

# RETAIL INSIGHTS

EDITION 6 NOVEMBER 2022

RETAILTAINMENT & THE GROWTH OF THE EXPERIENCE

THE MALL COMPANY



## EDITION 6 NOVEMBER - 2022

**Experience** and **entertainment** related trade is an emerging anchor for **retail** environments. In **Edition 6** of **Retail Insights**, **The Mall Company** examines the reasons for the rise of this paradigm, its importance for **retail centers** and consider examples of **retailtainment** in practice:

1

### WHAT IS RETAILTAINMENT?

Defining the concept of **retailtainment** / **experiential retail**.

2

### WHY DOES RETAILTAINMENT MATTER?

The **growth** of the **experience** over **traditional** retail as a global mega **trend**.

3

### REINVENTING RETAIL CENTER SPACES

- Concepts of **retailtainment**.
- **Retailtainment** space requirements by **Sq.m**

4

### RETAILTAINMENT SPACE IN PHNOM PENH

Existing **supply** (sq.m) of **Retailtainment** related trade in **Phnom Penh** as of **Q3, 2022**.



## EDITION 6 OVERVIEW

RETAIL

ENTERTAINMENT



RETAILTAINMENT



**77%** Millennials prefer to spend on **experiences**

**Indoor amusement parks** require the largest spaces (sq.m) compared to other types of entertainment.



Among **retailtainment** related trade, **cinemas** account for **26, 101 sq.m**

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## WHAT IS RETAILTAINMENT?

As suggested by the name, **retailtainment** is the combination of both **retail** and **entertainment**. The main idea behind this concept is to create a customer **experience** that is **enticing** and **enriching** and goes beyond the simple transactional shopping experience.

This concept of merging **retail** and **entertainment** is not relatively new, but has **accelerated** and **evolved** rapidly, with many **landlords** and mall **operators** now incorporating **retailtainment** in each component of the retail centre to provide "Immersive experiences" to drive **foot traffic**.

## CRITICAL DESIGN FACTORS IN RETAILTAINMENT

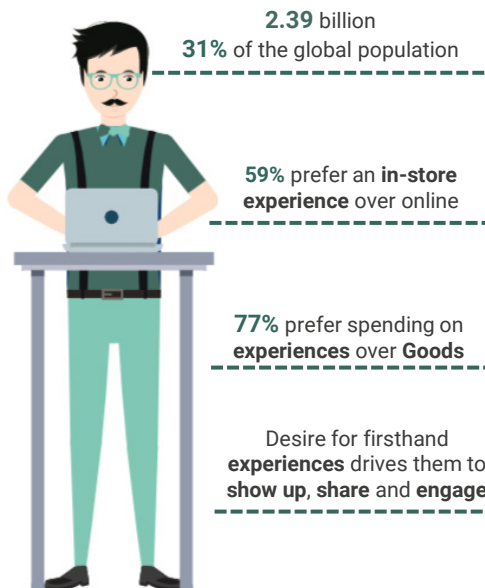


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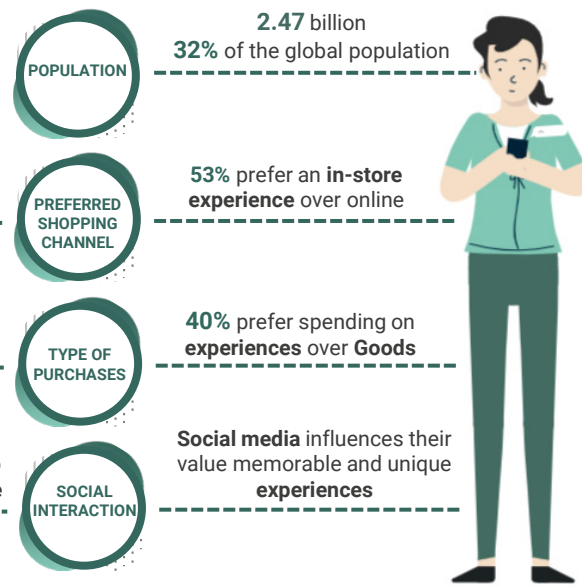
## WHY DOES RETAILTAINMENT MATTER?

### DEMOGRAPHICS & SHOPPING BEHAVIORS OF MILLENNIALS & GENERATION Z

#### MILLENNIALS Born 1981-1996



#### GENERATION Z Born 1997-2012



**Online** shopping has made it extremely **convenient** to shop from the comfort of one's own home, but that is not necessarily what today's customers really want.

**Millennials** and **Gen Z** view shopping as a desirable **social** activity and are willing to spend more on **experiences** rather than spending on **goods**. **Retail Centres** have responded by transforming into **experiential** hubs offering the opportunity for **collective experiences**.

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## REINVENTING RETAIL CENTER SPACES



### INDOOR AMUSMENT PARK

Estimated Space Requirements:  
3,000 – 5,500 square meters

FIGURE 1: AMERICAN DREAM MALL



Source The Guardian, 2021

### INDOOR AQUARIUM

Estimated Space Requirements:  
1,160 – 2,000 square meters

FIGURE 2: DUBAI AQUARIUM & UNDERWATER ZOO



Source The Dubai Mall

### INDOOR WATER SPORTS

Estimated Space Requirements:  
300 - 600 square meters

FIGURE 3: FLOWRIDER AT MIAMI INT MALL



Source The New York Times

### VR WILDLIFE PARK

Estimated Space Requirements:  
550 - 850 square meters



Source SBID

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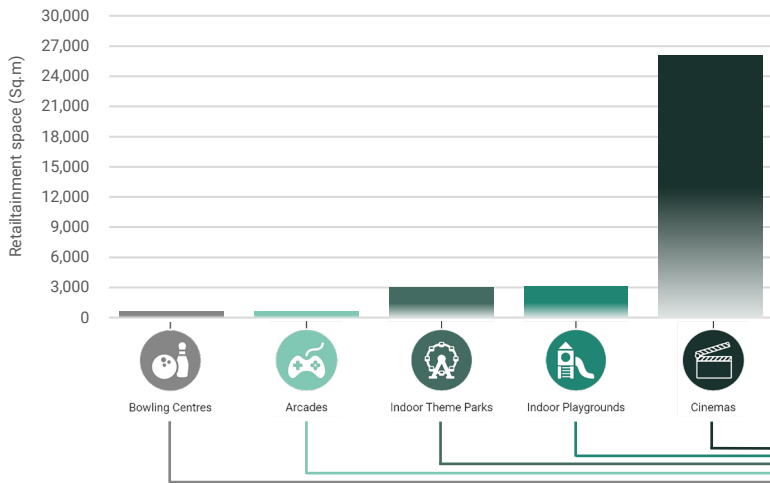
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## RETAILTAINMENT SPACE IN PHNOM PENH

FIGURE 5: PHNOM PENH RETAILTAINMENT SPACE IN SQ.M (Q3, 2022)



As of Q3 2022, Phnom Penh's **retailtainment** space reached **33,310 sq.m** and is broken down into the following key types of **entertainment**:

- **Cinemas** occupied **26,101 sq.m** of retail space
- **Indoor playgrounds** occupied **3,097 sq.m** of retail space.
- **Indoor theme parks** occupied **2,969 sq.m** of retail space.
- **Arcades** occupied **579 sq.m** of retail space.
- **Bowling centres** occupied **564 sq.m** of retail space.



Source TMC, Research Dept.

## TOP INSIGHTS & CONCLUSIONS

1

Whilst retail centres typically draw from relatively localized markets (with most visitors sourced from within 15 minutes' drive time), good quality attractions can extend this catchment. While the goal is to increase foot traffic, these initiatives are additionally to ultimately reduce vacancy rates and increase the future stability of viability of retail centres.

2

In addition, new performance metrics such as 'experiences per square meter' will become more prevalent in the future in addition to the traditional parameters of 'revenue per square meter' or foot traffic.

3

In Cambodia, although the concept of retailtainment is still in its infancy compared to other developed markets, looking forward we expect landlords to raise their game with regards to more innovative and diversified retailtainment offerings.

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