

Bringing The Mall Experience Online: Shopping Centers Go Digital



Joan Verdon Senior Contributor ⓘ

Retail



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Bal Harbour Shops in Florida wants to bring the distinct atmosphere of its shopping center to the ... [+]
BAL HARBOUR SHOPS

Bal Harbour Shops, the luxury shopping center in suburban Miami that has been called the fanciest mall in America, now has a way for its fans to browse what its stores have to offer without leaving their homes.

In June, it launched the Bal Harbour Shops Marketplace, an ecommerce site that lets online shoppers buy products directly from stores at the mall, either for in-person pickup, or for delivery.

The Marketplace, says Matthew Whitman Lazenby, president and CEO of Whitman Family Development, which owns Bal Harbour Shops, isn't simply an e-commerce site where you can buy products found elsewhere online, but a place where shoppers see "the Bal Harbour Shops edit" - curated fashions and accessories being featured at that moment in the stores at the center.

"It's not just another place to buy Ferragamo, but the only place other than Bal Harbour Shops to shop the Salvatore Ferragamo Bal Harbour store," Lazenby said.

Last year, Main Street, mom and pop shops discovered it was crucial to have an e-commerce platform that allowed them to sell the inventory in their stores during quarantines and shutdowns. Now, malls are realizing that they need their own e-commerce platforms, and that they can be a useful tool to drive traffic.

They are also a way to "future-proof our business" said Whitney Livingston, president and chief operating officer of real estate investment firm Centennial, which led the trend with the launch last year of its ShopNow! platform.

"With the rise of e-commerce we knew we needed to innovate and we couldn't just rely on what always worked for yesterday for tomorrow," Livingston said.

Last fall Centennial rolled out an omnichannel platform, ShopNow!, at seven of its properties. ShopNow!, like the Bal Harbour Shops Marketplace, is designed to let mall tenants sell their store inventory online.

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Fulfilled at the mall

ShopNow!, Livingston said, is more of a shop-local strategy than an e-commerce strategy. “The products that are being shopped on our marketplace are products in the physical stores of the merchants at our centers,” and not being fulfilled from remote warehouses, she said. Purchases made on ShopNow! count as sales for the mall.

Lazenby has a similar view of the Bal Harbour Shops Marketplace. “Generally speaking the orders are fulfilled at the boutique, so it really is a store-level solution. Not an e-commerce one,” he said.



Bal Harbour Shops Marketplace seeks to offer a curated luxury shopping experience featuring ...

[+] BAL HARBOUR SHOPS

Bal Harbour Shops, when it was creating Marketplace, wanted to bring the unique experience of shopping at the physical mall to the online realm, Lazenby said. The typical luxury shopper at Bal Harbour, he said, is a world traveler who has seen the London store, the Paris store, the Milan store, of a luxury brand like Ferragamo.

“When they come to Bal Harbour they don’t want to see a cookie cutter version of the same store,” Lazenby said. That rule applies to the Marketplace, he said. The goal was to make it a place where shoppers who were out of town, or who couldn’t make it to the mall, would get a chance to, in effect, browse the store windows online and see which fashions

suiting to the Bal Harbour clientele are being featured by the luxury boutiques.

Shoppers currently can browse categories such as “Arm Candy,” “Apres Pool,” or “Jump Around” (jumpsuit fashions).

“To be a part of the Bal Harbour Shops Marketplace is a great opportunity for our brand and all the other excellent brands at Bal Harbour Shops,” said Antonio De Matteis, CEO of luxury fashion brand Kiton. “I strongly believe that it will also help in attracting customers into the boutiques,” De Matteis said.

E-commerce with an emotional connection

Lazenby’s grandfather, Stanley Whitman, founded Bal Harbour Shops in 1965 with the goal of making it a place that would capture the affluent, snow-bird customer visiting Miami from the north. The three-level, open air mall is designed to mimic a tropical garden. The mall frequently is listed as one of the top-producing U.S. malls in terms of sales per square foot.

Bal Harbour’s secret over the years has been the emotional connection it created with shoppers, Lazenby said. Now, with Marketplace, “we want to take that physical emotional connection and extend it to the online world.”

The center is doing that by making Marketplace content heavy, using material culled from its twice yearly glossy magazine, twice-weekly newsletters, and social media presence that attracts 250,000 followers.

“Bal Harbour Shops has such a distinct point of view,” and the magazine, and now the Marketplace, use content generated by an in-house team to present that point of view, said Carolyn Travis, marketer general and publisher, Bal Harbour Media.

Shoppers who use the Marketplace platform can buy from several different stores in the center. with a single checkout. The sales part of the

platform is powered by Shopify.



MainPlace mall in Orange County, CA, is the first Centennial mall with an upgraded version of the ...
[+] CENTENNIAL

Centennial this spring began testing a newer version of its ShopNow! platform that allows purchases from multiple mall stores to be made through a single online shopping cart. The enhanced ShopNow! is being tested at Centennial's MainPlace center in Orange County, CA, and is scheduled to be introduced at other Centennial properties later this year.

The new version also enables small local tenants at the mall who don't have e-commerce sites to use ShopNow! as their e-commerce platform. That is proving to be an attractive amenity that gives Main Place an edge when it comes to signing leases with local tenants, Livingston said.

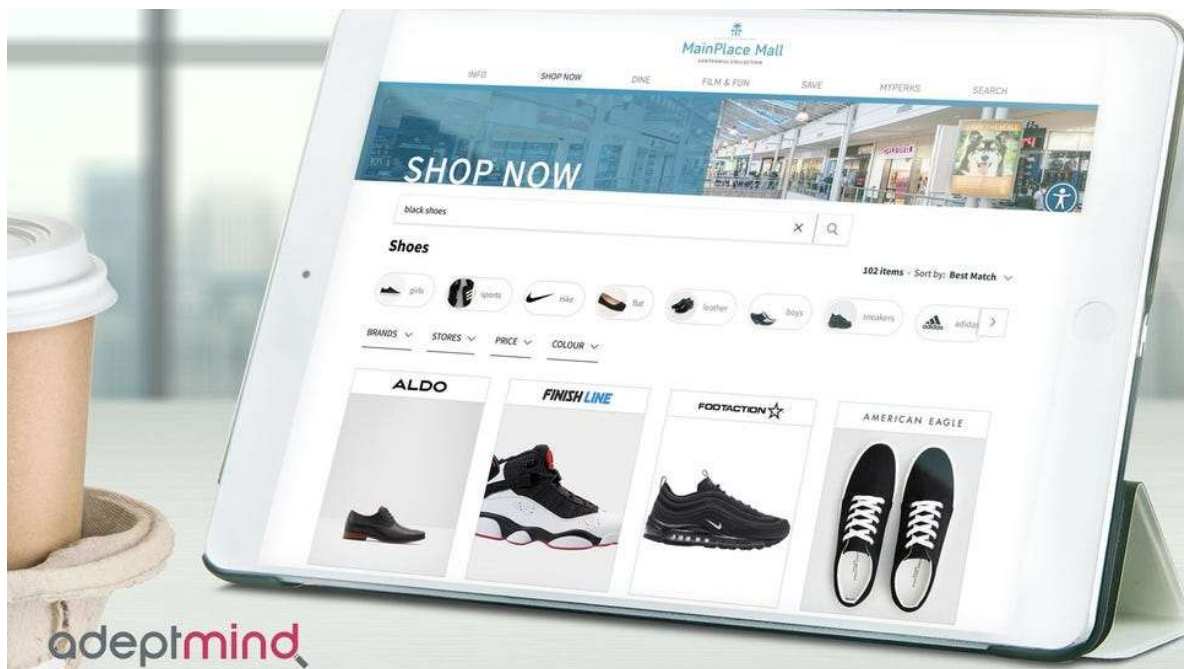
Adeptmind, a Toronto-based company specializing in e-commerce and artificial intelligence, developed ShopNow! for Centennial.

Learning what mall shoppers want

Since the ShopNow! platform's phase-one launch at seven Centennial properties last year, it has been used for several thousand transactions, Livingston said, But its value goes well beyond the number of purchases made on the site, she said. It also lets mall management know what shoppers are searching for.

In April, she said, the top search on ShopNow! was prom dresses. It became clear that the seekers weren't planning to buy their dresses online, but were looking for which stores had the types of dresses they wanted, in order to pre-plan their trips to the malls.

“It provides a lot of insights about what customers want, and then we as the landlord can use that information to inform how we market our centers, how we merchandise our centers, and also share it with our tenants,” Livingston said.



The ShopNow! platform in use on the MainPlace mall website gives shoppers the ability to search the ... [+] CENTENNIAL

When Centennial announced the ShopNow! platform last year, some mall operators and retailers wondered why a physical mall would be promoting a way to avoid a trip to the mall. “I think a lot of people in our industry were scratching their heads,” Livingston said.

“Historically, developers and operators of shopping centers have believed that driving traffic to your center drives sales,” Livingston said. But the new reality is that “e-commerce does not eliminate the need for retailers to have a physical presence,” she said. “Rather, retailers that embrace both channels are the most successful.”

Lazenby shares that view.

“I don’t believe having Marketplace comes at the expense of shoppers actually coming to Bal Harbour Shops,” he said. “The Bal Harbour shopper is someone who comes to the center with great frequency, and also one who from time to time goes to balharbourshops.com and gets that product or service online, whether because it is convenient for them at the moment, or because they’re out of town, or maybe they shop here when they are on vacation and now they are at home.”

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Joan Verdon

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