

Rich Lister Shaun Bonett says the best retail experiences are 'phygital'



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Somebody forgot to tell [Rich Lister](#) shopping centre owner Shaun Bonett that he is supposed to be feeling gloomy.

Concerns about retail were hurting sentiment across the property sector, according to the [latest quarterly NAB commercial property survey](#), but Mr Bonett said morale was high at his Precision Group, which counts seven shopping centres in its \$1 billion portfolio.

"We're nothing other than motivated," according to Mr Bonett, who last year [raised eyebrows](#) when he refused to renegotiate rents with struggling handbag retailer Oronon after it went into administration, and said they would be easily replaced as tenants.



Precision Group chief executive Shaun Bonett. **Steven Siewert**

"We're going through a revolution, and that creates disruption, but the opportunity is there to be at the front of it and grow your own business."

For the former practising lawyer, this has meant rolling up his sleeves and getting involved in the active management of his centres like rarely before, striving for a tenant mix that emphasises those with what he calls "phygital" characteristics.

"Almost all of the Australian retailers you see are old-world businesses that have put sidecars on in terms of their online businesses," he told *The Australian Financial Review*.

"What is needed is a global outlook and a truly seamless integration between the physical and online."

The best example of a "phygital" company is Apple, according to Mr Bonett, who developed the largest Apple store in Australia at Precision's MacArthur Central Shopping Centre in Brisbane.

Apple's heavy staffing in its stores encouraged people to come in, ask questions and play around with the expensive phone they were thinking of buying, Mr Bonett said, driving online sales later.



"You don't feel warm when you see a payment confirmation on a screen. You do feel warm when a sales assistant smiles at you after they have helped you and asks if they can assist you with anything else," [Mr Bonett wrote in a recent editorial](#) for this newspaper.

"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 who has a wealth of expertise."

Active management

Mr Bonett, who began investing in shopping centres in his 20s, is also actively managing his overall asset allocation.

In the name of asset protection he has been diversifying out of commercial property for more than a decade, first with Litigation Lending Services, a class action funding pioneer that quadrupled its profit after tax to \$9 million in 2017-18.

He has also backed two businesses that complement his shopping centre interests.

Prezzee is a digital gift card that gives recipients the choice of spending in more than 100 different stores, while Skyfii is the provider of free wireless internet in every Precision centre, and beyond.

"Marketing in the centres used to be a pretty broad and blunt instrument, and suddenly it's not any more," Mr Bonett said.

While his stake in Skyfii is still immaterial to his net worth, which looks set to exceed \$1 billion in the 2019 Rich List to be published in May, the entrepreneur said it had made a difference to the operational efficiency of his centres.

"If by knowing just that bit more about our customers, you can uplift the impact of your marketing spend by 3 per cent, that's material – and I'd comfortably say we can see that improvement."

The asset diversification is a work in progress. Mr Bonett said a start-up that added an augmented reality overlay to a shopper's experience was now on his radar.

Mr Bonett's shopping centre portfolio includes MacArthur Central in Brisbane, Adelaide Central Plaza, Chevron Renaissance on the Gold Coast, Pran Central in Melbourne and Metro Chatswood in Sydney, which he expected to benefit from the opening of a new railway line from Epping later this year.