

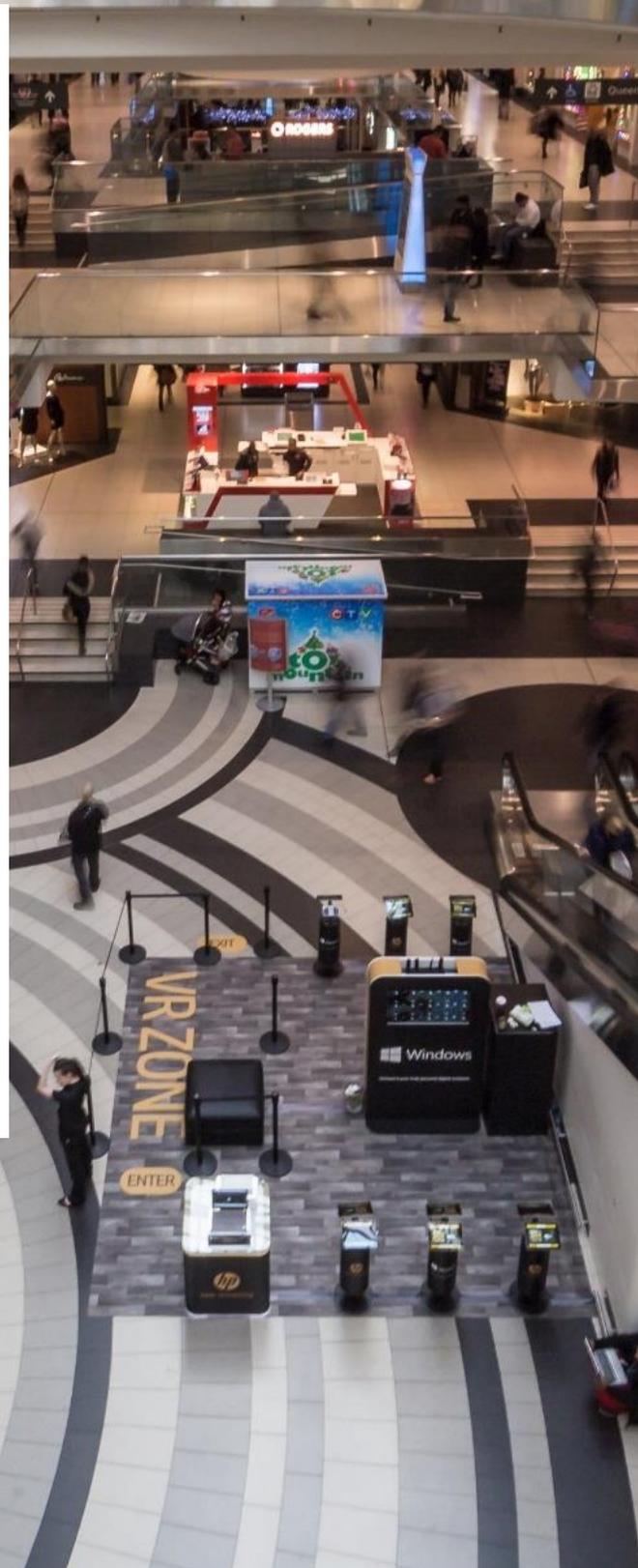


## The role of indoor positioning in the new challenges of shopping centres

Shopping centres already had the task to reinvent themselves and expand the market in the coming decades, but then new and unimaginable challenges came along, such as the pandemic.

A widespread crisis has taught us great lessons and it has forced us to look directly into the future. A new shopping centre is born, less commercial and more social, less logistical, and more customer centred.

And what can technology do to drive these changes? Let us see.





At the end of the 20th century, a visionary in the United States had the great idea of combining leisure and shopping, thus the shopping centre was born. Today it seems obvious, like many other good ideas, but this association revolutionized the commercial system on a planetary level. Introducing fun into shopping changed the way of working in the retail sector forever.

But if the USA is where shopping centres were born, they were also the first to experience [the first signs of the model's exhaustion](#) and the first to try to reinvent themselves in order to stay in business. The figures showing this downward trend predate the 2008 economic crisis, but after it, it was even clearer. As of 2010, consumer traffic plummeted by 16% and 45% of US shopping centres began to see their numbers of visitors and occupation fall.

If we look at Europe, the evolution and possible decline in business are slower. According to the Cushman & Wakefield study, in 2018 approximately 2.6 million m<sup>2</sup> of space were allocated for new shopping centres, 28% less than in 2017. It means that the total size of the European shopping centre market is 168.1 million m<sup>2</sup>.

According to this study, we can deduce that, in most European countries, the shopping centre market is approaching its maturity and the demand for these spaces is in relative balance with supply. Although the pace of new development has slowed down over the last five years, the overall market size is still increasing, and competition in shopping centres is getting stronger.

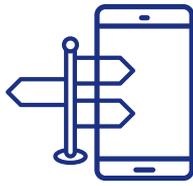
## New spaces designed for new customers

But if the shopping centre transforms, it is because both clients and the actual situation require it. Any shopping centre manager knows that it is essential to understand what new customers need to be provided with the commercial space and services that suit them. We have already mentioned the key: to create a space in which the buyer feels at home. Long corridors full of shops are over. Nowadays, malls must become an experience where the customer also wants to spend their leisure time.

To create that experience, they need to be able to count on:

- An attractive and distinctive retail offer.
- Quality and diverse restaurants and hotels to meet different customer profiles.
- Leisure activities (workshops, exhibitions, shows...) to promote experiences.

[At Your Service](#), the report published by ECE, one of the most representative shopping centre management companies in Europe, draws several conclusions about what consumers value more in these spaces.



Better guidance both inside the parking lot as well as inside the mall.



More than two-thirds of the visitors look for information about a shopping centre before getting there.



Consumers research and prepare the online purchase, although they finally end up going to the physical store.



Visitors value leisure areas. 77% are interested in the relaxation areas, and 68% in Wi-Fi connection.

One of the biggest challenges that customers face when they are in a shopping centre is to locate themselves and get where they want to go. Does this seem obvious? Well, it is one of the most significant challenges. We are talking about large indoor spaces with several parking levels, stores, and at least one floor dedicated to restaurants, movies, or other general entertainment. In addition, escalators and elevators are located at key points to facilitate the movement of customers throughout the commercial space. Although this aspect is designed to ensure they transit through the entire building, it also adds a certain difficulty, especially if they have a specific destination.

74% of those surveyed in the "At Your Service" report expect clear directions in the mall

## The end of maze-like spaces

Bearing all this in mind, it is logical for the managers to be frustrated when visitors still have difficulties finding their way around despite the large investments in signage and information points. The shopping centre staff is aware that a disoriented customer is one who does not enjoy his visit and can hardly relax.

Along these lines, several signalling strategies have been tested (situation maps or posters) but it is difficult for the client to feel comfortable if they must move around while looking for signs or figuring out maps to reach the precious escalators that will take them to another floor.



Many shopping malls, including some of the largest in Europe and Japan, have already turned to Situm to develop apps that implement customer navigation for them to move freely throughout the space.

[Situm WYF](#) makes it easy to enrich your shopping mall app with indoor navigation so that the customer has all the information and directions they need in the palm of their hand to get the most out of their visit.

- Customers will always know where they are, even from the moment they access the parking with their car.
- They will know where all the stores they are interested in are, with full information about each of them.
- Locate on the map all the services that may be useful (WC, rest areas ...).
- Access to the shortest route and avoid crowds at critical spots. These spots change throughout the day but will be updated in real time.
- The app will have information on the most suitable routes for people with reduced mobility.

As Mckinsey pointed out in 2014 in "[The Future of Shopping Malls](#)", the technology used in a mall should first and foremost aim to end this feeling of disorientation indoors.

## Online and traditional shopping, a union for the future

Shopping mall management teams and retail establishments face a time of change, full of challenges that force them to rethink many strategies. One of the main ones is the growth of e-commerce, a trend that is on the rise and is here to stay. Even though online sales had initially been considered an "enemy", nowadays the smartest market trend is to look for synergies.

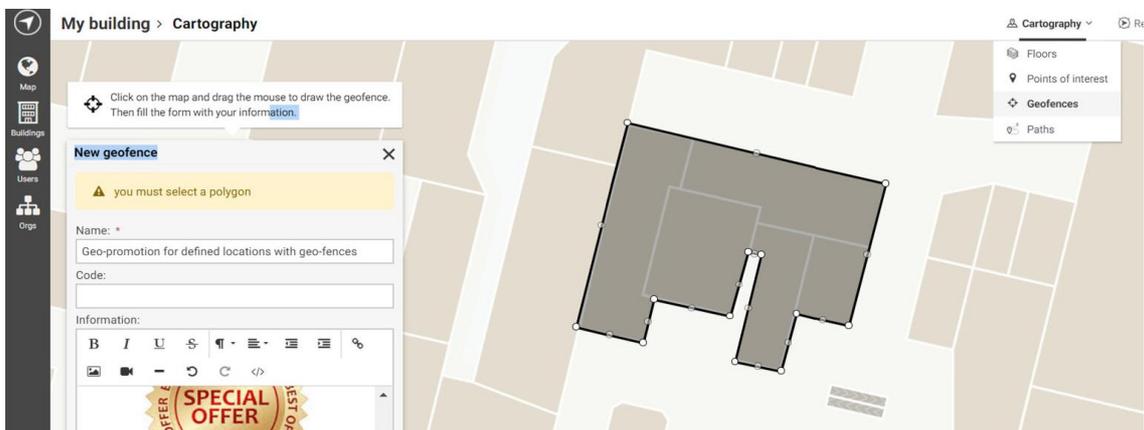
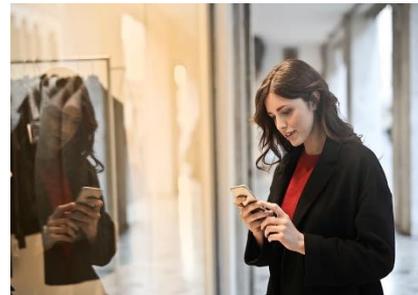
A trend in shopping centres is the well-known "click & collect." Customers buy online and then pick up the product in the store. According to [Adobe Analytics](#), this type of purchase increased by 208% between the 1st and 20th of April 2020 in the USA. However, as stores have reopened after the lockdowns, the growth rate has slowed since then, and this trend adoption remains high. Evidence suggests that many people who tried it will continue to use this alternative in the future: [23% prefer this option instead of receiving their orders directly at home.](#)



Surely customers will continue to buy in physical stores, especially when shopping is still equal to enjoyment. In other words: perhaps consumers will end up buying on the Internet the articles they do not enjoy buying in person, so this process will not take up part of their free time. But they will keep on going to the mall as long that it is pleasant and fits into their leisure time. For all this, it is no strange that malls offer cooking classes, crafts workshops, live shows, or exhibitions.

## Personalized experiences through geomarketing

Geomarketing is the method of designing campaigns based on geolocalized customer data. During the stay at the mall, we can guide customers and visitors with corporate apps, and inform them of campaigns that fit their profile and interests. Geolocalized notifications will be triggered for each individual according to their profile when passing by an establishment. They can also be guided to different points of interest related to their preferences, especially in dynamic, short-term activities randomly located in different commercial areas. The key is that the right message reaches the consumer at the right time. For this purpose, the polygonal geofence tool included in Situm IPS allows doing it with the highest precision.



Experience has proven that this localization-based marketing is not only profitable but also effective. There is no doubt that it goes much further than the (already) old loyalty cards that barely reached 20% of the customers. It also proposes interesting synergies between online and traditional commerce that converge in the smartphone as a sales planner. This last aspect is still taking off, but shopping centre managers are focusing on this point.



## More efficient processes and services through geolocation-based facility management

But if there is one thing shopping centres know about, it is the difficulty of managing all the factors involved in the smooth running of a large commercial space: staff, agents, facilities, etc. Everyone has their role and responsibilities and knowing how to manage them properly is the best way to ensure the highest productivity. Among all the people involved in the daily dynamics of a shopping centre, the following stand out:

- Security staff.
- Information point workers.
- Management staff and subcontractors.
- Cleaning service.
- Maintenance.

The same geolocation that allows us to track customer behaviour becomes a tool to monitor employees, optimizing processes and increasing the productivity of the facilities.

[Situm MRM](#) is an easy to apply solution because it uses the existing infrastructure on the premises and can start working in just a few days. Our experience with different commercial spaces has led to a 30% increase in productivity. In practice, this translates into:

- Real-time monitoring of all forces throughout the facilities.
- Monitoring of all the activity, which allows recording all the data in analytics to readjust the actions in real time.
- Increased employee satisfaction with a tool that streamlines their daily tasks.
- Facilitates cross-team collaboration.
- Records the completed assigned tasks.
- Increases security for all staff by improving the capacity and response time to an incident.



## New challenges after the pandemic

The arrival of Covid-19 and the measures that shopping centres have been forced to implement reminds us that we need to be ready for a reality that can change overnight.

If before the pandemic shopping malls were clearly in need of reinvention, there is no longer any doubt about that. Shopping centres are living a time of big changes in which it is necessary to have technological systems that help to:

- Improve their internal processes by monitoring its daily activity, in real time, as well as all their staff.
- Make their commercial offer a personalized experience for each customer so that they enjoy the indoor space.
- Become an alternative to online shopping, building customer loyalty.
- Be perceived as a safe space that allows customers to enjoy their shopping with freedom and comfort.

Our experience with leading mall companies shows us that this is possible and very profitable in both the short and mid-term. The entire Situm team is working to achieve this. If you are interested in knowing what our technology can do for your shopping space, please do not hesitate to contact us.

According to Deloitte, approximately 43% of the centres need a redesign in the immediate future to avoid bankruptcy.