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The New Food Court

With mall vacancies at a high, the food court is becoming more important.



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Ever since the first farmers packed up their produce to sell in the town square, food has been an important part of the shopping experience. But lately, it seems the food is better than ever.

At the Macy's in Chicago, celebrity chefs like Rick Bayless have set up shop with their own quick-service or fast-casual restaurants. In London, luxury department store Harrods boasts 30 restaurants ranging from casual to opulent. And these aren't the only places beefing up their food offerings.

Shopping centers across the country are investing, turning to food as a way to lure guests back.

Les Morris, spokesman for major mall owner Simon Property Group, says that the best way to a customer's heart is through his stomach.

"The role of food in a mall is important and will continue to be," Morris says. "Mall food-hall offerings will only continue to evolve."

Evolution is a matter of survival of the fittest, and the food court business is no exception. While mall industry representatives insist their industry is booming, those closer to the business tell a different story.

California-based Hot Dog on a Stick has 102 mall locations out of a 104-store system, and executive vice president Laurie Sonia is keenly aware that traffic is down.

"Malls in the last few years have changed dramatically because of the economy, and also because online shopping has become so easy," Sonia says. "I honestly don't think the demographics have changed, I just think there's less people going to malls."

Those changes have had real impact on mall tenants. Dippin' Dots, a longtime mall favorite, recently filed for bankruptcy, and Hot Dog on a Stick saw its sales fall in 2009 and 2010. Sonia says the percentage her sales fell was more or less the same percentage total mall traffic fell.

"The last two years before this one our sales had decreased, anywhere between 5 and 10 percent [a year]," Sonia says. "I think that's why you've seen so many retailers go out of business—it's hard to sustain those kind of losses."

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[Doc Popcorn \(/category/chains/doc-popcorn\)](#) While the newspapers have backed off from the doom-and-gloom predictions they made in 2009 (the *Wall Street Journal* talked about “ghost towns” then), the mall situation is still far from rosy.

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An October 23 article in *USA Today* quotes a study by Commercial real estate research firm Reis that shows mall vacancies at an 11-year high in the third quarter of 2011.

With big retailers like Border, Blockbuster, and Linens N’ Things shut down and hundreds of other stores closing, mall owners are turning to other things to attract traffic.

“Coming out of the recession, there’s been an increase in importance in dining and entertainment,” International Council of Shopping Centers spokesman Jesse Tron says. “Basically right now the focus is redevelopment.”

Tron says the general plan is to give customers more reasons to come into the mall. Since eating at a restaurant is a fundamentally social activity, bringing in more eating options encourages people to come and bring their friends.

Suzyn Cragin, manager of Superior, Wisconsin’s Mariner Mall, says her mall’s two restaurants have been helpful in boosting traffic.

“Both of them draw people,” Cragin says. “When people are shopping they need places to dine. [It] makes people stay a little bit longer and shop a little bit longer.”

Tron says as businesses emerge from the recession, the emphasis has been on more traditional restaurants, which have a larger footprint and provide more of a destination feel to a mall.

“Outside of the food court is where you’re seeing those changes,” Tron says. “Those larger chain-style restaurants are pretty popular, as well as coffeeshop/cafes.”

This increased emphasis on sit-down dining means more competition for quick serves.

Tron says, however, that food courts are changing as well. An attractive central eating space serves as a gathering point, and malls have been quick to jump in and make them as comfortable and eye-catching as possible.

Part of the spirit of providing more options means developing and expanding quick serves along with sit-down restaurants.

“You have certain consumers who want to come in and grab a quick bite,” Tron says. “[The] food court’s still certainly integral.”

Even when the tenant mix doesn’t change, the ambiance does.

Fixtures, carpeting, and lighting can freshen up a food court, especially when more expensive materials are used.

Sonia notices this trend in some of the malls where Hot Dog on a Stick has a presence.

“They are getting more upscale,” Sonia says. “I think in general they’re trying to take it in a more upscale direction.”

One mall that has invested significant money into its food court is San Diego’s Fashion Valley. As part of the first phase of the multimillion-dollar renovation project, the mall updated and modernized the food court space. It added contemporary tables and chairs, along with banquette and bar seating that increased the total seating by about 10 percent. Vertical landscaping, large ceramic potted plants, skylights streaming natural light, and freshly repainted surfaces made the food court inviting. Morris says it’s all about getting guests to linger.

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