Santa HQ Reinvents the Santa Experience

The mall as a platform for new digital experiences has a brand new believer – the big guy in red.

Launched for this holiday season, Macerich’s Santa HQ is a totally immersive, digital experience unlike anything malls have offered before. Already national and major-market media are taking notice, including CNN, USA Today, CBS News, the Los Angeles Times and Washington Post.

Ten major Macerich malls around the country are home to the new Santa HQ, presented by HGTV: Chandler Fashion Center, Danbury Fair Mall, Deptford Mall, FlatIron Crossing, Lakewood Center, Los Cerritos Center, Scottsdale Fashion Square, Tysons Corner Center, Vintage Faire Mall and Washington Square.

Santa HQ pairs cutting-edge technology with an authentic, meet-the-real-Santa-in-person moment as the grand finale. Augmented reality bridges the physical world and digital world when kids explore Santa’s Observatory through Elf-Ray Vision using a handheld “portal;” use a new app to take an ELFIE Selfie and star in their own holiday video; and even try the Naughty or Nice O’Meter. This exciting, interactive journey meshes one of retail’s biggest traditions with social media immediacy and state-of-the-art digital effects.

Macerich’s initiative in creating Santa HQ stands out in the holiday landscape this year, according to Jesse Tron, a spokesperson for the International Council of Shopping Centers (ICSC): “Obviously Santa and the mall are ubiquitous in some capacity. I know the Macerich initiative and it’s something different. It’s creating an experience for the consumer and that’s critically important.”

In a world where the customer experience is increasingly important for bricks-and-mortar retail, Macerich’s Santa HQ offers a powerful new reason for families to go to the mall this holiday season.

“Santa HQ reinvents the Santa experience at the mall for a new generation of digitally savvy, always-connected kids and their families,” said Ken Volk, Senior Vice President and Chief Marketing Officer, Macerich. “We know that people come to the mall for one-of-a-kind, in-person experiences they can share in real time and through social media – and the exciting new Santa HQ delivers exactly what families want today.”
High-tech holidays are on at Macerich. This season, every Macerich property has a tailored set of digital tools to enhance the customer experience, including property-specific mobile apps to help find stores, search for products, make restaurant reservations, find parking and so much more.

As well, Macerich’s well-liked Text-the-Concierge program is expanding this season to even more properties and is tailored for the holidays to offer customized, real-time gift suggestions. In another boost to the shopper experience, same-day package delivery in partnership with Deliv has expanded to more Macerich properties and additional markets.

“Today innovative technology at our malls has to be part of the holiday trimming, and we continue to introduce new ways for shoppers to have great omni-channel experiences with Macerich,” said Fred Yeries, Vice President, Digital Marketing & Technology Advancement, Macerich.

Events Highlight the Season
In addition to the debut of the innovative Santa HQ at 10 Macerich malls and other tech-savvy amenities across the portfolio, Macerich properties also offer shoppers local, market-right activities to celebrate the season, including tree lightings, Menorah lightings, Santa arrivals, pet photos with Santa, breakfasts with Santa, gift-wrapping stations, choirs, carolers, instrumental performances, inspiring ways to give and so much more. All are designed to bring shoppers to the malls and to retailers’ doors throughout this important season.

“Festive entertainment and dining opportunities, expert guest services, ample parking and convenient gift cards for a wide range of retailers and restaurants – plus a great mobile app to tie it all together – are on the top of everyone’s holiday list,” said Kurt Ivey, Vice President, Property Marketing, Macerich. “In every way, Macerich properties offer truly exceptional seasonal experiences.”

Great brand partnerships enhance the shopper experience. For example, families have enjoyed special, penguin-party themed programming across the portfolio at Macerich Kids Clubs Powered by National Geographic Kids. As well, for the over-18 crowd, Macerich’s portfolio-wide HGTV Home for the Holidays Sweepstakes, running all the way through Dec. 24, will award $10,000 to one lucky winner.
Two new openings and two promising new properties made news for Macerich in the second half of the year.

Around the pipeline:

**Fashion Outlets of Niagara Falls USA**

On Nov. 6, Macerich opened its major expansion of Fashion Outlets of Niagara Falls USA, the high-performing outlet property in tourist-rich Niagara Falls, a magnet for cross-border shoppers from Canada.

Adding nearly 175,000 square feet, the expansion opened with dozens of highly anticipated major retail brands committed to the property, which is 90 percent leased. Anchored by Saks Fifth Avenue OFF 5TH and Forever 21, the expansion includes an exciting mix of new outlet brands, including Disney, Talbots, Vera Bradley, Kenneth Cole, Steve Madden, Swarovski, White House | Black Market and many others, alongside existing favorites: Kate Spade, Barbour, Michael Kors, J. Crew, Hugo Boss, Brooks Brothers, Cole Haan, Burberry and many more.

The expansion increases the size of the overall property by one third to create one of the largest outlet malls in the country. In all, the property will feature 200 stores and approximately 700,000 square feet.

**Fashion Outlets of San Francisco at Candlestick**

Adding to Macerich’s already strong presence in Northern California, Macerich is joining with Lennar Corp., one of the nation’s leading homebuilders, as 50/50 partners to develop a 500,000 square-foot, luxury urban outlet project that will anchor the new, mixed-use community at Candlestick.

Demolition of the fabled Candlestick Park (former home of the San Francisco Giants and San Francisco 49ers) is set to take place in winter 2015 to make way for one of the largest urban mixed-use projects in the United States. In addition to the luxury outlet component of the project that Macerich is part of, Candlestick will incorporate more than 6,000 homes, movie theatres, a performance venue, hotel and much more.

**SouthPark Mall in Moline, IL**

Macerich on Nov. 13 unveiled the market-right renovation of SouthPark Mall, an established favorite in the Quad Cities. Updated amenities include a brand new children’s play area, and 13 national retailers already have brought prototype stores to the refreshed property, including Bath and Body Works and Journeys, among others. Work continues on a new Dick’s Sporting Goods, scheduled to open Summer 2015.
What appeals to F.K. Grunert, Macerich Vice President for Leasing in the Northeast, about the leasing world is the story behind the deal.

“Every deal is different from the last one – how it works for the property, what it means to the retailer. It’s a different story every time, and you get to tell it.” To tell the story – why a location gels for both the retail brand and Macerich – Grunert starts with his own conviction: “If I don’t believe it, I can’t tell it.”

Through his leasing efforts, Grunert has been shaping the success of a number of key Macerich properties in the Northeast and Mid-Atlantic regions, including Tysons Corner Center and Queens Center, and two of the company’s recently acquired New York City-area shopping centers, earned the LEED® Gold designation from the U.S. Green Building Council.

“For Macerich, the industry designations reflect an integrated and productive approach to sustainability, from smart energy use to water conservation and recycling. Overall the portfolio’s carbon footprint declined by 150,000 metric tons in five years from 2008 to 2013.”

“‘These awards at the global, national and asset levels are a testament to Macerich’s leadership in and commitment to sustainability practices,’ said Art Coppola, Chairman and CEO, Macerich. “Our focus on sustainability is not only good for the environment, but it is also smart business for our company, benefiting investors, retailers and the local communities we serve.”

Long story short, Grunert joined Macerich from Wilmorite and credits his mentor, Doug Healey, for shaping his positive, solution-focused approach to retail leasing. Now Grunert is working to do the same with junior members of his teams who are learning to connect the dots for retailers.

“From the retailer perspective, our work is about finding solutions to what they need within the omni-channel framework of outlet, full-price and online,” said Grunert. “For us, it’s about making sure our malls offer meaningful experiences, with the best demographics and the best foot traffic, as part of retailers’ omni-channel strategies.”

Leader in the Light: Macerich Earns Environmental Honors

Adding an exclamation point to Macerich’s ongoing commitment to sustainable development and operations, the National Association of Real Estate Investment Trusts (NAREIT) named Macerich the 2014 recipient of the prestigious Retail “Leader in the Light” award, honoring superior and sustained energy practices.

The Leader in the Light award is one of three, high-profile environmental honors for Macerich this year.

The company also earned a Global Real Estate Sustainability (GRESB) Green Star 2014, an important measure of sustainability performance for real estate portfolios around the world.

Additionally, Macerich’s 22-story Tysons Tower office building, part of the new, mixed-use densification project at top-performing Tysons Corner Center, earned the LEED® Gold designation from the U.S. Green Building Council.

“Sustainability is a critical issue – one that is becoming increasingly important to our industry and its investors,” said Steven A. Wechsler, NAREIT President and CEO. “Macerich, as this year’s retail sector winner of the Leader in the Light Award, has demonstrated consistent commitment to innovative environmental stewardship across its portfolio.”

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Macerich’s F.K. Grunert: Every Deal Tells a Story

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Through his leasing efforts, Grunert has been shaping the success of a number of key Macerich properties in the Northeast and Mid-Atlantic regions, including Tysons Corner Center and Queens Center, and two of the company’s recently acquired New York City-area shopping centers, Kings Plaza and Green Acres Mall.

Both Kings Plaza and Green Acres Mall have the makings of great Macerich stories, according to Grunert. “They are where Queens Center and Cross County Shopping Centers were 10 years ago. We’re already seeing Macerich’s impact at these properties. I say, ‘if you want to know what’s ahead for Kings Plaza just look at Queens Center, and for Green Acres look at Cross County.”

But it doesn’t have to be a big-city retail asset to inspire Grunert’s interest in a compelling narrative. Macerich’s Valley Mall in Harrisonburg, VA, or Wilton Mall in Saratoga, NY are both primed for what happens when an attentive mall company meets a well-positioned shopping center in an attractive regional market. Macerich can make a difference at both Valley Mall and Wilton Mall,” said Grunert.

Telling a story is something great retail properties do, as well. Experiential retail brands – Apple, Tesla, Microsoft, Inspirato from American Express – are seeking out top retail settings to share their new concepts with shoppers and create relationships. A recent expression of this trend, according to Grunert, is Peloton Cycle, which is bringing its über-convenient, on-demand spinning concept to Tysons Corner Center. The idea – purchase a spinning bike for your home and click in for online spinning classes with master teachers – is new, and Tysons is the right kind of setting to help introduce Peloton’s “aha” approach.
Few brands are lucky enough to have the widespread awareness that Lucky Brand has built over nearly 25 years. Now the newly private fashion brand has a new leadership team, led by industry visionary Carlos Alberini, with big plans for growing the company. Happenings talked with Mr. Alberini, Lucky’s Chairman and CEO, about what brought him back to denim and the exciting directions ahead for this well-positioned reflection of Southern California style.

Q: What do you see as the opportunity for Lucky in today’s marketplace?

A: The opportunities for Lucky are tremendous. The brand has an incredible awareness level of 77% for women and 58% for men. These numbers are typically seen in billion-dollar companies, and we are only a half-billion-dollar business. We also have a great position in the market in terms of price points. Our denim ranges from $99-$149 and we are somewhat alone in this space. In today’s marketplace you have players in the very high end offering denim in the $200-$300 range, and then the other end of the spectrum with product ranging from $25-$40. We stand out by offering premium product with great quality and taste levels, and we have a diverse assortment for both men and women, all at accessible price points. Internally, we talk a lot about a Denim Democracy, having a jean for “everyone” and for “every body.” Denim represents almost half of our business and it gives us a great platform to expand the business into other categories.

We are fortunate to have strong retail partners and a great real estate portfolio, with 170 specialty stores and an opportunity to add many more retail doors and new distribution points. We have significant opportunities for growth. We’ve done a lot to understand our current customers and are touching only about half of the potential customers we could be connecting with in the U.S. based on our current distribution network. About 80% of our customers are over 35 years old. Our customers are families. They are very loyal to the brand, have high incomes and enjoy very active lifestyles that span from the office to social engagements. We see this as a great opportunity to offer an expanded assortment for multiple occasions.

Q: You have been in your new role at Lucky since early this year, after a very productive time at Restoration Hardware and before that, you helped make Guess a retail force. What drew you to join Lucky Brand?

A: Beyond the incredible potential I saw for the brand, the opportunity also had personal relevance for me. My wife Andrea and I missed Los Angeles, which was our home for many years, and this gave us a great reason to move back. On the professional level, I have worked towards a role like this my entire professional career, and here I am, living my dream. Lucky feels like a half-billion-dollar startup; we have the full support of our Leonard Green partners to run the company according to our vision and we have been able to assemble an incredible team. Coming to work doesn’t feel like work.

Q: You mentioned Leonard Green – retail watchers will know that Lucky Brand used to be part of Fifth & Pacific and the Liz Claiborne business, but now is privately held by Leonard Green and Partners. How does being privately held make a difference for Lucky Brand?

A: Being privately held makes a real difference. Don’t get me wrong, I came from Restoration Hardware and was part of the team that took RH public in 2012, which was an extraordinary experience. Being private gives you opportunities to do what’s right for the business long term, without the pressures of the public market and a constant need to meet quarterly earnings expectations. For example, one change we made at Lucky when I got here was to end our distribution of product through Costco. This is a great platform and a formidable retailer, but we didn’t feel it was the right direction for our brand. This was painful to do from a profitability and cash flow standpoint, but it was the right direction for our brand. This was painful to do from a profitability and cash flow standpoint, but it was the right direction for our brand. This was painful to do from a profitability and cash flow standpoint, but it was the right direction for our brand.

Q: Please talk about how you are changing the in-store experience.

A: The results of our customer research made it very apparent that we needed to evolve the store environment and experience. Our stores were crowded with...
Major Industry Awards for Macerich

Racking them up: Three Macerich properties have earned a number of important industry awards this quarter, in categories ranging from best outlet center and best building to best retail development of the year.

Fashion Outlets of Chicago
Macerich’s breakthrough outlet property in Chicago earned three notable awards this quarter, including the prestigious MAPIC Award for 2014 Best Factory Outlet Centre. This international competition, now in its 19th year, rewards excellence, innovation and creativity in the retail real estate industry. In December this property received ICSC’s 2014 Gold Award for New Development. And earlier this fall, Fashion Outlets of Chicago was voted Best Shopping Center by Racked Chicago readers.

The Shops at North Bridge
Eataly at The Shops at North Bridge was named 2014 Best Retail or Mixed-Use Development of the Year by the Chicago Chapter of NAIOP, the Commercial Real Estate Development Association. Since opening last December, Eataly – which occupies a superb, 63,000-square-foot street retail location as part of Macerich’s Nordstrom-anchored downtown Chicago powerhouse – has proved to be a huge attraction for visitors and locals alike.

Tysons Corner – Tysons Tower
Tysons Tower, the view-focused, 22-story trophy office building at Tysons Corner that opened this past summer with key anchor tenants Intelsat, Deloitte and others, was named 2014 Best Building in the speculative office category, 15 stories and above, by the Northern Virginia Chapter of NAIOP.

Q: What is new about Lucky Brand’s marketing?
A: Early on we felt we were not engaging with our customers using the right tools. The advertising was mostly geared towards a customer that we did not have and the tools were the conventional ones – a lot of print ads and catalogs. Our team came up with a fresh campaign concept. Instead of exclusively using models, we selected 100 people, people like you and me, regular people with great life stories – musicians, restaurateurs, artists, entrepreneurs and yes, also models. We’ve shot photos and videos that we are sharing on our website and using on digital and social platforms to make these individuals and their own networks part of our authentic storytelling. So you see people enjoying life, you see a lot of smiles. We always ask, “What was your luckiest day?” and “Why do you think you are lucky?” All of this is creating more energy around our product and our brand. I think it’s very exciting and forward looking.

At Lucky Brand, we see “luck” as an active thing. We believe we all make our own luck. Frankly, that’s exactly what we are working to achieve in this journey.
Macerich Properties Drive Shopper Visits with Holiday Fun & Ways to Give

Here are just a few of the dozens of locally programmed events happening this season at Macerich’s 52 properties:

- All Decked Out, a Black Friday celebration inaugurating the much-anticipated new parking garage, the first element to be complete in the major expansion of Broadway Plaza in Walnut Creek, CA.
- Night of Giving at Tysons Corner Center in Fairfax County, VA, a ticketed, private, high-profile shopping and entertainment event to benefit a wide variety of local nonprofits.
- Marin on Ice at Northgate in San Rafael, CA.
- Grab Your Gift event at Freehold Raceway Mall in Freehold, NJ.
- Movies in the Park, Fridays at Biltmore Fashion Park, starring holiday favorites.
- Moonlight Madness at Chandler Fashion Center near Phoenix, where guests experience door busters, music and food.
- Events keyed to feast days and Christmas traditions of Hispanic shoppers at Desert Sky Mall in Phoenix.
- Chanukah in the Mall, at La Cumbre Plaza in Santa Barbara, CA.
- Enchanted Snowfall at La Encantada in Tucson.
- Horse & Carriage Rides, SanTan Village in greater Phoenix.
- Nintendo Holiday Tour at Arrowhead Towne Center, Washington Square, Queens Center and Tysons Corner Center.
- Spark of Love Toy Drive with ABC7 at Los Cerritos Center near Los Angeles.
- Shop with a Hero event with the NYPD and NYFD at Queens Center.
- Southridge Hunger Challenge in Des Moines, IA.
- Salvation Army’s popular Angel Tree Program, taking place at many properties around the portfolio.