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Online Gold Rush: “E-tailing” of the future

Part three of Jones Lang LaSalle’s Retail 2020 report

London, 7th June 2010 - Jones Lang LaSalle issued today part three of the Retail 2020 study; *Online Gold Rush*. Retail 2020, which was launched on 28th May via a bespoke interactive website, examines the rapidly changing global retail landscape over the next ten years.

Online Gold Rush explores where the next generation of online retail innovation will originate from. It considers the apparent paradox that new retail entrepreneurs may well lack retail experience, yet some will go from “zeros to heroes” in a matter of months. *Online Gold Rush* also looks at why some traditional bricks-and-mortar retailers have been slow on the uptake to move online, what they need to do to embrace the opportunities offered by the internet and how this may require a radical new business model.

Robert Bonwell said: “Online retailing is still in its relative infancy, but over the next decade the retail landscape offered by the internet will dramatically change, with barriers to entry radically reducing and convenience to consumers increasing. Whilst many store based retailers are already embracing the power of online shopping, few have launched entire new businesses and business models on the internet. Over the next ten years real innovation in retail will happen online, and will be led by “non retail” entrepreneurs new to the market. These entrepreneurs will revolutionise consumer’s retail experience through new sales techniques and the delivery of goods, payment systems and return policies.”

For established players to match the competition that will arise from these new retail entrepreneurs, traditional retailers will need to be truly adaptable to changing their operating format but will also need to recruit a new generation of “digital” savvy employees.

Robert Bonwell explained what this means for the property sector: “Online shopping portals obviously do not have to worry about the operating costs of the high street or shopping centres, however this does not mean that property will become obsolete for retailers. While embracing the internet offering is crucial to business models and a process of re-evaluating existing real estate

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portfolios and property requirements is inevitable, a physical presence for retailers will still be necessary. However, this physical presence will have to evolve and provide consumers with compelling retail experiences while also satisfying the craving for variety with innovative leisure and catering facilities. New property requirements will also develop, for example distribution hubs to satisfy online orders. We could also see online retailers taking up space in retail locations to bolster brand awareness.”

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Notes to Editors:

- *Retail 2020* can be found at www.retail2020.com
- *Retail 2020* explores the shape of retail to come, covering dimensions such as sectors, locations, formats, offers and geographies, as well as profitability (growth, costs and business models), and will be released in a series of chapters starting on 28th May. The aim of *Retail 2020* is to provide a pertinent assumption base around the future of European retail.
- Jones Lang LaSalle and the *Retail 2020* web portal intends to lead the conversation for the retail industry as a whole on the future of the sector and the implications this has for the real estate sector, but also offer blogs, videos, news, interactive polls and client profiles.
- *Retail 2020* follows on from the *Retail Futures, 2010* report, published ten years ago by Jones Lang LaSalle, which successfully predicted many of the forces which shaped the consumer and retail landscape between 2000 and 2010.

About Jones Lang LaSalle

Jones Lang LaSalle (NYSE:JLL) is a financial and professional services firm specialising in real estate. The firm offers integrated services delivered by expert teams worldwide to clients seeking increased value by owning, occupying or investing in real estate. With 2009 global revenue of \$2.5 billion, Jones Lang LaSalle serves clients in 60 countries from 750 locations worldwide, including 180 corporate offices. The firm is an industry leader in property and corporate facility management services, with a portfolio of approximately 1.6 billion square feet worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse in real estate with approximately \$40 billion of assets under management.

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