

Why the 'flat white economy' demands flexible retail and hospitality spaces

Interview

RetailEXPO Interview: Tom Rhodes, marketing and communications manager at CADA Design

People's lives are changing and everywhere is now a place of work - that's one key reason the high streets, shopping centres and community spaces are experiencing so much change in terms of design and functionality.

That's according to Tom Rhodes, marketing and communications manager at CADA Design, which specialises in creating and developing branding for food retail and food hall-related spaces across Europe, North America and Asia. CADA is a company working with the likes of Aldi and Fortnum & Mason in the UK.

He says the growing trend for people to either work flexibly or to be self-employed is a macroeconomic

influence on why retail spaces and food halls are merging to create multifunctional areas. The coming together of retail and hospitality is a trend the world over - modern shopping centres layouts prove the point - and the need for this type of place looks set to grow.

"Industry observers are sometimes guilty of thinking too small about the way and why things are changing in retail," he argues.

"The food hall evolution in retail is the bringing together of larger spaces and giving more choice, but there's a broader theme at work. If you look at the way people are living their lives, the urban population are becoming self-employed and independent - and communities and retail centres are being reconfigured to work for that new, emerging group."

Cutting loose but needing a place to go

Some describe this demographic as "the flat white economy", so called due to the influx of people working independently and sitting in coffee houses on their laptops and work phones.

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But the point is this is a new type of consumer that public spaces must now cater for.

The total figure for self-employed workers in the UK has been on the rise since 2001, with Office for National Statistics figures showing they represented 15% of the working population in 2017. The number of self-employed workers aged 16 to 24 nearly doubled between 2001 and 2017, and the grand total who work for themselves has jumped from 3.3 million to 4.8 million in that time.

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These are not insignificant numbers, and when you include businesses' growing propensity to allow people to work on the move or at home, the number of the population looking for spaces to sit down and work swells yet further.

CADA Design has recently completed the design for London-based Japanese food hall, supermarket and retail space, Ichiba, which opened summer 2018. Rhodes says it's an example of a destination that meets the modern population's demands.

"Ichiba's been a real success and the reason why is it combines dining, eating and retail and just somewhere to work as well," he notes.

"People go there because they can have a nice time, do some work - it's a switch from some of the traditional private clubs where people find they end up having too many drinks and don't do enough work."

He adds: "The declassification of retail in general, which follows some of these similar trends, is not declassification for its own sake - it is because of the greater macroeconomic pressures of people changing the way they live."

Edu-tainment and multiple-purpose space

Rhodes talks about the rise of "edu-tainment", where traditional dining experiences, food hall deployments and retail come together with other points of interest, for example information points about the provenance of food and the stories behind the brands involved.

A CADA-led project of this nature is the Lotte Food Hall in Seoul, South Korea, where a 'Food Avenue' installation allows visitors to explore different foods around the world as part of a 140,000 sq ft multifunctional space.

"It's the bringing together of experiences in a dynamic way, and it's done extremely well - a future forward design. At 140,000 sq ft, it's ridiculous in size but isn't overpowering because the modular spaces are combined together to create something really interesting."

Traditional supermarkets are also changing the way they use their space, and they are seeking to "get their ground to work more", according to Rhodes, who underlines how business rates and rent pressures are causing retailers to think differently.

"Companies are being forced to do more with the space they've got - that might mean stripping out some of their existing merchandising strategy and replacing it with food because it's traditionally a high volume and high margin category," he adds.



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Growth in e-commerce, the development of social media and customers' desire to share things digitally, and the need for retailers "to do something different with the space they've got" is resulting in the transformation of high street, shopping centres, and individual stores, he adds.

Rhodes expects retail design spaces to continue to evolve, as well as more food and retail combinations - similar to the recent decision by Sushi Daily to open up space in Asda. He also predicts technology will play an increasingly vital role in store and food hall design.

"Designing around technology is definitely something that's going to get more integral, and I think brands moving towards showrooming are going to have a better chance of survival - the store is no longer being exclusively used to sell products; the online experience must be evident to create a good experience."

But Rhodes suggests it's important not to focus too heavily on one type of customer; it's the wider macroeconomic trends that must be studied to help shape design and retail propositions of the future.

"It's narrow-sighted to try and define a single shopper demographic because we're just seeing that people want more choice and flexibility in their lives, whoever they are and regardless of their circumstances. That overall desire of flexibility is creating the declassification of retail as we know it."