



RETAILTAINMENT

**A new concept idea
in Shopping Centers**

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Retailtainment: A new concept idea in Shopping Centers

In order for the traditional retail industry to be viable, those who operate within it must develop their products and services in conjunction with the retail environment in which they are provided. Traditional retail, driven by millennial preferences and needs, has moved into these once-defunct spaces, creating high-traffic, lifestyle-oriented destinations in convenient locations where communities can come together to shop, eat, drink, play, socialize and work all in one place¹.

'Entertainment Fun' is now a key factor in influencing and defining the retail industry, introducing a new concept idea, that of "Retailtainment". Shopping centers, for example, now host a wide variety of attraction concepts with experiential retail in mind².

¹ Petro, G. (2019). Clicks-to-Bricks, Experiences, and Pop-ups: Transforming Doomed Shopping Centers into High-Traffic Hubs. Retrieved from <https://www.forbes.com/sites/gregpetro/2019/08/02/clicks-to-bricks-experiences-and-pop-ups-transforming-doomed-shopping-centers-into-high-traffic-hubs/#2d81189319e2>

² Electrosonic. (2019). Reinventing spaces: redefining retail through technology. Retrieved from <https://blooloop.com/reinventing-spaces-electrosonic/>

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THERE WAS AN INCREASE IN
ENTERTAINMENT SQUARE
footage of 44.7%.

According to an ICSC study, the retailtainment trend is a growth opportunity for shopping centers in the US. More specifically, it found that at the beginning of 2019, there was an increase in entertainment square footage of 44.7% (compared to the corresponding period in 2010)³.

The same institute reports that the shopping center industry remains a potent economic force, accounting for USD 2.5 trillion in sales during 2014 in the US, almost half of total domestic retail sales.

³ Read, R. (2019). Retailtainment trend: Report shows entertainment boom in malls. Retrieved from <https://blooloop.com/news/retailtainment-trend-icsc-report-entertainment-malls/>

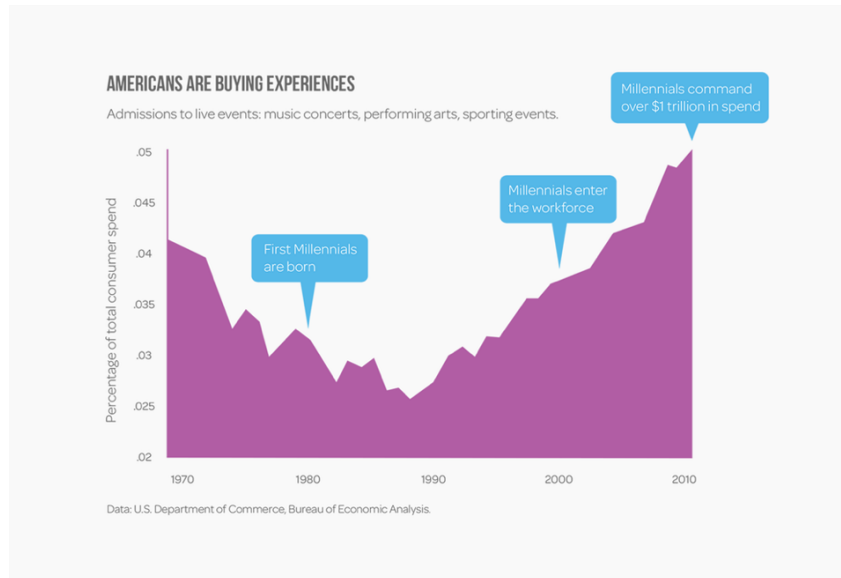


Figure 1: Experiences: Percentage of total consumer spends⁴

The Future of Shopping Centers

The enormous and rapid development and spread of technology and the growing influence of the millennial generation have created an enabling environment for growth, whilst providing new opportunities⁵.

It is important for shopping center owners to make their retail spaces attractive to both retailers and producers as well as competitive to the ever-expanding online retail, and to so entrepreneurial businesses need to keep reinventing themselves by reshaping their business model to best match the needs of consumers. The need for more interactive experiences and social spaces are some of the most essential factors determining this present shift towards experiential retail. Concerts, contests, pop-up stores and temporary outlets are some of the kind of initiatives that can be applied to attract new customers to the mall⁶.

⁴ Mullin, G. (2019). Retailtainment: How Experiential Retail Could Change Your Online Store. Retrieved from <https://sufio.com/blog/retailtainment-experiential-retail-online-store/>

⁵ ICSC. (2019). The Future of the Shopping Center Industry. Retrieved from <https://www.icsc.com/uploads/default/Envision-2020-Report.pdf>

⁶ AXA Investment Managers. (2016). Investor Thinking: Strategic Directions. Retrieved from <https://realassets.axa-im.com/documents/23818/210292/Retailtainment-the-winning-combination-of-experience-and-leisure-July16-EN.pdf/89edbaaf-d189-4597-bc93-bf4e790bf220>



Figure 2: Supermall American Dream in Miami, Ice rink.

Citation: Garfield, L. (2018). The largest mall in the US is coming to Miami, and it will have a massive indoor water park and ice rink. Retrieved from <http://www.businessinsider.com/largest-mall-us-american-dream-miami-2018-5>



Figure 3: Supermall American Dream in Miami, WaterPark.

Citation: Hanks, D. (2018). The largest mall in America is getting closer to approval in Northwest Miami-Dade. Retrieved from <https://www.miamiherald.com/news/local/community/miami-dade/article210642844.html>

A] Offer Unforgettable experiences

The Supermall **American Dream** in Miami covers over 6 million sq. ft. Much of this space has been given over to entertainment and dining venues, pop-up stores and other experiential endeavors that will host temporary activities and provide unique experiences to visitors. This new layout will more closely resemble a theme park than a traditional shopping mall, including an amusement park, water rides and an indoor ski slope.

Another unique shopping center located in LA, the **Westfield's Century City**. It has created an 18,000 sq. ft outdoor space that can be used for live music and other events providing superior shopping experiences whereas **Mall at Partridge Creek** in Detroit hosts outdoor concerts multiple nights a week, as well as a community park.

In some shopping centers, visitors might have the opportunity to come across digital corners such as Instagram areas or virtual reality experiences, which always prove to be a point of attraction, especially among younger, digitally-connected audiences. Pop-ups also provide a further attraction for consumers. There they have the opportunity to try new experiences, learn about new products and get offers from their favorite brands before these are made available to the wider market.



Figure 4: Dubai sporting-oriented shopping mall, Sports Society.

Citation: Arabian Business. (2018). Dubai firm to build the world's largest sports shopping mall. Retrieved from <https://www.arabianbusiness.com/retail/408287-dubai-firm-to-build-the-worlds-largest-sports-shopping-mall>

B] Offer Niche offerings

Some malls have already focused their experiential activities mainly on one category. An example is a **new Dubai shopping mall**, which is about the size of 12 football fields and hosts only sporting-oriented events, activities or pop-ups stores since it receives the bulk of its corporate sponsorship from sports-related companies and brands. Due to its great specialization, the companies that invest in this site gain access to great benefits from attracting a committed customer base.



Figure 5: Bal Harbour Shops in Miami.

Citation: Tyler, J. (2018). Look inside the most luxurious mall in America, where the rich do their shopping and stores have to wait for a coveted spot.

Retrieved from <https://www.businessinsider.com/bal-harbour-shops-most-luxurious-mall-in-america-2018-2>

A similar initiative has been taken by the **Life Time Center** in Boston. It has an area of 286,000 sq. ft and all its activities are related to wellness, fitness and overall body and mind rejuvenation. Fitness centers, wellness areas, a medical center, a spa, and specialty catering shops with healthy foods and other amenities are some of the amenities this mall provides, offering a place where the visitor can spend several hours enjoying these services and relaxing in a communal setting while also buying products and other consumer goods. The combination of traditional shopping and services that consumers are regularly looking for makes repeat visits to that store a common occurrence.

Luxury is another niche factor that offers great opportunities. The 450,000 sq. ft **Bal Harbour Shops** in Miami is one of the most successful shopping malls in the world. It has invested in excellent

customer service and is well-placed in an upmarket and desirable neighborhood, attracting wealthy people from all over the world through its aspirational image.

An important finding that emerges from an in-depth look at all of the considerations mentioned above is that the shopping centers of the future will likely focus on leisure and entertainment first, and secondly on shopping and retail⁷. They will incorporate elements of community living areas, hotels, offices and co-working spaces, health and beauty services, gyms, dining venues, events, entertainment and retail all at the same time⁸. We may see services moving into these spaces in the near future, as well as banks, doctors, dry cleaners, dentists and so on. According to GlobalData, the more services that a mall provides, the more frequently consumers will visit it, and the more it will need to spend on investing in this trend. More specifically, research has shown that shoppers are likely to spend nearly three times more in such environments. Important success factors also include location and other services such as mobile charger devices, personal shoppers and children's day-care services. **Oculus** at the new World Trade Center in New York acts as a shopping mall, but is also a transportation hub serving nearby offices. Shopping malls now look more like luxury hotels than places with many shops, which greatly increases the cost of construction⁷.

⁷ Trotter, C. (2019). What's the future of the shopping centre? Retrieved from <https://www.insider-trends.com/whats-the-future-of-the-shopping-centre/#ixzz62W0U29qL>

⁸ AXA Investment Managers. (2016). Investor Thinking: Strategic Directions. Retrieved from <https://realassets.axa-im.com/documents/23818/210292/Retailtainment-the-winning-combination-of-experience-and-leisure-July16-EN.pdf/89edbaaf-d189-4597-bc93-bf4e790bf220>

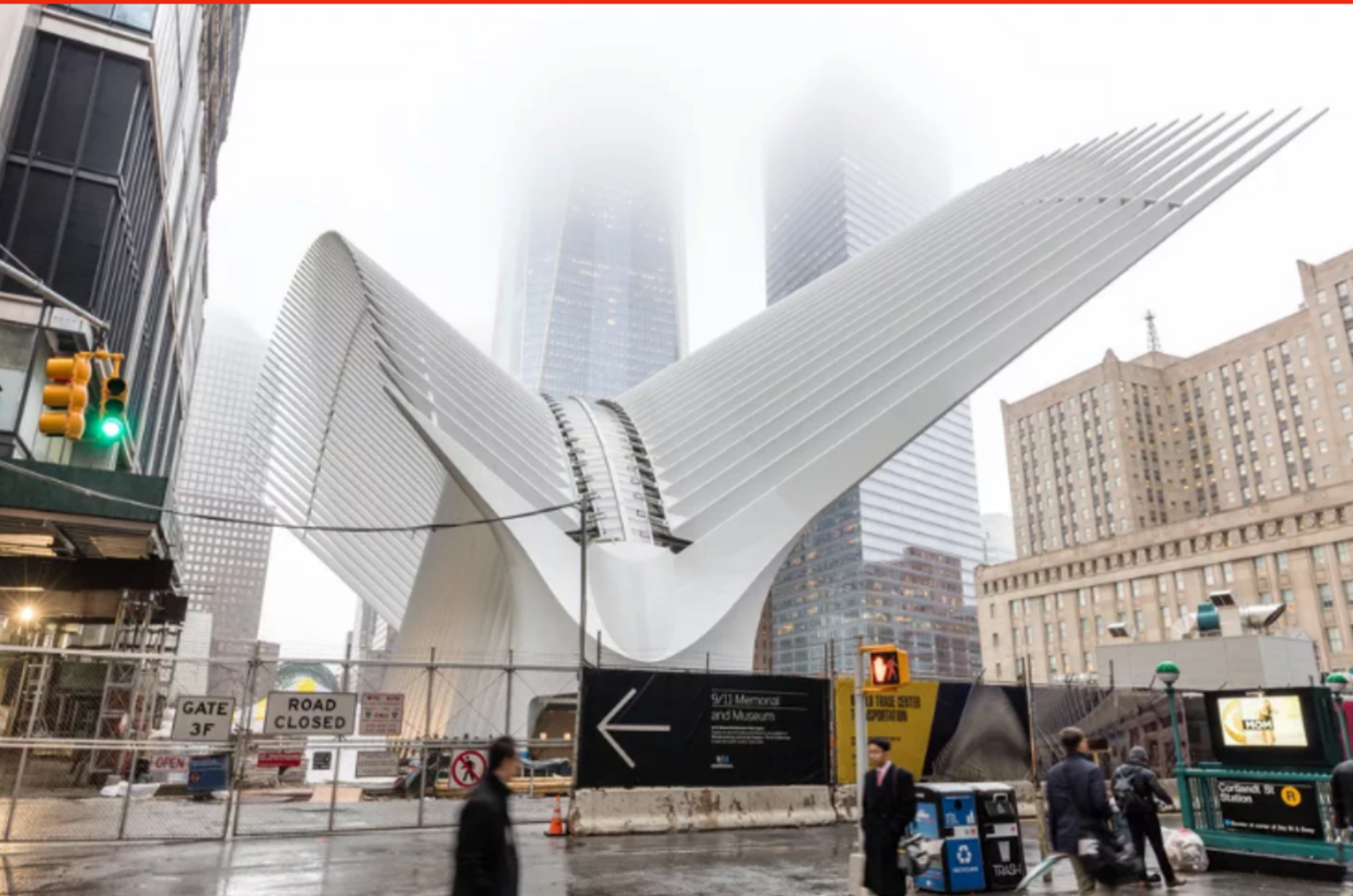
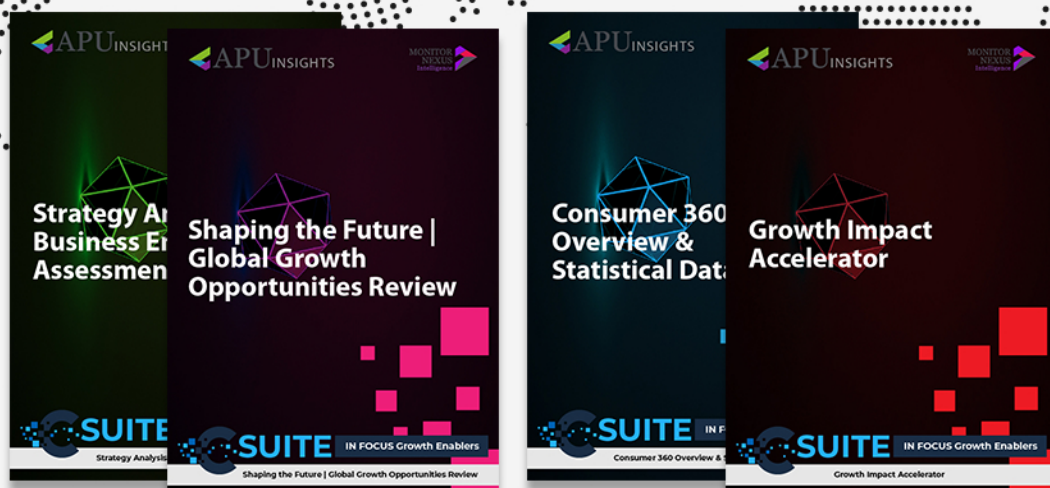


Figure 6: The World Trade Center Transportation Hub “Oculus”.

Citation: Diez, P. (2016). Westfield World Trade Center Mall Now Open With New Dining Options. Retrieved from <https://ny.eater.com/2016/8/17/12515022/wtc-oculus>





Designed and produced by APU Insights Creative Studio

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