



A Good Practice Guide

>> SHOPPING CENTRE MARKETING AND PROMOTIONS



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Foreword

It is estimated that the UK Industry's annual spend in shopping centre marketing exceeds £80m per annum.

Many landlords and tenants feel that a significant proportion of marketing spend may be applied ineffectively and there is widespread interest in examining the effectiveness of this expenditure.

This Good Practice Guide has been designed for use by landlords, centre managers, marketing managers, tenants, surveyors and those employed in the shopping centre industry. It is hoped that the guide will prove a useful and practical reference in the planning, formulation, consultation and success measurement stages of marketing planning.

General acceptance of the guide will be encouraged to reflect best practice throughout the industry.



Service charges in commercial property

This Good Practice Guide should be read in conjunction with the Service Charges in Commercial Property Guide. In particular, attention is drawn to references 40-47, detailed below.

Promotions (Marketing)

- 40 The funding of promotional (marketing) activities is recognised as a shared cost to be borne by both owners and occupiers and in such cases, consultation is considered essential.
- 41 Service charge budgets should state what the gross expenditure on marketing is and how much is contributed by the owner.
- 42 Promotional (marketing) plans should be prepared and presented to occupiers in advance of the period to which they relate.
- 43 Promotional (marketing) should be reviewed with occupiers to analyse their effectiveness.

Income

- 44 There should be a clear statement of policy on how costs and income generated from services and activities in the malls are allocated.
- 45 Income derived from the provision of a service or activity, the finance for which is included in the service charge, should be treated as a service charge credit e.g. income from public telephones, toilet vending machines, photocopy and fax reimbursements etc. Similarly, income derived from promotional activity should be credited to the marketing expenditure budget.



- 46 Where the owner retains income from common part areas and the space is of a permanent or semi-permanent nature e.g. barrows or kiosks within shopping malls, the space should be included in the service charge apportionment matrix. Alternatively, a sum should be credited to the service charge to reflect a contribution towards the benefit of the services enjoyed.
- 47 Expenditure and income receipts should be shown separately in the service charge account and income should be credited to the service charge after calculation of the management fee.



Definitions

Marketing

Marketing can be defined as 'The management process for identifying, anticipating and satisfying customer requirements profitably*'. In the context of the shopping centre industry it encompasses the entire customer offer and experience of a centre including centre management ethos and behaviour to customers, centre environment, customer services and customer experience.

Promotions

Promotions can be defined as an attraction in the common areas of a centre designed to create additional footfall and/or increased dwell time.

*The Chartered Institute of Marketing

Advertising

Advertising can be defined as a communication for the purpose of promoting the centre.

Retailers

Retailers are the occupiers of a shopping centre and include leisure operators.

Centre Management Team

The centre management team may include the landlord and managing agent, as well as the on site centre management and marketing teams.

Exclusions



It is recognised that separate landlord / developer budgets will fund the following activities:

- Marketing of vacant units in the scheme.
- New scheme launch or re-branding of a centre.

The guide also recognises the existing sensitivity in the exchange of information between landlords and tenants which can act as an obstacle to ensuring that effective spend is achieved.

It must be remembered that any exchange of data must accord with the Data Protection Act and any other relevant legislation.

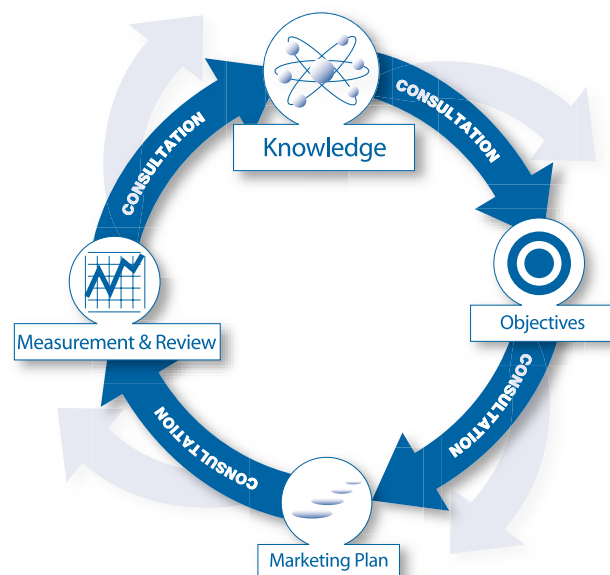


Knowledge

1. The centre management team must know and understand the make up of its customer base, both geographically and demographically together with the dominant trade area.
2. The centre management team should identify with the retailers the trading pattern of the centre.
3. The centre management team should always conduct a SWOT analysis (identifying strengths, weakness, opportunities and threats) of the centre.
4. The added value of joint promotional campaigns is recognised and the centre management team should investigate how centre and retailer promotions can be linked together to maximise their impact e.g. new store or product launch.
5. The centre management team should be able to justify through a value for money based approach whether to outsource part or all of the marketing and promotions function.
6. To ensure maximum effectiveness of the planned marketing campaign and promotional activity the centre management team shall have an up-to-date knowledge of competing centres, other draws and attractions which may conflict with the planned activity and knowledge of tenants campaigns.
7. As all budgets are limited, value for money criteria will play a major part in the nature of research conducted at a centre.
8. All potential impacts of a mall promotion should be evaluated prior to implementation e.g. noise, impact on retailers, health and safety, validity of charities and, if in doubt, views should be sought from retailers.



9. The value of partnerships should be recognised, developed and their use maximised. Partnerships could include the centre management team, retailers, local businesses, town centre management, strategic commercial alliances and neighbouring shopping centres, where appropriate.
10. The centre management team should investigate how local community activities can be integrated into the plan.





Quick reference - ideas box



- Do you know what your centre's market 'position' is?
- Is it necessary to commission market research within the centre?
- Have you co-ordinated information from public bodies, local associations which may be available free of charge?
- Have you consulted the College of Estate Management/BCSC Diploma in Shopping Centre Management Marketing Module?
- Have you access to catchment data e.g. Acorn or Mosaic, to help you?
- How aware are you of local variations in lifestyle and customer aspiration?
- Are retailers able to provide information on their catchment?
- Did the outcome of the research match with the experience of the retailers?
- What differentiation does the Centre offer from its' competitors?
- What lessons have been learnt from previous years marketing plans?
- What has changed since last year?
- Have you built relationships with everybody that could improve the marketing output of the Centre?
- Does all proposed mall promotion accord with the quality of the centre's retail offer and is it popular with or complementary to the centre's main retailers?
- Can the centre gain sponsorship to subsidise the marketing budget and will the nature of the sponsorship fit with its brand values?
- Can you make a 1+1=3 promotion in partnership with retailers?

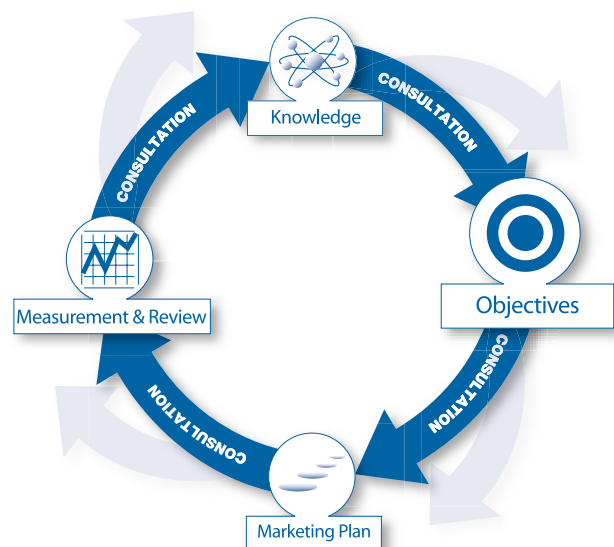
Setting the objectives



1. The shopping centre management and marketing team should initially establish if there is a need to market the centre.
2. Before devising a marketing plan, the shopping centre management and marketing team should set a list of objectives for the plan.
3. The objectives will help form the marketing strategy for the centre.
4. The marketing strategy must fit the business plan / strategic goals for the centre.
5. Marketing strategy should always be orientated towards exceeding customer expectations. However, it is essential that this strategy is arrived at in the context of the centre as a whole and that the components are deliverable and realistic.
6. The objectives need to be specific and measurable. The more specific the objectives can be made, the more successful the plan will be.



7. Marketing in centres is about partnership. To achieve this, the objectives must be discussed and communicated with retailers' representatives and their agreement obtained if possible.
8. At all stages marketing must not be an assumed activity rather an investment for which a specified return is required.
9. The principles of good estate management practice should always be an integral objective.





Quick reference - ideas box

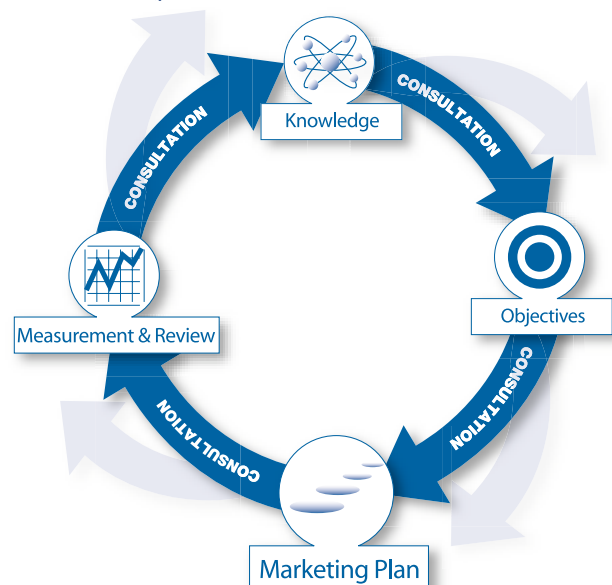


- Have you challenged yourself - 'why market the centre at all'?
- What will be the key outputs from the plan?
- Do your objectives include exceeding customers' expectations?
- Do you just market the centre because it's the done thing?
- Are all the components which make up the centre's offer as good as they can be? Will security, cleanliness, signage, parking facilities, staff empathy impress the customers and not undermine any marketing or promotional activity?
- Are the objectives realistic with the budget available?
- Have you thought about how to measure the outputs against the objectives?



Marketing Planning

1. The centre management and marketing team should produce a full year marketing and promotions calendar identifying all activities detailing projected costs.
2. The centre management and marketing team should identify an objective and expected output for each element of the marketing and promotions calendar.
3. In formulating the marketing plan, the centre management and marketing team should identify the various forms of media events and activity available.
4. The marketing plan should then identify the forms of media events and activity chosen and give reasons for selection.
5. The marketing plan should identify with the retailers the priority periods for marketing.
6. In order for the marketing plan to be effective, it should be targeted at a catchment(s) defined by the research.
7. Marketing and promotions activities should ultimately generate incremental sales for retailers.
8. The marketing activity should be supplemented with editorial coverage achieved through PR and media relations and community involvement with the centre.
9. It should not be assumed that the marketing plan should be weighted towards the traditional seasonal variations. However, if for example, christmas is a key driver of retailer profit then due focus should be given to that season.
10. Proposals for expenditure on advertising, public relations and other marketing tools should be evaluated and justified.
11. The marketing plan needs to contain a degree of flexibility so that changes can be made following ongoing reviews and/or other external market factors. The rationale for principal changes should be communicated to retailers.
12. All marketing and promotional activity should fit with the core values of the centre.
13. A proposal for a website should be treated the same as any other activity. It must have a key objective to add incremental sales for the retailers.
14. Advertising or promotional activities in the mall and common areas should be of a scale that doesn't detract or lessen the impact of retailers' shop window displays or sight lines.
15. Where mall trading is being considered it should always suit, complement and not directly compete with the retail environment. The scale should not detract or lessen the impact of retailers' shop window displays.
16. It will be the centre management's responsibility to ensure quality control is conducted on all common area activity.





Quick reference - ideas box



- Can the impact of the marketing activity be measured?
- How well do you know the trading patterns of retailers in the scheme?
- Are you sure you are using the most effective media?
- How well do you know the local press and can valuable editorial be achieved?
- Does the marketing activity seek to exceed customers' expectations?
- Does the marketing activity stand out from the competition?
- Why not use the marketing plan template (see Appendix A) as a guide?



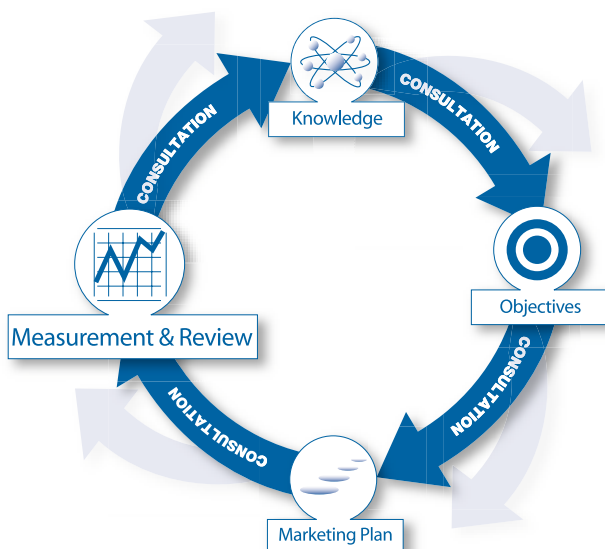
Measuring the success and review

1. A regular review of the marketing plan should be conducted to evaluate whether the key outputs are being achieved.
2. The centre management team should have a means for collecting feedback from retailers and shoppers on marketing and promotional activities. This is an essential part of ensuring the effectiveness of a marketing plan.
3. Retailers could provide anecdotal and indexed trading uplifts, which would assist in measuring the impact of the marketing activities.
4. During the life cycle of the marketing and promotions calendar, the centre management team should consult with the retailers and undertake a review to evaluate any lessons from particular activities. This should then help form the basis of next year's plan.
5. It is essential that the centre management team respect the commercial confidentiality of any data supplied by retailers and that it is used for the sole purpose of measuring the effectiveness of the marketing plan.

6. When assessing the impact of the marketing activity, it should be the centre management's objective to isolate the benefit to the centre solely attributable to the marketing or promotional activity. It is therefore likely that a combination of measures will need to be used to support future expenditure.

These could include:

- Sales growth
- Relationship measurement mechanism within centres (e.g. questionnaires)
- Qualitative and quantitative research
- Customer feedback mechanisms
- Footfall conversion measurement
- Indexed trading data (sales trends)
- Service charge savings
- Press cuttings with impact scoring mechanism (e.g. size of article)
- Car counting
- Dwell time measurement
- Frequency of customer visits
- Retailer demand for units
- Community relationships
- Retailer feedback mechanisms including surveys and retailer consultations
- Use of website, where appropriate





Quick reference - ideas box



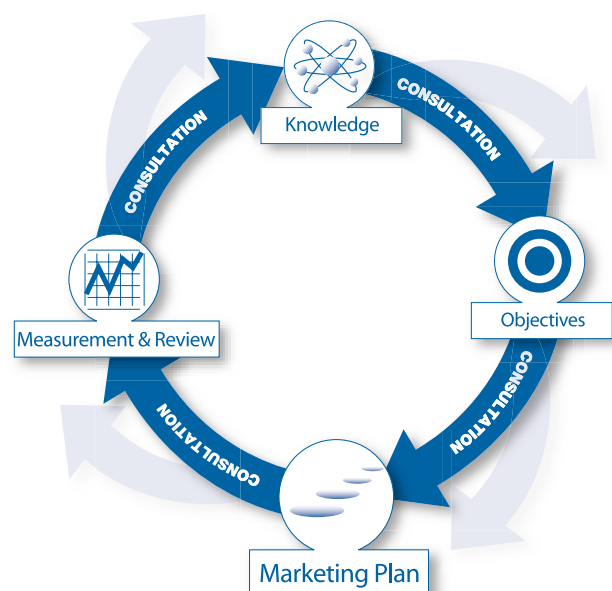
- How are you going to communicate to retailers the impact of the marketing activity?
- Have you provided timely feedback on specific activities?
- What other sources of measurement can you draw on e.g. car counts, comments to customer services / other centre staff, press comment.
- Have the marketing activities achieved their objectives?
- Have you sought feedback as to whether the marketing plan has been successful for all retailers.
- From the results of the feedback is the benefit attributable solely to the marketing or promotional activity?
- Have you ensured a communication / review process has been timetabled e.g. quarterly meetings?

Consultation with retailers



1. After discussions with the retailers representatives, a marketing and promotions plan should be developed.
2. The marketing plan, including promotions calendar, should be presented to the retailers' representatives at least three months in advance of the year to which it relates or at a time to be agreed with the retailers.
3. The retailers representatives should be provided with all costs associated with each aspect of the calendar and detailed funding arrangements e.g. 50/50 split, so that an informed decision can be taken as to whether the proposals will provide sufficient return on investment.
3. The marketing plan should also be made available to all retailers in the scheme and an opportunity for comment given.
4. It is essential that the core marketing activities are run in parallel with the key marketing activities of the major footfall generators at the centre, whilst at the same time having regard to all contributing retailers.
6. The results of the marketing and promotions activity should be communicated to the retailers as a minimum on a quarterly basis to assess effectiveness, value for money and appropriateness of timing.
7. It is recommended that a separate forum be established to discuss marketing and promotions but where there is no separate forum, marketing and promotions should be a standard agenda item at all tenants association meetings.
8. The value of active participation at tenants association meetings is acknowledged and retailers should endeavour to ensure appropriate support is provided.

9. The centre management team however, should not rely solely on tenants association meetings for feedback and consultation and should do their utmost to communicate with tenants - for example by 1:1 meetings, newsletter, via intranet etc.
10. An up to date list of nominated contacts for retailers' head office representatives should be maintained by the centre management team. Registered company addresses are not a sufficient form of address. Retailers should ensure that they update centres on any changes in personnel as appropriate.
11. A copy of the marketing plan should be sent to the retailers head offices nominated contact to ensure that relationships are developed.
12. A policy of transparency should always be adopted with regard to costs - they should be expressly identified in the service charge budget and account e.g. costs of research, consultant's fees.
13. Having followed the Good Practice Guide, the centre management team should be supported to implement the marketing plan.





Quick reference - ideas box



- Are the retailers convinced that the marketing plan will develop their business?
- Have you fully itemised all components of expenditure in the service charge budget and year-end accounts?
- Does the centre merit a separate marketing and promotions forum?
- Does the centre management team talk to retailers regularly?
- Would a newsletter improve communication with tenants and their head office?
- Have you updated your list of retailer head office contacts?
- Could you use a questionnaire to compile views from the retailers?
- Have you ensured a landlord contribution has been made to the funding of the plan and has been clearly identified in the service charge budget and year-end accounts?

Further help

- **Acorn** www.caci.co.uk
- **ATCM (Association of Town Centre Managers)**
www.atcm.org.uk
- **BCSC** www.bcsc.org.uk
- **BPF (British Property Federation)**
www.bpf.org.uk
- **BRC (British Retail Consortium)** www.brc.org.uk
- **CACI** www.caci.co.uk
- **CBI (The Confederation of British Industry)**
www.cbi.org.uk
- **CEM (College of Estate Management)**
www.cem.ac.uk
- **Chartered Institute of Marketing** www.cim.co.uk
- **Experian** www.experian.com
- **General information of the areas**
www.streetmaps.co.uk
- **Geobusiness** www.geobusiness.co.uk
- **Mosaic** www.experian.com
- **OS Office of National Statistics**
www.statistics.gov.uk
- **PMA** www.propertymanagersassociation.org.uk
- **Purple Apple Awards**
www.bcsc.org.uk/purpleawards
- **Retail Week** www.retail-week.com
- **Reuters** www.reuters.com
- **RICS (Royal Institution of Chartered Surveyors)**
www.rics.org.uk
- **Shopping Centre Magazine**
www.william-reed.co.uk
- **Verdict** www.verdict.co.uk



References and acknowledgments

The Good Practice Guide was produced for the Property Managers Association by James Goodliffe of The Boots Company and Belinda Burnstone of WHSmith PLC, in consultation with:

- The British Council of Shopping Centres
- The British Property Federation
- The British Retail Consortium
- The Royal Institution of Chartered Surveyors
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- The College of Estate Management - BCSC diploma in Shopping Centre Management.

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- John Gray, Service Charge Manager, Next Plc
- Chris Grundy, Centre Director Centre West, East Kilbride
- Lisa Hartley, Director, Shopping Centre Marketing, Prudential
- Jocelyn Harvey, Portfolio Marketing Manager, Lendlease
- Margaret Harwood, Communications Manager, CSC
- Russell Heath, Property Manager, Vision Express



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- Georgina Beaumont, Marketing Manager, Meadowhall
- Arnold Wilcox-Wood, Chairman of the Shopping Centre Manager's Association and Centre Manager, Blackburn Shopping Centre
- Christopher Fear, Operations Manager, Lakeside Shopping Centre

Appendix A

Example: Marketing Plan Template

Introduction should include:	Situation Analysis : your market (who, what, where) Trade Area / Competitor Review Research Findings / Demographics
SWOT Analysis	Strengths / Weaknesses / Opportunities / Threats
Goal	The desired effect of the marketing campaign on the centre's performance / position at the end of the designated period
Objectives	Related to centre business / financial objectives (SMART): 1. Specific 2. Measurable 3. Achievable 4. Realistic 5. Timebound
Strategy	1. Brief description of strategy 2. Target market description 3. Positioning statement 4. Resources and implementation
Implementation to include:	Media / Advertising Plan (includes creative) Events & Promotions Plan PR / Media Relations Commercial Activity
Budget	Income / Expenditure Plans
Research & Evaluation/Measurement	Research Plan (exit surveys, focus groups, feedback) Measurement criteria (e.g. sales, footfall, car parks, turnover data)
Executive Summary	1 x A4 page



www.bsc.org.uk



www.brc.org.uk



www.propertymanagersassociation.org.uk



www.bpf.org.uk



www.cem.ac.uk



www.rics.org.uk