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HOW ABOUT LEISURERISING THE RETAIL EXPERIENCE

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ABSTRACT

This article tries to characterize the fluid retail/merchandising environments that are becoming increasingly complex and driven often by not just material needs for products but also by experiences. The marketing of products and services often is not even fully related to the attributes of the entities being sold.

Key Words: Shopping Malls, Entertainment Centers, Leisure Shopping Multi-Use Facilities, Evolution of retailing, Indoor Entertainment and Recreation

INTRODUCTION

As a person who coined the phrase “Leisuremall” in the early to mid-80’s this issue of this electronic journal reflects the fruition of many thoughts on where the retail industry is heading these days. Further the opening of the American Dream Complex by the Triple 5 (Mall of America and Edmonton Mall) in the N.J. Meadowlands just a few miles outside of New York City represents the fruition of what we used to call a “shopping mall” (The use of the word “mall” is strictly forbidden by the Triple Five Company when referring to the American Dream) is now truly a “leisure/entertainment center” with shopping as a “leisure activity” that goes along with the 55% of the facility which is leisure and entertainment.

According to the International Association of Shopping Centers and other sources the amount of recreation/dining/entertainment space is increasing rapidly (Maredia, 2019). The drivers of this trend are clearly competition from on-line merchandising along with the fact that people want to have fun and an experience while they shop. Additionally, shopping centers are mostly composed of stores that sell soft goods or impulse items. These items are more difficult to merchandise on line in part because factors such as many variations in style and fit occur with clothing items and people do like to try them on or see them in person before buying. Stores that sell hard goods such as electronics, appliances, and sporting goods that are make and model specific tend to locate outside of malls because these items are more readily identifiable by consumers and are very price sensitive. Rents are generally more expensive in enclosed large malls. Buyers looking for these items go to these big box stores sometimes looking for product

advice or product service. The latter has become a key mechanism for customers buying at such stores as Best Buy which features its Geek Squad program to provide good customer service.

To better understand the totality of the retail market it is perhaps best to in part to characterize different categories of shopping places and why they remain successful and will possibly remain successful even though brick and mortar stores are being beaten down to some extent by on-line retail. The bottom line is that each kind of mall/store/merchandising has a definitive consumer needs niche that makes it attractive for the consumer to go there and shop rather than purchase on-line and even in the on-line world different merchandising sites sometimes fill different needs. The different needs of on-line shopping are not explored in this article, but can also be discussed. Of course, there is overlap in these characterizations and overall it is difficult to firmly differentiate between categories. The reader, however, can see that these characterizations do help us understand why various types of merchandising are successful.

Shopping Malls, Leisurized Shopping/Indoor Leisure Centers, etc. (Samuels, various, 1982-date)

In 1999 the International Council of Shopping Centers chronicled different types of shopping centers. (ICSC, 1999) Although this classification is slightly dated it forms a baseline for this discussion. The passages for each of the below categorizations were developed from this classification and have been modified and edited for this article by the author. The trend toward experience or leisurization of the shopping experience is shown with a number from 1-10 with 10 being the most leisure/entertainment/experience oriented oriented facility and 1 being that

leisure/entertainment/experience is of little importance. Although there is no precise science to this presentation, the paper does provide a basis for formal research into this topic which mixes the fields of hospitality, tourism, entertainment, leisure, etc. to modify what motivates us to make purchases.

Neighborhood Centers/Convenience Centers

Neighborhood centers are small-scale malls serving the local neighborhood. As these become larger with more diverse stores they are categorized as Strip Malls/Centers and usually feature killer category stores like Home Depot, Best Buys, Dick's Sporting Goods, or any of the TJX Corporations Stores (Home Goods, Sierra, T.J. Max, and Marshalls to name a few).

Convenience centers typically have a supermarket or drugstore as an anchor and are commonly arranged in what is commonly called the strip mall format. Neighborhood centers usually have a retail area of 30,000 to 150,000 square feet (2,800 to 13,900 m²) and serve a primary area in a 3-mile (4.8 km) radius. They are sometimes known as convenience centers. The main driver for motivation for customers to patronize these types of centers are convenience drawn in by the major anchor which fills a large life need which is often drugs or related health items or food.

Convenience Centers evolved in recent years to larger properties and usually house some of the aforementioned unique themed retail stores or stores that are called killer category stores which feature an interrelated type of merchandise. This sometime anchor these centers and they are usually filled with restaurants and service type establishments (gyms, hair salons, tanning, etc. filling up the smaller retail spaces or spaces that simply can't seem to be rented for merchandise

sales. People go to these for a specific need that is in a convenient location, but the mindset here is not geared much toward leisure experience except when the place visited is a leisure oriented facility such as a gym or movie theater. Some of the stores, however, featured in these types of facilities like T.J. Max and Home Goods are rather addictive to some people as the merchandise in them is usually at great prices and the quantities of each item are rather low, so bargain hunting becomes a leisure activity for some folks in these types of stores. My mother was an a fan of such stores at T.J. Max as it gave her a multiple times a week activity to visit all of the stores in this category. Most shoppers go for convenience and not for an experience so we rate this a 2 on our scale, however, the special categories of Power and Lifestyle centers could be viewed with a rating of 5 for some customers.

POWER AND LIFESTYLE CENTERS

Certain types of strip malls have indeed become so common that the ICSC puts them into a separate category.

The first of these is what is called a Power Center which has category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants. Examples of these were given in the previous section but additional include such additional brands as Costco and B.J.'s Club Stores, although often these two brands are located all by themselves.

The second specialized category is the lifestyle center. According to ICSC lifestyle centers are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. An excellent example of this is the Townsquare Las Vegas Project which is located on the South end of the Las Vegas Strip. (<https://mytownsquarelasvegas.com>) These seem to have some similarity to what is discussed later in the article as Theme/Festival shopping; however, the theme festival shopping concept perhaps uses a greater thematic setting.

COMMUNITY CENTERS, REGIONAL CENTERS, AND SUPER CENTERS

Although characterized separately by ICSC these three categories are all the same except for size. They are characterized in a sizing scheme by the ICSC which does not seem to have the relevance that it once did. These malls, regardless of size, have traditionally been a mix of anchor department stores with many branded stores that seem to repeat in each individual facility. The main attraction to these places was always the mix of the stores. The consumer was trained to know that certain familiar brands would be in each of them presented in a nice setting that offered something of a leisure atmosphere experience. The main leisure staple in most of these was the food court which enabled people to rest and socialize during their time of cruising through all the stores.

Oddly, often leisure/recreation and entertainment facilities were eliminated from these malls because mall owners and managers could not get the same rents that they could earn from merchandise clients and, in some cases, provided an unwanted security problem such as having teenage youths hang out and cause trouble sometimes in mall game rooms which were one of the

facilities that disappeared over the years. Even movie theaters were taken out of malls and put in satellite or other areas. It is important to note that the traditional malls regardless of size depend strongly on foot traffic since much of the merchandise is soft goods which relies heavily on browsing and customer exposure for sales as opposed to the more identifiable hard goods which are more easily purchasable on line and do better in price competitive killer category stores that are usually located in satellite to the mall strip centers or other local strip shopping centers as previously discussed. The owners did not realize that these early day mall entertainment and recreational facilities did indeed do a lot to draw people into the mall which caused all the merchants to do more sales. Little did they know that several decades later they would be turning to these traditional recreational and entertainment facilities and a whole lot more to draw people into shopping facilities.

Size no longer matters in brick and mortar retailing, but experience does. The big change in all of these facilities is the change in store mix. Whereas, in many cases, restaurants, movie theaters and other entertainment facilities had been eliminated from these facilities they are now on the rise. My local Rockaway Mall, New Jersey has added numerous restaurants including several hot chain restaurants. It was just a few years ago when you could hardly find a place to eat outside of the food court with only two full service restaurants being offered along with a restaurant in the Macy's store. The traditional mall is moving toward at least more traditional leisure/entertainment with numerous full service restaurants and other more standardized leisure experiences being brought in such as the "Dave and Busters" an entertainment/social/restaurant chain which features large game rooms. Additionally, the relatively new concept of a "Food

Hall” which combines eateries with food retailing such as Whole Foods is adding to the importance for food as a drawing card in more traditional malls. (Anderson, 2019)

So, these traditional malls are moving toward a 5 on our leisure/experience scale, whereas most previously these were possible a two especially when looked at towards the new retail environment.

OTHER UNIQUE RETAIL SITES

Four other types of Brick and Mortar retailing categories which have greater leisure leanings are the Outlet Mall and the category ICSC refers to as airport shopping, but should really be categorized as transit/travel shopping since similar shopping does exist at train and bus stations and on cruise ships. Two additional retailing sites that are not separately characterized by ICSC are flea markets and Pop Up Stores. Flea Markets both indoor and outdoor have been successful for years in presenting a host of small business retailers and shopping experiences and in some cases even include larger retail companies. Lastly, the latest phenomenon of “pop up stores” or “pop up shopping areas” presents a new shopping experience that has rapidly grown in popularity.

Outlet Malls

Outlet Malls have proliferated over the years and there are a few major players in outlet mall development in America, the largest of these are the Premium Outlets which are owned by the

Simon Property Group. Some outlet themed malls are actually a little hybrid in that they will also mix in off-price stores like Marshalls, Century 21 and other similar stores. The Outlet Mall actually has a great leisure slant to it as bargain hunting seems to give attendees an adrenaline rush. This used to go (frequency of this has been reduced due to on-line shopping competition) and sometimes still goes to a fever pitch each year on Black Friday when mall managements needs to hire extra security to line up customers to avoid crowd crushes as eager shoppers try to get into their favorite stores and snatch up the best bargains. The largest of the outlet only centers is the Woodbury Commons Premium Outlets which features a few one of kind outlets and uses an outdoor clustered store layout which seems to make all stores loser together along with an indoor food court to make a great shopping experience. Constant bus service from New York City enable tourists by the thousands to visit on any given day and many tourists fly in for shopping for two days at the Commons and then head home. This outlet mall with the soon to open nearby largest Legoland in the world along with the American Dream opening in New Jersey just outside of NYC are turning the Northern N.J./Eastern Pa./Hudson Valley New York area into a major tourist destination that could bring tourists to the region for a week without even setting foot in New York City. The malls that feature some off-price and more entertainment and dining facilities as well include such places as the “Mills Malls” which are also owned by the Simon Company. These places also attract large numbers of tourists and day excursionists. So, outlet malls having a great interest in tourists give these facilities a leisure/experience scale rating of 7.5 with the key drivers being a treasure hunt for bargains in an area where people are frequently in a day excursion or tourist state of mind.

Flea Markets

Customers that go to flea markets have a decidedly leisure state of mind and find it a unique experience.

They differ somewhat from an outlet mall in that flea markets sometimes include recreations, unique food stands, and both old and new merchandise that frequently include unique small boutique businesses that sometimes have very loyal customers. Of late, they sometimes rely on retail chains that emulate “fleadom” such as Dollar Tree which recently opened in the long running and well managed forever evolving “Festival Flea Market” on Sample Rd. in South Florida. (<https://www.shopfestival.com/>) This market is possibly the best run on all of them and has stepped up their special events programs and recently featured a free pro-wrestling show in their food court. Leisure/Experience Rating: 7.5

Airport/Cruise Ships/Transit Hubs

Airports, Cruise Ships and other transit hubs have two things in their favor in terms of the customer mindset when they are present in such facilities. One of these is the fact that travelers are more or less trapped in these facilities while they wait for their travel to begin. As such, shopping takes travelers minds away from the wait. Also, tourists always have a greater propensity to buy thing and often buy things that provide remembrance or as a souvenir of the trip. Contributing to the need to buy is the “duty free” concept. Except in the cases of very high taxed items like cigarettes and alcohol it is really rare that things in duty free shops are cheaper,

so much of the psychological mechanism to buy things appears to be the tourist mindset. Similarly we see this on cruise ships where, for example, watches are sold duty free but the price is actually 20 to 50 percent higher than you can buy them for on the internet. Leisure/Experience Rating 6.5.

Pop-Up Stores

“Just three years ago, pop-ups were mostly used for three purposes: experiential marketing exploits, fashion-week stunts, or e-brands making the leap to brick-and-mortar. The latter filled empty storefronts in New York’s SoHo district and downtown Los Angeles, selling then-unknown brands such as U.K. clothing retailer [Boohoo.com Plc](#) and dog food delivery service Ollie. The staff often included the founder. “I would get calls from a lot of emerging brands that were on Etsy and barely had their own website, and they wanted to do a one-off holiday pop-up for two weeks,” says Melissa Gonzalez, of the pop-up architecture company [Lion’esque Group](#).” (Cohen, 2019)

Pop-up stores provide retail excitement and generally appear in three different formats:

1. Pop-ups in Existing Stores--This is when a brand that is not normally highlighted or displayed is put into a display in an existing store. Costco does this frequently in its stores and it is becoming more common in what historically have been called traditional department store.
2. Single Brand Freestanding Pop-Ups--Oddly the first retail store to open with clothing in the American Dream Complex was a pop up store which featured a clothing line from

Whoppie Goldberg, featuring her Dugbee Collection Clothing Line. The Mall will have a continual array of pop ups which they have branded as “Dream Drops”. Perhaps this branding will begin to appear in other shopping malls.

3. Multiple Brand Pop-Ups--Generally placed in temporarily vacant storefronts there are multiple brands presented in one continuous space.

Pop-ups often feature experiential/entertainment features and the entire idea of a temporary store make them an entertainment attraction. It has been denoted that these are particularly attractive to the trendy 18-25 audience. Leisure/Experience Rating: 6.5

THE DAWNING OF THE AGE OF THE LEISURE MALL AND A New HORIZON IN BRICK AND MOTAR SHOPPING

The final category discussed in the ICSC classification is called: Theme/Festival. It is perhaps the forerunner category to what we call a “LeisureMall”. According to ICSC (ICSC, 1999) is: “Leisure, tourist, retail and service-oriented offerings with entertainment as a unifying theme. Often located in urban areas, they may be adapted from older--sometimes historic--buildings and can be part of a mixed-use project.”

The first line in this definition seems to embody the essence of what is a “LeisureMall”.

However, the second line blunts the contemporary idea.

The “LeisureMall” Leisure/Experience shopping concept or the embodiment of the new horizon in shopping centers is clearly a facility that has a minimum of 25% of its space assigned to non-

merchandise sales. The tendency toward a greater reliance reaching to close to 50% of the space is going to be the trend. In fact, the American Dream, which once again is not to be referred to as a Mall has 55% of it dedicated to non-merchandise dining, entertainment, amusements, and active recreations. It has the greatest amount of these non-merchandise facilities. It includes an aquarium, a London Eye type Ferris Wheel with views of New York City, a permanent best of its kind Cirque De Soleil show, full size competition ice skating rink, indoor snow sports area called “Big Snow”, 60 lane bowling alley “Lucky Strike Lanes” with performance state included, a forever changing flower garden, the largest indoor waterpark ever assembled in the USA, themed to Dreamworks, and the largest indoor amusement park in the USA themed to Nickelodeon featuring a ten story ropes course, a drop ride that goes through the ceiling and offers a view of NYC before the thrilling drop, and an amazing roller coaster that supposedly has the steepest drop ever constructed. Beyond all the attractions all of the stores are supposed to be attractions onto themselves such as the Oreo World Store, 2 Story Candy Store, Legoland Discovery Center and many more stores that feature entertainment or extraordinary merchandising experiences.

We would be remiss if we didn’t mention the fact that the technology and evolution of available recreations and entertainments that can be constructed indoors is part of the fuel that makes projects feasible that may not have been feasible even ten years ago.

The American Dream’s success will fuel a whole new generation of LeisureMalls being built as other operators see the huge success of the Dream. Triple Five the owner of the Dream is already planning a similar project in Miami area that will be 45% entertainment and recreation. It is clear that such facilities will draw other operators into this business including some major

theme park players like Disney or Universal Studios. When looks at the success of both the Mall of America and Edmonton Mall which are in relatively small standard metropolitan statistical areas it is expected that such mega Leisure/Experience facilities will become common place in the foreseeable future. The success of these high content leisure/experience facilities will drive all more traditional malls along with the competition of on-line sales to be driven to having more entertainment/recreation/experience space.

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