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| |  | | --- | | **VIDEO CASE 17-1 Mall of America: Shopping...and a Whole Lot More!**  "Build it and they will come" not only worked in the movie*Field of Dreams* but applies-big time-to Mall of America!  Located in a suburb of Minneapolis, Mall of America ([www.mallofamerica.com](http://www.mallofamerica.com)) is the largest completely enclosed retail and family-entertainment complex in the United States. "We're more than a mall, we're a destination," explains Maureen Cahill, an executive at Mall of America. More than 100,000 people each day-40 million visitors each year-visit the one-stop complex offering retail shopping, guest services, convenience, a huge variety of entertainment, and fun for all! "Guest services" include everything from high school and college classrooms to a doctor's office and wedding chapel.  **THE CONCEPT AND CHALLENGE**  The idea for Mall of America came from the West Edmonton Mall in Alberta, Canada. The Ghermezian Brothers, who developed that mall, sought to create a unique mall that would not only attract local families, but tourists from the Upper Midwest, the rest of the nation, and even abroad.  The two challenges for Mall of America: How can it (1) attract and keep the large number of retail establishments needed to (2) continue to attract even more millions of visitors than today? A big part of the answer is in Mall of America's positioning-"There is a place for fun in your life!"  **THE STAGGERING SIZE AND OFFERINGS**  Opened August 1992 amid tremendous worldwide publicity, Mall of America faced skeptics, who had their doubts because of its size, its unique retail-entertainment mix, and the nationwide recession. Despite these concerns, it opened with over 80 percent of its space leased and attracted more than one million visitors its first week.  Mall of America is 4.2 million square feet, the equivalent of 88 football fields. This makes it three to four times the size of most other regional malls. It includes four anchor-department stores-Nordstrom's, Macy's, Bloomingdale's, and Sears. It also includes over 520 specialty stores from Brooks Brothers and Sharper Image to Marshall's and DSW Shoe Warehouse. Approximately 36 percent of Mall of America's space is devoted to anchors with approximately 64 percent in specialty stores. This makes the space allocation the reverse of most regional malls.  The retail-entertainment mix of Mall of America is incredibly diverse. For example, there are over 100 apparel and accessory stores, 17 jewelry stores, and 24 shoe stores. Some retailers have more than one store. Two food courts with 27 restaurants plus over 30 other restaurants scattered throughout the building meet most food preferences of visitors. Another surprise: Mall of America is home to many "concept stores," where retailers introduce a new type of store or design. In addition, it has an entrepreneurial program for people with an innovative retail idea and limited resources. They can open up a kiosk, wall unit, or small store for a specified time period or as a temporary seasonal tenant.  Unique features of Mall of America include:   * Camp Snoopy, a 7-acre theme park with over 50 attractions and rides that include a roller coaster, Ferris wheel, and games in a glass-enclosed, sky-lighted area with over 400 trees. * Underwater World, where visitors are surrounded by tropical sharks, stingrays, and sea turtles; can adventure among fish native to the north woods; and can discover what lurks at the bottom of the Mississippi River. * The Upper East Side, on the fourth floor with its bars, nightclubs, game rooms, 14-screen theater, comedy club, and state-of-the-art bowling alley. * The LEGO Land Imagination Center, a 6,000 square-foot showplace with over 30 full-sized models that include dinosaurs and astronauts. * Cereal World, a new theme park created by General Mills to let children actually see cereal "come to life" and enable them as well as adults to learn more about cereal grains, products, and health.   As a host to corporate events and private parties, Mall of America has a rotunda that opens to all four floors that facilitates presentations, demonstrations, and exhibits. Organizations like Pepsi, Visa-USA, and the U.S. Postal Service have used the facilities to gain shopper awareness. Mall of America is a rectangle with the anchor department stores at the corners and Camp Snoopy in the sky-lighted central area, making it easy for shoppers to understand and navigate. It has 12,750 free parking ramp spaces on-site with another 7,000 spaces nearby during peak times.  **THE MARKETS**  The Minneapolis-St. Paul metropolitan area is a market with 3 million people. A total of 28 million people live within 400 miles or a day's drive of Mall of America. A survey of its shoppers showed that 43 percent of the shoppers come from outside Minnesota and account for 56 percent of the sales revenues. Located three miles from the 13th-busiest international airport in the world, Mall of America provides a shuttle bus from the airport every half hour. It will also have light rail service from the airport and downtown Minneapolis in a few years.  About 6 percent of visitors come from outside the United States. Some come just to see and experience Mall of America while others take advantage of the savings available on goods (Japan) or taxes (Canada and states with sales taxes on clothing). Both situations have changed with the recession and arrival of discounters in Japan and the decline of the Canadian dollar.  **THE FUTURE: FACING THE CHALLENGES**  Where does Mall of America head in the future? "We just did a brand study and found that Mall of America is one of the most recognized brands in the world," says Maureen Cahill. "They might not know where we are sometimes, but they've heard of Mall of America and they know they want to come."  "What we've learned since 1992 is to keep the Mall of America fresh and exciting," she explains. "We're constantly looking at what attracts people and adding to that. We're adding new stores, new attractions, and new events. We hold over 350 events a year and with everyone from Garth Brooks to Sarah Ferguson to \*NSYNC."  Mall of America recently announced a plan for a 5.7 million square foot expansion, the area of another 117 football fields, connected by a pedestrian skyway to the present building. "The second phase will not be a duplicate of what we have," says Cahill. "We have plans for at least three hotels, a performing arts center, a business office complex, an art or history museum, and possibly even a television broadcast facility."  IKEA just opened a 336,000 square foot furniture store in the expansion phase, and Caesar’s is exploring adding a casino, hotel, and entertainment complex. Both reinforce that Mall of America is a destination for shopping and a whole lot more. In addition, the mall has taken out a $100 million terrorist insurance policy and moved the transit hub outside the mall in the wake of 9/11.  ***Questions***   1. Why has Mall of America been such a marketing success so far? 2. What (a) retail and (b) consumer trends have occurred since Mall of America was opened in 1992 that it should consider when making future plans? 3. (a) What criteria should Mall of America use in adding new facilities to its complex? (b) Evaluate (1) retail stores, (2) entertainment offerings and (3) hotels on these criteria. 4. What specific marketing actions would you propose that Mall of America managers take to ensure its continuing success in attracting visitors (a) from the local metropolitan area and (b) from outside of it? | |
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