outlet centers, however, need to strategically invest to ensure they're truly destination-worthy.

industry snapshot

impact on core components



MASTER PLANNING & E-COMMERCE

Fulfillment has forever shifted for both consumers and brands, driving a revolution in distribution methods that will permanently alter the make-up of developments—inside and out.



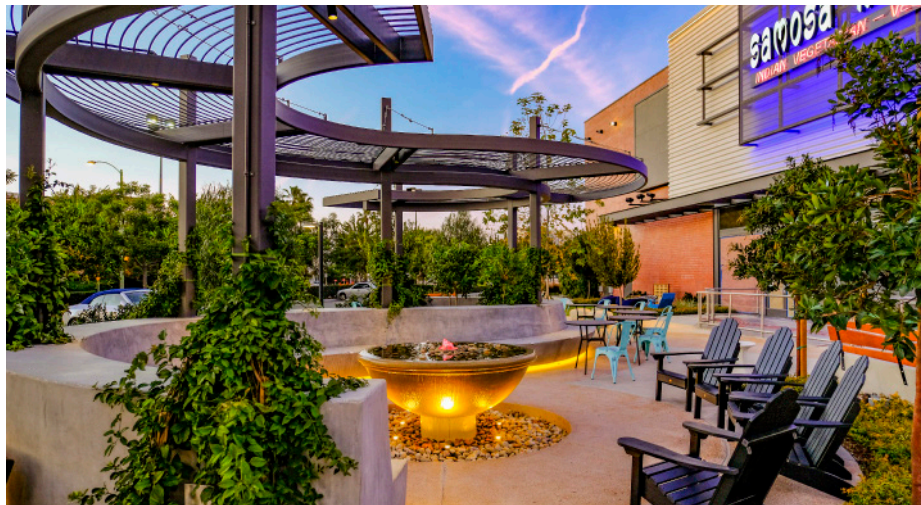
PUBLIC & COMMUNAL SPACES

In the short-term, safety and distance will be paramount. Moving forward, public spaces will be reframed as outdoor escapes and respites with implications on wellness and sustainability.



TENANT MIX

Dark anchors and failed traditional retailers will proliferate; health, wellness and service tenants will be in the spotlight; DTC brands will be reconsidered, and local brands will be elevated.



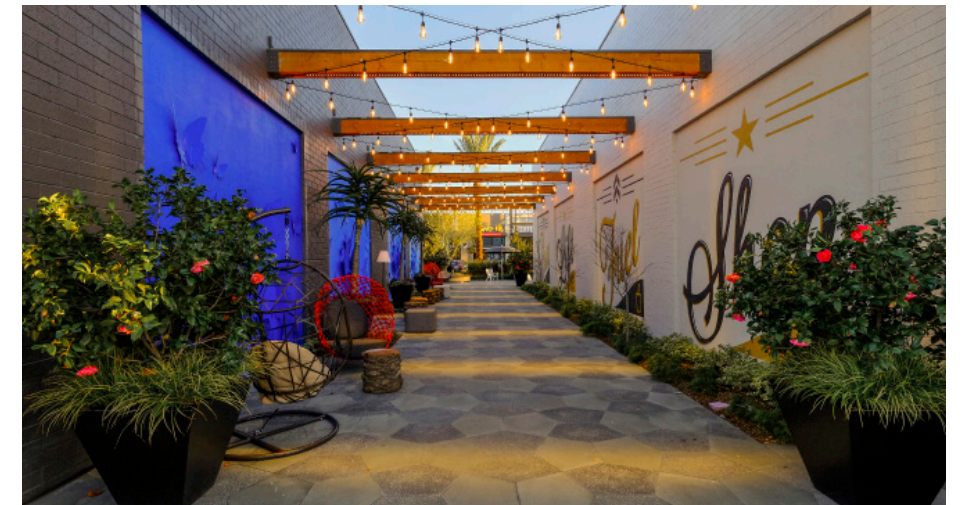
AMENITIES

From public bathrooms to interactive directories, and co-working lounges to fitness rooms, shared amenities will be under the microscope for hygiene—but ultimately, will remain.



PARKING LOTS & GARAGES

Perhaps the most long overdue reinvention will lie in parking lots/garages as BOPIS behavior and transportation continues to evolve. Underutilized space will also be repurposed.



ENVIRONMENTAL GRAPHIC DESIGN

In the immediate landscape, graphics will be fundamental in conveying new safety protocols. In the long-term, brand activation will ensure property differentiation and relevance.

Let's talk.

Looking for custom ideas to elevate your existing properties and shape your future destinations? Schedule time with our NELSON team of experts to discuss your business goals and how we can partner to bring them to fruition.

Jim Harkin
Senior Vice President
jharkin@nelsonww.com
513 362 1382

[NELSONWORLDWIDE.COM](https://nelsonworldwide.com)

NELSON