

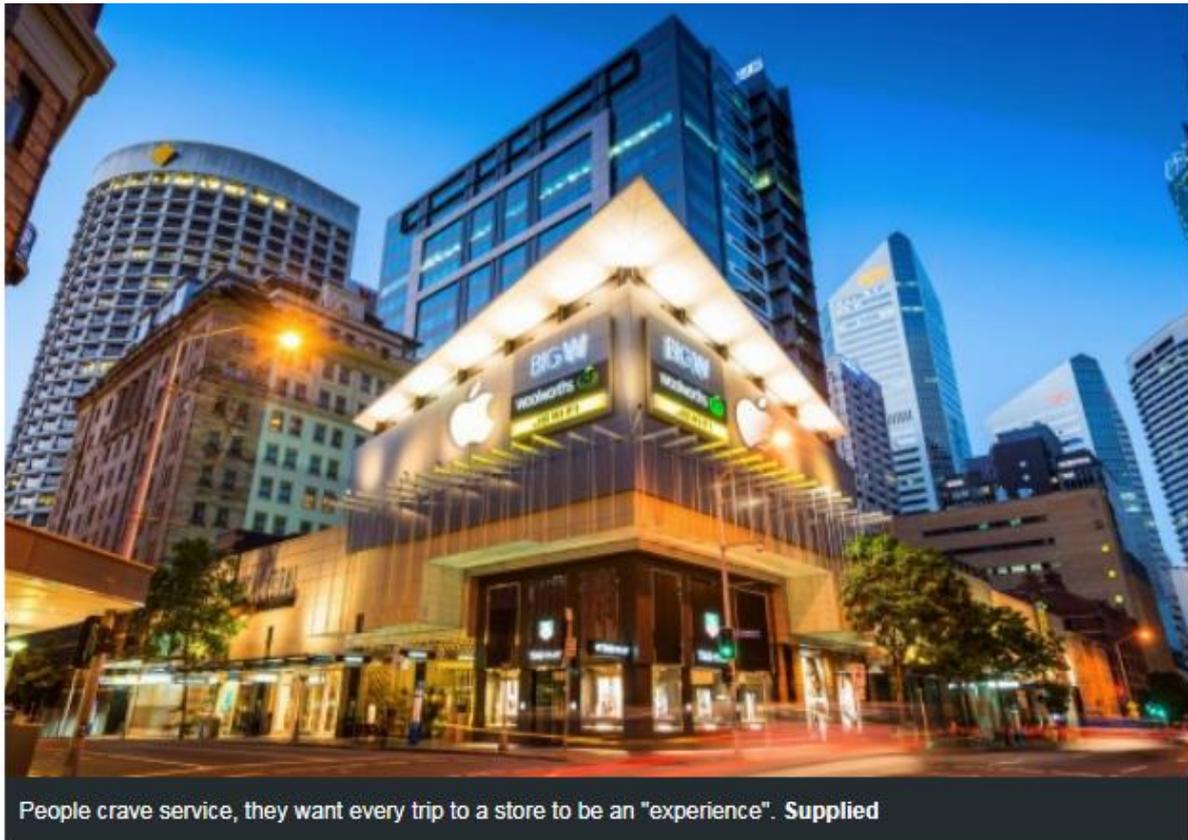
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A landlord's conviction on retailing: Shaun Bonett

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People crave service, they want every trip to a store to be an "experience". **Supplied**

by **Shaun Bonett**

As the owner of several large shopping malls around Australia I know that retail stores cannot compete with the internet giants on their terms.

They can't offer the range, they can't match the prices, and they certainly can't compete on efficiency.

A few clicks and that is the grocery shopping done for the week – the website's AI even suggests what we may have forgotten.

It is an intensely personalised experience.

You sit in front of that screen, you make your choices, and you know that you will receive your purchases usually swiftly and reliably.

It may be a personalised experience, [but it is not a personal one](#).

You don't feel warm when you see that payment confirmation on the screen. You do feel warm when the sales assistant smiles at you after they have helped you and asks if they can assist you with anything else.

You don't bother to ask the online store that nagging question. You are often blown away by the knowledge of the part-time sales assistant that has a wealth of expertise.

The concept of service is essential in retail – you cannot offer service if you do not engage with people.

An illustration of the importance of service comes from the world's most successful retailer Apple. In 2001, Apple was still working out what made it special. Steve Jobs went against the majority of his senior managers and decided to open 25 stores across the US.

This injected the Apple brand into the public consciousness, and its top-heavy staffing meant that it could actually talk to the people who were buying its products.

It was committed to its customers. Apple stores are now the "go-to" places if you are looking to decide on the next bit of Apple tech. You might not buy in the store, but if you are spending a small fortune on a phone, you will definitely go into the store to play with it and chat with someone who knows more about it.

Retail is about evoking a feeling of connectivity and trust between a customer and a brand. You buy because you feel like the brand (and its staff) listen to you.

Craving experience

Many retailers and shopping centres around the world are dying because they aren't connecting with people any more.

Their shopping experience is no longer aligned with serving their customers – the stack it high and sell it cheap approach that can work well is not enough to build strong brand loyalty.

People crave service, they want every trip to a store to be an "experience", and they have a preference towards loyalty. If they feel that they can trust a store to deliver on these things, they will come back over and over again.

There is little loyalty in the online market. You are sold on the features and benefits, and you usually buy on price. There is very little shopping "experience".

With the advent of immersive tech and VR, attempts might be made to bring the store experience into someone's home, but in my view, the opposite way will be more powerful. Stores that think carefully about what their customers need will use tech to enhance their physical experience in the store.

A customer will try out their golf clubs on a hole in the VR zone. Virtual taste sensations will help to sell the latest premium range of food. An AI assistant will help someone to decide which tool to purchase.

All of these applications and many more will enhance the physical experience in a store. People will flock to stores for this. A physical experience enhanced by virtual components will beat a virtual experience enhanced by physical sensations any time of the week.

Humans are simply hard-wired to need each other.

Connection

It surprises some people that in Australia only around 7.5 per cent of retail transactions are made online.

It doesn't surprise me. I can understand that there is a certain convenience in grocery shopping, and convenience has always been one of the key pillars of retail. For me, however, it is not the main pillar.

My core pillar of retail is connection.

So, as high streets around the world are experiencing some shops closing, I believe that those businesses who have stuck it out and transformed their businesses will experience a tipping point. The stores who are "there" for their customers and who move with the technological times will be in a unique place in our future world.

Virtual technology and smart wearables will make shopping more of an experience again. In a world where we are becoming ever more isolated, these experiences will be welcomed like we welcome old friends.

In considering where we are heading, it is useful to reflect that many great cities of our planet were originally designed to be spread over a far greater surface area – some were originally conceived as 100-kilometre-square mega-cities, Paris and Beijing.

However, despite this we decided to build "up" rather than out, and it seems that we find comfort in living in each other's pockets. People have flocked together for centuries – we need each other around.

Getting retail right shouldn't be so hard. Retail stores simply have to "be there" for their customers. If you create an experience that satisfies people's needs, prioritising human interactions over everything else, then they will keep coming back.

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