

Building smarter, better malls

By Lee Naik 25 May 2016

Since The Mall of Africa, South Africa's biggest single-phase shopping mall development, opened its doors on 28 April, it has dominated social media chat lately, as much for its promise as its problems. <u>Is it the mall built for the future like some say?</u> My colleagues who have been brave enough to venture forth tell me that it is well-designed, but otherwise unremarkable from an innovation perspective.



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Me? I'll stay away for now. My last foray into a shopping centre saw me on the hunt for a particular kitchen accessory for my wife, which I went to buy from a shop that no longer existed! Cut to me trekking from branch to branch like Indiana Jones looking for the Holy Grail. Eventually, I found the elusive accessory online and saved my sanity from disappearing forever.

Are malls set to go extinct?

While some might point to my experience as one of the <u>reasons online retail is set to overtake physical malls</u>, I'm not so sure. <u>The Mall of Africa attracted 124,000 people at its launch and is still recording 40,000 visitors on average per day</u>. As anyone who's had to go shopping on the weekend can attest, brick and mortar stores remain the primary platform through which the vast majority of South Africans do their shopping.

That doesn't mean that retailers can rest easy. New malls are springing up all the time, each promising to be cooler than the last. And while South Africans may love malls, our current economic situation means they're not exactly blowing their budget there.

How can malls like the Mall of Africa make sure they continue to attract the traffic they need and get consumers to spend more of their cash?

To answer that question, let's look first at what attracts people to physical shopping centres in the first place. It's certainly not the convenience, but the tangible stuff that makes the difference – the ability to window shop, try on clothes, chat face-to-face with store employees and sit down for a meal afterwards.

Now imagine digital being used in bold new ways to enhance that physical experience, creating 'phygital' spaces that provide a seamless experience consumers can't get anywhere else.

Let's go on a phygital journey

To understand how this might play out, let's revisit my quest for the kitchen accessory, this time taking place at a <u>phygital mall</u>. From the start, everything goes a lot smoother. I already know where I need to go for my hard-to-find accessory because I have an app that provides <u>real-time updates</u> on stock. I order it at a <u>digital shop window</u> and join a virtual queue.

Time for a <u>quick coffee</u> while I wait for my digital basket to be ready. Swiping my smartwatch to pay, I pick up my usual order and sit down at the cafeteria to <u>do my banking</u>. While I'm waiting, I get a notification that, as a show of loyalty, I've been awarded a discount at my favourite clothing store. I've been needing a new shirt, so I use its <u>virtual showroom</u> to try on a few styles before adding it to my virtual shopping cart.

At the end of it all, I have a shopping basket waiting for me at the door with everything I've ordered throughout the day. This isn't the mall of the future – all of the technologies exist today to be able to deliver such an experience.

Thinking beyond the store app

In order to enable this kind of <u>hybrid shopping experience</u>, retailers need to work closely together to create an ecosystem. They need to think beyond the obvious ways of generating foot traffic and consider how they can use connected services to make navigating the mall easier, getting people to stay longer and pushing sales.

There needs to be a strong vision in place, as well as the up-to-date technology necessary to implement it. This calls for some tough questions around existing digital capabilities and overall strategy.

What draws you, as a customer, to malls? How do you think developments such as the Mall of Africa could better use inpremise digital devices to deliver a truly standout experience?

ABOUT THE AUTHOR

Lee Naik is the managing director of Accenture Digital in South Africa. Naik has a deep understanding and appreciation of the transformative role that technology and digital can play, and works with organisations to transform their businesses to remain competitive in an ever-changing and increasingly digital world.