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COVER STORY

Outlets brighten the retail picture

Brand performance boosts confidence



**SWISS
Opening**



Plus:

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Salzburg Designer Outlet opens
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MAB, Neinver form JV
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Outlet marketing a tiered approach

Outlets enter the digital arena

The value of brand and marketing is often difficult to measure, especially when sales are buoyant," says Deborah Owen-Ellis Clark, director of The Bee Group and moderator of the session on digital marketing. "However when sales are in decline, we know that the brand's value started to decline well before the sales did."

In the outlet world there is a dynamic relationship between outlet center management and retail partners. They work together on promotions and sales-driving initiatives – and continuity is needed to ensure these attract customers and produce a good return on investment.

Marketing and maintaining brand equity is especially important for outlet centers, Clark says, but marketing has changed.

"Customers can now choose whether or not to connect with a center's messages," she says. "Marketing is no longer just



Deborah Owen-Ellis Clark

about pretty images or visual noise. To be effective, therefore, marketing must evolve, must connect with customers and must remind them of the value of the brand."

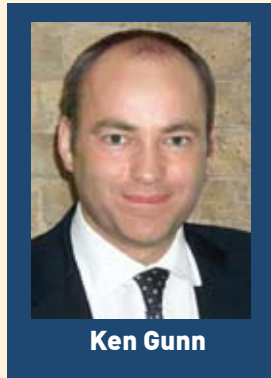
But brands and centers who think a web site is enough will be left in the dust, the panelists say.

There is 49-percent average broadband use across European Union countries, says Ken Gunn, director of FSP.

"Countries such as Slovenia and Hungary are rapidly adopting broadband, but countries such as Romania and Bulgaria are still lagging behind," he says. "The highest broadband take-up is in Northern Europe: Iceland, Denmark, Netherlands and Norway."

There is also rapid growth in mobile phone ownership, yet research by FSB on advertising across 50 full-price shopping centers in the UK reveals that most have yet to scratch the surface of digital marketing.

"By 2012 there will be 560 million location-aware handsets – a 26



Ken Gunn

percent increase year on year, says Simon Jobling, of Take2 Interactive Software Europe. "This will give the opportunity of geo-targeting and personalized interactions."

Gunn adds that 25 percent of Internet access is through mobile phones and PDAs and 66 percent of phone users open and respond to mobile marketing.

Gunn also notes that 39 percent of those ages

35 to 44 made purchases using PDAs and 62 percent of those ages 25 to 34 accessed web sites via PDAs.

As for social networking, there are 200 million people using Facebook, an estimated 6 million on Twitter.

"There should not be a landlord or asset manager who is not doing digital marketing," Jobling says. It's much more cost-effective and should be part of the overall marketing spend."

Even bar codes in print adverts can be programmed with different offers from week to week, he says.

And even though mobile marketing can be annoying to customers, mobile coupon vouchers are 10 times more effective than email marketing, Jobling observes. 🌐

Panelists debate what drives productivity

Research conducted by Milan's prestigious Bocconi University proves what everyone already knows: Shoppers are a fickle bunch.

Survey results from 1,367 shoppers found that just 4 percent visit outlets.

"Shoppers want to visit different stores and different formats, and they are not very loyal," says Sandro

Castaldo, a professor of management, who conducted the survey. "Customers are very mobile, visiting five to 12 stores whenever they shop."

Those visiting outlets do so every two to three months and nearly 75 percent visited the preferred store where they last bought apparel items.

So what brings them back?



Sandro Castaldo

The formula is simple, says Kristofer Jurgensen, global retail expansion manager for Puma AG. Location, brands and marketing bring shoppers back.

"Don't overlook your local shoppers," Jurgensen says. "In Germany, most out-

let centers are an hour's drive out of town, but there probably isn't a

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