

# Apparel

## Creating Smart Malls With a Bandwidth Boost

By Rob Hale, Founder and CEO, Granite Telecommunications, LLC — September 01, 2015

Shopping malls and other storefront retailers face an ongoing test: As online shopping grows and it becomes easier for consumers to buy everything from laundry detergent to camping tents online, how can malls — and the retailers within them — attract shoppers away from their computer screens and into their stores?

Many malls and shopping centers around the country are working hard to keep and grow their customer base by improving the experience for shoppers when they visit the mall or store. They are doing so by offering customers features such as automated parking spot counters and fast Wi-Fi and by enabling in-store applications such as mobile point of sale systems, advanced inventory systems, enhanced security systems, digital signage, interactive Wi-Fi and even specialized apps that provide an exceptional shopping experience.

To accomplish these enhancements, mall operators and retail tenants need access to high-bandwidth networking services that include both Internet access and voice. The issue: the types of services needed aren't usually available to malls. Traditional options for service include DSL from the local telephone company or cable modem service from the local cable operator. However, these can't scale easily to allow such high-bandwidth services to operate effectively. Bonded T1s or high-capacity circuits can scale, but these options are oftentimes too expensive for even the largest mall tenants. In addition, trying to change or upgrade service can't be done on demand; changes usually involve a truck roll and can take weeks for new services to be turned up.

So what can malls and retailers do? Some of the largest mall operators in the country — including **Simon Malls** and **Taubman** — are now solving this bandwidth crunch by taking a new route and partnering with innovative competitive telephone companies that are designing and deploying fiber-based networks throughout the malls. Retail tenants can subscribe to services based on their current needs, and as they roll out new applications and their demand for bandwidth grows, they can scale their services to meet that demand. The turnaround time for upgrading service is days and hours, instead of weeks, since the fiber is already in place, and oftentimes—even when their bandwidth is boosted—they're still paying less than they would for DSL or cable modem services.

So, other than access to bandwidth, why is this such an important initiative for malls and their tenants? For malls, there are three key reasons:

High-speed bandwidth capabilities can be a revenue-generator. Competitive telephone companies are looking at mall operators as partners and are creating revenue-share opportunities. The provider takes care of the technical aspects of design and installation as well as markets and sells services to tenants. Property owners reap the benefits through a revenue share. Mall operators need more control of what's happening in their properties. Traditionally, mall tenants contract for services with providers individually. When tenants leave, or need a bandwidth boost, they're starting from scratch—no one knows what the space is wired for, and changes or increases in service can take time. Property owners don't know who has access to their wiring cabinets or even when upgrades or repairs are being made to the network. By partnering with an innovative competitive telephone company, they are always in the know about what's happening in their facility.

Bandwidth is an attractive selling point for new tenants. As far as amenities go, having access to high-bandwidth services makes a property more valuable to potential tenants. Tenants know they have access to cost-effective, state-of-the-art data networking capabilities that can grow as their business grows. Through these connections, they can offer new capabilities that make their business more efficient, and provide a better experience to their customers.

There are significant benefits for tenants as well:

**The cost savings are real.** Retailers live and die by their margins; as such, they are always looking for ways to trim their operating expenses. The problem for many is that operating costs are going up, not down. Utility costs for heating, cooling and electrical are continuing to rise, forcing businesses to look at making cuts in other parts of their budget. More broadband service for less money is very attractive for retailers.

**It lets retailers be creative with new applications.** To lure people away from screens at home and into physical stores, retailers are being incredibly creative, developing new applications that touch the customer from the moment they pass through the doors. Now that retailers have access to scalable bandwidth, the sky's the limit in terms of the applications they're developing to enhance the customer experience.

**Fiber is reliable and secure.** In retail, outages or slowdowns mean lost business and irritated customers. Fiber is a more robust and reliable backbone than the DSL and cable services that most tenants have access to. Moreover, a fiber backbone allows tenants to scale their bandwidth needs for periods of peak usage, such as around the holidays in November and December, or the summer months for seasonal businesses.

Malls and shopping centers and their tenants have been accustomed to making do with what's available in terms of bandwidth options. By partnering with a competitive telephone company, they have access to scalable, reliable, cost-effective broadband without the headache of managing the network. Imagine the possibilities.

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