



Retail: the future of entertainment?

Shopping malls are increasingly becoming hybrids of retail and entertainment. *InterFun* investigates

THE world has never changed at a more rapid pace, with the relentless progress of technology making many things simpler, more convenient and cheaper. We often hear about “disruption”; Uber, Amazon, Netflix et al, all shaking up industries and lifestyles. Smartphones and social media have become the new way of engaging, with the smartphone in particular now a ubiquitous presence in our lives. People spend hours on mobile devices daily. This change is incredibly significant in regards to the ways that young people absorb the world around them and in the way that they approach entertainment. As their world and the way they interact with it changes, it only stands to reason that the entertainment sphere would change in a similar way.

As the world changes, so too do the methods utilised to deliver entertainment to guests. Malls have become an increasingly popular venue to do this – they allow families to engage in activities otherwise associated with family entertainment while also giving them the option of food and beverage and retail, all under one roof.

Families are constantly on the lookout for high-quality locations to visit for their out-of-home entertainment needs. Taking family entertainment out of the equation, shopping centres have been popular destinations for families for decades. This may be experiencing a drop off in recent years thanks to the advent of online shopping, compounded by the recent ill fortune of brands such as the UK’s Woolworth’s and House of Fraser – introducing new elements to the age-old formula seemed inevitable. In response to this, mall-based entertainment has galvanised the retail space. By introducing entertainment while

keeping retail as a significant part of the mix, visiting these new fusion locations becomes much more of an enticing proposition to a demographic with limited disposable income.

The expectations of today’s families is rising, just as their options are becoming more varied. Retail is not enough and the consumer is aware of this – so much high quality entertainment is at our fingertips today that leaving the home to be entertained is increasingly becoming the poorer option.

The US, as is often the case, is leading the charge when it comes to this kind of experience. The trend of adding entertainment experiences to retail locations such as stores and shopping centres is a prominent trend in the country as operators look for additional sources of revenue, said White Hutchinson’s Randy White.

“With the continuing loss of department stores and other anchor tenants due to an excessive amount of retail space and the

continuing growth of e-commerce that now accounts for 17 per cent of all conventional store sales and over one fifth of all apparel sales, shopping centres, and especially malls, are looking for both restaurants and entertainment tenants to drive footfall. In some centres, restaurants and entertainment now account for 30 per cent of all the retail space.”

These locations find themselves at an advantage when it comes to attracting the right audience, continued White, and these benefits make them ideal for family entertainment.

“Malls and lifestyle centres are at regional locations and already attract a regional market. Also, in the US, many landlords are willing to make very favourable lease deals to fill empty store space with entertainment venues.”

Attracting a regional market is important when considering the modern consumer. Most customers want more than just entertainment – they want to walk away feeling they have benefited from their experience in some way,





be that educationally or otherwise. This is down to a reduction in free time and money, as well as an increase in the “staycation,” where people are tending towards staying closer to home for their holidays. Offering worthwhile, meaningful experiences is the challenge of the modern operator, as families and children look for enriching activities worth their time. This takes various forms, however, so no out-and-out definition can be identified.

“There is no one specific type of venue that performs the best,” said White. “They can be typical family entertainment centre type venues, ones targeting younger adults or ones targeting children. We are also seeing hybrids of movie theatres combined with entertainment such as bowling and gamerooms and ‘eatertainment’ venues where the food and drink is the majority of revenues. A lot of what works best depends on local competition.”

Regarding the US market, White said the loss of department stores and large big-box retailers have created a space that needs to be filled, one that drives footfall. Mall-based entertainment ticks these boxes, and shopping centres have a number of options that can be utilised to add value. These can range from inclusive VR attractions to carousels and children’s play. Further afield, malls have made headway out of necessity, as family entertainment is not so widely available in other avenues like FECs.

“Unlike in the US, where free standing sites have been readily available and many entertainment venues have been developed free standing, in most parts of the world the only available locations for entertainment have been available in malls. In the Middle East, mall developers have always incorporated a lot of entertainment into their mall’s mix.”

One example of this done well is Pakistan’s Joyland - a company with sights set firmly on leading the charge in retailtainment with the development of its new Super Space project. The company was formed in 1980 with an outdoor amusement facility in Lahore, the second largest city in Pakistan. Starting off with a site of just two acres, Joyland is now the largest outdoor facility in the heart of the city and offers 28 outdoor rides as well as an arcade game area, with more than two million

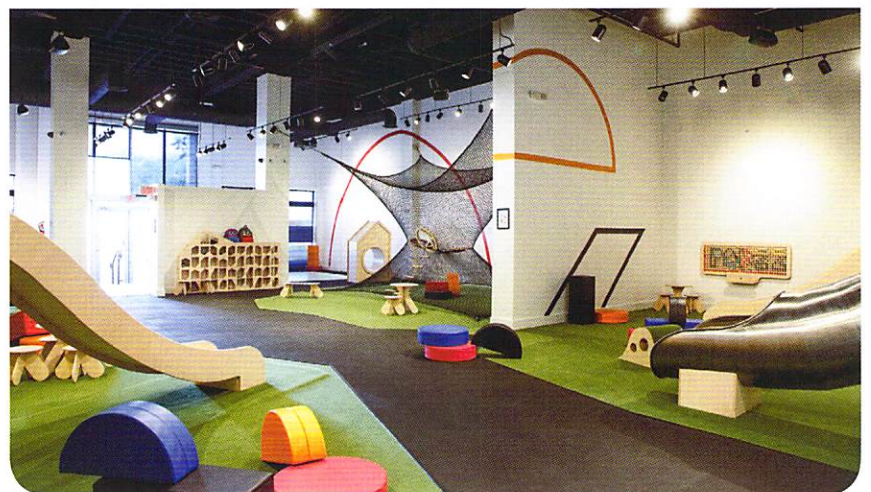
visitors annually.

Joyland is capitalising on the increasingly pertinent trend of family entertainment in retail spaces, often referred to as retailtainment, with two projects under its new Super Space banner.

“The two projects are Super Space at Packages Mall in Lahore and Super Space at Boulevard Mall in Hyderabad, the sixth largest city in the country,” said the company’s Tafweez UI Vakil. “Packages Mall is the second largest mall in the country and is set in the relatively upscale area of Lahore. Despite our wish for a larger area, the mall designated a total of 10,500sq.ft for the entertainment centre. The mall attracts a footfall of around 16,000 per day during the week and 25,000 a day on weekends.”

The importance of location design is now a prevalent industry talking point. It is clear that, to operators, standing out in a crowded market is the challenge that can make or break their success. Bespoke design has risen to prominence because of this – offering visitors something unique, something that they can’t get anywhere else, is a huge draw.

Another company that has risen to meet the growing demand for this kind of service is Uno Parks. This company develops specialised indoor playgrounds and outdoor parks that meet the specific needs of a variety of operators — from retail venues to hotels — across the world. Its portfolio includes more



than 40 adventure parks and playgrounds in North America, Europe and Asia. An example of its approach can be seen in its recent Urban Break Room Pod 22, an indoor edutainment playground located in Miami, in the US state of Florida. The project was undertaken in an effort to address the increasing demand for activities suited to both parents and children; featuring an indoor playground for children and a lounge for adults, it achieved its goal emphatically.

Being mindful of the target demographic is vital to the successful integration of new attractions. The proliferation of smartphones and HD gaming are affecting the market and the industry has to adapt. Millennials in particular are the segment of the market that embrace technology with the most enthusiasm and the year 2020 will be a time when millennials, those typically born in the 1980s and 1990s, will be reaching their peak years of financial earnings. In addition, Generation Z, those born between the late 1990s and the present day, will also have an impact on the retail and entertainment scene, as they are set to become the largest group of consumers worldwide. Most importantly – these consumers prefer experiences to products. We live in an experience economy with larger portions of discretionary spends moving to experiences and entertainment.

White said: “The impact of the internet, social media and at-home and on-screen digital entertainment has completely changed the overall competitive entertainment and socialisation landscape and raised the expectations for out-of-home entertainment and socialisation for all ages, except for the youngest age children.”

Mall-based family entertainment represents a stride forward for the industry, but where will it go next? Are there any avenues that this sector has yet to explore?

“In most situations, the entertainment is contained in a store space,” said White. “Integrating the entertainment into the common area instead, so you don’t have to enter a store, would make every visit to a mall or shopping complex more experiential for all visitors.”