



Raiders of the Lost Mall? The Impact of Digital Technology

August 26, 2015

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Editor's Note: This post is a condensed version of a four-part blog post series that appeared on Forbes.com and is authored by Bryan Pearson, LoyaltyOne CEO. Links to all four parts of the series can be found throughout this 'On the Contrary' post. The first part of the series can be found [here](#).

Technology has enabled many entertaining functions for shopping digitally, especially for those time-strapped, double-income families – it is hard to resist the Magic Mirror technology that projects a clothing image on a user's own mirror so she can virtually try the item on. However, I suspect these gizmos, like "shopbots," are novelties that simply punctuate the broader conversation around what defines shopping as a human experience.

There are 3 important questions that can help us examine how digital technology and its rapid adaptation, across all age groups, is challenging retailers to identify and serve desired customer experiences in a fluid economy:

1. [How can online merchants create a digital environment that emulates the shared, relationship-based shopping experience many people still savor with family and friends?](#)

To identify preferred customer experiences, all retailers are tasked with breathing life into analytics. That means decoding the data, teasing out aspirations from actions, and drawing understanding, the lifeblood of customer relations, from their insights.

Warby Parker, a competitively priced online eyeglass-frame maker that launched in 2010, has transformed what was an essentially physical, and often colorless, shopping experience into a highly engaging digital one. Warby Parker's brand loyalty is owed to its strategy of dressing up the process of trying on glasses with an element of sociability that does not exist at the traditional eyeglass store. By sending customers a selection of frames to try on at home, at the office or wherever, Warby Parker gives them the chance to share and get feedback from family and friends before they buy.

3 Fundamentals of Online Success that Warby Parker has taught us:

- **Shared experiences:** Warby Parker is best known for uniquely morphing the convenience of online shopping with the social satisfaction of trying on frames before family and friends. It did this through its Home Try-On program, through which customers can order a sample box of five frames. The site also offers a live chat feature for shoppers seeking additional information.
- **Customized customer understanding:** Warby Parker's intelligence team has created an in-house data book the full company adheres to, ensuring a common, unambiguous vocabulary and approach. To better understand the relationship between online and offline purchasing, it overlays resources such as clickstreams, transactional history, in-store analytics and social media.
- **Brand discipline:** As it expands from online ordering to physical formats, Warby Parker is tasked with maintaining those online customer expectations, seamlessly. Regardless of purchase channel, all employees, from service reps to data analysts to designers, serve as brand marshals, relying on a style guide that includes advice on how to converse with customers in a likeable, compelling way.

2. [How should the combination of physical and digital purchasing – using one to complement the other – change the nature of physical shopping?](#)

Ikea introduced its first U.S. catalog 30 years ago this summer, when it simultaneously entered the North American market by way of Philadelphia. Straightforward, beautifully photographed and full of umlauts, the catalog captured the style and practicality of the brand, but back then it did not quite portray the playfulness for which Ikea is better known today.

Here are 3 of Ikea's efforts to redefine its online-to-in-store experience:

- **Make a small space big:** This [online video](#) takes the user through a variety of tiny home spaces, from kitchens to closets, and gives advice on how to best maximize the space (with

Ikea products, of course). After walking through each room, the video host gives the user a chance to browse the virtual space and learn individual problem-solving tips by clicking on prompts, each of which leads to product information.

- **Online Wedding:** Ikea's virtual nuptial site invites virtual brides and grooms to choose a theme and setting, from beach to forest to circus, and then carry on with the nuptials, via webcam, by live-streaming their own heads and the heads of guests onto bodies portrayed in the setting. Brides and grooms can actually get married this way (with a legit official). But most of all, the site sets up another opportunity to display a digital showroom to a hot market.
- **Installations via Instagram:** In 2014, Ikea Russia launched a [digital catalog](#) via Instagram in a bid to capture the attention (and dollars) of young adults. The mobile-friendly catalog allows users to search for, tag and recall specific products, working pretty much like a regular website.

3. [We have evolved from mega mall to power center to online shopping. What will the future hold in terms of shopping formats?](#)

Walmart, the world's largest retailer is seeking new destinations and has been opening in traditional malls for some time. In 2011, for example, it opened two small-format Walmart.com stores in Southern California malls to showcase its online efforts while also stocking some essential items.

At the same time, Walmart has been taking a page from the open-air-mall playbook and maneuvering into densely populated areas through its Neighborhood Market store, a model that averages 42,000 square feet.

Despite our many changes, the axis upon which all retail spins is unchanging, as long as humans are hard-wired to congregate. Sure, Amazon.com and Google may put detergent, socks and cereal into our hands through a single click, but that hardly passes as a shared experience. There is room, in our variable lives, for both types of shopping.

Wall Street Journal reporter Paco Underhill wrote in a recent column that as the consumption baton passes from baby boomers to millennials, the shopping relationship will be reformulated. The result, he wrote, is that malls are becoming "alls."

"We will go to the mall to be entertained and live our lives; to recreate, not just to shop."

But hasn't it always been that way? The future of the mall – as a lumbering dinosaur or a runaway success – will depend on how it manifests the destination. But make no mistake, the nondescript, cavernous architecture upon which the industry was built is no longer cutting it.
