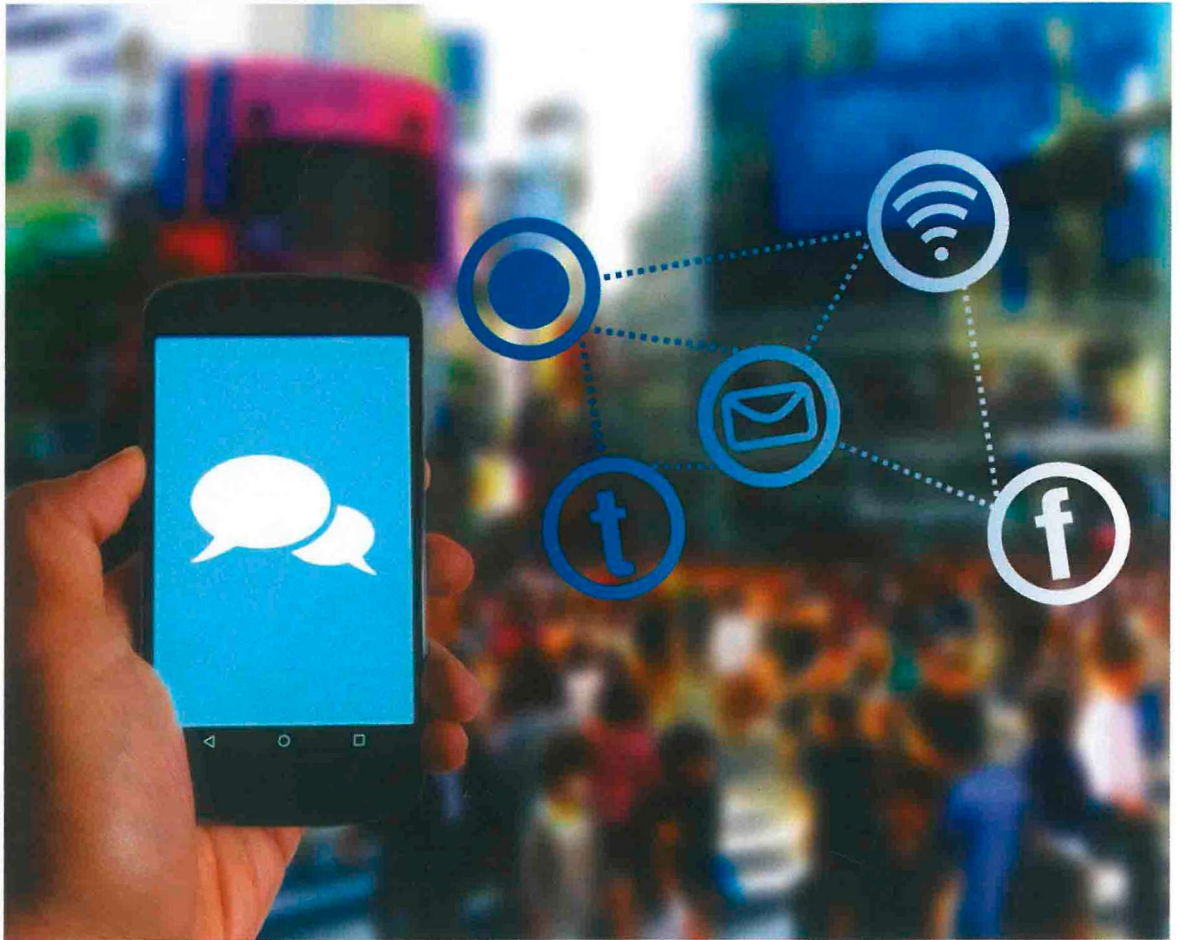# SMART PHONES FOR SMART MALLS

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Smart phones are expanding the understanding of the commercial universe around us. We can collect information easier, faster and with lower cost than ever before. Implications and benefits of the collected data are multiple, and shopping centre industry is grabbing the chance to convert the data into the profit. The more data we collect on the shopping patterns of mall visitors, the higher the probability that the future strategy will duly address and accurately forecast the needs and expectations of mall customers. Informed decisions have very little to do with intuition and subjective judgments – decision makers are expected to know who their customers are, how they shop, how long they stay in a mall, when and why they shop; and analysing additional patterns of shopping behavior can also help enhance the mall property which will lead to the increase of the property capital value. The collected data assists in optimising the merchandise and creating an ideal tenant mix, along with adjusting the marketing course to communicate more personalised messages to the target groups.

The perceived rivalry between the online and offline world might not be as fierce as it is often portrayed. To some extent, online sales indeed affect the turnover of the brick-and-mortar stores negatively. On the other hand, the possibilities of enhancing customers' experience in a physical world using online platforms are truly limitless. Smart phone users (connected to a mall's open Wi-Fi) can provide valuable information about their behavior through log-in and signal tracking system. This in turn can be analysed to improve the offering and the environment and stimulate customer's desire to come back often, stay longer and spend more in a specific retail destination. In the past, few techniques were used to learn about shopping habits of the mall visitors, and those were usually limited to intercept surveys and focus groups. The methodological issues were numerous (sample structure, expertise of interviewer, high cost) and failed to create an accurate portrayal of the visitors' shopping routine, as the studies would usually encompass only one or two weeks in a given year. Eventually, the shopper traffic counters evolved to provide not only generic visitor numbers, but also the breakdown by age and gender, and assisted in examining the customer base. With the arrival of smart phones came the revolution in this segment: from the analysis perspective, smart phones are remarkably similar to website cookies, as they reveal information about the physical movements of customers throughout different mall areas.

As of today, the mall rent is an estimated or realistic function of the sales generated within the store. In an ideal situation, good performance means that the tenant is reaching the turnover revenue threshold and shares the portion of the extra profit with the landlord (commonly known as 'turnover rent'), as a reward

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for the management efforts to continuously optimise the property. The trend of 'showrooming', which represents the act of browsing items in brick and mortar store before purchasing them online, limits the landlords' capacity to charge

the turnover rent. In future, smart phones data can be used to measure the traffic to each store and thus the lease agreements might evolve from turnover-based rent to traffic-based rents, in a case when a given store is used for showrooming rather than for direct sales. There are already announcements that several malls in North America are planning to introduce this rent-charging system for specific retailers. In addition, the data collected through smart phones' signals can positively impact the indoor revenue, as the advertisers would be able to precisely measure the potential of the most suitable advertising options based on their reach and CPM. ●