

DO NOT MISS

How to turn transit zones into terminus retail destinations

Wednesday, November 18, 9.30
Oxford room

Travel retail

The sixth continent

According to French brand L'Oreal, the "democratisation of travel" has created a new "sixth continent" of consumers ready to buy during their journeys. Mark Faithfull reports



Not only did 1.087 billion people travel internationally last year — equivalent to approximately 15% of the global population — but they spent a collective \$1,159 billion. Such astonishing figures moved L'Oreal to dub travel "the sixth continent" and retailing and travel have increasingly merged, feeding off each other directly and indirectly.

So while retail first moved to fulfil consumer needs with airport retailing, latterly schemes close to airports have opened such as Unibail-Rodamco's Aeroville scheme in Paris and McArthurGlen's Vancouver Airport designer outlet, with the boom also mirrored in retailing based around rail networks.

Take Grandi Stazioni, the company currently controlled 60% by the State Railways and 40% by Eurostazioni, which includes Edizione (Group Benetton), Vianini Lavori Spa (Caltagirone Group), Pirelli and SNCF covers Central Milan, Turin Porta Nuova, Genoa Brignole and Genoa Piazza Principe, Venice Mestre and S. Lucia, Verona Porta Nuova Central Bologna, Florence SM Novella, Roma Termini, Tiburtina, Naples Central.

It is looking to spin-off operations into two businesses, GS Immobiliare and GS Retail,

with the private partners upping their stake in the retail element in return for ceding their holding in the other business. Should full approvals go to plan, the deal should be concluded by the end of the year, which would free

GS Retail to embark on ambitious expansion plans.

In the UK, Paddington in London is the next project for Network Rail, which says the existing retail area, known as The Lawn, will



McArthurGlen's Vancouver designer outlet

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receive “significant” investment to create a modern facility for passengers, with renovation work taking place over the next 18 months. The rail owner and operator is aiming to deliver a suitable mix of retail units for passengers, while creating a destination station in its own right.

An upgraded retail experience at Paddington has become necessary with the number of people using the station expected to increase significantly from the current figure of approximately 60 million per year, following the opening of the new Crossrail service in 2018 as well as continued development in the local area.

Retail developers are also getting in on the act. Last year ECE opened BahnhofCity Wien Hauptbahnhof, featuring 90 shops at a shopping centre integrated with the rail transport network. The 20,000 sq m, two level mall has been constructed by ECE, working with Österreichische Bundesbahnen (Austrian Federal Railways, OBB).

Around the station, a new city quarter for shopping, service outlets, restaurants, hotels and offices has been built. In the new district, ECE has also developed a hotel for



Unibail-Rodamco's Aeroville captures retail spend from travellers using the nearby airport

the operator Motel One. Alexander Otto, CEO of ECE, said: “BahnhofCity Wien Hauptbahnhof is already the second railway project for ECE in Austria. We are very pleased to be at this premium location with

international top brands and a diverse range of restaurants and services.”

In July, the 22,500 sq m McArthurGlen Designer Outlet Vancouver Airport opened — a joint venture between McArthurGlen



Paddington is the latest in a long line of UK stations transforming as retail and leisure destinations

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and Vancouver Airport Authority — which is easily accessible via public transport and just three minutes away from the airport.

“Not only will the centre become a key tourism destination in our region, it’s also important to YVR’s role as a key economic driver,” says Craig Richmond, president & CEO, Vancouver Airport Authority (YVR). “Through the designer outlet, we are creating jobs and a valuable source of non-aeronautical revenue that helps YVR.”

A second phase of 12,500 sq m is set to open in 2017 and the design reflects a blend of European heritage and traditional Vancouver architectural style, in particular the distinctive brick facades of the city’s historic and vibrant Gastown district.

In France, Unibail-Rodamco opened the Aeroville shopping centre in 2013, an 83,300 sq m mall featuring a strong tenant line-up and Aeroville offers a free shuttle bus from Roissypole (Terminal 3 of Charles De Gaulle Airport), plus a dual language website aimed at attracting domestic and international visitors.

RAIL POINTS AS OMNI-CHANNEL HUBS

IN THE UK both Network Rail and Transport for London (TfL) have worked extensively to use their real estate as a platform for working with e-commerce retailers. Network Rail has backed click-and-collect specialist Doddle, which has been opening branded ‘stores’ at a rapid rate around the country.

However, UK grocers Tesco and Sainsbury’s have withdrawn from a tie-up with TfL, which offered a click-and-collect service for the grocers’ customers at London Underground stations. The scheme, which launched about 18 months ago, operates outside stations across London, with grocery groups Asda, Ocado and Waitrose also signed up.

It has emerged that both Tesco and Sainsbury’s have decided not to continue with the initiative over a lack of take-up by their customers. Tesco had operated click-and-collect at 10 stations as a “trial,” it said, while Sainsbury’s also said it had operated the collection points as a trial.

Feedback from customers indicated that the majority of pick-ups were from people who drove to the stations to collect, rather than the anticipated uptake from commuters picking up their shopping on the way home.

TfL introduced the idea in 2013 to allow customers to order online and collect from one of 10 station “hubs.” It was one element of a wider plan to better use the vacant space across its network.
