

Jefferson Pointe
Fort Wayne, Indiana



A New Era for Center Events

Strategy
Development is
More Important
Than Ever

By Angela Sweeney

Shopping center events can play a vital role in driving sales for tenants and increasing property performance. Yet events enjoy a tattered reputation among some industry veterans who have witnessed too many event programs that fail to connect to center merchants and that utilize valuable space and time with little evidence of any meaningful return on investment (ROI).

When regional malls came of age in the 1980s, events were used to help establish the center as a community destination. The theory suggested that if people were attending an event at center court, they would also shop and eat. As more centers began embracing events, the events grew more extravagant and more costly. Some of the more legendary events included “diving donkeys” and “skydiving santas.”

Not surprisingly, mall owners began realizing that too much time and money was going into events. They began looking to carts and kiosks to “activate” common areas and generate revenue. New construction began simply eliminating event space in common areas altogether.

Today, there is a growing realization that events do play a vital role — especially when retailers are feeling the pinch of economic uncertainty and when centers are struggling to differentiate themselves from competitors. However, savvy owners are employing a much more strategic approach than in years past.

Strategic Framework

There are several important factors that centers need to consider before designing a successful event strategy, including where the center is in its life cycle, what type of center it is and who the center is trying to target.

New centers, established centers and centers seeking to reposition themselves all face different challenges that require different levels of event programming. For a new center, it is critical that event programming cast a wide net to ensure as many people as possible in the trade area try the center. The best events tend to be larger in scale and require far more promotional efforts to succeed.

Centers seeking to reposition themselves in the market can also benefit greatly from events that encourage different people to try the center. However, these centers are better suited to benefit from targeted events to populations that they have identified as desirable. For instance, a center looking to reposition itself from targeting an older demographic to a family oriented one, should host more daytime family events instead of evening concerts.

Established centers with a strong market presence are most likely to be comfortable with carts and kiosks filling their common areas rather than regular events. However, as new competition enters their market, these centers must move quickly to leverage events that strengthen customer loyalty.

Certain types of centers have greater capacity or opportunity to benefit from events than others. Regional centers and entertainment destinations are best positioned to have the financial capital, human resources and common area space to host large-scale events. Many smaller lifestyle or grocery-anchored centers may think of themselves as too small to have a meaningful events program. However, they often have the best ability to really target their niche customer and connect the event with tenants — who are often local and therefore more flexible with what events they can participate in and what promotions they can offer.

The events that realize the greatest ROI are usually the ones that provide a natural connection between the event focus and the center merchants. Making that connection requires an acute understanding of what demographic an event is targeting. The more narrowly focused the event is on a particular demographic, the easier it is to promote and to design linkages with specific retailers.

Best Practices

Executing events in today's environment means doing more with less. Event budgets are relatively low compared to earlier decades and space constraints in many of the new lifestyle centers make events more difficult to coordinate. There are several best practices that center management can employ to make the most out of every event dollar.

One of the most efficient ways to execute events is by forging relationships with local community groups. These organizations, such as local charities or schools, maintain huge databases of loyal members and supporters. They also usually have a strong track record of organizing successful events. These two factors allow centers to reap substantial rewards if they partner with the right organization that matches their desired audience.

Connecting events with retailers to drive sales is best achieved when retailers participate in the event. Although local and regional retailers have historically been more receptive to offering promotions or donating merchandise, national retailers are now more eager to participate because of the economic downturn. They are also more likely now to share customer lists that can dramatically improve the efficiency and effectiveness of event promotional efforts. Today, one of the biggest

challenges is selecting which tenants are best positioned to help the center communicate its message to the right audience.

Center owners can help offset the cost of events and even generate revenue by aggressively pursuing sponsorship opportunities with local and national businesses. Local car dealerships, banks and media outlets are all great potential partners. Local radio stations often offer in-kind advertising that can provide substantial promotional assistance.

While external promotion is critical, internal signage has proven to be the most effective in generating traffic to an event. Often in-center signage will reach existing shoppers already predisposed to visit the center and encourage them to come back for more frequent visits.

It also critical that centers generate email contact databases for its shoppers. These lists can be extremely valuable in helping promote events. Sometimes tenants will share their lists, but often events themselves are the best way for a center to begin collecting email addresses.

Measuring Success

The emphasis on designing an event strategy requires intense focus on measuring results. A successful event must correlate with a rise in merchant sales great enough to justify the resources required to host it. That calculation is not easy to make considering the difficulty in measuring sales specifically attributable to an event, in measuring increased loyalty from the totality of events and in measuring how increased sales will impact rental rates. There is also an opportunity cost to consider when utilizing common areas that might otherwise be used for revenue-generating carts and kiosks.

Challenges aside, at least understanding the factors involved will help assess process some of the data an owner does receive. The first easy indication of an event's success is attendance. Most centers have a basic understanding of the average shopper expenditures and can assume a maximum sales increase of that amount per attendee. Coupon redemption rates on center-wide sales promotions are an even more reliable way to track sales results.

Other less quantifiable measures include the number of event participants who sign up to receive future center communications, the amount of free media coverage from the event or even "buzz" about the event found on local blogs and other Internet outlets.

The industry is entering into an era of renewed focus on events. What is different from the last push twenty years ago is a relentless focus on maximizing efficiencies and measuring results. There are no more indoor fireworks or diving donkeys. Instead, targeted events with real ROI will keep established centers ahead of the competition and enable new centers to capture valuable market share.

Angela Sweeney (angela.sweeney@madisonmarquette.com) is VP, Marketing in our Washington, D.C. office. **P**

LADIES NIGHT OUT: A PROFILE OF A SUCCESSFUL EVENT

Glen Eagle Square in Chadds Ford, Pennsylvania is a 152,000 square foot specialty center with a small, highly affluent trade area. The merchandising mix is anchored by a local grocer and an Outback Steakhouse, but features strong fashion apparel brands such as Ann Taylor and Banana Republic. The center was built in 1990 and features attractive landscaping and appealing aesthetics.

In August of 2008, Madison Marquette initiated the center's first "Ladies Night Out" event. It targeted women 25-45 — a key demographic for the fashion-forward tenants. A direct mail promotional campaign and email marketing campaign were used to promote the event. Participating merchants also promoted the event with in-store signage.

Three quarters of the merchants offered special one-night sales to registered participants and several offered free-gift-with-purchase incentives. The event was held on a Wednesday night when center traffic is usually low.

The debut "Ladies Night Out" attracted 60 registered participants and many more who attended, but did not register. Retailers reported dramatic increases in sales with most reporting that it was their most successful weeknight since the holidays. Although the number of additional shoppers to the center was relatively small, the sales conversation rates were especially high.

The event is a great illustration of how targeting the right demographic for a center's merchandising mix can drive traffic during any otherwise unproductive time period and help build shopper loyalty. These benefits are particularly important to smaller centers such as Glen Eagle Square where competition with larger centers is substantial.



Ladies Night Out Event