



IT'S FIESTA!

By Paco Underhill

Fort Worth is Texas's best-kept secret. In the shadow of Dallas, its more prominent neighbor, it sits quietly with an elegant downtown containing good retail, interesting restaurants and some very well-respected small museums. It is a community of what passes in Texas as old money. "Dynasty" and "Dallas" could have been titled differently, but the Ft. Worth locals are probably happy that Hollywood made Dallas the star. Said differently, Ft. Worth is more about the stock show than wildcatting, or in plainer language—cows, not Texas crude oil. Down the street from my Fort Worth hotel is a miniature copy of the Flatiron building, ironically sited around the corner from my New York office. The residential Flatiron replica with its cool factor adds to my thesis that what makes a city relevant in 2017 is the willingness of hipsters to live in it. Which is why I still have faith in Detroit: Urban density also breeds innovation, and renewal.

This is a mall for the Latin market: cowboy hats, bling, Quinceanera sweet-16 party dresses, tax services, money transfer companies, a branch of the county health office, food, and much more are offered to a highly targeted customer.

SITE-SPECIFIC

Ten minutes from downtown is a successful experiment that deserves our attention: La Gran Plaza, the 200+ store repositioned shopping mall. Built in 1961 and then bought and repositioned in 2004-05 as a noble experiment. With the exception of the Ross Store, The Burlington Coat Factory and maybe Bealls, the rest of the tenants are unrecognizable to mainstream America. This is a mall for the Latin market: cowboy hats, bling, Quinceanera sweet-16 party dresses, tax services, money transfer companies, a branch of the county health office, food, and much more are offered to a highly targeted customer. One of the older department store anchor spaces has been transformed into a Mercado of small stores, with genuine chain-link fencing for walls. A three-story children's playground with slides dominates the central courtyard. The sounds, smells

and broader offerings are laser-focused, and even on a late-morning Tuesday in January there was a buzz. On the surrounding pad are a Fiesta Supermarket and a 90,000 square-foot office tower the mall is working on redeveloping.

When La Gran Plaza opened in 2005, it had its own mariachi band that marched in local parades as a PR/promotional face for the mall. Today the mall is now home to a mariachi school for both adults and kids, performing well-attended weekly concerts. Latin pop stars visit and there are what Anglos might call "tea dances" in the afternoons. The mall draws a mix from a 50-mile radius that is about 80 percent Latinos and 20 percent voyeurs visiting as much for the food and entertainment as they are for the shopping. La Gran Plaza is a family place. When I visited the mall years ago when it opened, it was the first place I'd seen family bathrooms with adult and kiddie toilets sitting next to each other.



LA GRAN
PLAZA



FOCUSED POWER

The marketing manager I talked to at the Plaza claims it has the largest social media presence of any mall in the Dallas/Fort Worth market. My favorite social media engine is an old Air Force training jet parked in the concourse, a convenient stage for family selfies. What is so brilliant about the leaders behind the Plaza is that this is a targeted mall. It doesn't try to pretend to be anything other than authentic. It is not after the Neiman Marcus customer. It is not even after the Macy's customer. It has identified an underserved market and captured it. And it's working. Its distinction is that the mall's traffic counters have logged year-to-year increases of five to six percent across the past decade. How many properties can report that?

DECLINE AND FALL

The Robin Report has systematically reported that a core of several hundred A-Malls will continue to prosper. It is the B and C malls that are deeply troubled. This problem isn't unexpectedly new. Fifteen years ago, as I worked on my second book, *Call of the Mall*, I visited struggling shopping malls all across the country. From Hendersonville, NC to Palisades, NJ, the properties that sizzled in 1990 were breathtakingly empty in 2002. The critics loved it, but the book sold modestly. It was translated into 14 languages and sat on shelves and gathered dust. Sadly, it could be reissued today with few modifications. So what have malls been doing, or rather not doing, for the past 15 years? They had plenty of opportunity and runway to make changes. But they didn't.

Blaming the recession and the internet are just contemporary excuses. The real wounds to the American shopping mall are not from external forces, but rather are self-inflicted.

Some observations:

- There is the problem with a sea of sameness. Is it possible to be teleported into a mall and actually know where you are? The cookie-cutter stores, concourses, palm trees and food courts—they all look the same from the inside.

- Landlords worshipped at the altar of the anchor tenants and created the climate for the birth of category killers that left the mall both for cheaper and friendlier real estate. Can you think of an American mall where you could buy both a book and a baseball, much less a half-gallon of ice cream?
- In 1995, a landlord was much more comfortable renting to a national than a local tenant. The national was ready to pay more money and sign a longer lease.
- Malls were built on borrowed money. The banks liked to see names they recognized on the tenant roster. The large shopping mall companies were more answerable to the banks than responding to the shopping needs of the public.
- The developers understood, even as early as the 1980s, that a mall was no longer being built to serve a new market, but rather to compete in an existing market by being closer, bigger and newer.
- In 2017, we are awash in tired and badly aging B and C malls. All of them are as clunky and unattractive as they were the day they opened. Is the solution dynamite? The truth is that some of them deserve to get blown up.

RIISING FROM THE ASHES

Some lower-tier malls remain ripe for reinvention, and at La Gran Plaza we have a blueprint for the building blocks to reinvention.

At the Plaza you can get a lot of stuff done. A three-generation family can come for an entire afternoon. Grandma and kids go to the concert and watch the teenagers dancing. Mom can get her weekly shopping done and Dad can deal with the nuts and bolts of living with tax preparers, insurance brokers, and money transfer agents. The eating choices are targeted to their tastes and wallets. No Wendy's, no Pizza Hut; just local providers making distinctive, rotating fare. You want chili-flavored ice cream? You got it.



What is so brilliant about the leaders behind the Plaza is that this is a targeted mall. It doesn't try to pretend to be anything other than authentic.

When you target the right customers, give them what they want and provide a meaningful experience, your draw can be 50-plus miles.

- Eating is something we can't do online. Recognize that a great food court or well-curated restaurant mix drives traffic. Barfield Place in New York is an excellent example of a curated selection of local food offerings in a food hall setting that serves its market very well.
- Shopping mixed with music and dancing: why not? You can have drug-free early morning dance party raves as a cheap and enjoyable alternative to a gym aerobics class? Who doesn't like to move or watch other people move?
- Providing the proverbial treasure hunt of possibilities that are curated for a specific customer base is failsafe.

So what do troubled malls do when they need help? Sure, they can change the layout, the cosmetics and the store mix. But the real question is, do they have the courage to be different and try a fresh approach? Do they really know their customers? Can they repurpose these aging, irrelevant shopping centers into vibrant, dynamic communities catering to a specific customer base? I say, visit La Gran on a Saturday afternoon and just feel the vibe. **RR**



PACO UNDERHILL
CEO and Founder
of Envirosell

Paco Underhill leads a behavioral research and consulting firm with 10 offices globally. Paco and Envirosell's work has been featured in The New York Times, 20/20, National Public Radio, Smithsonian Magazine, Wall Street Journal, and other major news media. Paco is also the author of What Women Want, which was published in soft cover edition by Simon & Schuster in July 2011; Call of the Mall, a walking tour of the American shopping mall; and Why We Buy, the bestselling book about retail in history. In addition, Paco's columns include regular features in major trade publication DDI Magazine.