A watershed year, 2015: the sweep of change ahead will accentuate the positives of an urban, connected planet. The trends we see point to a future that will be amazing. As designers, we’re excited!
The future is already visible as big themes that resonate with today’s thought leaders.

**URBANIZATION**

Cities Designed for the 21st Century

As the world becomes more urban, cities and their metropolitan regions will face growing pressure to plan, invest, manage, and govern more effectively. Innovation will be the rule as cities look for more impactful approaches that are both pragmatic and affordable. As each city develops new solutions around its specific situation and conditions, it will contribute to a global revolution in urban development. So the time is ripe for cities to leave 19th-century infrastructure and technologies behind, and embrace new systems, materials, and means suited to the 21st century.

**WORKPLACE**

The Workplace Revolution 3.0

In 1900, Frederick Taylor applied factory methods to offices. Around 1990, the first workplace revolution challenged that vision. The second revolution took it further, leveraging mobility. The third will rethink the nature of work itself as social media and business networks mesh. How talent is supported, how teams connect—these issues challenge current work patterns and settings. Trends like coworking speak to this, but next-gen solutions will have to scale up. Office real estate will be a more integral part of mixed use as work’s links to place converge with complementary activities.

**TECHNOLOGY**

Building the Future on Tech’s Big Bets

Technology’s potential to leapfrog the past will be even more apparent as big bets like self-driving cars and digital wallets gain currency. As technology raises the stakes, businesses will race to exploit its capacity to disrupt. They’ll do so because consumers demand it and firms fear competitors will get there first. The human dimensions are design’s territory—considering the implications, looking beyond the attraction of the shiny new thing, and integrating tech’s capabilities to pay off its transformational promise.

**RESILIENCE**

At the Top of the Agenda

Resilience is the design problem par excellence. At every scale—from coastlines and watersheds to regions, cities, and towns—more is understood today about the different factors that contribute to it. The challenges ahead are complex, but it’s society’s biggest opportunity—an urgent set of problems that need holistic design thinking, active management and stewardship, and a willingness to cooperate for the common good. If we get it right, prosperity and a high quality of life will follow. So we can’t afford to get it wrong.

**DEVELOPMENT**

Mixed Use Takes Over

The world is embracing mixed use. It takes two forms: high-density urban districts that are transit-served and alive with activities; and urban centers outside the core with similar characteristics, but at a lower density. Both share an interest in urbanity that reflects a hedge-your-bets desire for the flexibility to rebalance over time. Mixed use avoids the sameness of all-at-once by orchestrating difference. It stays fresh by curating the offerings and 24/7 events. The goal is to attract the best tenants by creating amenity-rich, transit-served destinations.

**GLOBALIZATION**

New Cohorts, New Markets

Demographics predict where things are headed. In the US, the Millennials are equal in numbers to the Boomers. Versions of generational change are playing out elsewhere. In China, for example, the “Young Old,” retired but still active and affluent, will impact the markets for housing and travel. China’s emerging middle class, another growth area, makes up in volume its still-modest buying power. These cohorts are moving targets. Design strategies that keep up with them will increasingly draw on good data and strong analytics.
New workforce generations are giving the workplace revolution renewed life, more urban and mobile.

The future is urbane

The suburbs-versus-cities debate about work’s preferred locations masks how both are densifying around transit and encouraging people to leave cars behind and walk or bike. Wellness and resilience figure in this shift, but the bigger issue is the need to mix uses to attract the best tenants and enhance their performance. Pairing work with other activities adds urbanity and amenity, and makes development easier to finance.

WORKPLACE PRACTICE AREAS

01 Corporate Campuses
Redefining the idea of “campus” p.06

02 Commercial Office Building Developers
A building type in transition p.08

03 Consulting
Making change management work p.10

04 Energy
Staying agile in a volatile world p.12

05 Consumer Products
It’s about the brand p.14

06 Real Estate Owners & Managers
Relevance is leasing power p.16

07 Technology
Tech is impacting real estate p.18

08 Defense & Aerospace
Secure, urban, and collaborative p.22

09 Government
Doing more with less p.24

10 Media
Still a studio at heart p.26

11 Financial Services Firms
Embracing new realities p.28

12 Professional Services Firms
Mobile, engaged, and future-proof p.32

13 Product Design
Multiple sources of innovation p.34

14 Life Sciences
A fast-evolving workplace p.36

Bonus Content
More on Workplace visit gensler.com/2015-design-forecast

WORKING LONGER

40% of US workers surveyed are still working at age 65, compared with 20% ten years ago.

YOUNG WORKERS, NEW VALUES

Approaching 78 million in the US and soon to be the largest cohort in India and China, Gen-Yers stand out as the most urban, multicultural, and transient of all generations. In 2015, they will become the majority in the workforce.

URBAN DENSIFICATION

54% of the world lives in urban areas.

LIVE/WORK IN THE URBAN CENTURY

THE APPEAL OF PROXIMITY

As the population and density of cities increase, so does the appeal of proximity. Aside from shorter commutes, proximity implies a balance between work and life.

TIE TO TRANSIT

Gen-Yers are more likely to live in walkable areas, to relocate if it means a shorter commute, and to use car-share options.

SETTINGS THAT ENGAGE

65% of companies’ average health-related costs can be attributed to absenteeism. Engagement and wellness-focused workplace design can help reduce it.

75% of Gen-Yers rank walkability as a top priority.
Corporate Campuses

Redefining the idea of “campus”

Location is a bigger issue today as companies weigh their workplace needs against the preferences of a workforce that’s in flux. Vertical campuses and repositioned large-floorplate industrial buildings in the urban core will have an edge with Millennials. Yet the traditional corporate campus persists, reflecting the importance of “everyone under one roof” to boost productivity. Whatever the location and format, campuses will promote wellness, as well as integrate smart technology to increase building performance. But often they’ll do more—adding complementary, even community-serving uses and amenities, and melding non-office and office work together to drive innovation. The form campuses and buildings take helps forge a strong identity to reinforce corporate culture.
Developers are transforming the commercial office building model. They’re focused on their tenants’ need to recruit a younger, more creative and collaborative workforce whose preference for buildings that map to its values puts a premium on sustainability, wellness, loft-like spaces, and locations that are active, transit-friendly, and walkable. As this suggests, another big shift is that office buildings are less of a stand-alone real estate product and more a part of mixed use. In some cases, the mix still takes the form of towers combining uses in a vertical format. More often, it’s a richer composition that combines different scales, and blends the program imaginatively to promote the kind of informal interaction that generates higher retail traffic and evening and weekend activity.
TRANSFORMATIONAL CHANGE
is guided by business goals, strategies, and metrics, and grounded in evolving brand and culture.

Making change management work
Change today is relentless and getting more so! Along with a climate of disruption, the global nature of business makes cultural integration even harder. The workplace is the center of the action. Factors like workforce mobility and higher real estate densities make it much harder for organizations to leverage change to realize their vision of the future. They have to achieve that kind of transformation, yet 70 percent of change initiatives fail. But failure isn’t an option, so a revolution in change management is unfolding. The new approach will use social media to get end-user feedback. Integrating an organization’s business goals, strategies, and metrics, and its evolving brand and culture, the process can be tailored to ensure a successful and transformative outcome.
Energy

TREND
04

Staying agile in a volatile world

The energy industry understands volatility. Energy firms navigate the world’s markets, regulations, and tax regimes. They contend with mergers, acquisitions, and spinoffs. Technology evolves and so do they. In a volatile world, agility is prized, so the future energy workplace will be flexible, adaptable, and fit to the purpose. Intensively used, the workplace embodies a no-waste ethic. So it’s efficient, but it’s also sustainable and healthy. For the sector, one organizational imperative is to align: one brand, mission, purpose, and workforce. Another is to deliver: supporting knowledge sharing, teaming, and a culture of innovation and “get it done.” The energy industry is a pioneer in working the global/local terrain, staying agile and connected while attending to the bottom line.
Consumer products firms have always lived their brands. In the past this meant focusing on the products, but now they’re shifting to the customer lifestyles their products complement. There’s an emphasis on customer touch points. The idea is to invoke the customers in the space so their influence is felt in relation to evolving the brand and products. There can be an artisanal aspect to these companies. Others identify with where the products are sold or to the ambiance they suggest. Including these touchstones can be helpful to people’s creativity, so finding them referenced in the workplace isn’t unusual. That immersive context cements an emotional tie with the brand and products that promotes customer empathy and the innovations that keep both relevant and fresh.

EXPECTED PLACES
Consumer products companies are experimenting with physical settings to foster innovation and improve speed-to-market. Inspiration comes from unexpected places, so there’s a mix of quiet/loud, dark/light, and serious/playful spaces.

Bacardi, Coral Gables, FL
opposite: Philips headquarters, Somerset, NJ
The mantra of real estate owners and managers is market relevance. That means active management of the assets, investing to attract the most desirable tenants and support new cohorts of end users. The Millennial generation and its creative employers are looking for the play of imagination in the buildings they inhabit. Both expect spaces that can be reshaped on the fly to suit their changing needs. Both want amenities that cater to their social nature. Both like things urban, but there are many ways to provide it. All of this points to a rising tide of buildings that will be repositioned, rethought, and upgraded. Literally every building type is in play now, including towers in the downtown core. Tapping new technologies and systems makes the remaking cost-effective and ROI-attuned.
Technology

Tech companies of all stripes run at a faster pace than many other sectors. Their planning horizons fluctuate, so the ability to turn on a dime is crucial. Making sense of this at different stages in a tech company’s evolution is an ongoing challenge. It leads to surprising twists and turns. Some companies like large-floorplate campuses to get everyone under one roof and boost productivity; others lean toward urban vertical campuses to attract talent. Tech is fixated on metrics, so it wants real-time building data. Tech disrupts, so it’s questioning how buildings work. That means rethinking their performance and exploring innovations like untethered power. Tech is wide open to change, so it’s prepared to support a range of work styles that include making and thinking.

EMBRACING DISRUPTION

Whether they’re on suburban campuses or in urban hubs, tech companies embrace disruption, encouraging employees to express their personality, adopt work styles that suit them, and “hack” their workspace to meet evolving needs.

Motorola Mobility headquarters, Chicago
opposite: Facebook headquarters, Menlo Park, CA

50% of new office construction is in tech markets
New kinds of work need dynamic new spaces.
Defense & Aerospace

Secure, urban, and collaborative

Security is a given in this sector, but the companies will be under greater pressure to find the best employees, balance work modes, and broaden their locational options. Urban areas with transit access and a mix of nearby amenities are in play, adding a layer of security requirements for the owners and developers of buildings catering to the sector. Also reshaping the workplace for these companies is their need to align engineering and product fabrication with each other and with broader business goals. This will help them get to market faster without compromising product quality. Facilities need to support cross-team collaboration and let teams reshape the workspace to meet their evolving needs. Analyzing workflow in human terms will be key to their design.
STATE OF THE ART
Government agencies are stepping up their game and honing in on modern, sustainable office buildings that are cost-effective, utilizing the latest technologies while meeting security, sustainability, and workplace design mandates.

In the US, government at every level is looking for ways to provide services at lower cost. Following the lead of the federal government, its regional and local counterparts are implementing new workplace standards, integrating mobility strategies, and streamlining their portfolios by consolidating at a higher workplace density. They’re also reducing operating costs by embracing sustainable, high-performing design and systems.

To address the limits of public-sector budgets, governments will increasingly be partnering with private-sector developers, facility managers, and other providers. While competitively chosen, these partners will be brought into projects earlier as advisors on portfolio strategy and state-of-the-art workplace requirements.

TREND
09
Doing more with less

Federal agency offices, Rockville, MD
TREND 10

Still a studio at heart

The media sector is in growth mode as the hunger for digital content surges. A proliferating array of channels, venues, and distributors makes the creation cycle shorter and shorter. The technology is getting smaller and smarter, shifting the work itself from the equipment-heavy context that’s still the sector’s image, but this is a creative industry with an attitude that’s true to studio traditions: Media work is fluid, intense, and highly collaborative. Media workspace will be open, amenity-filled, flexible in relation to new technologies, and capable of being scaled up fast for growth. Fans are important for this sector: online game creators’ global fan base fills stadiums for their annual championships. While fans won’t crowd their workplace, they may expect to be welcomed there.
As financial services shifts to apps and other digital interfaces with customers, the sector is seeing growth of tech and digital innovation teams. Especially in tech-centric cities, competition for the best and brightest is intense. When the work is collaborative, the teams need workspace that’s atypical of the sector generally, but maps well to the desire of younger employees for settings that inspire creativity. The need to make protocols and policies more transparent in finance is leading US firms to embrace open plan. With the right features, it lets people "scan the room" and interact spontaneously, but also access spaces with privacy when needed. Asia’s limited stock of Class A buildings means activity-based work settings are necessary to accommodate future growth.
Teamwork lets firms work at a global pace.
Trend 12

Mobile, engaged, and future-proof

To increase real estate efficiency, professional services firms will continue to reduce space. This high-performance workplace will consist of a variety of settings that provide choice and balance among work modes. Technology will be an enabler of communication and mobility wherever work happens. The office will be the focus of face-to-face engagement with clients and colleagues. Future-proofing will be a high priority, with greater flexibility to accommodate head-count shifts and evolving work styles cost-effectively within the same footprint. Coworking space is on the horizon for professional services firms with creative sector clients and a Millennial workforce. Coworking can be a catalyst for inspiring and supporting the kind of spontaneous interaction that generates and speeds innovation.
Product Design

**Trend 13**

**Multiple sources of innovation**

The current revolution in materials and fabrication methods will push products in new directions. So will tech developments that improve the qualities and metrics buyers value. An important product design focus will be on prototypes that can be tailored to specific markets without undue expense. Yet those markets are a growing source of ideas for new products. Large cities in particular serve as micro-markets for products, with an outsize influence on consumers elsewhere. As such, they function as innovation hubs. This is why firms are locating their innovation labs where the action is, rather than closer to home. As the Internet of Things gets traction, products will be “in conversation” with other products and systems, and with companies that maintain, repair, or replace them.

DESIGNING FOR THE END USER

As strategists and designers, we work with manufacturers to bring a serious, experiential, user-based perspective to product design. Our growing catalogue of products reflects our knowledge of end-user trends across sectors and borders.
RETHINKING THE LAB
Life sciences companies are promoting greater transparency and interaction between flexible office space and lab environments. Collaborative, technology-rich settings promote innovation and faster decision-making.

Mylan, Canonsburg, PA opposite: Organovo, Portola Campus, San Diego

Life Sciences

TREND
14
A fast-evolving workplace

Technology is transforming the life sciences workplace in significant ways. For example, it is making lab spaces more modular and flexible. Traditional labs are being supplanted by technically complex workspaces that support the latest scientific advances. This is freeing researchers to form interdisciplinary teams and collaborate synergistically with different types of scientists.

Companies and institutions are competing for an emerging generation of researchers who prize creativity and want to make a meaningful contribution to society. The trend in life sciences is to integrate the methods and means of advanced research with the qualities of place that spark connection and interaction among researchers, locally and globally, so innovation happens faster.
Innovation depends on exchanging ideas.
COMMUNITY

Clients across this sector are breaking with tradition. The hunt is on for new models and new partners.

COMMUNITY TREND

Community Redux

When it comes to community, tradition outweights innovation in the public’s mind. But things are changing. Airports and transit led the way, reinventing terminals and stations around new aircraft and faster trains. Now, others are joining in, invoking change in sometimes radical ways in order to give their missions and mandates new and potent life. The values haven’t changed, but the ethos is strongly future-positive.

COMMUNITY PRACTICE AREAS

<table>
<thead>
<tr>
<th>15</th>
<th>Aviation &amp; Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Education &amp; Culture</td>
</tr>
<tr>
<td>17</td>
<td>Health &amp; Wellness</td>
</tr>
</tbody>
</table>

Airports take the next step
Picking up the pace of change
A healthcare paradigm shift

18 Mission Critical

Meeting a burgeoning need
Community as ecosystems

19 Planning & Urban Design

A CLOSER LOOK

THE NEW LIFESTYLE OF AGING

As the most affluent demographic, Boomers still represent a powerful market. As they age, they won’t be “seniors” in the old sense of the word.

2050: % OF POPULATION OVER 60 YEARS OLD

USA 27%
EU 35%
JPN 43%

Looking for Quality of Life
1.0 mil

people worldwide move from rural to urban areas every week. But people are also leaving large cities for a higher quality of life. Whether large or small, sustainable cities have the strongest Millennial draw.

INCUBATING INNOVATION

To bridge the innovation gap, universities are partnering with industry to form hybridized incubator spaces.

Better Care Saves Money

Multidisciplinary healthcare ranks as the #1 priority of consumers surveyed.

35% anticipated cost reduction due to better healthcare coordination.

USA

43%

EU

35%

JPN

27%

USA

2050: % OF POPULATION OVER 60 YEARS OLD

INCUBATING INNOVATION

To bridge the innovation gap, universities are partnering with industry to form hybridized incubator spaces.

Better Care Saves Money

Multidisciplinary healthcare ranks as the #1 priority of consumers surveyed.

35% anticipated cost reduction due to better healthcare coordination.

USA

43%

EU

35%

JPN

27%

USA

2050: % OF POPULATION OVER 60 YEARS OLD

INCUBATING INNOVATION

To bridge the innovation gap, universities are partnering with industry to form hybridized incubator spaces.

Better Care Saves Money

Multidisciplinary healthcare ranks as the #1 priority of consumers surveyed.

35% anticipated cost reduction due to better healthcare coordination.

USA

43%

EU

35%

JPN

27%

USA

2050: % OF POPULATION OVER 60 YEARS OLD

INCUBATING INNOVATION

To bridge the innovation gap, universities are partnering with industry to form hybridized incubator spaces.

Better Care Saves Money

Multidisciplinary healthcare ranks as the #1 priority of consumers surveyed.

35% anticipated cost reduction due to better healthcare coordination.

USA

43%

EU

35%

JPN

27%

USA

2050: % OF POPULATION OVER 60 YEARS OLD

INCUBATING INNOVATION

To bridge the innovation gap, universities are partnering with industry to form hybridized incubator spaces.

Better Care Saves Money

Multidisciplinary healthcare ranks as the #1 priority of consumers surveyed.

35% anticipated cost reduction due to better healthcare coordination.

USA

43%

EU

35%

JPN

27%

USA

2050: % OF POPULATION OVER 60 YEARS OLD

INCUBATING INNOVATION

To bridge the innovation gap, universities are partnering with industry to form hybridized incubator spaces.

Better Care Saves Money

Multidisciplinary healthcare ranks as the #1 priority of consumers surveyed.

35% anticipated cost reduction due to better healthcare coordination.

USA

43%

EU

35%

JPN

27%
TAKING CUES FROM PLANNERS

With the rise of urban-scaled, amenity-rich “airport cities,” design teams are looking at the ways that city planning precedents can inform new areas of meeting, leisure, and entertainment as they envision the airport of the future.

Aviation & Transportation

Trend

15

Airports take the next step

Next-generation aircraft provide a growth opportunity for large, non-hub airports to offer direct international service, city to city, bypassing existing gateway hubs. They will grow. So will the global mega-hubs, competing head to head as leisure destinations with more than just great connections. Airport terminals will start giving less space to ticketing and more to airside retail and dining. Their arrivals sequence will take place on one level, celebrating the city and connecting directly to transit. While the terminals will be more compact, their revenue-generating spaces will increase. Primed by smart devices, the passenger experience will take cues from retail centers and hotels. Differentiating service levels will be more important to airlines in their airport facilities.
Education & Culture

Trend 16
Picking up the pace of change

For education and cultural institutions, change is in the air. The sector has its eyes open, drawing inspiration from other sources as it seeks to get greater and better use of its real estate. Looking beyond its core audience is part of this. Education and culture focus on learning as a lifelong activity. Making learning easier and faster-to-grasp leads to buildings and settings that are more flexible and participatory than in the past. Engaging people in active learning, making, and curating is an added dimension. Supporting innovation and the interdisciplinary programs that give rise to it is also important. While the buildings and settings are being reinvented, they’re still valued as real places that enhance their campuses and communities. The design expectations are high.
No surprise, education is experiencing big changes.
From providers to consumers, from organizations to individuals, healthcare is in the midst of massive change. Facing price competition for services, the industry is consolidating to share costs and grow revenues. New players are entering the market, including retailers. Demographic disrupters, like retiring Boomers, make older-affluent living and specialty clinics a bigger market.

Work-based wellness is moving into the healthcare space. There’s also a move to a consumer model that gives people more choices, looks at health holistically as prevention, not just treatment, and focuses on individuals. A step further, personalized medicine integrates clinical innovations with tailored care delivery. The rise of specialty care facilities reflects this development.

**CUSTOM-FIT TREATMENT**

Tulsa Cancer Institute embraces many aspects of personalized medicine—where data-driven risk assessment and genetic testing, combined with improved diagnostic technologies and new therapies, tailor treatment to the individual.

**WORKING HEALTHIER**

87% of US employees believe wellness positively impacts work culture—up 22% from 2013.

Anadarko, Houston
upper and lower left: Tulsa Cancer Institute, Tulsa, OK
As organizations move to the Cloud and ordinary people make smart devices integral to their lives, data centers have to keep pace. With modularity, data centers can be up and running faster, with less cost. Future-proofing is crucial, so flexibility is essential. Changes in technology mean that data centers are more reliable and efficient, and cheaper and easier to fit with other uses. That’s important because they’re starting to supplant university libraries and R&D facilities. They allow medical centers to go digital and, using supercomputers, to do the gene sequencing that cancer therapies demand. Their impact on diagnosis and treatment, and their role in reducing human error, make data centers indispensable. Their design quality is ramping up to fit into these new contexts.
Planning & Urban Design

TREND 19

Communities as ecosystems

The movement toward resilience is leading to a new understanding of cities as ecosystems. With that move come new models of how to plan them. When you think of a city as an ecology, questions of inputs and outputs matter. Cities are part of regions, watersheds, climate patterns, and population shifts. Fluctuations and anomalies are in the picture, since resilience depends on anticipating them.

This means that planning has to be more holistic and more agile. The model for planning large-scale development, the communities of the future, is the ecosystem. Nature builds evolving wholes with simple, distributed, flexible parts. Communities can do this too: achieving long-term resilience by planning their development or continued growth holistically—not apart from nature, but part of it.
LIFESTYLE

Place and experience are combining in new ways to redefine leisure for a new generation of customers.

LIFESTYLE TREND

The connected life

Untethered and self-directed, this is our human reality going forward. Yet we’ve never been more connected, navigating the world with digital prompts. Every foray into experience is loaded with content that’s curated, diverse, and social. The settings, from the smallest shop to the densest, tallest urban district, attract and engage us in personal terms: “You matter,” they seem to say. We like that.

LIFESTYLE PRACTICE AREAS

20 Retail Centers
- Looking for differentiation p.56

21 Retail
- Retail’s new worldliness p.58

22 Mixed Use
- Urbanization drives mixed use p.62

23 Entertainment
- Entertainment has to connect p.64

24 Sports & Recreation
- Strategies to help revenues grow p.66

25 Brand Design
- Taking an experiential approach p.68

26 Hospitality
- Maximizing return on experience p.70

27 Tall Buildings
- Engines of vitality: vertical cities p.72

Bonus Content

More on Lifestyle visit gensler.com/2015-design-forecast

VALUE-BASED RETAIL

ENGAGING WITH BRANDS

RACE TO THE TOP OF SUPER-TALL

82%%

49%

46%

84%

40%

76%

95%

50%

86%

people worldwide watch e-sports every year.

Engaging with brands: it’s all in the connection

Sports brands sparked the highest level of emotion in our Brand Engagement survey. Of all the sports enthusiasts surveyed,

82% of Latin Americans polled said that brands should help improve people’s well-being.

49% of consumers would let their buying behaviors be tracked, if it led to relevant offers. In the trade-off of data for personalized service, what counts is the social network embraced by a brand, and how the individual customers are looped into it.

46% think that brands truly work at doing so.

PASSIONATE ABOUT SPORTS: IT’S ALL IN THE CONNECTION

Sports brands sparked the highest level of emotion in our Brand Engagement survey. Of all the sports enthusiasts surveyed,

84% of fans credit long-term connection for the importance of their favorite sports brand.

E-SPORTS TAKE TO THE REAL STAGE

From solo to social

Online gaming is emerging as a mega spectator sport, but one that needs venues tailored to the fans and players.

70+ mil people worldwide watch e-sports every year.

HOSPITALITY REACHES OUT

New cohorts of travelers—including the newly affluent in China, India, and Latin America—are prompting hotel brands to expand into new regions and upgrade to meet rising expectations.

95% of business travelers favor “green” hospitality.

50% of business travel revenue is generated by Millennials.

86% of people surveyed acknowledge the positive impact of friendly service, signaling an opportunity for brands to differentiate.

SOCIAL RETAIL

Tech-savvy Latin America has the world’s highest number of mobile cellular subscriptions—107 per every 100 people. Given the social nature of retail in Latin America, retailers there connect with their customers using social media.
Retail Centers

Trend 20
Looking for differentiation

Instead of taking a “House of Brands” approach, retail centers are celebrating context by personalizing placemaking to their location and targeted demographic. The differentiator is engagement, connecting centers to their communities by curating content. Real-time data on shoppers’ movements helps centers tailor the experience. As retailers’ real and digital worlds converge, the browse/buy function is evolving. Shoppers go to stores, then buy online, or vice versa. This and instant access to information are disruptive, yet centers’ conversion rates, sales, and revenues are rising. With less need to stock merchandise, store formats will get smaller, focusing on brand-building and catering to their customer communities.
Retail's new worldliness

The widespread desire on the part of national brands to push beyond their core markets means that established “legacy” brands will be competing on their own turf with new formats and offerings. For their part, legacy brands will continue their global push, often reinventing themselves in the process—both to be relevant to a new customer base and to move up market. Thanks to the Cloud, retailers will find that “no store is an island.” Even the most craft-based or curated backstreet shop will be in conversation with the wider world. Retail is both local and much broader. Word of mouth, so important to sales, is part of the smartphone data that gives retailers the bigger picture. In time, that knowledge will reshape the stores around how customers really browse and shop.
Experiences are built on hands-on interaction.
NEW GATEWAY TO L.A.
Located at Los Angeles’ front door, the 6.3-acre Metropolis mixed-use development is the brainchild of Shanghai-based Greenland Group. Phase one is a 19-story hotel and a 38-story residential tower, both designed by Gensler.

TREND

Urbanization drives mixed use

While urbanization will take many cities to higher densities, it will also spur development of urban centers across their regions. Mixed use is emerging as the “new normal” because it’s proving to be a scalable solution to the need to use land intelligently. It creates real destinations that leverage transit, encourage walking and biking, and deliver urbanity and authenticity. So look for developers to move away from variations on limited real estate products and embrace new, hybrid programs and formats with greater flexibility to mix, curate, and deliver the cachet needed to attract the best tenants. Large-scale mixed use is likely to be generated by fast-growing cities, while others will focus on redeveloping what exists to preserve the authenticity of their urban fabric.
Entertainment projects start with a vision of the experience. Today, if the experience can’t be shared in real time, it didn’t happen. Sending friends photos and clips by phone reflects an active, expanded kind of engagement. The venues will be rethought around it. The goal is to connect with the audience before, during, and after the event so people are engaged and the ROI is higher.

So stand-alone entertainment venues won’t be viable without the critical mass that variety and proximity generate. This points to integrated, immersive destinations incorporating theme-park gates, retail and dining, entertainment, and hospitality. Smaller centers can work if they tap the urban mix. Each needs a vision that gives it content and guides the design.
GAME DAY EXCITEMENT
New sponsored fan destinations, strategic graphics, giant HD video boards, and a high performance sound system redefine the fan experience at FirstEnergy Stadium, creating a new intimacy and a tangible home-field advantage.

FirstEnergy Stadium, Cleveland

Sports & Recreation

TREND 24
Strategies to help revenues grow

While sports are often steeped in tradition, how fans engage with them constantly evolves. Meeting these changing expectations is the challenge sports venues face. Beyond the game itself, amenities in and around the venues give fans a sustained and individualized experience. Savvy franchises are growing revenues by tailoring their offerings to the convenience, comfort, and desires of a diverse fan base. VIP lounges, deluxe suites, and celebrity-chef concessions are part of the flavor of “being there,” as are fantasy sports lounges and ample Wi-Fi access. Fans will spend more time and money for the added value. These new venues spark and anchor mixed use, and can host non-sports events to boost revenues before and after the games and in the off-season.
In today’s ultra-connected world, everyone has a voice. Consumers engage with brands on their own terms. Word of mouth drives their decisions. Gensler research shows that engagement is fundamental to the rest of the brand equation: 94 percent of the time, a favorite brand will be recommended to family and friends. But the challenge for brands today is to cut through the chatter of a zillion conversations. It means that brands have to connect holistically, taking an experiential approach. While people can opt in digitally, real places and settings immerse them in messages, feelings, and information that align the brand with heads and hearts. Personally experiencing a brand means engaging with it emotionally so it’s valued and becomes an intrinsic part of life.

THE POWER OF BRAND
Tech, entertainment, and automotive brands are more likely to spread via word of mouth than sports, clothing, and financial brands, according to our research. Entertainment and sports brands have the most die-hard fans.
Shutterfly, Santa Clara, CA
The Lobby Revolution

Lobbies are changing fast. As check-in goes personal and tablet-based, the front desk is fading. Now lobbies are for working, served by Wi-Fi and furnished for small meetings or time alone. Lobby retail and lounges drive new revenue.

Trend

26

Maximizing return on experience

People will pay more for an experience. That’s increasingly true today as affluence is buoyed by a rising global middle class. To provide it, the hospitality sector is working overtime to be informal and welcoming. Where applicable, hotels are integrating local culture and inviting the community in. See-and-be-seen lobbies mix work, socializing, and relaxation. Travel trends, like vacationing with the extended family, are addressed. Hotels are often “home away,” so they’re making space and adding warmth. Well-being is a priority: fitness, healthy food, and wellness options are attractors. Sustainable is important to match with values. Hospitality brands know that guests engage with them before they arrive. By focusing on the relationship, they set the stage for residences and other products.
The success of tall buildings will be measured by how well they attract and support tenants, and how well they fit with and enliven the city at their feet. Tomorrow’s mixed-use towers will anchor districts that are diverse, walkable, and transit-served. Vertical communities will find a new synergy with activities on the ground, instead of ignoring them. They will help redefine the city as a place where density takes a richer form. Tall buildings’ vitality also relates to their capacity to spur innovations in form, materials, and building systems. In overbuilt markets, high quality and performance are key to competitiveness. A new generation of towers that maximize ROI by reducing the cost of construction, fabrication, and operation is essential.

GARDENS IN THE SKY
As China’s tallest building, Shanghai Tower is noteworthy for pioneering the vertical city. The 632m tower integrates the richness and variety of urban life into its sky gardens that serve as community spaces, placed every 12 to 15 stories.

Shanghai Tower, Shanghai

Engines of vitality: vertical cities

TREND

27

200 meters and taller

Four Seasons Mumbai Residences | 200 m
Kuwait City, Kuwait

Burj Alshaya Headquarters | 209 m
Kuwait City, Kuwait

Hines Bohua Tower | 250 m
Shanghai, China

300 meters and taller

Xiamen Shimao Strait Towers | 300 m
Xiamen, China

KAFD World Trade Center | 303 m
Riyadh, Saudi Arabia

Suzhou Zhongnan Center | 729 m
Suzhou, China

Suzhou Zhongnan Center | 729 m
Suzhou, China

Xiamen Shimao Strait Towers | 300 m
Xiamen, China

KAFD World Trade Center | 303 m
Riyadh, Saudi Arabia

Suzhou Zhongnan Center | 729 m
Suzhou, China