

Changing the Way You Shop

On-line service first to make entire malls searchable

By Samantha Murphy

(January 01, 2007) Making a trip to the mall can seem like a chore for time-starved shoppers. However, consumers across four malls are gaining a more convenient way to complete their shopping trips with the help of a new search-engine tool.

Clearly, the Internet is impacting the way consumers buy merchandise. Statistics reveal that more shoppers are researching merchandise on line, but making purchases in-store. To help mall-based retailers attract these time-starved, information-driven shoppers, malls are beginning to add a new search-engine solution that aggregates tenants' merchandise.



A new search engine streamlines mall shopping by enabling shoppers to pinpoint sales and merchandise in a specific mall.

Called the first company to make shopping centers searchable on line, Mountain View, Calif.-based Nearby- Now is helping malls make this concept a reality, as its solution collects inventory data and stores it in a single on-line directory. Consumers can tap this directory to explore available products, brands and sale merchandise from all participating retailers before heading out the door to shop.

“We realized that if we made a mall searchable, it would be a better value proposition for retailers,” said Scott Dunlap, CEO, NearbyNow. “Rather than deliver a search engine to compare prices among all retail competitors, our search engine enables shoppers to compare merchandise among participating mall tenants.”

Four malls are convinced this will be a boon. Santa Clara, Calif.-based Valley Fair Mall launched the service in August, and features 808,000 searchable products. In October, Eastridge Mall in San Jose, Calif., added its own directory with 500,000 searchable items. At presstime, Westfield Oakridge Mall also in San Jose, and Park Place Mall in Tucson, Ariz., joined the NearbyNow family, according the vendor's Web site.

Participating brands run the gamut, from Gap and Adidas to Gucci and Victoria's Secret. The solution enables shoppers to see which stores are offering sales and promotions.

Eastridge's J.C. Penney location can attest to the search-engine's impact. "We continually see shoppers looking for something specific during their visit. Yet, it's evident that they aren't familiar with our store," explained Mike Gobble, the store's assistant manager. "[It's obvious that] they found out about us and our merchandise through another source, [like the Web]."



Although the service is relatively new, Eastridge's J.C. Penney is already seeing benefits. "The J.C. Penney brand has changed a lot. However, because of this site, customers are rediscovering us all over again," he said.

The J.C. Penney in Eastridge Mall in San Jose, Calif., is expanding its exposure through a new on-line mall directory.

"Shoppers are accessing the search engine and finding out that we have the products they want," he added.

"There's a good chance that without the site, they may not have realized that we had what they were looking for."

The site is attracting new shoppers, too. For example, Gobble's store is starting to attract customers that normally shop at the mall's trendy teen-targeted retailers.

"Since we updated our image, J.C. Penney has brought in a lot of new, hip brands and designers," he said. "Our new, more fashionable look is much more meaningful to that market. And shoppers are starting to see that."

To ensure that it can provide customer service to new and existing shoppers, Penney encourages shoppers to use the site's product-reservation service. By enabling shoppers to reserve merchandise directly through the site, participating retailers are ensuring that shoppers will find their selected items in their preferred size and color waiting for them at the store.

"It's been great for us because once the customer is in the store for their reserved item, we always have the opportunity to up-sell—and that's powerful," Gobble said. Currently, more than two-thirds of shoppers who used the reserved product service end up buying more than one item, Dunlap said.

All for One?

Unlike J.C. Penney, some retailers are worried about how the service could affect their brand's image. Victoria's Secret is one of these retailers.

"The company makes big investments in their models, so they don't like to give away their images," Dunlap said. "They can really only be viewed on VictoriasSecret.com."

While Victoria's Secret will come up during a search for lingerie or pajamas, the site will put the entry at the bottom of results, sans photos. "It would be a lot more effective if retailers add images," he said.

Conversely, Valley Fair and Eastridge malls' Gap stores shared images willingly. "Gap.com has great corporate- created pictures and merchandise descriptions," Dunlap explained, adding that NearbyNow synchronized its service with the Gap's inventory files, enabling shoppers to stay abreast of inventory availability.

Penney has a similar process. "There are products that we advertise on both the mall and on JCPenney.com," Gobble said.

"If a consumer wants something that we don't have instore, they can see that it's available on our site," he added. "This helps us draw attention to our stores, and to our Web site. Besides bringing exposure on both levels, the site is crossing our two customer sets, and we're very happy with the results."

While some may argue that the solution increases competition among mall tenants, Gobble disagrees. "I'm not worried at all [about competing with other stores]," Gobble said. "Even if a store has a promotion, we have our own campaigns. I can't think of any drawbacks. It's like free advertising. Why wouldn't we want to be involved?"

Gaining Access

New capabilities are constantly being added to the search service. For example, Gobble hopes to deliver coupons through the site.

"Currently, we have flyers that promote specific campaigns in our stores," Gobble said. "We'd like to do this as a PDF on line. That would enable shoppers to print it out before they come in."

The site is also boosting hiring efforts. "When shoppers browse the site, they start to notice other things, including available positions," Gobble said. "More people are starting to apply for jobs since we have had listings on the site."

Some shoppers also want to streamline their shopping trips while on the run. Besides enabling shoppers to use the site via mall-based kiosks, NearbyNow launched a solution last month that enables consumers to tap the service via text message.

"Shoppers reveal the mall they are in via text message. From here, the process mimics the typical scenario as if the consumer were sitting at her home computer," Dunlap said. "Someone could text asking for 'white shirt on sale,' and then she would receive an answer."

Soon, even more shoppers will be able to access these services. Malls across 20 more cities, including Atlanta and Portland, Ore., are on tap to feature the service, helping

NearbyNow reach its goal of “expanding to all malls and shopping centers,” Dunlap said. He did not share when the next malls would be live.

Gobble, for one, supports the idea. “I worked in a mall with a Web site before, but the capabilities don’t even compare,” he concluded. “This is the beginning of something that could be really great—as long as other retailers support it, too.”