



CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT



# LET'S TALK BUSINESS

*IDEAS FOR COMMUNITY DEVELOPMENT PROFESSIONALS WORKING TO EXPAND LOCAL BUSINESS ACTIVITY*

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## **Retail and Entertainment** *Making Shopping Fun in Your Community*

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The merging of entertainment and retail is one of the biggest trends facing stores, malls and downtowns today. Shopping centers and business districts are using entertainment to set themselves apart from the competition. Many innovative examples of how entertainment and retail are being combined exist in our country's urban areas. The idea of providing shoppers with a pleasurable experience offers an opportunity to increase sales in any community.

### **Why Entertainment is Becoming Important**

Consumer spending on entertainment has increased significantly in recent years. Real incomes are rising and households headed by 34- to 54-year olds (a group that spends heavily on entertainment) are increasing. As baby boomers reach their peak earning years, their propensity to dine out and seek entertainment will increase.

Consumers want to use their time better by combining shopping and leisure. In recent years, shopping has become a chore with people spending less time in malls. Entertainment has emerged as a strategy that can influence where people shop and how long they spend shopping.

### **In-Store Entertainment**

Many retailers have created innovative ways to provide shoppers with pleasurable experiences. They attempt to get people into the store, stimulate their emotions, keep them there and encourage them to buy. The following are examples of in-store entertainment:

- *Merchandise Demonstration Areas:* SportPlex in Scottsdale Arizona allows customers to try out sporting goods in the store before they pay.
- *Life Enhancement Activities:* William Sonoma offers cooking lessons. The Pottery Barn has a decorating center. Home Depot offers "how-to" classes for its customers on a variety of home maintenance topics.
- *Children's Entertainment:* The Disney Store offers children cartoons on an oversized screen. Warner Brothers does the same, but appeals to adults as well. Crayola and others are attracting kids and their parents who actually do the purchasing.
- *High Tech:* Incredible Universe brings bright colors, flashing lights, videos and music to the electronics sales business.
- *Relaxation:* Barnes & Noble browsers can sit comfortably on couches and read. At Nordstrom's, hurried customers are entertained by a pianist.

Drawn from: Phillips, Patrick, "Merging Entertainment and Retailing," Economic Development Review, Spring 1995, page 13.  
Phillips, Patrick, "Remaking the Shopping Center," Urban Land Institute: Reinventing Real Estate, 1995.

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## Entertainment Anchors

Many regional malls are adding entertainment centers to appeal to the after-6 PM crowd and create a new downtown for the community. The Mall of America and Mills outlet malls are examples of how retail and entertainment can be combined on a large scale. Entertainment anchors found in regional malls may include:

- *Theme Restaurants:* Americans now view eating as the number one way to unwind and relax according to a recent Salomon Brothers report on the restaurant industry. Hard Rock Café, Planet Hollywood and the Rainforest Café combine dining with entertainment. They aim to transport patrons to an exotic and entertaining atmosphere, then offer merchandise that guests can take home as souvenirs.
- *Family Entertainment Centers:* Indoor centers typically have more than 20,000 square feet with features that appeal to families with young children. They include climbing and play equipment, small scale rides, video arcades, games, redemption games, food and beverage and merchandise.
- *Theaters:* Large mega-theater complexes are drawing huge crowds in various areas around the country. In other areas, high-impact film technology such as Imax and Omnimax are being offered in selected shopping centers. They are giving new life to tired malls and are boosting sales of neighboring businesses, especially those that sell software, videos and CDs
- *High-Tech Entertainment Centers:* These centers range from 10,000 to 40,000 square feet and take the traditional video arcade to the next level by introducing more sophisticated games, simulators and virtual reality in a themed environment.

Entertainment is also important in many downtowns and regional development initiatives. Downtown areas are great places to bring together retail and entertainment. In many communities, museums, sports centers and food and beverage facilities already exist and can be packaged to create a pleasurable and more interesting shopping experience.

Unfortunately, new retail/entertainment developments require a critical mass of residents

and tourists. Further, entertainment facilities are very expensive to build and may only be feasible in larger market areas. Nevertheless, there are various opportunities that might make sense in smaller communities.

## Entertainment/Retail in Small Communities

The creation of entertainment opportunities are especially important to our small communities. Not only do special events, festivals, parades, and businesses such as theaters provide much needed entertainment for their residents, they also have a positive impact on the surrounding business community. While special events are not always designed to ring cash registers, they bring people to our downtowns and provide valuable exposure to the businesses, architecture, exciting window displays, revitalization progress, public spaces, and other assets that help shape the interesting atmosphere of the area. If we can create a good experience for them, they will come back and hopefully support our business community.

### Family Movie Night in Sharon

The Sharon Main Street Program recently brought an old tradition from the 1930s and 1940s back to the downtown area. Area residents once again enjoyed "Movies on Main Street." Films featuring W.C. Fields, Laurel & Hardy, Abbott & Costello and cartoons were shown outdoors on the back of a downtown building. Over 100 people brought their lawn chairs and blankets to downtown Sharon for a night of movies, popcorn and root beer floats.

### Renovation of Historic Park Falls Theater

Restoration work continues on the historic Park Theater in downtown Park Falls. Vacant since 1996, the theater now has new ownership and repairs are being made. It recently reopened, significantly increasing traffic during showtime.

### Hot Summer Nights & Cash Night in Tigerton

Tigerton (pop. 800) coordinates a series of musical entertainment in its downtown gazebo on Friday nights in the summer. "Hot Summer Nights" generate crowds of people and the local Main Street organization sponsors "Cash Night," a weekly drawing that brings people into the downtown area.

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