

Brand perceptions of promotional activity in UK shopping centres

Brandspace Group presents its findings on the buying habits and opinions of brand managers, media buyers and campaign planners for experiential media and branded promotions in UK shopping centres.

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1.0 - Experiential promotions in shopping centres

Why did we carry out this study?

BrandSpace is the UK's largest out of home (OOH) experiential media owner, and are heavily involved in the commercialisation of retail and leisure venues – connecting brands with consumers in retail, travel and leisure environments.

As a key industry player and a media owner with client groups on “both sides” of this paradigm, part of our remit is to facilitate the improvement of relationships between promoters and the venues in which they operate – a key reason for prompting an initial enquiry into this subject.

While empirical data on experiential marketing activity does exist, there is limited research available into experiential and promotional activity - particularly within retail, which outlined an industry “intelligence gap” and therefore warranted a full study.

The findings of this study were initially presented to over 100 UK shopping centre managers at the ‘Marketing for Centre Management Seminar’, hosted by Shopping Centre Magazine on 17th October 2011, ahead of this report being finalised.

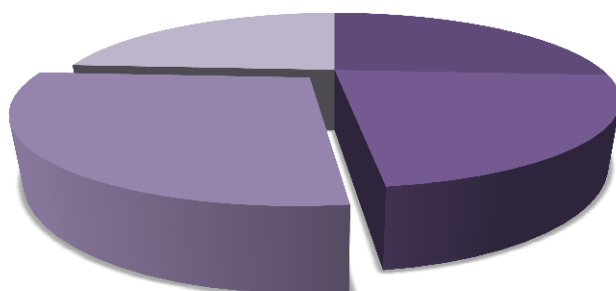
1.1 - Target Group

Who did we poll?

A selection of buyer types was identified as the most suitable group that would more likely yield a representative view on the industry. This was intended to be both from a strategic level and tactical point of view, and needed a closely balanced selection in terms of quantity of each ‘buyer type’.

A group of just over 400 individuals were identified and polled; the individuals within this group were selected because they had been directly involved in buying experiential space in a UK shopping centre within the previous 18 months.

A breakdown of how the group was categorised and segmented is as follows:



- Brand & Marketing Managers - 26%
- ATL Campaign Planners - 22%
- ATL Media Buyers - 28%
- Experiential Media Buyers (all levels) - 24%

What do we already know about experiential marketing from a brand perspective?

Various studies were carried out between 2008 & 2010 by Jack Morton Worldwide and MICE Group about physical promotional activity. Some of the key findings were as follows:

- 93% of brand managers say that physical brand engagement generates better brand advocacy more than traditional media channels*
- 76% of consumers (group data unknown) would rather interact physically with a brand, as opposed to other, more traditional channels*
- 48% of brand managers believe, from experience, that most (9 out of 10) consumers appreciate physical engagement more than any other medium
- Experiential marketing is one of the fastest growing areas of marketing spend

**Traditional channels are taken in this context to be broadcast media and direct mail*

***Points 1 and 2 taken from Jack Morton Worldwide, with 3 & 4 taken from MICE Group.*

2.1 - Conclusions and assumptions from this data

From a consumer perspective, particularly where brand advocacy is concerned, the effectiveness of experiential marketing – and its appeal – seems to be a key driver of growth in this kind of activity.

This also correlates with an increase in enquiries and bookings by Brandspace clients for promotional space for experiential activity - not only within retail, but also in travel and leisure environments.

The recognition of the power and value of experiential promotions seems to therefore be universal. Both from a brand management perspective and in terms of consumer responsiveness, physical brand engagement is a very powerful medium.

3.0 – Experiential Marketing

Finding its pecking order in the planning process

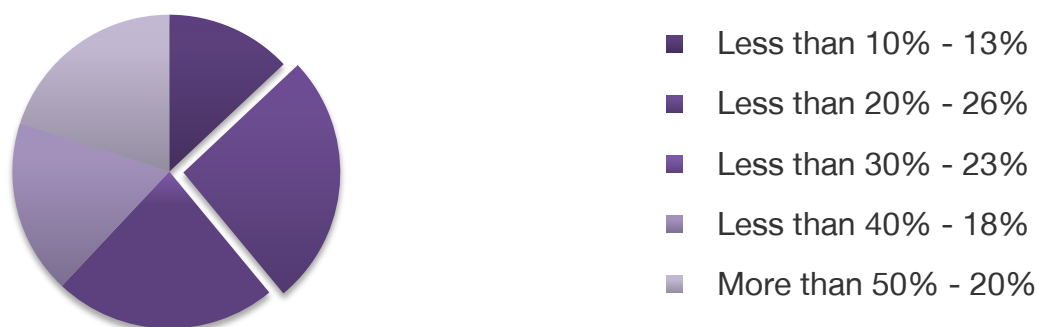
One of the first things we wanted to identify was the allocation of brand spend toward experiential media in general (for physical outdoor media (not broadcast)), and how much of experiential budgets were allocated for this type of activity within shopping centres in particular.

We asked:

“How much of your overall outdoor (non-broadcast) marketing budget is allocated for live, experiential brand promotions?”



“How much of your experiential spend is focussed on activity within UK shopping centres?”



2.1 - Conclusions and assumptions from this data

The allocation of spend towards experiential within outdoor media budgets appears to be sporadic and shows us that brands are considering the value of experiential activity differently.

What the second response tells us is that shopping centres feature heavily for brands where experiential is concerned, A fifth of all brands do more experiential activity in shopping centres than any other type of venue. Half of the respondents claim that shopping centres account for between 10% & 30% of all their experiential activity.

4.0 – Promotional Activity in Shopping Centres

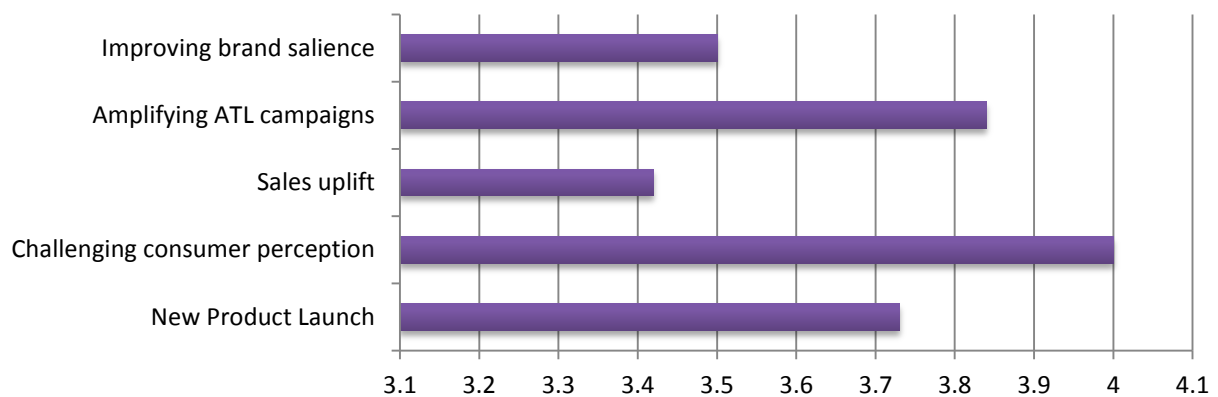
What is it effective for?

There are various uses for promotional space within shopping centres, yet no data exists on whether the environment is versatile enough to accommodate a number of promotional aims. This would provide us with an indication of the intended use for shopping mall promotions from a brand perspective.

We asked:

On a scale of 1-5, how effective are shopping malls for:

Values given are average ratings



4.1 - Conclusions and assumptions from this data

Perhaps unsurprisingly, the least effective goal is improving sales directly, however this may be due to the fact that some physical promotions, for example experiential campaigns, aren't always measurable in terms of sales uplift; hence the relatively lower rating than other factors.

The results from this response group also seem to indicate that brand positioning plays a big part in deciding why a brand would choose to promote in any given shopping centre - and that larger, above the line (ATL) campaigns are supported by this type of activity.

5.0 – A Tough Retail Backdrop

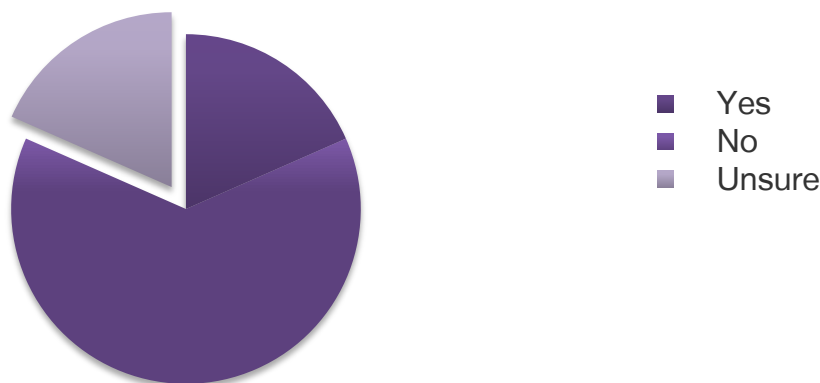
Has it affected perceptions of shopping centres?

There has been plenty of negativity about consumer retail spending and sales figures from the high street in the media, which we wanted to acknowledge in this research.

We wanted to acknowledge this aspect of the retail environment today with a view to seeing if, and how, it has affected the perceived value of shopping centres for promotional activity.

We asked:

Has the recent dip in consumer spending on the high street affected how you view shopping centres as an environment to engage consumers effectively?



If it has affected your perception, has this been:



5.1 - Conclusions and assumptions from this data

The findings indicate that consumers are more particular with their branded purchases, and in a challenging economic environment, more physical engagement is needed, which was recognised by over half of the respondents.

For those who were unsure, the research indicates that there is more room for research in terms of how a dip, or perceived dip, in consumer retail spending impacts the effectiveness of branded promotions, both within shopping centres and other consumer environments.

6.0 – Critical Decision Factors

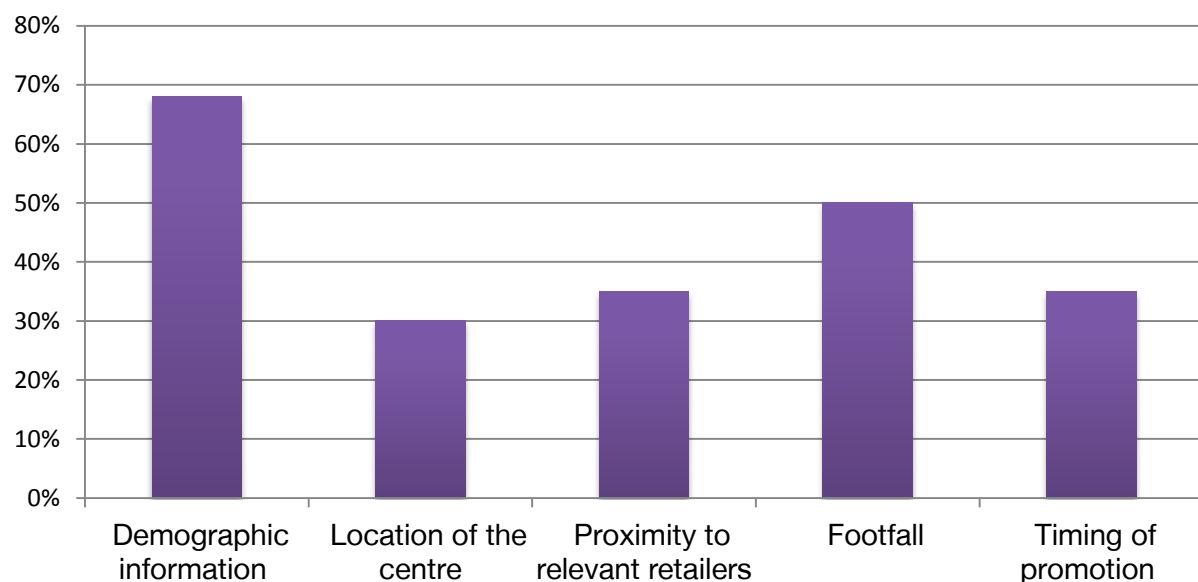
For deciding on any given mall for experiential activity

Brandspace is very aware that certain assumptions exist about what elements of a venue are important from a media buying perspective. We wanted to know, without doubt, the most critical decision factors.

We asked:

What are your most critical decision factors when deciding on a shopping centre for branded experiential activity?

The values shown are how often certain factors featured in the responses.



6.1 - Conclusions and assumptions from this data

These findings counter one popular perception, that footfall is the outstanding factor for promoters and brands, which in the context of this data is arguably a misconception within the retail industry.

Contrary to this, seven out of ten respondents mentioned visitor demographics as a critical factor, with footfall featuring in half of the responses. Other results also seem to point towards consideration of the audience, particularly with location and proximity to relevant retail outlets. Overall, this seems to give us the impression that brands place more importance on, and pay more attention to, visitor profile data.

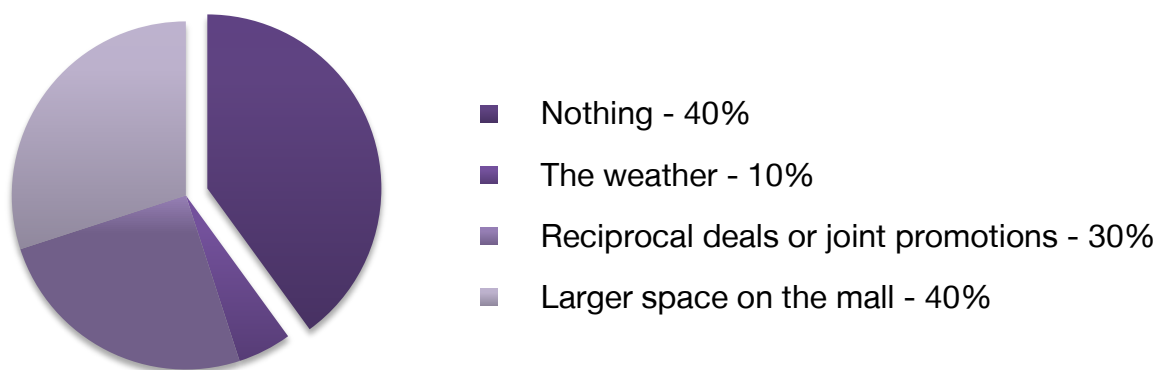
7.0 – Your Last Experiential Promotion

What would you change?

The success of any live promotion can be subject to factors beyond the control of the organisers, or the venue. From a venue perspective, we wanted to find out if there was anything that the respondents would change about their most recent experiential promotion staged in a shopping centre.

We asked:

What would you change about your last experiential promotion?



7.1 - Conclusions and assumptions from this data

Surprisingly, 40% of respondents wouldn't have changed anything about their most recent campaign, which tells us that there isn't much wrong with the spaces available, the range of venues or indeed the effectiveness of experiential campaigns in shopping centres.

That said, a need for larger space would indicate that this is something that would be taken up, if it were to be made available from venue partners.

Reciprocal deals with local, relevant retailers, the venue itself, or joint promotion is something that featured quite prominently in the responses. This was an unexpected element in the responses and would need further research in order to give a clearer context to the data.

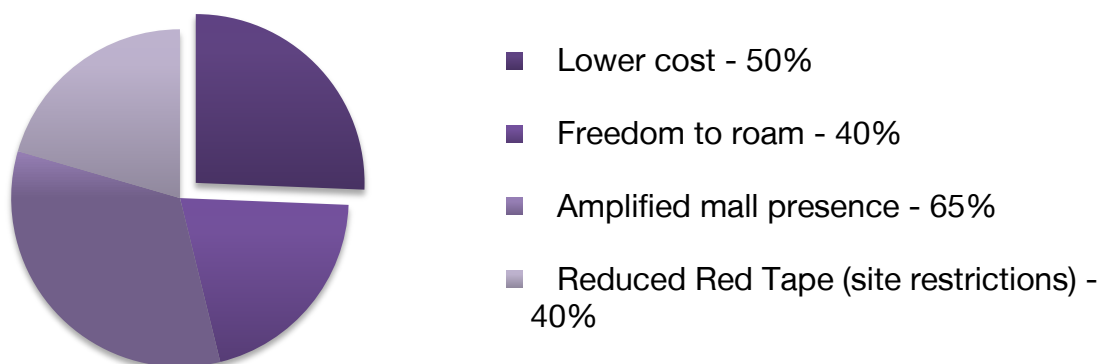
8.0 – Changing the Appeal

Improving the effectiveness of shopping centres for experiential promotion

In order to gauge opinion on shopping centres as places for experiential promotions we wanted to know if there would be anything our respondents would change about the way they go about staging experiential promotions - across the board, without being venue specific.

We asked:

What would make shopping centres more appealing in terms of effectiveness for staging experiential promotions from a space buying perspective?



8.1 - Conclusions and assumptions from this data

While cost is a factor, featuring in just over half of all responses, it wasn't the dominant factor, which shows in itself the value and importance placed on the format of experiential promotions.

Operationally, removing things like height restrictions or restrictions on sampling, being able to use other areas of the mall to raise awareness of promotions all featured as prominently as cost.

More surprisingly, on drilling down into the individual comments, we found that having a wider presence, or having presence for a promotion supported by the venue, was the dominant factor in order to get the maximum value from each promotion. Some examples taken from the responses include; PR support with the venue, online presence (venue website, twitter, etc.), email support, other mall-owned media. All indications show that if such media was made available at the point of booking space for experiential promotions, brands would make use of it.

9.0 – The next 12 months

Plans for shopping centre activity

In order to substantiate some of the findings from the previous question about whether the decent dip in consumer retail spend has affected the perception of shopping malls, we wanted to know how that was represented in the plans of brands and space buyers – and to what end.

We asked:

In the next 12 months, how likely are you to use shopping malls for experiential or physical promotional activity?



9.1 - Conclusions and assumptions from this data

The most surprising factor from this response group was that no individual had ruled out shopping centres for promotional activity within the next twelve months.

When combined, almost 80% of all those surveyed said that they are likely to buy promotional space in shopping centres in the next twelve months. This seems to correlate with earlier findings concerning the need to be in front of consumers in spite of – or perhaps because of – a difficult economic backdrop where retail environments are concerned. This also supports the findings about the effectiveness of physical promotions over other media.

10.0 – Conclusions

What can we take from these findings?

Promotional activity in shopping centres seems to be something that brands are committed to and definitely features in their plans for the next year.

Conclusion on brand confidence and recognition of shopping centres:

Encouragingly, although a difficult retail environment still exists, brands have said that they recognise the value of what shopping centres can offer them, and that their confidence hasn't been affected by these factors going into 2012/13.

To the contrary, the evidence presented in these findings indicate that if anything, shopping centre promotions are seen as a very valuable format in terms of positioning brands in the hearts and minds of consumers, as they become more selective about their brand preferences.

Conclusion on shopping centre media

The findings in this paper tell us that, while shopping centres do feature in the plans of brands and promoters, particularly over the next twelve months, there are aspects which they would like to change. This would be in order to improve the effectiveness and the value of their promotions and focusses on improving consumer awareness of any given promotion through additional media channels.

Other areas for consideration include the removal restrictions, or rather the inclusion of other opportunities on-site – be it additional spaces to roam, dimensional requirements for physical stands being eased. Another area for further exploration is reciprocal deals, which could be made with venues or even retailers within a venue.

Conclusion on venue profiling: Customer (data) is king

In terms of decision making, we know that brands place a great deal of importance in visitor data – even over footfall, though footfall is still a significant factor. This tells us that brands look carefully at profiling venues and don't concentrate on any one factor when deciding on a venue.

The guidance for shopping centre operators and managers is therefore to make as much data about their visitors to managing agents and brands. This is in order to boost likelihood of brands gaining a better understanding of what is being offered by a venue, as well as increase the likelihood of brands choosing to stage their promotions in that venue.

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