

The Situation

As 1998 began, Four Seasons Town Centre, located in Greensboro, North Carolina, was struggling. The center was 24 years old and had gone ten years without a renovation, leaving it with a dark, outdated look that had created serious security perception issues. In addition, ten years of haphazard and inconsistent advertising and promotion had left the center with an image problem in the eyes of the community. There was no community sense of “ownership” in the center whatsoever.

Competition in the market had drastically increased – in Greensboro and in the surrounding area. Four Seasons Town Centre was lagging behind its biggest competitor (who had aggressively courted “marquee” tenants for the last five years) in attracting key stores. To make matters worse, the key stores that were already in the center (Ann Taylor, Nine West, Talbots, Eddie Bauer, etc.) were under-performing. Market share was rapidly falling – dropping from 26.7% in 1996 to 19.2% in 1998. Market research showed that the center was rapidly losing upper income shoppers from surrounding zip codes. Sales were stagnant, with no measureable increase in three years, and the local economy (supported heavily by tobacco and textile mills) was suffering from layoffs, plant closings, and the legal ramifications of the anti-smoking movement.

Construction for the renovation began in February, 1998 only to be interrupted by the passing of company founder and owner Joseph Koury. When construction did resume, it was hampered with delays that moved the completion date from November, 1998 to August, 1999. The merchants began feeling neglected and the delayed construction process negatively impacted their business. The center also lost its marketing director in July, 1998 – adding to merchant feelings of neglect. On top of all these challenges, there was no additional budget provided by the center’s old leases for a big “Grand Re-Opening” event or campaign. Timing was critical – the renovation had to pay off to insure the long term success of the center and would be key to building momentum for Holiday, 1999 – and into the next century.

Objectives

1. To regain lost market share – a 2% increase was targeted for 1999.
2. Win back customers in the key upper income zip codes of 27410, 27408, 27265, 27282 and 27284.
3. To increase center sales by 5% for calendar year 1999 (a critical period) and build momentum leading into 2000.
4. To assist leasing in creating a “retail attitude change” thus bringing new “marquee” stores to the center.
5. To secure a Grand Re-Opening supplemental budget from Koury Corporation and insure that ownership got the most “bang for the buck” in return.
6. Foster key store sales performance. (Ann Taylor, Talbots, Nine West, Eddie Bauer were all showing negative sales trends.)
7. Include a community element in the Grand Re-Opening that would create “ownership” in the mall from the community and raise at least \$25,000 for a charitable cause.
8. Secure support from the tenants in the form of sponsorships and participation.
The target was at least 50% (100 stores) participation.

Plan Outline & Implementation

With renovations underway and on track for an August, 1999 completion, the center's new marketing director worked within the existing marketing budget to allocate funds for the Grand Re-Opening. The management team also prepared a separate Grand Re-Opening Plan and Budget that requested additional funds from Koury Corporation.

A new advertising campaign was created using the tagline "Same Location. One Amazing Transformation.", which would allow the center to focus not only on the renovation but convey the new store "transformations" as they happened and maintain a consistent message that showed how everything about the center had changed for the better. The campaign included radio, print, outdoor, direct mail, web, and in-mall elements and updated the center's badly out of date image. Media placement was radically changed to target key shoppers and included, for the first time, a direct mail element which offered shoppers a FREE \$10 Gift Card if they returned the postcard to the center. In addition, a ten-day promotion was planned, offering shoppers prizes, a gift with purchase, free daily family entertainment (including a visit from Mickey and Minnie Mouse and featured local performers to maximize dollars), and special discounts and sales at Four Seasons Town Centre stores. A charity preview party was planned that would attract all ages with a family oriented event (instead of a "gala") to create a sense of ownership of the mall in the eyes of the community and support the center's "charity of choice" – The Mentoring Initiative.

The marketing team worked with the leasing department to design new leasing packages, including a disk based photo album for the ICSC Spring Leasing Convention and customized packages for key prospective tenants. The management team also worked with merchants to keep them informed and excited about the event. Merchants were invited to a series of meetings and received a weekly update newsletter. The marketing team targeted key merchants to provide sponsorships and prizes and worked with all merchants to offer special sales and discounts. The media was targeted with special press kits and invitations to cover the event – something the center had never done before!

Expense Summary

Advertising

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| Creative (Included advertising and collateral creative) | \$11,526.40 |
| Media Placement (Radio, Print, and Outdoor) | \$55,931.49 |
| Direct Mail (Postcard to 65,000+ homes: printing, list, and postage) | \$21,768.00 |
| Newsletter (Direct Mailed to 3,500 homes: printing and postage) | \$3,882.30 |

Collaterals

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| Shopping Bags (25,000 large, 10,000 small – a 2 year supply) | \$26,418.86 |
| Directories (Paper and lighted) | \$8,667.50 |
| Free Gift Wrap Supplies (250 36" rolls and supplies – a 3 year supply) | \$14,658.80 |
| Visual Merchandising (Backdrops, lettering, labor) | \$3,980.61 |
| Barricade Graphics | \$4,711.64 |
| Table Tents (One year supply of shells and overprints for Aug. & Sept.) | \$2,984.54 |
| Signage & Other Printing (Coupon Pages, Enter To Win Centers, Etc.) | \$14,765.44 |

Charity Preview Party

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| Deniece Williams Expenses (Including AV, Airline, Etc.) | \$15,207.80 |
| Invitations, Tickets & Stickers (Printing, Postage, Mailing Lists, Etc.) | \$9,704.18 |
| Food & Beverage | \$14,081.82 |
| Rentals & Extra Security | \$1,390.04 |
| Additional Help (A local event company assisted.) | \$5,000.00 |
| Gift Card Incentives & Gift With Purchase Items | \$72,492.10 |
| Decor | \$1,987.50 |
| Entertainment | \$9,175.00 |
| Greeters & Additional Labor | \$4,673.00 |
| Press Kits | \$210.23 |
| Merchant Meetings & Incentives | \$2,360.03 |

Total Expenses: **\$305,577.28**

Sponsorships & Donations

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|---|-------------|
| Mickey & Minnie Appearance (Radio Disney, including \$2,500 of air time) | \$17,500.00 |
| Prizes Donated By Merchants (Merchants donated prizes & gift certificates) | \$12,530.00 |
| Make A Change Donations | |
| Deniece Williams (Came for half her normal fee due to charity) | \$10,000.00 |
| Limo Service (Donated) | \$686.23 |
| Hotel Rooms (Donated for Deneice Williams & Disney staff) | \$412.65 |
| Food Discounts (Food was provided at cost by the Holiday Inn Four Seasons) | \$7,800.00 |
| Food Donated By Merchants (Chick-fil-A, Arbys, Cookie Jar) | \$2,490.00 |
| Coca Cola Donation (Donated all beverages for the entire 10 day event.) | \$8,000.00 |
| Sponsorships From Local Companies (28 companies donated \$\$) | \$25,000.00 |
| Volunteers (80 volunteers/4hours/\$7per hour if we had to pay them) | \$2,240.00 |
| Leasing Packages & Disks (Created by Marketing, paid for by Leasing) | \$2,500.00 |

Total Donations & Sponsorship: **\$89,158.88**

Results

1. Market share increased from 19.2% in 1998 to 24% – a 4.8% increase for 1999.
2. Four Seasons Town Centre won back customers from key zipcodes. The rate of return on the direct mail postcard was 15.1% and data collected from the gift with purchase showed that all targeted zip codes were among the “top ten” for the first time ever.
3. Comparable sales increased by 4.97% in August, 13.2% in September, 7.5% in October, 9% in November, and 10.1% in December, 1999. In addition comparable sales for 2000 are running at a double digit rate of increase.*
(* Except January. The center was closed for 5 days and 2 half days in January due to snow.)
4. Four Seasons Town Centre did create a “retail attitude change”. Williams Sonoma, abercrombie, Starbucks, Godiva Chocolatier, Aveda, and seven other new tenants have opened since the renovation began. In addition, the leasing team reports that leasing “hits” have doubled in the last nine months.
5. Four Seasons Town Centre did secure a Grand Re-Opening supplement of \$150,000.00 from Koury Corporation. Ownership also received “bang for the buck” – the center generated \$125,776.61 of publicity (31:15 min. television, 31:15 min. radio, and 1344.5 ci print) and \$89,158.88 in donations and sponsorships.
6. Key store sales performance improved dramatically. Ann Taylor, Talbots, and Nine West have all experienced double digit increases each month since August. Eddie Bauer made plan three months in a row for the first time in three years. Brookstone is now beating the volume of a competing store almost twice it’s size.
7. A sense of “ownership” in the mall was created. The “Make Change” Charity Preview Party raised \$35,200 for two organizations that are part of The Mentoring Initiative. An estimated 4,000 people attended the event. More than 7,000 people attended the Mickey & Minnie event. Customer comments about the new family oriented, community attitude of the mall were overwhelmingly positive.
8. Support from tenants exceeded goal. One hundred–sixteen merchants (58%) participated. Prizes valued at \$12,530 were donated. Eighty–two merchants attended the first meeting in April and 122 attended the Grand Re-Opening countdown meeting in July.



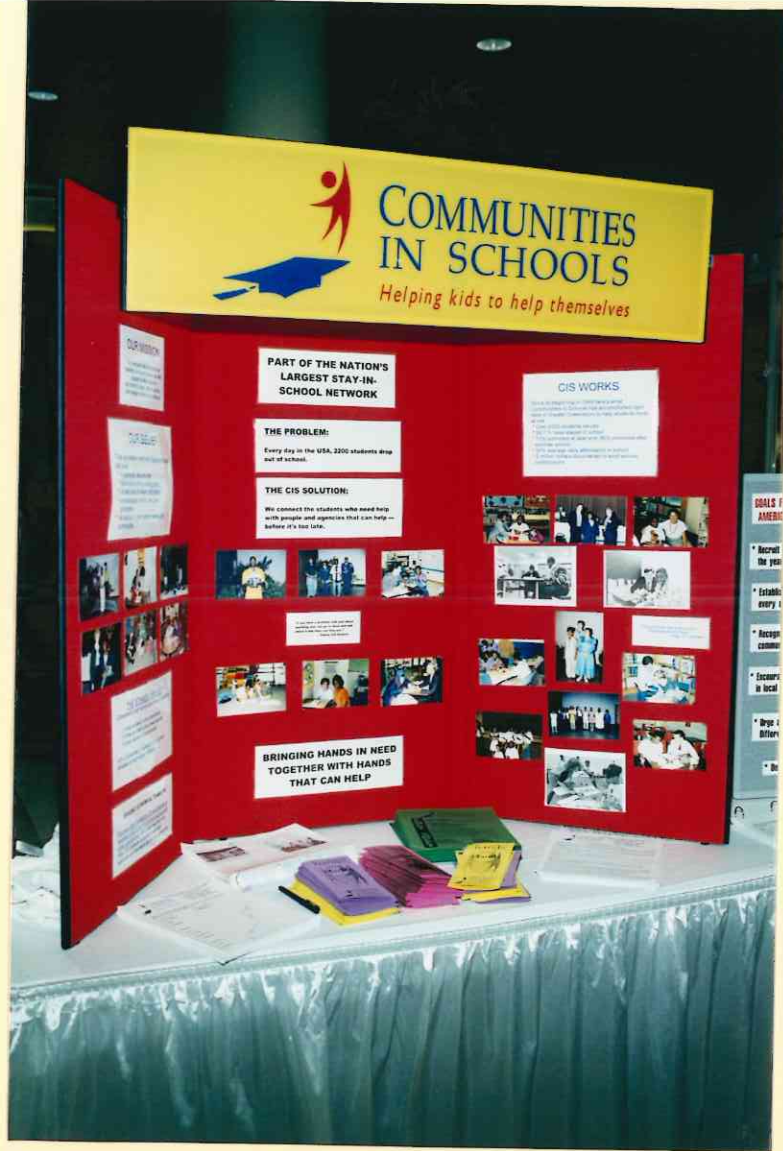
By 1998, (pictured top) the center looked dated! By August 1999, (pictured bottom) renovations resulted in a lighter, brighter, updated look and a more comfortable shopping environment.



The center hosted the "Make A Change" Charity Preview & Sale the evening prior to the official Grand Re-Opening. For a \$10 donation, shoppers were entertained by Deniece Williams, enjoyed free food throughout the center, and took advantage of special sales and discounts at mall stores.



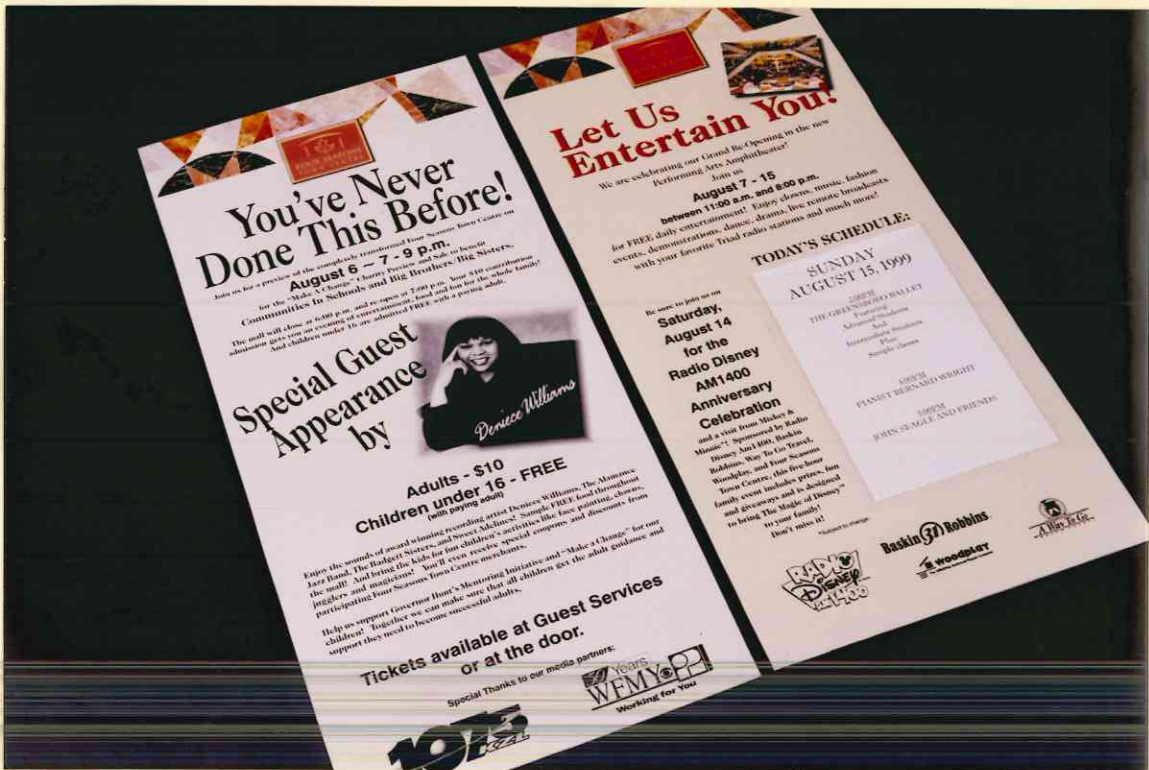
The "Make A Change" event was designed to be a family oriented community event – not a gala. A local children's choir, assembled especially for the event, featured children involved in local mentoring programs.



The Governor Hunt Mentoring Center offered shoppers information about Communities In Schools and Big Brothers/Big Sisters and gave them the opportunity to become a mentor for one of 12 local agencies.



Grammy Award winning singer Deniece Williams and Governor Hunt's Director of Community and Citizen Services helped present checks benefitting Communities In Schools and Big Brothers/Big Sisters as confetti dropped from above.



Key architectural elements inspired a completely new collateral program which included shopping bags, signage, door decals, and participating store signs. Collaterals for the "Make A Change" event included invitations, stickers, tickets, and a program book - all of which reflected the look of the new program.



The center created a new in-mall campaign which utilized the beautiful tile pattern component of the renovation. The design was carried through to tri-fold food court table tents and barricade graphics.



The center utilized vacant store front windows to create a visual merchandising program – backdrops matched the tile pattern in other collaterals. In addition, special graphics were created for vacant store fronts that did not have display windows.



Balloon decor utilizing the center's leaf logo and the new colors used throughout the renovation added a festive touch to the Grand Re-Opening activities.



More than 12,000 shoppers registered to win at five locations throughout the center! Prizes were donated and included US Airways tickets, \$1,000 shopping sprees, and a family trip for four to Busch Gardens and Water Country USA.



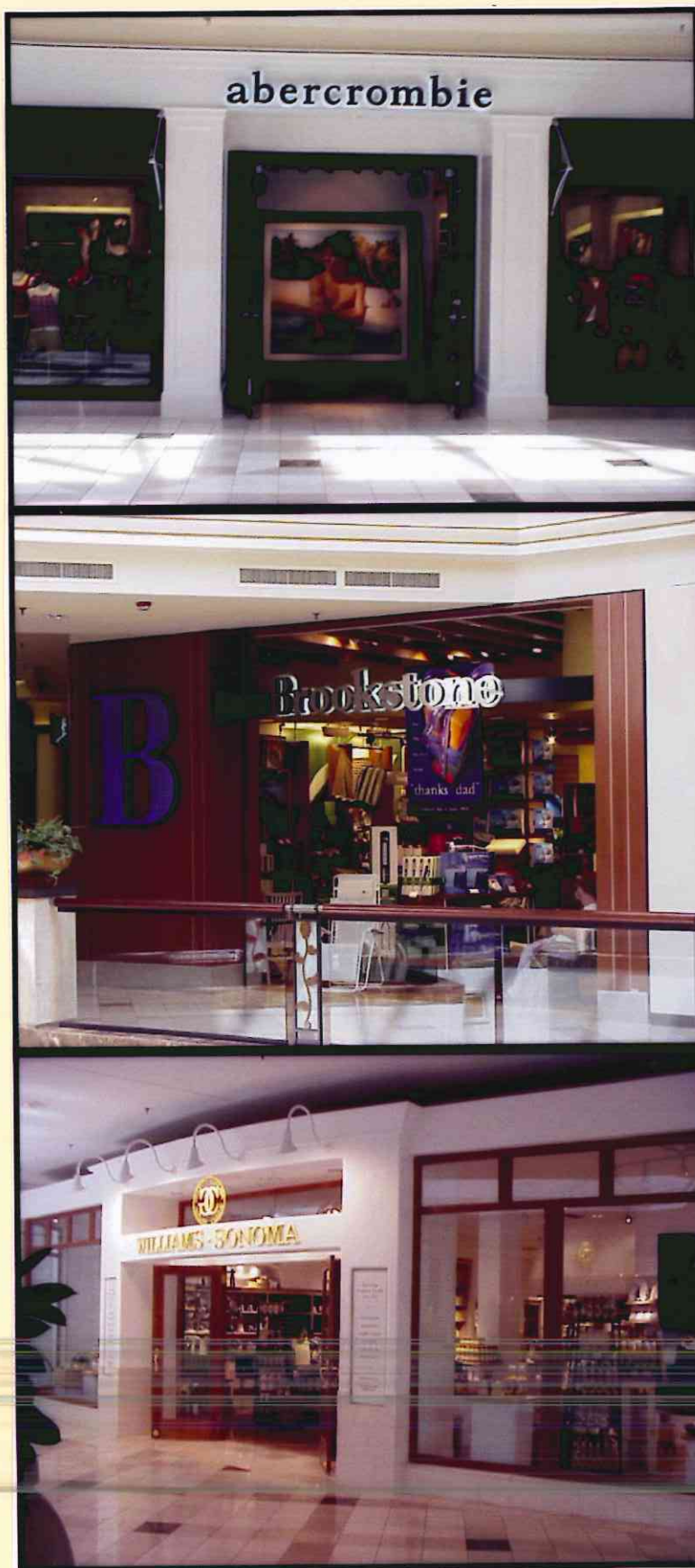
Local TV icon Lee Kinard (WFMY – CBS) served as Master of Ceremonies for the official Ribbon Cutting Ceremony and re-opening of Four Seasons Town Centre. Greensboro Mayor Carolyn Allen and other local chamber, merchants association, and elected officials joined Koury Corporation officials in cutting the ribbon.



Four Seasons Town Centre offered FREE family entertainment in the new Performing Arts Amphitheater on the hour each day during the ten day Grand Re-Opening celebration. Nearly 50 different acts performed!



Radio Disney celebrated it's first anniversary as a tenant at Four Seasons Town Centre by providing a FREE Mickey & Minnie Mouse character visit for the Grand Re-Opening. The event attracted more than 7000 shoppers!



The renovation and re-merchandising efforts have led to seven new stores opening at Four Seasons Town Centre, and leasing interest continues to grow!