

Survival of the rebranded



The rebranded Kingfisher shopping centre in Redditch

Disappointing footfall figures over the summer are a reminder that, unless a shopping centre is up to scratch, retailers and customers will both be put off, reports **Ben Cooper**

Usually retailers are the brand experts. An essential part of any retail business, to be carefully nurtured and jealously guarded, brand identity goes to the heart of what retailers are about and how they exist in the minds of shoppers.

But with the arrival of the mega-mall, the Bluewaters and Westfields of this world, something has changed: the centres themselves, the physical spaces, have become brands. And, just as a retailer's image needs a shake-up when sales and profits are down, when footfall is poor – in August overall shopping centre footfall was down by 2.8% – landlords have a branding problem of their own.

Of course, the two aren't entirely unrelated – retailers' and shopping centres' fortunes are essentially linked. So what are owners doing to 'rebrand' their centres, and how can retailers take full potential when the landlord decides a makeover is in order?

Cheering up a tired space

Before Capital & Regional took over the Kingfisher shopping centre in Redditch in the West Midlands, things were starting to feel a bit tired. The anchor space was vacant, there were

too many empty units and the whole environment of the place, Capital & Regional executive director Mark Bourgeois admits, was "pretty dull".

He adds: "People in that part of the world had money to spend but they were driving past the centre to go to Solihull."

In retailing terms, it's the equivalent of a fashion store that's gone out of fashion. Landlords will be familiar with the problem, particularly in smaller towns that have taken a lot of strain over the past few years. If you want shoppers and retailers to want to be there you have to get the place looking perfect.

"Retailers will not come into a scheme if they feel that the image of the centre does not complement their own brand," says Bourgeois. "That is the real challenge. You have to have a good relationship with retailers, you have to have a vision for the centre that they will want to buy into."

So what's the answer? Land Securities portfolio director Russell Loveland says that, as was the case when the company decided Bluewater needed a makeover, you have to take a broad brush and look at the whole shopping centre brand.

He says: "Two years ago we completely ↘



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MARK BOURGEOIS, CAPITAL & REGIONAL

rebranded the centre. We found that the old branding wasn't quite gelling with our shoppers. Now it's much more dynamic and it can match the seasons and special calendar events; it's opened up a whole new set of colours.

"It prompted other things as well – we launched a new social media strategy at the same time, it changed the whole tone."

Rebranding rather than rebuilding

Shopping centre pipeline activity is still nowhere near pre-crash levels and, arguably, in this new era, is never likely to return. So for the landlords with the centres in the smaller towns and cities that are losing their shine, redevelopment is a less likely option than in previous years. Asset management – or rebranding – is the name of the game.

BCSC director of policy and public affairs Edward Cooke says that landlords have developed a more consumer-focused attitude in the way they look at their space.

He says: "Brand is increasingly at the forefront of landlords' minds. Several of the largest shopping centre owners have overhauled their brands to become more consumer facing, such as Westfield's messaging around iconic retail destinations and Intu's drive towards having a more recognisable consumer brand presence."

It's this type of brand presence that M&G Real Estate was looking for at the Friary in Guildford, Surrey. Acquired in 2013, the scheme was suffering from the familiar problems of low footfall, high vacancy rates and a rag-bag tenant mix. M&G had its work cut out, which director of asset management and leasing Scott Linard says was as much about branding as it was about fixing the physical space.

He says: "We wanted to get a clear view of the brand and the tenant mix. We wanted to



Bluewater was rebranded two years ago

reinvalidate it and give people a reason to come along again. A shopping centre is effectively a brand for shoppers; it's something that people recognise, and you have to maintain it and improve it as a brand."

Branded shopping centres

For retailers and landlords, success – or failure – is often a joint venture. If a landlord can't get the right retail brands into its space, a vicious circle usually begins; if a retailer isn't drawing in the customers, neither they nor the centre benefits. And, as M&G found in Guildford, getting the branding of a scheme right can mean getting in the right tenants.

Linard explains: "When we took over we did research and found that one of the reasons people weren't shopping there was because there wasn't a Zara – in fact we were losing

customers to Kingston because there was a Zara there. Superdry was already in Guildford but wanted to be in the centre, so we made that possible as well. We upsized some tenants that wanted larger spaces and added some new names."

The increasing dominance of big regional malls is a cause for concern for retailers and landlords in secondary towns and cities, but, says Bourgeois, it can also offer an opportunity.

He says: "We run schemes that attract over half of the trade in a town centre in many cases. When you're such a big part of the community and have so many connections with it it's quite a big responsibility. You have to have lots of connections and work with local businesses, and the whole social media pitch is increasingly relevant."

Branding has always been an essential part of the business of retailing. What's emerging in the multichannel era is a new type of brand: the shopping centre itself. Whether you're talking about a dominant regional centre, a Russian mega-mall or a local community shopping centre, the old lines between the landlord and retailer mindsets aren't as clear as before.

Irene Dunn, Swarovski partner and manager of the jewellery store at Kingfisher in Redditch, says that the difference for a retailer when a landlord treats the centre as a brand is "massive".

"When you've got a landlord that understands retail from a retailer's perspective the difference is incredible. It makes so much sense from a retailer's point of view: it changes the whole atmosphere and ambience of a place, and that can have a massive influence on how well you trade."

An international shift

One company that knows plenty about retailing and branding of retail space is Ikea, which through its Russian real estate arm, Ikea Centres Russia, has more than 22 million sq ft under management through the Mega fascia.

Ikea Centres Russia general director Armin Michaely says that one important shift is the way that consumers are spending their time in shopping centres.

He says: "Our key focus will be on the creation of our food courts and leisure areas. This will help draw in a number of new international brands,

strengthening our tenant mix and meeting our customers' needs."

Since 2012 Europe-wide shopping centre owner Unibail Rodamco has had a team in place that is specifically tasked with finding innovative ways to connect with customers.

The UR Lab team has come up with two concepts that recognise the importance of food: the Fresh! experience is about bringing in local food brands to a market-style space, and The Dining Experience strategy, which is geared around bringing in new, bigger dining spaces and opening up the choice of restaurants on offer.