

Google and fellow tech giants move into shopping malls

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The glowing winter wonderland inside the mall here, adorned with fake snow and pulsing with electronic music, beckons weary holiday shoppers. But there's no Santa, and no elves; instead, tablets and laptops are the lure of Google Inc.'s high-tech holiday display.

Google and other leading tech giants - Amazon.com Inc., SAP AG, Intel Corp., Hewlett-Packard Co. and Microsoft Corp. - are opening retail pop-up stores, stores-within-stores, mall kiosks and showrooms, even outfitting tour buses with their latest gadgets, to ramp up sales during the crucial holiday shopping season. Inspired and challenged by Apple's successful retail stores, the companies hope to convert tech-skeptical consumers into gadget buyers by letting them swipe, type and tinker with the new technology, experts say.

Not every sale, these companies are learning, can be made online.

"They have to be where the public goes and frequents, and that's the mall," said David Johnson, chief executive officer of Strategic Vision, a Georgia-based branding firm. "Your tech geeks are going to order online. But before you're going to see mass consumption, people are going to want to touch the products."

As more big tech companies add consumer gadgets to their product lineup and compete with Apple, which has an ever-growing footprint of flourishing stores, they'll also add more pop-up displays to show off those gadgets, allowing consumers to interact with tech in a personal

way, experts say.

"Everyone in retail has looked at Apple in the last few years to try and replicate what they've done," said Stephen Baker, an analyst with The NPD Group. "If you are dabbling in hardware you have to be in front of the customer."

Palo Alto, Calif.-based HP added mini-stores inside two locations of the Nebraska Furniture Mart, and had a pop-up store and restaurant in New Zealand for the 2011 Rugby World Cup. Intel, of Santa Clara, Calif., has opened the Intel Experience Store in Chicago, Los Angeles and New York, showcasing HP detachable laptops that run Intel processors. EBay Inc. the San Jose, Calif.-based e-commerce company that started as an auction website, last month put up large [touch-screen](#) panels on the walls at Westfield San Francisco Center. Consumers can shop from three interactive glass screens powered by [mobile technology](#).

HP and SAP, the German software giant, have each taken retail displays on the road - HP is running a truckload of gadgets and demos across the country, making stops in cities that include San Francisco, Palo Alto, Dallas and Chicago. SAP built a bus to showcase its cloud services, mobile technology and data applications. It has since parked the bus at 61 events, including the TechCrunch Disrupt conference in San Francisco and a football tailgate party in Detroit.

"It kind of looks like an Apple store," said Byron Banks, vice president of product marketing at SAP's Palo Alto office. "It has iPads on it. It has touch screens on it."

SAP doesn't sell gadgets like Apple, but it does provide the software for more than 250,000 big businesses and agencies, many of which make and sell everyday consumer products such as cosmetics and hardware parts.

"The closer we are to consumers and people on the street, the better able we are to do our job," Banks said.

Experts say most tech giants won't open full stores like Cupertino, Calif.-based Apple - retail space is expensive, and unless you have a wide product selection it would be hard to fill. Holiday installations and pop-up stores give companies the flexibility to move around and avoid hiring full-time retail staff.

"No long-term commitments, no long leases," said Larry Chiagouris, a consumer behavior and marketing expert at Pace University. "You can be in Palo Alto today and you can be in San Jose tomorrow."

But that's not to say throwing up the Google Winter Wonderlab at the Westfield Galleria in Roseville was easy. The Wonderlab workers said the setup took about three days and required extensive sound engineering and installing additional Internet networks to support the games, music and videos that run on the tablets.

The main attraction is the 13 {-foot illuminated snow globe structure, where customers, decked out in Google-supplied Santa costumes and holiday props, can make their own slow-motion video set to music. The camera in the snow globe captures a second and a half of film that is slowed down to about 15 seconds, creating a Matrix-like effect, and the video is uploaded to YouTube.

Most customers come for the moviemaking but are asked to stay for a one-on-one demo on Google's second-generation Nexus 7. Computers are set up for shoppers to buy the tablet, as well as a Chromebook laptop or Google's streaming media device, the Chromecast, and have it home-delivered. Still, despite the many sales pitches shoppers get at Wonderlab, Google insists the labs are not stores, but "an interactive way to experience all of Google's gadgets." "They don't want people to think

they're stores because then they just become another retailer," Johnson said. "Because then they become like Best Buy."

Amazon, too, insisted that its recent Kindle pop-ups at the Westfield San Francisco Center were not stores, although they sold Kindle tablets and accessories from a vending machine. The pop-ups at a handful of malls - the San Francisco location was taken down the first week of December - were designed to promote the new Kindle Paperwhite e-reader, an Amazon spokeswoman said.

The purpose of these pop-ups, buses and kiosks is not necessarily to sell, but to convince consumers who don't own a tablet, laptop or smartphone to reconsider.

"People who are a little tech-averse or lacking tech confidence, it makes them go into a place physically and touch the hardware and see it," Chiagouris said. "It does accelerate the adoption process."

Aman and Kamal Bhalrhu of Antelope, Calif., stopped by the Google Wonderlab in Roseville one afternoon last week. They said don't own a tablet, but after their young son spent a delightful few minutes playing on the Nexus 7, they were considering buying it.

Not all visitors were persuaded. Terry Darvin of Citrus Heights, Calif., stopped by to make a video in the igloo and hear the Nexus 7 spiel, but wasn't in the mood to buy. Darvin said he retired from the Navy SEALs eight months ago after 30 years working in military intelligence, and was ready for a break from technology.

"They didn't sell me on anything," he said.

BIG TECH RETAIL EXPERIENCES:

-Intel Corp.: Intel partnered with HP and other hardware manufacturers to create the Intel Experience Store, which sells HP Split and Pavilion laptops. Stores are in Chicago, New York and Los Angeles.

-Hewlett-Packard Co.: HP has small stores set up inside two locations of the Nebraska Furniture Mart, in Omaha, Neb., and Des Moines, Iowa. HP also has mini-stores within stores on the East Coast, and pop-ups in shopping centers throughout the U.S. and Latin America.

A large truck touring the country, called the HP Holiday Joyride, promotes the company's new technology and offer deals on laptops and other gadgets for the holidays.

-Google Inc.: Created the Google Winter Wonderlab in several malls for the holiday season. The displays feature Google's Nexus 7 tablet, Chromebooks and the Chromecast, a USB-sized digital media player. Visitors can play games or videos on the tablets and create a personalized, slow-motion holiday video set to music that is filmed inside a snow globe.

-SAP AG: Built a bus in August called the Big Data Express that offers an interactive experience with technology from SAP, which is based in Germany. The bus includes tablets and touch screens that visitors can use to experience SAP applications, cloud services and mobile technology. It has been touring the country, hitting 61 events from TechCrunch Disrupt in San Francisco to a Detroit Lions football game and corporate events.

-EBay Inc.: Put up digital storefronts in Westfield San Francisco Center, which shoppers can browse and buy from giant touch screens inside the mall. Each of the three screens displays inventory from different retailer - Sony, Toms and Rebecca Minkoff - and shoppers browse items and a select their purchases by touching the glass, and then check out and pay from a smartphone. The digital stores, which will remain up until Jan.

12, use eBay technology that includes connected glass panels, mobile technology and digital payments systems.

-Microsoft Corp.: Has 51 permanent retail stores and 31 pop-up stores, several of which go up for the holidays. It will build another 19 permanent and pop-up locations by the end of 2014.

-Apple Inc.: Has more than 250 full retail stores in the country and about 165 stores outside the U.S.

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