

# REINVENTING THE MALL

Concierge-like services and personal attention help the Mall of America bolster the shopping experience by SANDY SMITH

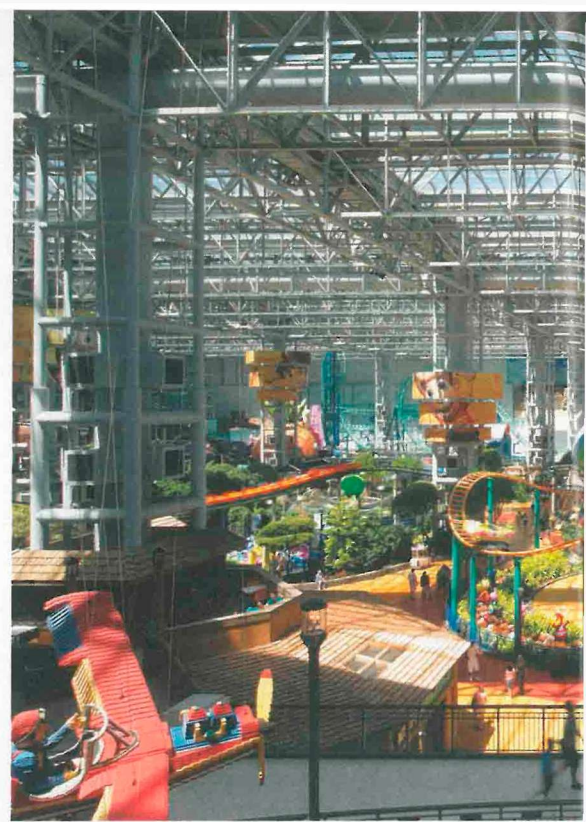
**M**inneapolis isn't known for balmy winters, but wind chills of 40 degrees below zero last January marked a particularly brutal day in an already harsh season. Retailers in the Mall of America were asking management to close the mall — there was no point in keeping employees on hand when customers were hunkered down at home.

But the Mall of America, where it is always 70 degrees inside, would not be shuttered by sub-zero temperatures, not even of this magnitude. The social media team sent out offers of free admission to the mall's theme park. Within a few hours, 100,000 people were riding roller coasters, eating in restaurants — and yes, shopping.

"We started getting calls from stores asking us not to close early," says Maureen Bausch, Mall of America's executive vice president of business development. "We were able to effectively reach 1.5 million people that day. We felt a little guilty, quite frankly. People shouldn't be outside on a day like that, but the power of free is as good as it ever was."

That cold spell occurred just days before keynote speaker Rick Caruso predicted the demise of the modern indoor shopping mall at NRF's Annual Convention & EXPO.

"I've come to the conclusion that within 10-15 years the typical U.S. mall, unless completely reinvented, will be seen as a historical anachronism that no longer meets the needs of the public, retailers or communities," Caruso told attendees at Retail's BIG Show. While Caruso's prediction of

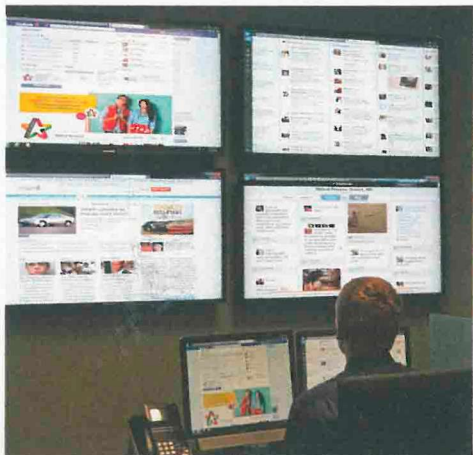


the mall's demise grabbed headlines, he did go on to say that those that survive will do so because they embrace the distinct advantages that come with bricks-and-mortar — face-to-face interactions with retailers and the social aspect of shopping.

Bausch laughs at the dire prediction, though she agrees that malls must — and will — adapt and change. "The only mall that is dead is the one that doesn't change with the times and stay relevant," she says. "Malls don't look the same today as they did 20 years ago. You have to change with the consumer and with what is happening in their whole life, not just the shopping habits. Today technology is very much a part of their lives. You have to inject your mall into their way of life."

Mall of America has certainly injected itself into shoppers' lives. As a large destination for travelers — 40 percent of its 40 million annual visitors are tourists — the mall is out to exploit those advantages, especially since forming an "Enhanced Service Portal" late last year. The ESP combines all customer touchpoints — security, telephone, guest services and social media — in one location. That has improved information sharing among the groups, positioning the mall to better react as needed.

Having all employees on the same page and creating the right atmosphere is vital, says Robin Lewis, CEO of retail strategy newsletter "The Robin Report" and co-author of *The New Rules of Retail*. "It's a necessity, not just something nice to do," he says. "When





the ESP team was on top of it. Working with security, they realized the store — which was not informed of the visit ahead of time — would be overwhelmed. “We were able to quickly route them into an empty tenant space and line them up. It was a very successful meet and greet,” Bausch says. “Had we not been able to communicate with visitors on social, it would not have been pretty.”

Following guests — with permission — on social media also provides

insights into movement within the mall, vital during busy periods like Thanksgiving weekend. “We can prevent incidents, better manage crowds and provide directions at their request, just by knowing where they’re moving,” Bausch says.

On Black Friday, the system hit its capacity of 1,000 personal messages per day by 11 p.m. “We couldn’t tweet any more for another hour until it hit midnight and a new day kicked in,” Bausch says. “That’s how many people wanted to ask us questions during that day.”

ESP is not just for communicating with the masses; it also offers opportunities on an individual basis. When a shopper tweeted that she had lost a gift card while shopping, “We were able to say, ‘Wait where you are’ [and run] up with a gift card for her and her friend — they’ll be our customers forever,” Bausch says. Another mother texted, asking where she could nurse. After she opted to share her location with the ESP team, they were able to direct her to the closest spot. They also provided ride tickets for the amusement area. “It’s a way to surprise and delight, offering a higher level of service,” she says. “Yes, we use technology, but behind the technology are well-trained people.”

Customers must opt in to share their locations with the mall, but those who do are often rewarded.

“We can tether ourselves to our customers in a much more important way,” Bausch says. “If they want to know how to get here, they just have to text us. We’ll remind them where they

every person in the world is walking around with every store in the planet in [his] pocket, physical spaces have to provide some incredibly compelling reason to take the time to go shopping.”

And shoppers “aren’t interested in buildings with stuff anymore,” Lewis says. “The whole future is going to be about experience, about building physical/social gathering places that are going to be environmentally friendly and environmentally pleasant, convenient, fun and entertaining.”

### EXTRA SOCIAL PERCEPTION

With 4.3 miles of storefront, Mall of America attempts to be all of those things while maintaining a personal touch.

“What we did in building the ESP center was to put it close to our security center and our emergency command,” Bausch says. “We monitor social media 24/7 and, if there’s a big influx of people, see why they’re coming.”

That will prevent problems such as occurred two years ago when social media lit up with rumors that rapper Lil Wayne would be at the mall. The huge influx of people — some of whom wreaked havoc, fighting and grabbing items from stores and other shoppers — caused the mall to close. “Since then, we’ve monitored social media to get our arms around rumors and prevent situations like that,” Bausch says.

Case in point: When a boy band tweeted it would be visiting the Apple Store at the mall,

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Mall of America

parked. When they're lost, we can say, "Turn around, the store you're looking for is over there."

Concierge services like that will be crucial in the future, Lewis believes — especially for super-size malls. "Even though they're massive, concierge services allow them to personalize it for each guest," he says. "They're very smart in doing that. I don't see why it can't work in upscale malls as well as in stores themselves."



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#### FINDING THE RIGHT VOICE

**M**all of America works closely with tenants to maximize ESP, asking retailers to let them know each morning about any sales or specials. "Sometimes we will run up and take a picture and post it to Instagram or ... Facebook," Bausch says. "Once a tenant understands they can call us and still control their message, they're much more willing to do so."

That partnership with retail includes using the mall's attractions to drive traffic into stores. And it's a partnership that will only continue to grow. The mall recently announced expansion plans that will add 50-75 retailers, a J.W. Marriott Hotel, office tower and ballroom. It's the first phase in a larger plan that will eventually add a total of 5 million square feet, including a major water park.

The first phase also offers opportunities to expand its concierge-like services: valet parking, rental cars and perhaps a luggage check for those heading to the airport. (The mall is Minnesota's top tourist destination and located just 1.5 miles from the Minneapolis-St. Paul airport, making this something of a necessity.) The first expansion phase is due to be completed in August

2015, in time for the mall's 23rd anniversary.

There are plans to grow the customer service aspect of the ESP as well. Currently, at busy times, customer service agents walk the mall with iPads in hand: They can show restaurant menus and wait times and make reservations. Eventually, Bausch hopes they'll be able to sell tickets to the mall's attractions, too.

Most of that interaction is handled from the ESP center. The mall has two full-time social media personnel and two interns. They have created a voice that is uniquely the mall's — though it is easy enough to learn. Bausch was helping out with tweeting during Thanksgiving weekend. "I'm speaking in my old-person voice and they said, 'No, you have to speak in the Mall of America voice.' I couldn't just answer tweets — they would have to tell me what language to use. You have to be playful and fun."

#### CREATING THE RIGHT EXPERIENCE

**O**nline shopping may have many advantages over bricks-and-mortar stores. But when it comes to the mall experience — amusement park included — there are distinct benefits, Bausch believes. "It is creating a bricks-and-mortar environment that competes successfully with online. Stores that make people feel good, sales associates that tell you, 'You look great,' because your laptop can't do that. Our differentiating edge is our people."

Still, Lewis believes that half of the malls in the country won't make it. Some will survive by incorporating new services like travel agents, health and wellness facilities and insurance brokers. "The malls that are going to make it ... will do what Mall of America is doing — continue to upgrade the experience," he says.

And that experience can begin as soon as a guest thinks about coming to the mall and connects with ESP via social media.

"People come to the Mall of America because of the sum of the parts," Bausch says. "Those parts have to be relevant, have to stay fresh. It's true of anything. It's true of a downtown area, a car dealership, a mass merchant. If you don't, one day you're hot and one day you're not."

But even on those days when it is far from hot, Mall of America has put the pieces in place to survive the big chill. **STORES**

**Sandy Smith grew up working in her family's grocery store, where the only handheld was a pricemarker with labels.**