



Future-proofing the mall

THE CHALLENGING ECONOMIC DOWNTURN HAS NOT BEEN KIND TO SHOPPING MALLS, WITH SITE CLOSURES AND ACRES OF VACANT RETAIL SPACE, A POIGNANT REMINDER OF HARD TIMES. PROPERTY DEVELOPERS ARE HAVING TO BE INVENTIVE TO BOOST TRAFFIC, SAYS **MANDY SAVEN**, EXECUTIVE EDITOR OF GDR CREATIVE INTELLIGENCE'S GLOBAL INNOVATION REPORTS. YET DESPITE THE GLOOMY OUTLOOK, THE OPPORTUNITY EXISTS TO REINVIGORATE THE MALL SCENE.

With the depressed economy, consumers have reduced their trips to the mall and are spending less, forcing shops to close and leaving many shopping centres deserted. Throw the popularity of e-commerce into the mix, and one could be forgiven for wondering if the shopping mall has any future at all. But people will always look for interest and entertainment in the physical world and

this is where the shopping mall comes into its own.

Resourceful developers and landlords are doing all they can to populate the vacant floorspace – offering rent-free periods, contributing to new shop fit-outs and abandoning chain-store only policies to make way for independent businesses. And creative and inspiring approaches are being adopted by retail groups all around the world.



MANDY SAVEN

and well – at least on the surface. If we scratch a little deeper, the picture may not be so rosy. For example, in India, 'mall culture' has gripped the population and sprawling centres have attracted a high footfall from among the country's feted middle class – who enjoy the refined ambience and pleasant air conditioning, and spend copious hours window shopping. The blueprint for many more are in development, but are the many visitors actually making an impact where it counts – at the tills?

In China, malls are icons of the west, symbols of economic development. And mall shopping continues to show promise. In fact, UK-based supermarket Tesco has recently signed an agreement to set up the first in a planned series of joint ventures – with Asian investors who will own a 50 per cent stake in the project – to develop shopping malls in the country. The joint venture will build three shopping malls in Anshan, Fushan and Qinhuangdo, each of which will feature a Tesco hypermarket as anchor tenant.

One thing is clear: retailers and developers, wherever they are, need to be creative if they are to keep

Global mall scene

But first, how have shopping malls been faring during the recession? While malls in the US – the country that pioneered the concept – are gasping for breath, shopping developments in some of the copycat economies are still thriving. Whether they will feel the pinch of recession is yet to be determined, but in places like India, Russia and China, mall culture appears to be alive



JI'AN OLYMPIC PARK, CHINA

ALL PHOTOGRAPHS IN THIS FEATURE DEPICT THE FACE OF CURRENT, FUTURE AND PROPOSED DEVELOPMENTS WITHIN THE INTERNATIONAL MALL SCENE AND ARE ALSO SHORTLISTED FOR THE GLOBAL RLI AWARDS 2010.

consumers coming back. There are quick fixes to keep the mall lively in the short term but in the longer term we need to consider what consumers really want from the mall experience.

Potential of pop-up

Pop-up stores can offer malls a quick shot in the arm and are a popular – albeit temporary – solution for brands and independents that want to avoid being locked into long-term leases. Pop-up boutiques also work well for retail landlords as they have the potential to increase traffic, boost sales, and lend an element of surprise and creativity to the shopping mall experience.

A clever way for property developers to harness the popup phenomenon is to host concepts that look further than simply pushing product – but rather increase footfall to other retailers in the mall. Along these lines, we have seen the Buy Together store, by Swedish creative agency BAS Brand Identity, temporarily installed in Stockholm’s beleaguered premium shopping mall Sturegallerian.

The temporary store showcased 30 products from the 60 retailers in the mall in an uncluttered, art gallery-style setting. Customers could register interest in items by marking a card placed alongside the product with a green sticker, so a card covered in green stickers equalled a well discounted price. This technique – known as ‘crowd sprouting’ – works well in online forums, but this was a first in a bricks and mortar environment. Novel pricing strategy aside, the initiative was well conceived because the shop went a step further than simply filling disused space: it drummed up interest in other stores’ retail offers.

Targeting a younger consumer audience, Teen Vogue magazine’s temporary ‘Haute Spot’ pop-up stores in malls in the US were created not to sell merchandise but to serve as



gathering hubs for teenage girls. Here, the girls could relax, charge their mobile phones and try on clothes, accessories and make-up available from retailers in the mall. Stylists were on hand to offer guidance and were happy to escort visitors to specific stores in the malls where they could buy the products seen at the Haute Spots, effectively turning a marketing exercise into a sales opportunity. Teen Vogue advertisers were given the chance to participate in the campaign, and six new advertisers were secured. The experiment ran in three locations, with the California pop-up receiving 13,000 visitors in three weeks.

Empty storefronts, whether in malls or on high streets, lower the morale of shoppers. One way of turning vacant store windows into an opportunity is to use them as advertising channels. During 2009, Miami-based Carnival Cruise Lines installed large interactive

ION ORCHARD, SINGAPORE

‘aquariums’ in vacant store windows in key cities across the US. Passers-by could interact with the window by creating a digital ‘fish’ using their mobile phones, and manoeuvring it around the tank. Online bookings increased by 95 per cent during the campaign, and a similar interactive screen is being installed in the American Airlines arena in Miami Airport.

Dormant shop space may also offer landlords the opportunity to do good by making it available to charity-affiliated or non-profit pop-up initiatives. Proceeds may not be staggering but goodwill is created, the shopping centre remains vibrant and brand equity is built. In this case, shabby cast-offs being sold in a makeshift interior would not cut the mustard. The solution needs to be high-impact and high-end, if it is to appeal to savvy shoppers.

In June 2009, London’s Westfield shopping centre hosted a ‘Living and Giving’ pop-up shop, set up by retail expert Mary Portas where donated designer fashion and home décor items were on sale at low prices. Shoppers were encouraged to ‘shop neutral’ and donate good-quality items of their own. A follow-up charity boutique opened in Edinburgh in November. Although this solution may not work for every empty retail space, Portas’ initiative was an admirable example of how this type of project generates publicity and a positive glow for both the mall and the charities. In this instance, the latter benefited from proceeds of £60,000 in just two weeks at Westfield.

But for all its recent success, the pop-up trend may struggle to hold up once real estate values return to normal levels. It is safe to assume that landlords will start refusing pop-up installation requests once permanent tenants appear on the horizon.

Urban convergence

So what should landlords, retailers and brands do in the long term to ensure shopping centres are must-visit destinations?

Well, first and foremost, the emphasis

BAHRAIN CITY CENTRE, UAE





**ZORLU CENTER,
TURKEY**

needs to be shifted firmly away from just retailing product. Instead, 'lifestyle centres' that cater to our educational, emotional and creative needs will ensure that the shopping mall remains an important part of our culture.

This argument is not a new one. But it's worth revisiting to understand the principles and see how they relate to other progressive ideas.

The convergence of public space and retail space is arguably key to future-proofing the role of city centre retailing and development. There is a growing

need for flexible, multi-purpose spaces that are able to meet the demands of a world in which people expect to be constantly stimulated and entertained. The idea of 'lifestyle centres' – open-plan malls with parks, sit-down dining facilities, theatres, outdoor and indoor entertainment, and possibly even residences may be the salvation of the distressed shopping mall.

For some time we've been seeing the shopping mall seek to incorporate bells and whistles of all descriptions, from indoor bungee jumping and ice rinks to

skate parks and wave-making machines. And tapping into the desire to be fit and slim, certain malls are promoting an exercise programme called 'mall walking', which encourages shoppers to lose weight by speed walking their way through the space. For consumers with a sense of play, Ranger Quest™, designed by Bar Z Adventures, is a location-based

**ST DAVID'S,
CARDIFF**



game that allows visitors to explore an area through a hand-held computer. The game presents a virtual scenario where users must deactivate a hidden code using a series of clues and a virtual map. After the successful launch of the 'city' version, a 'mall' version is now being developed. When released and offered in shopping centres, the engaging game may well be a saving grace for restless boyfriends and youngsters.

But gimmicks and flights of fancy aside, a down-to-earth, real world menu of activities and amenities – that enables visitors to develop their talents, take a dose of culture and even provide networking opportunities – is more likely to cement the future of the shopping mall.

This leads on to the question of whether shopping malls should reinvent themselves as 'cultural apothecaries' and offer educational and creative experiences to stimulate the consumer and tap into the cultural zeitgeist.

We have seen iterations of this idea already. Selfridges department store in London held a pop-up pantomime in the windows of its flagship store recently as it unveiled its pantomime-themed Christmas displays. In Singapore, Raffles City Shopping Centre treated shoppers to an exclusive preview of the musical comedy, Victor/Victoria. And across the globe, in Hollywood, a hybrid space combining shopping mall, gallery, event space and community gathering area has just celebrated its first anniversary. In Space 15 Twenty, designed by Pompei A.D., fashion brand Urban Outfitters is collaborating with a changing selection of creative brands and retailers who occupy the retail spaces, and the retail/cultural partnership includes outdoor performance space and an adjoining gallery. Aligning with local music, film and art venues, the courtyard and gallery present a rotating cast of musicians and artists.

Meydan Merter in Istanbul is an equally impressive ensemble of shops, cafés, restaurants and entertainment

KIDZANIA, DUBAI



**DOLCEVITA TEJO,
PORTUGAL**





ZONKIZIWE, SOUTH AFRICA

that recreates the experience of flying a plane, or as cabin crew members offering a trolley service and making in-flight announcements. Young participants begin the experience through check-in desks at the entrance where they can collect boarding passes and go through makeshift x-ray machines.

Emirates also provides uniforms for the experience.

Wow factor amenities

Recreational space, where parents can rest and children can play, are an important part of the furniture of a mall. If developers want to appeal to families, care should also be taken to create spaces that are family- and child-friendly. The Westfield Group partnered with Los Angeles-based Rios Clementi Hale Studios to create a modular system of seating and play areas. Bold, bright and appealing to young children, the system integrates seating where parents can relax while watching their little ones. The Westfield malls have also developed family-friendly signage.

Throughout the 'rainforest signage system', for example, ants are used as wayfinding elements, while the monkey signifies information. The images also make a fun matching game for kids to spot throughout the mall.

Malls will also benefit by aligning themselves with the online/mobile generation – who conduct much of their lives through technology channels. The Gyre mall in Tokyo has done precisely that. The physical shopping experience integrates mobile and online communications to feed visitors with topical insights.

A network has been created to connect customers and the stores and eateries in the mall, via a series of mobile phone readers, located on each floor. Visitors can swipe their mobiles against the readers to 'plug themselves in' to brand channels, where they can access discount codes, as well as enriching and inspiring content relating to mall tenants and a loyalty scheme. For example, MoMA could offer artist interviews or trend commentaries.

While the tenant mix and communal areas inside the mall must be well conceived, it's often the little details that cushion the experience – a thoughtfully designed website where visitors can map out their visit in advance or the assistance of a 'parking concierge' in piling the parcels into one's car – that can help hit consumers' sweet spots.

Indeed, car parks present an invaluable opportunity to upgrade visitors' shopping experience. A number of shopping malls in the US have improved their car parks with the help of the marketing agency Carspace USA, using a patent-pending technology, also called Carspace. In a collaboration between JetBlue Airways and Westfield, floor-to-ceiling panels have been installed at car parks in upscale shopping malls, featuring passenger headrests embedded with real flat-screen monitors which display content from travel programmes. The panels create a bright and dynamic environment, very different from the previously sombre surroundings. The technology, which can be used to advertise retailers within the mall, has the potential to transform the location – using lighting, design and colour – from a basic parking garage into a memorable experience.

Looking ahead

Mall shopping is not for everyone. Critics argue that these spaces are too commercialised, hard to navigate, too big and generally soulless. But saying this, hordes of shoppers love them. These are undoubtedly difficult times for the mall, as countries climb slowly out of recession, many saddled with large budget deficits and debts. But there is a great deal that developers and retailers can do for themselves. Many of the brightest solutions are in their own hands.

They should, however, tread with caution. Even though it may seem like a good short-term fix to offer low-end retailers floorspace to stave off the effects of high-end tenant closures, the long-term drain on brand equity may counteract the effort.

The wider role of the mall needs to be reappraised and its contribution to the social and cultural life of the community carefully nurtured. The mall has the potential to be a vibrant nucleus of community life, meeting a diverse range of needs; it is down to developers, retailers and brands to get it right.

spaces positioned around a piazza-like space that encourages people to socialise.

Designed by Foreign Office Architects, the edges of the square are vertically bordered by a continuous glass skin, behind which the store operators can display their wares to those in the square. The square is used for sporting events from beach volleyball to skating and can be hired for Turkish weddings. Public places like these, offering a mix of activity, breathe new life into retail.

Creative leasing model

The fact remains that something needs to be done to stave off further vacancies in our shopping malls. But how will this be achieved? Perhaps the key to longevity is a more creative business model of leasing. A host of opportunities springs to mind: medical facilities, dance studios, cookery lessons, language courses, even brand workshops.

Or – pushing the envelope even further – how about a Dragons' Den style of enterprise? Brands and retailers – those with a reputation for supporting and developing emerging talent – could host events where members of the public drop in and pitch an idea to the brand, with the offer of sponsorship or mentoring for the most promising ideas. Open-source initiatives are prolific on microsites – where mass audiences are invited to co-create a product – so why not extend them to a physical space?

At GDR we have uncovered some unusual 'retail' offerings that could certainly broaden the appeal of the mall. The School of Life in London is a cultural enterprise that offers programmes and workshops on diverse topics, such as bibliotherapy, 'how to balance work with life', love, politics and 'how to be a good friend'. An outpost of a school like this would not go unnoticed in a mall, and would surely attract visitors looking for personally transformative activities.

Retail might also look to travel for inspiration. Why should airport lounges be restricted to the airport? Imagine if Virgin cardholders or members of the Star Alliance could access private lounge spaces at shopping malls where they can not only book travel but also make use of wi-fi, have a spa treatment or enjoy a complimentary haircut (as in the case of Virgin lounges).

This level of engagement could be taken a step further if brands really want to embed themselves in the fabric of family life. Services that help children with their development needs will go down a treat with parents – who can get on with their shopping safe in the knowledge that their offspring are being nurtured.

How about a cookery school for kids where they can learn how to bake bread, concoct scrumptious lemonade or decorate cupcakes?

The Kidzania concept is perfect for a mall. This is an educational concept, where children can explore over 70 different professions – including doctors, teachers, mechanics and artists – through role-play. Emirates Airlines is currently introducing the idea of an aviation-related career to children by offering them an airline experience in Dubai Mall's Kidzania zone. The feature allows kids to act as pilots, through a flight simulator

