

ANCILLARY RETAIL™

SPECIALTY RETAIL • POP-UP • ENTREPRENEURSHIP • SPONSORSHIP • MARKETING

Crisis or Opportunity?

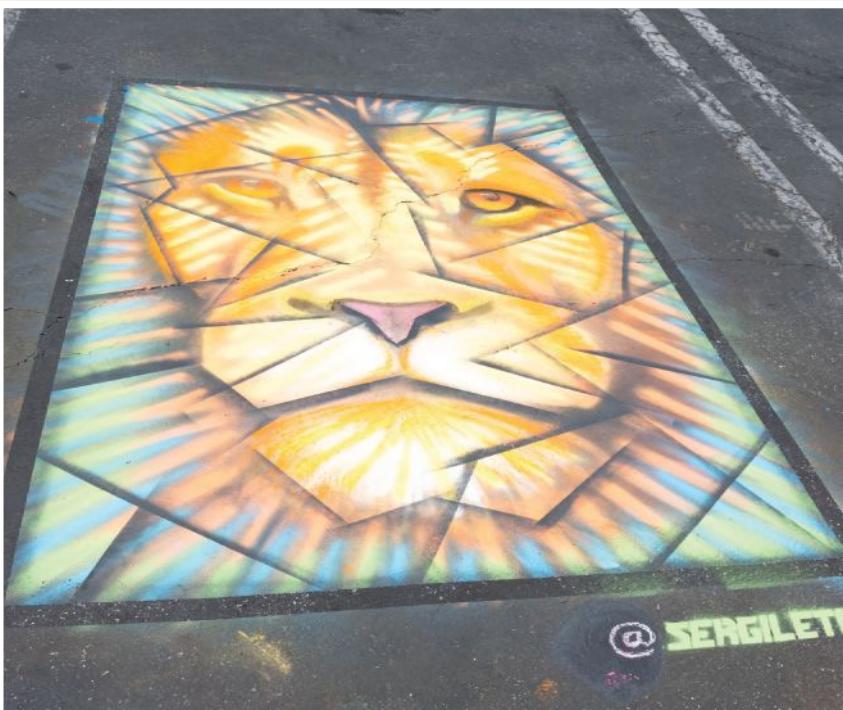
Pacific Retail Capital
Partners gets candid
about marketing
through a pandemic

PLUS

SWEET RETURNS WITH
BJORN'S COLORADO HONEY

CAUSE-RELATED MARKETING
WILL AID RETAIL RECOVERY

INVENTIVE SOLUTIONS FOR
CHALLENGING TIMES → → →



Crisis or Opportunity?

Pacific Retail Capital Partners pivots ancillary income strategy to support a new way of living that changed overnight.

Lynn Peisner

If you ask the team at Pacific Retail Capital Partners (PRCP), the spectrum of opportunities for ancillary income is shifting, not shrinking. Events, marketing, partnerships, pop-ups — all these streams of revenue and crowd-drawing are being reimagined in real time. The company, which primarily focuses on mixed-use development and operations, currently has 12 assets either in ownership or under management, comprising 12 million square feet of consumer-focused space. Their typical product type is a super-regional shopping center. PRCP has global partners and a physical footprint from Hawaii to New York.

Since the pandemic shutdown, the company's marketing and specialty leasing teams have executed on a number of campaign initiatives, events and programming that leverage their centers' central locations and reputations as community hubs. Since the COVID-19 outbreak, the company has hosted drive-in movies, chalk-art fundraisers, launched responsive e-commerce sites, loyalty programs, online and in-person meetups, and is acting on many other business development opportunities that are in step with a culture in flux.

"We adapted our marketing strategy in real time," says Najla Kayyem, senior vice president of marketing. "A new economy formed overnight. Within a weekend, we shifted away from decades of traffic-driving marketing and placemaking programming to a strategy centered on ensuring our employees, customers, and our immediate communities are protected. Our marketing teams quickly reassessed business plans and recognized the increase in consumer screen time as an opportunity to connect people virtually. Today's dynamic com-



PRCP's "Chalk for a Cause" event drew local artists and city councilmembers to the Shops at Montebello for a fundraiser for the Montebello-Commerce YMCA. Connecting with the community through events and positive messaging was the company's first marketing goal when the pandemic hit.

plexity demands an ability to thrive in ambiguous and poorly defined situations in real time, a context that generates anxiety for most, but it's where our team thrives."

During the shutdown, PRCP's digital marketing strategy involved driving sales for open tenants and essential services by promoting pick up, delivery and curbside opportunities; driving online sales for closed tenants that had an online store and helping those that didn't have an online store to set up an e-commerce platform so that they could stay alive during the shutdown. The teams also focused on maintaining status as a community hub by providing small business support, local resources and spreading messages of positivity.

Some properties offered COVID-19 time capsule downloads that included 10 pages of activities for children to use their imagination, write down their favorite thing and share how they're feeling. The company provided video content for self-care, live on-

line yoga classes and virtual programming for Mother's Day and Easter. "We strategized about what we could do to include the local community and a holistic, omnichannel experience in all elements, not just from a purchasing angle," says Kayyem.

Omnichannel is another change from the pandemic that's likely here to stay. If every brand weren't equally focused on digital as well as physical retail before the virus hit, they are sure to change that strategy going forward. "This time is truly a crucial opportunity for every retailer to become omnichannel," Kayyem says. "Too many brands, from supermarkets to high fashion, made digital presence an afterthought. And while the knee-jerk reaction to this crisis might be to move entirely online, what truly makes great brands so successful is their clarity in recognizing the wants and needs of their specific community of consumers. That means a responsive e-commerce site, experiential stores, social media and customer service

platforms, online and in-person meetups, loyalty programs, and authentic events. We know we're going to come out of this with fewer retailers, but the brands who will survive and thrive in a post-pandemic retail world will be the brands delivering convenient, innovative and meaningful retail, leisure and ways to come together."

Additionally, all centers participated in the great American Takeout Challenge promoting open restaurants and new takeout and delivery options on social media as well as the collaborative effort to #KeepEasterHopping. Digital campaigns were also developed to recognize high school seniors who did not have a graduation.

Chalking Out a Branding Plan

To lift local spirits, The Shops at Montebello in Los Angeles hosted its first annual "Chalk-For-A-Cause" in partnership with the City of Montebello on May 22 and May 23. Using the empty parking lot as an art canvas, the event benefitted the Montebello-Commerce YMCA and raised \$4,500. For a \$30 donation, registrants received an assigned parking space, a time frame to complete their design, a bucket of chalk, and a roll of painter's tape. Over a span of the two days, 75 parking spaces were designed. The event also featured three professional artists, Kenny Morales, Anthony Rico and Sergio Robleto.

"We had a lot of local city staff, including the mayor pro-tem and council members participate," says



Local artist Sergio Robleto with his original chalk drawing at The Shops at Montebello in Los Angeles during PRCP's Chalk-For-A-Cause.

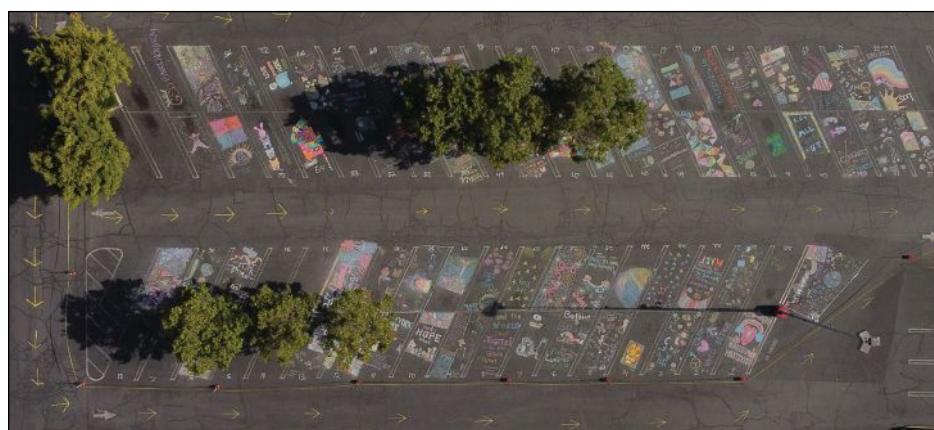
Kayyem. "We also had different groups like the *Montebello Reporter* that sponsored 22 spaces. Our internal team sponsored a group of spaces and gave it to kids. Really, the goal was to partner with various stakeholders in the community during this time when we've been dark to utilize our parking spaces and our parking lots that had been desolate. We wanted to create a place where people could physically distance, "Come Together" [which is the name of PRCP's national marketing campaign] and enjoy each other while sharing positivity and hope for the future. Overall the event went fantastic."

Parking Lot Potential

At Broadway Commons in Hicksville, New York, the marketing and business development team created the "Broadway Commons Drive-In Theatre Experience" in partnership with Ish Events. Kayyem says as the center entered its 60th day of being closed due to COVID-19, there was a strong sense of responsibility to not only continue to drive sales, re-train traffic patterns and add value to open restaurants, but also, to continue to be a staple of the community and serve as a conduit for people to connect and come together.

The first showing of "The Goonies" on May 21 presented an avenue for restaurants to generate sales as they set up concession stands and offered curbside pick-up and car-delivery options to attendees. The five restaurants that participated (Buffalo Wild Wings, Blaze Pizza, Burger Village, On The Border and Panera Bread) all reported a significant increase in sales as compared to the previous week.

On June 8, the drive-in featured "The Sandlot" with Blaze Pizza offering buy-one-get-one-free pizzas, a DJ by Party Up Productions and special shout outs for graduates or customers celebrating birthdays. All proceeds



An aerial view of the Chalk-For-A-Cause fundraiser at The Shops at Montebello. The event raised \$4,500 for the Montebello-Commerce YMCA.

ON THE COVER



At Broadway Commons in Hicksville, New York, PRCP's onsite marketing and business development team created the "Broadway Commons Drive-In Theatre Experience" in partnership with Ish Events. The event drove several restaurant's sales up 10 percent.

for that event went to the Hicksville Chamber of Commerce, which is now sponsoring the drive-in experience by securing the rights to show the movies.

"This is where we see opportunity today," says Amaka Oweazim, marketing and business development manager. "If you're looking for those huge \$20,000 to \$30,000 deals that we were used to seeing before — it's just not going to be that way right now. So for me, the focus at Broadway Commons is on growing local business development and engaging with the tenants."

Oweazim says the opportunity came up because the center's tree-lighting vendor also hosted the drive-ins. The first event was free, but patrons were encouraged to purchase concessions from the center's restaurants. It was also in line with the "Come Together" messaging. The town of Oyster Bay is now a partner in the drive-in series.

For the events, Oweazim and her team went to each restaurant and asked that they provide a coupon, a promotion or a deal to drive traffic to their space. After the first movie, Panera, On the Border and Blaze Pizza reported between eight and 10 percent growth in sales compared to the prior week. Blaze Pizza, which had been

doing approximately \$600 in daily sales did close to \$2,400.

Some of the drive-ins have an admission fee (\$30 per car) while others are free, but require customers to bring canned goods or support a non-profit. Six-hundred pounds of food was recently collected for Island Harvest food bank. Other partnerships with groups such as The Boys & Girls Clubs are forthcoming.

"People aren't doing big deals right now," says Oweazim, "so it's been a great stream of income for us. We rent the space to the drive-in company, and we earn income for that, but we're also helping the tenants, and that's the most important thing we can do at this point. That and, of course, connecting the community together while giving people who might not have ever been to Broadway a reason to visit."

Curbside Boosts Sales

At Crabtree Valley Mall in Raleigh, North Carolina, PRCP faced a unique challenge. They took over management of the asset on April 27, the heart of the pandemic shutdowns. Leslie Himley, marketing and business development manager at Crabtree Valley, had to find a way to support tenant sales, and quickly, as North Carolina was one of the earlier states to reopen, with the mall's retailers green-lighted to open on May 8. Not only did the team have to develop physical distancing signage and communicate CDC guidelines to customers, but PRCP mandated that a curbside pick-up program roll out on the fly.

Himley launched "Crabtree Curbside," a contact-free and convenient way for guests to shop. Customers



Leslie Himley, marketing and business development manager at Crabtree Valley in Raleigh, North Carolina, had to roll out a curbside pick-up program in a matter of weeks.

place an order through the store or restaurant website, an app, or by phone. The retailers provide the customer with a pick-up zone — there are two — north or south. The tenant brings all items to customers once they arrive. About 30 percent of Crabtree's open stores are offering the service.

"Traffic was slow to start, but it's really picked up," says Himley. "Even as more and more stores open, we're finding that some tenants prefer curbside pickup. The restaurants especially have voiced that they want to keep curbside in place, not just during the pandemic, but beyond. A lot of the stores are doing well and staying alive as a result of this service."

The team is also evaluating a sponsor for the curbside programs to grow the program, earn income and ensure it continues to run smoothly.

Other Ancillary Income Opportunities

We've all heard the phrase "the new normal" so much by now that it should be a given that we know what it means. But as far as ancillary income and business development opportunities are concerned, the new normal is going to require some strategy and creativity as management teams everywhere figure out what it means in real time.

"If the past few months have taught us anything it's that everyone knows where the mall is," says Kayyem. "You never have to put an address on anything, so location, location, location is key. If you're positioned as the place to be, central in your community, then that is a strong and impactful opportunity for a lot of brands to adapt, evolve, innovate and get their name out there. Overall, I don't see the segment of the traditional specialty leasing of RMUs and carts expanding and growing immediately. I do see partnership marketing and co-branded synergistic opportunities taking off."

There are also opportunities in the PPE space (personal protective equipment). Kayyem says PRCP is creating RMU sanitation stations that

are branded and sponsored by companies that typically wouldn't have a presence within a shopping environment.

Additionally, the ability to create turnkey e-commerce platforms will be critical in the months, and possibly years, to come. Specialty leasing tenants will be seeking plug and play platforms in order to do this, and they won't be able to pull that off without the backing of experienced and leveraged marketing and leasing teams. "If it's a retailer we want to create a longer-term partnership with or have an annual deal with, or that we think can add value to our project, we are working with them to create an e-commerce plan and we've done that at several centers, including The Shops at Montebello and Eastridge," says Kayyem. "Assuming it gains local traction, it will be something we can roll out to other regional tenants."

PRCP is also seeing potential opportunities in companies that are devoted to last-mile distribution. "If they can have access within our shopping centers and operate out of a well-located regional shopping destination, then that's a new opportunity for us. We can do long- or short-term deals as we look to rebalance, and master plan our assets."

With such a reinforcing and building up of omnichannel resources at the mall, Himley says that will aid in attracting businesses to pop up. "We've already seen the traditional specialty leasing programs in shopping centers begin to evolve," she says. "Pop-ups provide that opportunity for the shopping center itself to help become that catalyst for small businesses. Now you have marketing support, small business support — whether it's exposure or branding — as well as having that omnichannel resource at your disposal. We are that epicenter in the community for pop-ups for these small businesses that are looking to grow — and that will have more support than e-commerce alone — then we can help connect the dots for them. They will continue to want to seek out location, location, location because, in addition,

they'll find support, support, support. To me, that seals the deal for businesses to pop up as frequently as they can."

Lasting Change

Retail environments need to reflect their communities. And in 2020, that need changed tremendously. As people lose loved ones, their jobs or face the blunt realities of systemic social issues all in one cultural moment, their community shopping centers and malls can't be tone deaf to any of that.

Kayyem says that, more and more, brands are embracing the decision to stand with culturally relevant issues, be a source for good and growth, and leverage innovative strategies to fundamentally disrupt established ways to do business. In Albany, New York, for example, Denooyer Chevrolet challenged Colonie Center to help feed local heroes through a give-back program that supports local restaurants and supplies meals to those fighting on the front lines of the global pandemic. Colonie Center accepted the challenge, resulting in the center's PF Chang's paying it forward with matched food donations.

When it comes to the Black Lives Matter movement, PRCP says it has taken immediate action to establish a diversity and inclusion committee, focused on developing internal and external facing initiatives meant to educate their teams and embrace their employees and communities. One community-facing initiative is the evolution of Cosmecon 2020. In September, 10 centers will host a "phygital" or a hybrid in-person and online experience, showcasing wellness and beauty products and techniques. "CosmeCon 2020 will highlight and feature black-owned beauty and skincare brands, as well as a range of notable local and global brands," says Kayyem. "From digital tutorials, influencer Q&As, wellness sessions, exclusive brand interviews, and personalized swag, this 'phygital' program will serve as an opportunity for the beauty community to come together to connect, inform and empower one another." **AR**

ANCILLARY

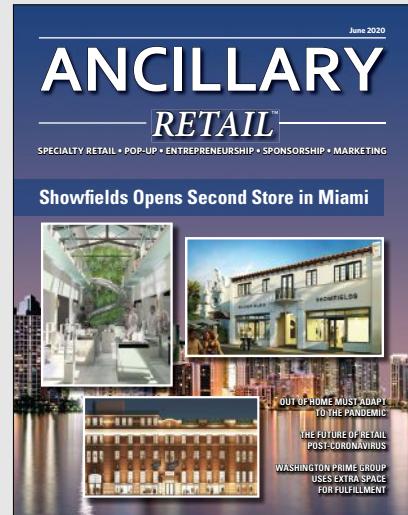
RETAIL™

SPECIALTY RETAIL • POP-UP • ENTREPRENEURSHIP • SPONSORSHIP • MARKETING

Ancillary Retail provides the industry with relevant news, best strategies and practical tips to help developers and retailers incubate, grow and sustain successful businesses in both traditional and alternative shopping environments such as airports, stadiums, food stalls and retail pop-ups.

Who reads *Ancillary Retail* magazine?

- Retail property owners and managers
- Specialty leasing managers
- Third-party leasing agents
- Retail tenants — from RMU/kiosk retailers and mom & pop operations to national retailers
- Seasonal, pop-up & incubator retailers
- Restaurant concepts & food trucks
- Airport concessionaires and managers
- Manufacturers and service providers
- Contractors



**GET YOUR PRODUCT, SERVICE OR LOCATION
IN FRONT OF DECISION MAKERS IN
THE SHOPPING CENTER INDUSTRY**

ADVERTISING INFORMATION:

Scott France, Publisher

(404) 832-8262

scott@francemediainc.com