



Leisure Creates A Retail Destination



As retail recovery continues after the pandemic, destinations across the globe have begun exploring new ways of enticing shoppers back into stores. What will it take to encourage people to get off their smartphones and sofas and return to bricks-and-mortar retail shops? Sue Shepherd, General Manager of London Designer Outlet (LDO), the UK capital's leading fashion and lifestyle outlet centre, explains how leisure and F&B is essential to creating a thriving retail destination.

Blockbusters came back with a bang in the Autumn with the arrival of the latest Bond caper, No Time To Die. Daniel Craig's last – and long-delayed – hurrah, as the world's most famous spy. His arrival was not only eagerly awaited by cinema groups, but also by retailers and restaurateurs as movie-lovers flocked to spend their money eating, drinking and shopping on their day out.

No Time To Die might well have been the moment that saved cinemas. It was certainly the moment that reinforced why leisure is so important to the future of retail destinations.

In the first full week that the Bond film was screened in LDO's Cineworld cinema, we saw total sales at the outlet centre up 6.3 per cent and footfall up 6 per cent compared to the previous week. The increase, in part driven by film fanatics' love of the irreplaceable big-screen cinematic experience, follows a steady growth in the proportion of our total sales from cafés, bars and restaurants. Our F&B brands consistently account for more than a quarter of sales, with total F&B sales up 6 per cent in September 2021 compared to September 2019, before the word 'pandemic' became a part of everyday life.

This sits alongside a period of increased investment into restaurants at Wembley Park, with brands looking to improve the dining experience and consider new concepts, including LDO's wagamama which expanded by 92 per cent, almost doubling its footprint. This investment has seen average transactional values going up and a stronger leisure offer created. Across Wembley Park, catering spend is up 18 per cent compared to August-October 2019 in the same period this year despite little net change in the number of physical F&B spaces, demonstrating that improved leisure leads to improved sales.

The increase in sales isn't just good news for those F&B operators. It's also good news for our retailers.

While the rise of online shopping is often considered a challenge for bricks-and-mortar retailers, they need only fear shoppers preferring the sofa-and-smartphone combo when they offer a transactional service. The experience that leisure and F&B can offer will – and, as we can see, does – bring people back to physical shopping destinations. That has been the case for some time, but in the post-pandemic era when people crave the opportunity to come together and to experience those little joys that they've missed out on, it is doubly so.

The role of F&B and leisure is undeniable in creating thriving retail destinations. A strong mix of cafés, restaurants, bars and leisure operators – as well as other amenities such as public and play spaces – can boost sales, drive footfall, improve dwell time, and attract guests from harder-to-reach demographics.

Through cafés, restaurants and bars, retailers benefit from a steady stream of footfall throughout the day, beginning with breakfast or that caffeine pick-me-up when shops begin to open, through to lunch and dinner or cocktails with which to end the day.

While this footfall often translates into sales in-store, as people

pick up items that they have been meaning to grab or even see a bargain that is too good an opportunity to miss, it's also important to provide a sense of vibrancy to your retail destination.

A strong leisure offering is as much about the spaces around bricks-and-mortar as it is the places themselves. At London Designer Outlet, for example, we not only have family-friendly restaurants and cafés, we install colourful and vibrant displays, operate a children's play area, and also benefit from the amenities of Wembley Park that includes a year-round programme of arts, culture and events such as the annual Winterfest. All of this helps to create a pleasant environment and offer things to do to keep people entertained while they duck in and out of shops.

Of course, leisure and F&B don't even have to be confined to the spaces outside retailers' front doors. Retailers that also embrace the customer experience within their stores are in an even better position to benefit in the post-Covid 19 landscape. We're seeing a real drive from brands to do more than offer their guests a simple transactional service.

Over the past year, we've seen the rise of the concept of the 15-Minute Neighbourhood, a place in which you can find anything you could want or need within a short walk or cycle from your front door. This can range from retail, F&B and leisure to green spaces, health and education services, and your workplace. While this concept attracts increasing interest (including from champions including the Mayors of London and Paris), it's something that retailers increasingly need to consider when reviewing their store portfolios. And the answer isn't to shift your operations online. It's to shift your stores to somewhere where they will thrive and where your customers are. And, as the outlet proposition continues to prove its attractiveness – to both brands and cost-conscious consumers – compared to full price, destinations that offer discounted designer shopping, F&B and leisure are a compelling recipe for success.

Leisure and F&B, whether in-store or in a well-managed mixed-use destination, combine with retail to create somewhere where people want to visit and want to spend their money. As retailers consider the future in the post-Covid and digital era, the smart bet is on strategically located retail & leisure destinations.

