

RETAIL

Data plays a key role in the mall's rebirth

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Nick Pompa is global general manager of ShopperTrak

By **Nick Pompa**

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As we watch the evolution of the shopping mall, its format is moving back toward Victor Gruen's original vision from 1956, where many malls are now evolving again to become mixed-use, live, work and shop, retailtainment centers.

The American fascination with malls anchored by Big Box retailers hit a feverish peak in the 1990s, leaving obvious marks on the culture.

The food court spawned brands such as Orange Julius, Hotdog on a Stick and Cinnabon. Malls produced assorted micro cultures, from goth to flirty teens, and "mall rats" to "mall walkers."

Mall culture became pop culture, weaving its way into music, movies and television. Popular shows featured shopping sprees and meet-ups at the food courts, casting the mall as the backdrop for our daily lives.

Finding success through experience

The mall brought people together and has been the United States' public square for more than 60 years.

Now, mall owners seek to attract consumers through experiential shopping and the redesign of centers for a new generation.

Contrary to many myths, 82 percent of the 83.1 million millennials in the U.S. enjoy shopping in bricks-and-mortar stores, according to [Accenture research](#).

This research busted beliefs that millennials prefer online shopping over visiting stores, with millennials admitting they still prefer the physical buying experience.

To continue capturing the millennial audience and others, mall owners are reimagining their spaces to become indoor/outdoor, suburban town centers, and configuring technology to be integral to delivering superior shopping experiences.

According to an ICSC study, 70 percent of consumers would like malls to provide an engaging environmental experience.

Many mall operators are listening and reinventing their spaces to become "destination centers," or "shopping experience centers" that offer exceptional entertainment options outside of just shopping.

The most popular and profitable shopping centers in North America are those with mixed-use elements and unique offerings beyond traditional shopping, according to CallisonRTKL's "Future of the Mall" [report](#).

Some of the top malls tend to have certain characteristics.

Aligned with experiential shopping, they feature luxury brands as traffic drivers for top-end malls, attracting affluent shoppers and achieving high sales per square foot.

From the 375-store Galleria in Houston, the Forum Shops at Caesars, Las Vegas, to the Bal Harbour Shops near Miami, they offer a full range of shopping options from Versace and Gucci to Gap and H&M and feature a calendar of upscale social events.

With a selection of offerings focused on more well-rounded lifestyles, the leading malls also encompass gyms, salons, restaurants, theaters and other forms of entertainment.

How traffic analytics can catapult the mall forward

As malls are adapting their spaces to this newer vision of success, their mixed-use strategy can be amplified by leveraging traffic data.

Analytics provide insights for understanding shopper behavior, helping malls visualize where people are spending the most time and attention and how marketing efforts are influencing traffic patterns.

Using a combination of traffic data information and analytics, including when and where shoppers enter a mall, as well as where they roam and how long they linger, mall operators have a better sense of their space and traffic volumes, and can leverage these insights to share with their retail tenants.

Traffic data, which is based on proprietary camera and Wi-Fi technologies, supports sophisticated leasing, operational and marketing decisions. It makes more sense for retailers to commit to longer leases if mall operators can accurately demonstrate the current and projected traffic numbers based upon empirical data insights.

As data accumulates over time, it can also be used to help bolster marketing strategies for tenants and the mall as a whole.

Almost 75 percent of American adults surveyed by [Coldwell Banker Commercial](#) reported a greater desire to make an in-store purchase during a promotion or in-store event.

By looking at historical traffic data, store owners can make educated decisions on when and where to host more profitable events, such as a yoga night or Champagne tasting, based upon previous performance.

In addition, traffic analytics can be used to track the effectiveness of specific design updates.

Whether adding a seasonal ice rink, or opening a new food hall, or planning a special event, these physical upgrades and activities can only show value to malls if they can demonstrate an uplift in traffic achieved because of the additions.

When improvements provide a return on investment, it is easier to justify the expenses since the benefits are measurable and attainable.

BY INTEGRATING traffic data, mall owners who are investing in more luxury brands and design updates to become a destination for consumers can react better to events that impact the popularity and profitability of their venue.

More importantly, today's shopping centers can fully assist retailers who are on a mission to attract and retain customers, and drive conversions in an exciting transitional marketplace for a new generation of shoppers.

Nick Pompa is global general manager of [ShopperTrak](#), a unit of Johnson Controls' Tyco Retail Solutions.