

RETAILAINMENT

or the new art of retail

AN exploratory study by
INFLUENCIA and **KLÉPIERRE**



CONTENTS

INTRODUCTION

Jean-Marc Jestin

Chairman of the Klépierre Executive Board

LEADER

Isabelle Musnik

INfluencia CEO

1. RETAILTAINMENT: DEFINITION AND DEVELOPMENT

2. THE SHOPPING CENTER: THE FAVORITE PLACE FOR RETAILTAINMENT

3. BRAND EXPERIENCES

CONCLUSION

A portrait of Jean-Marc Justin, a middle-aged man with short dark hair, wearing a dark suit, white shirt, and dark tie. He is smiling slightly and looking towards the camera. The background is a solid light blue color.

INTRODUCTION

JEAN-MARC JUSTIN

Chairman of the Klépierre
Executive Board

Commerce in its raw state, pure trade, or the simple exchange of goods, is but a part of the whole. The French anthropologist, Marcel Mauss, said as much when he wrote that “there’s more to trading than the things traded”. The act of purchasing, including in our contemporary societies, does not only have a utilitarian role (to procure things), it is central to the socialization and individuation process.

Shopping centers have always been eminently social places, where people meet, talk and trade, like the famous village square and market. In recent years, we have been rediscovering the shopping center’s social dimension, which had virtually disappeared with the gradual rise in consumerism associated with radical individualism. Its loss was probably also due, and let’s acknowledge some of the blame here, to certain developments in the sector that adopted a purely functionalist, practical, not sufficiently inclusive and even dehumanized approach to the shopping center.

Yet now, more than ever, shopping centers must draw inspiration from what made the first trading centers so successful: they must be inclusive and immersive, that is to say social hubs, opportunities for encounters, and places that are worth the detour.

It is in this spirit that we at Klépierre are designing well-connected places that are open to the town, where all communities, physical and digital, can mix. This is the vision we express through our brand platform: “Klépierre. Shop. Meet. Connect®”.

Today, primarily as a result of technology, our customers have done away with the traditional barriers of time and space that used to demarcate our venues. We have a duty to transform our centers into real hubs, with a focus on experience, pleasure, discovery and sharing.

One of the key aspects of this vision is the attention we pay to the customer journey. In the age of e-commerce, we are having a complete rethink about venues and visitor journeys, before, during and after shopping, to offer entertaining experiences people want to share, as a family, with friends or via social media. To offer an enriched shopping experience that incorporates physical and digital channels, placing strong emphasis on events devised by the major chains and top names in entertainment.

Events we have put on include the Nickelodeon Tour, Showcases for The Voice TV program, TEDx conference sessions, concerts, auditions for the French TV reality show, *Les Reines du Shopping* (The Queens of Shopping), and tours by The Avengers and DC Comics superheroes. They generate enthusiasm among visitors and boost their preference for our centers.

Welcoming the public, developing spaces and showcasing brands are key challenges in a business that is evolving to include a talent for programming and content management. Because these days, we are event creators and content generators, as much as retail landlords! And we want to create events that differ from one center to another, that meet the local communities’ expectations. This is the thinking behind our CSR Act for Good® approach, with the commitment made in its key pillar, “Act for territories” that each of our centers should hold an event in aid of a local charity or association at least once a year. Because we are firmly convinced you can have fun whilst being responsible.

Having dealt with the phenomenon of pop-up retail in the first edition of our New Retail collection, this report on *Retailtainment* is aimed at providing clarification and guidance for retail players and brands to get the last mile right and maximize their revenue in physical sales outlets.

The “connected” shopping center, ultra-connected to its customers and augmented by new forms of technology, is their development partner.



LEADER

ISABELLE MUSNIK

INfluencia
CEO

“But where Mouret showed himself to be an unrivalled master was in the interior layout of stores. He decreed that not a single corner of The Ladies’ Paradise store ought to remain deserted, requiring there to be noise everywhere, a crowd and evidence of life; for life, he said, attracts life, increases and multiplies”. That was in 1883 and Émile Zola was describing *The Ladies’ Paradise* as a real temple of modern commerce and a paradise for the senses.

A hundred and thirty-five years later, department stores and shopping centers have followed close on its heels. Admittedly, the consumer of the 21st century has changed, with the arrival, in particular, of our famous millennials. Today’s consumers are more paradoxical, more curious, less loyal, more demanding, wanting to be heard and respected. But though they may be guided, first and foremost, by the search for a good deal, they also want to be entertained at the same time and to give new meaning to their consumption.

By creating a customer experience based on escapism and entertainment, *retailtainment* is meeting this desire for life that Zola was portraying in his novel *The Ladies’ Paradise*.



Klépierre

Communications Department
26, Boulevard des Capucines
CS 20062
75 009 Paris - France
Tel. + 33 (0)1 40 67 54 00
Société anonyme
à Directoire et
Conseil de surveillance (Limited Co. with
Executive Board & Supervisory Board)
with registered capital of
€440,098,488.20
Paris co. registration no.
(RCS) 780 152 914
www.klepierre.com

INfluencia

Copy, design & production
4, bis Rue de la Pyramide
92100 Boulogne-Billancourt
Tel. + 33 (0)1 55 38 55 35
INfluencia SAS
Paris co. registration no.
(RCS) 753 589 050
www.influencia.net

— CEO - Responsible Publisher
Isabelle Musnik
— Journalist
Anika Michalowska

— Sales Department
Sophie Huttman

— Translation
Pauline Teale and Cyril Belange

— Art Direction
Ann Céline Blanc

— Illustrations
Klépierre & INfluencia

— Typography
Calibration by
Klim Type Foundry

— Paper
Cover
Inuit Origin Blanc Glacier -300 g/m²
Inside
Inuit Origin Blanc Glacier -130 g/m²

— Printing
Rivaton & Cie - October 2018



1

RETAILTAINMENT
DEFINITION AND DEVELOPMENT

NO PHYSICAL RETAIL WITHOUT FEELING

No, physical retail is not dead, no matter how much the prophets of doom take regular pleasure in foretelling its imminent demise. Provided it reinvents itself to adapt to the new expectations of consumers in constant search of fresh, innovative experiences.



Les Passages, Boulogne-Billancourt, France

**In-store shopping
is a real pleasure
for 57% of European
Millennials**

Distribution is going through unparalleled change. In the USA, as in France, there are announcements in the news headlines of mass closures of major retail stores, including some truly iconic names. At the same time, online shopping is continually increasing its market share. In 2017, it already accounted for 8.5% (€81.7 billion) of retail sales in France⁽¹⁾, while in the USA its sales were rising by 16% (€380 billion)⁽²⁾ and the European online shopping market was put at €534 billion⁽³⁾. “The figures show that online shopping is a widespread practice and becoming transgenerational”, explains Marc Lolivier, Head of Fevad, the French e-commerce federation, which forecasts that online shopping will hold a 20% market share in France by 2020. Should we therefore expect the programmed impending death of physical stores? Definitely not. Further analysis is required of what this trend reflects.

“It’s not our business that’s changing, but the consumers”, is what they like to say at Enov, the marketing and innovation research consultancy. They’re more connected, more interactive, more mobile, more demanding, more volatile, more collaborative, they zap more, and want choice, as regards time and place of purchase (physical or digital), and range of products and services. According to a study by Havas Paris⁽⁴⁾, 74% of French people want to be free to make a purchase at any time, wherever they are. Use of multiple channels has therefore become second nature to them. They switch easily from online shopping to web-to-store and back to store-to-web, and they know everything there is to know about Click & Collect. Over half of the consumers interviewed (55%) in an Ipsos survey for Axis Communication⁽⁵⁾ think the physical store and website are complementary to one another: they seek to get the most out of both to make their purchases. When they go to a fashion, sports or beauty store, it’s mainly to make purchases there (81%), but they also like to check things out there (29%), or just have a browse and a wander (20%).

« Places where it's good to buy but also to make discoveries, stroll, interact and have a good time

This is all the more true in the case of millennials. According to CBRE[®] 70% of these digital natives, born between 1980 and the end of the 1990s, who are hooked on the internet and their mobile, make in-store purchases. “They are generally more consumerist than their elders. However, they’re less motivated by the accumulation of goods and property and more by the quest for an experience in the present moment. And the store can meet these desires much better than e-commerce. They’re also more sensitive to initiatives made by real estate companies to develop the experience element that includes an emphasis on community”, says Philippe Moati, Co-founder of the ObSoCo consultancy (Observatoire Société & Consommation).

Better still, doing in-store shopping is a real pleasure for 57% of European millennials according to the Cetelem consumer survey, Observatoire de la Consommation,⁽⁷⁾ compared with 47% for the rest of the population. Young Italians (73%) and young French people (68%) are even the most enthusiastic about physical retail. According to an Enov⁽⁸⁾ study, 80% of people aged under 30 regard the store as a key experience with a brand or major retailer. Amrutha Shirdhar, Senior Analyst at Euromonitor⁽⁹⁾ says: “Regardless of type, consumers as a whole are attracted by major brands, an eco-friendly positioning, a fresh, changing range and proposition, and above all, an exceptional shopping experience”. And Philippe Moati confirms this: “Shopping centers as a whole and distribution in general are suffering the effects of a fading appetite for consumption and underlying drop in footfall. The basic contract (price, choice etc.) is still an obsession for the consumer but once this has been satisfied, they seek something to stir feelings and a sense of excitement. It’s up to physical retail to fan the embers to make them want to consume again and restore a feeling of delight and enchantment to the act of purchasing”.

How do you get an experience that justifies the trip? “Shopping centers are changing by combining other functions that are complementary to the sole commercial transaction, where the entertainment, event and experience aspects all have a full part to play”, explains Gontran Thüring, CEO of the CNCC (French National Center for Shopping Centers) which made *retailtainment* – a contraction of retail and entertainment – one of the key themes at the latest SIEC retail and commercial property trade fair. And consumers are in the market for things. According to an Ifop survey on behalf of Comarch France⁽¹⁰⁾, 18-24 year-olds are in favor, in particular, of having a catering outlet or café (33% of this age group, compared with 28% on average for the French overall), a space to relax, with sofas and magazines (25%), cookery or craft classes (22%), sports or exercise classes or a fitness space (17%), or a co-working area (10%).

L’Esplanade, Brussels, Belgium



“Retailers and real estate companies are increasingly professional at establishing sophisticated *retailtainment* strategies”, says William Kistler, Executive Vice President & Managing Director-EMEA at the ICSC (International Council of Shopping Centers). With a twin goal: firstly, to get consumers in and encourage them to remain loyal through the experience, and secondly, to offer brands an ecosystem that lets them meet their customers under the best conditions. By creating places laden with feeling and excitement, where it’s good to buy but also to relax, make discoveries, stroll, interact, have a good time and engage in trade.

(1) Fevad
(2) U.S. Department of Commerce
(3) European Ecommerce Report 2018
(4) “Welcome to the phygital smart era”, study by Havas Paris, 2018
(5) “The stores of tomorrow”, an Axis & Ipsos study, 2018
(6) “Millennials, Myths and Realities” a CBRE/Ipsos MORI study, 2017
(7) “L’Observatoire Cetelem de la Consommation 2018” household consumption survey
(8) Qualitative research by Enov, 2017
(9) Euromonitor International 2018 Consumer Type Survey
(10) “The future of retail”, Comarch France/Ifof research, 2017.



Plenilunio, Madrid, Spain



Night race at Hoog Catharijne, Utrecht, The Netherlands

POINT OF VIEW

**“BRING INTO PLAY
CONFIDENCE, SOCIALITY,
DRAMATIC ART,
ENGAGEMENT AND
APPEASEMENT”.**

Stéphane Hugon, the sociologist and Co-founder of Eranos, believes consumption has now shifted towards other forms of expression and other rituals.

“We have the good fortune and predicament of living in a period that we now know to be both tragic and joyful. Tragic because it demonstrates, even to the most stubborn minds, that our model is not going to continue in this way for very long, and because both from the bottom up — behavior and values — and from the top down — product ranges and economic models — we’re already greatly committed to ‘the other side’. Consumption, which was the act that enabled people to experience a feeling of accomplishment — purchasing power as raw libido — has shifted to-towards other forms of expression and other rituals. The magic of digital has facilitated a form of consumption that is ‘without shop windows, showcases, shelf displays or websites’ and connected to more immediate desire, through speech, the skin, intention and suggestion.

One may wonder what name we should give to people engaged in this consummatory act, as these days experience is so motivated by a search for somewhere suitable in which to feel rooted, for recollection and collective remembering, for cooperation in a creative process, for demonstration of a code of ethics shared with others, or even a transcendental search through a powerful experience as a group or community. And always by means of a space — tangible or intangible retail space — accentuated by a liturgy of objects, actions, gestures and exchanges.

There is a cleft in retailing, therefore between a part that is disappearing — delivery in the click of your fingers, and another, far more visible, social experience, where the horizon of expectations includes the profound redefinition of our societies’ co-existence and togetherness. The retail sector can thus take considerable inspiration from other lines of business and other sectors. Areas of entertainment have long been sources of inspiration. Now, there are those related to the artisanal imagination, esthetic experience, training situations and memory transmission, places of culture and conviviality... In order to reach the consumer of tomorrow, retail must be able to bring into play, now more than ever, confidence, sociality, dramatic art, engagement and appeasement”.



2

THE SHOPPING CENTER
THE FAVORITE PLACE FOR *RETAILTAINMENT*

WHEN THE MALL REINVENTS ITSELF

With the change in consumer habits and expectations, *retailtainment* has become a key component in development strategies for shopping centers throughout the world.



Hoog Catharijne, Utrecht, The Netherlands

« Everyone’s expectations must be met, from the active senior citizen to the couple with kids, the fashionistas and hipsters

When talking of *retailtainment*, the things that leap to mind are the colossal mall concepts that have appeared, or are about to appear, in the USA, Middle East and China and which, rather than being purely shopping destinations, are becoming places where entertainment is just as important, if not more so, than the retail element itself. When American Dream, owned by the Triple Five Group (already the owner of the huge Mall of America and West Edmonton Mall) opens near New York in the USA in 2019, 55% of its surface area will be dedicated to entertainment as opposed to 45% for retail.

However, there are very few projects in Europe that deploy such a wide range of indoor or outdoor entertainment facilities or on such a large scale. No doubt because, in Europe, we are less focused on out-and-out leisure. No doubt also because we set great store by our specific local differences and features rather than all-purpose, entertainment. “The concepts vary by country or region, depending on local cultures and eco-systems”, notes Beñat Ortega, Chief Operating Officer of the Klépierre Group.

It must be noted that, with the shift in consumer habits and expectations towards “fun shopping” and “experience shopping”, the concept of experience marketing, which has been established at certain real estate companies as a fullblown development strategy, has come into force in the retail world. Barthélémy Doat, Managing Director for Klépierre France and Belgium, explains it as follows: “We have to reinvent our business, staying constantly on the move so as to be lively digital and physical hybrids, both event-focused and service-focused, hosting innovative brand experiences, and continuing to be attractive “centers” that are worth the detour. *Retailtainment* is a key priority in order to develop the Klépierre center proposition”.

« **We have to reinvent our business, staying constantly on the move so as to be lively digital and physical hybrids, both event-focused and service-focused**

“Shopping centers do not have a standard, uniform customer base. The challenge for a mall is to offer a mix of activities and experiences to suit different visitor profiles, depending on its catchment area”, explains Beñat Ortega, Chief Operating Officer of the Klépierre Group. Everyone’s expectations must be met, from the active senior citizen to the couple with kids, and the fashionistas and hipsters. There are some major trends emerging: Food & Beverage, which is playing an increasingly important part in terms of surface area, variety and quality of proposition, meeting the need for conviviality and sharing; cinema, play and sports hubs, with activities and attractions (physical or virtual) for sharing and creating a buzz; music and culture in all its forms (art, theatre, dance, dedicated displays, conferences, etc.) for learning and participating; use of new technologies (mobile, social media, digital, holograms, virtual reality, augmented reality, and so on) to create services but also to encourage engagement and facilitate personalization, discussion, interaction, encounters and attachment. “This whole mix that makes a shopping center a destination center, is all the more effective at extending the length of visit, increasing average total spend, improving image and brand preference, if it is taken into consideration right from the start”, emphasizes Gontran Thüring, CEO of the CNCC.



La Gavia, Madrid, Spain

“Together with the retailers, we must create a world and social hubs that are differentiating and likely to help brands win the battle fought over the last mile and even the last yard. That means creating the context for physical retail to become an event and generate engagement. The shopping center is then turned into a theatre in which the brands can express themselves and it’s up to us to help them put on a show”, says Delphine Beer-Gabel, New Business Director for Klépierre Brand Ventures, the brand events and advertising entity. Store openings, product and service launches, pop up stores, which have become a real mainstream trend, all provide a variety of storytelling opportunities. “When we play host to the big names in popular entertainment such as Nickelodeon, the Marvel and Disney film studios, *Les Reines du Shopping* and The Voice TV programs that come to do tours or events, we create partnerships that boost the shopping centers’ image and strengthen the venues’ appeal, including for the retailers in our centers”, says Élise Masurel, Marketing Director for the Klépierre Group.

Shopping centers are continuing to give more thought to how to rekindle delight and enthusiasm. Their creativity, combined with the rich contribution from digital tools, now and in the future, promises some great surprises.



Markthal, Rotterdam, The Netherlands



Elite modelling competition at Milanofiori, Assago, Italy

POINT OF VIEW

**“THE INDIVIDUAL NEEDS
TO FEEL A WOW EFFECT”**

According to the urban ethologist, Jean-Louis Rossignon, Founder of the LABretail network, humans seek pleasure and happiness in all their activities.

“For any human, their individual existence revolves around ‘happiness’. This ‘happiness’ is actually a series of factors, such as time spent as a family or on holiday, but also in a shopping center. They form what is called an emotional ‘bond’, which is nothing other than a process involving biological components with important neurotransmitters such as dopamine, norepinephrine and serotonin.

These three molecules play a role, in particular, in anticipation, motivation, positive emotions, dreaming, passions and social relationships. They will cause behavioral consequences that will, themselves, act on the three fundamental forms of behavior that drive human beings: hedonism, oneirism and narcissism, and fuel what is called the ‘reward circuit’, that part of the brain located in the frontal cortex. Hedonism is all about beauty and pleasure.

When an individual experiences this feeling in a particular space, their physiological organism and their psychological perception say to themselves: ‘Ah! That’s the beauty I’m looking for’. Oneirism is about dreaming, and the possible. It’s also about the inaccessible that becomes accessible. When a human being ‘experiences’ this feeling, they say to themselves: ‘This space makes me dream through what it shows me’. Lastly, narcissism is all about ‘me, myself, I’. And when an individual realizes that their ego can be highlighted in a given space, they say to themselves: ‘This space helps me to be recognized’.

In ancient times, getting food, defending yourself and procreating fed the reward circuit by releasing ‘messengers’ that, by generating a feeling of pleasure, activated this reward circuit which, itself, stimulated a subsequent repeated desire.

Nowadays, human beings concentrate on the pleasurable sensations they regard as central to their mental activities and to directing their behavior. And if a space such as a shopping center no longer gives them these feelings because it is identical to a city center or to other shopping centers, the individual will experience less pleasure and will reduce their visits to it.

To put it in simpler terms, the individual needs to feel a ‘Wow’ effect”.

Conversation with

DANIELA LAURET

“ARCHITECTURE IS PART OF RETAILTAINMENT AND IS EVEN THE FOUNDATION STONE”

As in the theatre, a shopping center’s architecture and design now further enhance the retail proposition and augment the customer experience, to add a sense of pleasure, excitement and surprise, and facilitate the meeting, interaction and trading process. Daniela Lauret, Architecture and Design Director at Klépierre, explains their role.

INFLUENCIA // THE SHOPPING CENTER IS INCREASINGLY BECOMING A SETTING FOR PRESENTING BOTH THE CUSTOMER EXPERIENCE AND BRAND EXPERIENCE...

DANIELA LAURET // Shopping centers are, by definition, places where brands meet their customers and our objective is to help them stand out and support their efforts to present themselves and generate an element of surprise through innovation.

Architecture’s main role, in my view, is to design the ideal setting (neutral, refined, flexible and capable of evolving) for retail, leisure and event purposes. It highlights and enhances the status of what is offered, while at the same time creates a unique personality for each center, to offer our customers social hubs to which they want to come and, above all, come back and recharge their batteries too!

YOU NEED TO OFFER A SENSE OF DISCOVERY AND CREATE AN ELEMENT OF SURPRISE TO ATTRACT CUSTOMERS AND KEEP THEM LOYAL. HOW DOES ARCHITECTURE FIT INTO THIS ECOSYSTEM?

DL // The architecture shapes the framework that is to welcome the public, and out of all the various roles this framework needs to play, there’s one that is becoming increasingly important: hosting events of every kind. The design and architecture of a shopping center will prepare “the concourse” for holding a whole program of events (partnerships, concerts, activities, competitions, catering outlets, etc.) and will devise places that can be turned into *retailtainment* venues as required.

My role is to ensure that the new shopping centers we’re designing or those we’re re-developing fit with our customers’ expectations and behavior. The idea of flexible space is essential, as we have to create spaces that are versatile and can change to adapt to different usages and lifestyles, link the shopping center to the town and public transport, and be open to new forms of technology. We design “multi-function” spaces in response to the changes in shopping venues that now accommodate leisure and sports facilities, specific traffic flows, as at railway stations, for example, new physical or digital services, and new usages (co-working, etc.). While our shopping centers allow for the best possible retail expression, they also create the link between the areas where they are established and their residents.





**PLACES
FOR EXPERIENCES
AND EXCITEMENT**





VAL D'EUROPE: CREATING A SHOPPING DESTINATION

The Val d'Europe shopping center, in the immediate vicinity of Disneyland Paris and the outlet shops in Vallée Village, is the result of an agreement between Disney and the French State. It occupies a strategic position in what has become Europe's leading tourist destination and the world's top Disney theme park.

It's 18 years since the Klépierre flagship first opened. With around 19 million visitors a year, its success is undeniable and has been further consolidated by a 17,000 sq.m. extension that opened in 2017.

Val d'Europe has grown alongside Disneyland Paris, offering visitors one of Europe's finest shopping centers, with major names that are the stuff of dreams, such as Apple Store, Sephora, M.A.C, Zara, Nike, Uniqlo and Primark on a mile-long stretch of shopping mall.

"At Val d'Europe, we're working to optimize synergies still further in terms of visitor flow between the center and theme park. But there's huge potential. The catchment area extends to two hours away from the shopping center (as far as Reims!), which is very rare in France. As at Val d'Europe, we are now building entertainment elements into the extensions to the centers we're developing, such as at Créteil Soleil, which will open at the end of 2019, aimed at creating a shopping destination", says Barthelemy Doat, Managing Director for Klépierre France.

"Val d'Europe poses a twin challenge: to attract customers and meet the expectations of our different customer bases (local, French and international customers); and to lend real visibility to our major retailers and help them make themselves known", explains Anne-Catherine Bueb, the center manager. To satisfy an ever-increasing Chinese customer base (already nearly 30% of foreign tourists), mobile payment has been made available throughout and a Chinese WeChat account has been created as well as a Val d'Europe website on Sina Weibo, the Chinese microblogging site.

"Since mobile payment represents a real driver for our retailers, we have set up training sessions", adds Anne-Catherine Bueb, who also stresses the synergy of the partnership with Disneyland Paris, for example, with hotels (free shuttle services) and in the park's media.

ORANGE DIGITALIZES THE VELODROME AND PRADO

The Orange project is on the point of completion, ready to provide the Orange Velodrome with the very best in digital technology and allow visitors to the stadium and Prado shopping center to enjoy a 360° immersive experience.

In 2016, the famous Velodrome stadium in Marseilles officially became the Orange Velodrome. Luc Bretones, Executive Vice-President in charge of the Orange Fab and Technocenter innovation teams explains: “Our objective is to make Orange Velodrome a stadium at the cutting edge of technology and to bring vitality to an ecodistrict in which we want to establish ourselves, along with other local players, such as the École Centrale de Marseille engineering school and the Prado shopping center”.

Last July, Orange brought its top 1,200 managers together at the stadium to present its digitalization project to them and gave them a demonstration of a virtual data room, a real data control tower for creating a smart stadium.

“Our aim is to improve the experience for every audience, for sports people, teams and spectators, but for visitors too, who come here throughout the year to attend concerts or film screenings, and so on”, says Luc Bretones. A 360° immersive experience was offered, for a tour of the stadium and adjoining shopping center.

An app has also been created, incorporating practical information about the stadium’s location, letting people take selfies and offering a lookaround function for a virtual tour. Delphine Beer-Gabel, New Business Director for Klépierre Brand Ventures notes: “The idea behind our pilot project with Orange is to bring the two buildings and their teams closer together, turning them into a joint destination.”





THE NICKELODEON TOUR: FRANCE'S BIGGEST MEDIA TOUR

There's nothing better than real-life encounters. The presence of heroes from the NICKELODEON and NICKELODEON JUNIOR channels is proof of that. Appearances by PAW Patrol, SpongeBob SquarePants, Teenage Mutant Ninja Turtles, Shimmer & Shine, and so on, turn Klépierre centers into playgrounds for the whole family.

The NICKELODEON and NICKELODEON JUNIOR channels, no. 1 in 2018 ahead of Disney Channel on Free, Orange and Canal+, have had a presence at Klépierre centers since 2014. "We wanted to build up a long-term program, making a regular date with our customers and their children throughout the school holidays. This meeting with Nickelodeon, whose heroes enjoy high exposure in the media, with constantly changing content to match the audience's expectations precisely, has enabled us to build up a win-win partnership", explains Delphine Beer-Gabel, who established the Nickelodeon Tour at Klépierre centers. "Traditionally, we used to work with the retail sector through our spin-off merchandise business and little by little we used this know-how, working together to build up content for children, putting in place a system of activities, events and parades. Over time, the program has become more varied and thanks to the Nickelodeon Tour, families can come into physical contact with our heroes", explains Thierry Cammas, Head of MTV Networks.

The Tour is now at about twenty centers for around a hundred days, with a gross media spend of €15 million which, according to Thierry Cammas, makes it "France's biggest media tour". And he's delighted to say: "We're experiencing double-digit growth rates and generating over 200,000 direct contacts. The Tour also enabled us to gather 50,000 database contacts last year. It's a relevant model to capitalize on, working very closely with distribution networks".

The next stage for Nickelodeon is to think about permanent event and activity areas and develop "mini parks", like in Murcia, in Spain, with Nickelodeon Adventure, the first Nickelodeon indoor theme park.



Conversation with

BEÑAT ORTEGA

“A SHOPPING CENTER IS A LIVING ORGANISM”

“Shopping centers are part of French everyday life and meet people’s need to relax and have a good time”, explains Beñat Ortega, Chief Operating Officer of the Klépierre Group.

INFLUENCIA // IS RETAILTAINMENT ONE OF THE NEW “RECIPES” FOR GENERATING APPEAL IN SHOPPING CENTERS?

BEÑAT ORTEGA // Originally, our business consisted of exploiting square footage, but actually “*retailtainment*” is the word that best describes our job today. People come to us to have a good time. They’ve all got an opinion about “their center” and the bonds are very close. We’re part of their everyday life and therefore their needs. Surprising them is part of our DNA. We manufacture content and experience. So that requires great stores, good products, constantly changing activities and events, etc. You might say our customer pledge is “Satisfied everytime”, surprised from time to time! The French TV reality show, *Les Reines du Shopping*, holds its national auditions in the heart of our centers and the Nickelodeon mascots move around getting to meet their fans. If digital has taught us anything, it’s that it’s important to be seen in real life. A shopping center is a living organism that must constantly interact with its visitors. The more content it offers, the more appealing it is. And the more brands want to have a presence there.

ARE ALL BRANDS NOW IN THE MALLS?

BO // Yes. Our audience is a family one and popular in the proper sense of the term, but they love brands, for what they represent, embody, invent and offer as a dream. When they’re buying an iPhone, a Chanel fragrance or a pair of Nike trainers, they’re definitely ready to pay the price. In our malls, we’ve got the brands that set the trends in fashion, Food&Beverage and even cars, with Tesla!

DO THE LATEST CHALLENGES TO THE BIG CHAINS TO CREATE APPEALING BRAND EXPERIENCES AND OPTIMIZE DRIVE-TO-STORE INVOLVE A COMPLETE CHANGE TO YOUR SHOPPING CENTERS?

BO // It’s become a priority for Klépierre to understand the challenges faced by our retailers in creating an original, captivating brand experience that generates pleasure and excitement, with strong content to maintain a lasting relationship with their consumers. We have to overcome the traditional opposition between property owners and tenants to create a new relationship, focused on value creation in an ecosystem that offers brands the ideal venue in which to express themselves. Our role is not to be a substitute for the big chains, but to be of service to them and innovate, by offering them the spaces, logistics, physical and digital media ecosystem, and incentives to create a constant series of events to promote their range and their stores in our malls.

GRUCITY, A CHILDREN'S VILLAGE IN TORINO

Creating a shopping destination to give pleasure to the whole family is part of Klépierre's *retailtainment* strategy. Letting parents and children share in this leisure approach is even more effective. That's the challenge taken up by Le Gru in Torino, one of Klépierre's flagship centers in Italy since 1994, with the opening of GruCity on March 3, 2018.

Le Gru is Italy's top supra-regional center, welcoming 30,000 visitors a day. "With this kids' village, we've increased our reputation, broadened our customer base and increased our drawing power in the catchment area, benefitting all our retailers", explains Gino Antonacci, Managing Director of Klépierre Italy.

GruCity, with its 1200 sq.m. mobile structure, sited outside the center, lets children aged 4 to 11 imagine themselves in the adult world, pretending to do a job in the environment that goes with it, like the KidZania concept, the children's theme park where kids play at being in the world of work. GruCity is both fun and educational, letting children be the protagonists in a reconstruction of a town where they can become doctors, fire fighters, chefs, TV anchors, supermarket managers, etc. using kidsized equipment! "Each activity has been designed with leading experts in their field and local institutions are giving us their support", adds Gino Antonacci.

Since opening, GruCity has welcomed 15,000 children and 15,000 parents, as children can only enter if accompanied by one of their parents.

"We are determined to offer leisure and cultural activities at a modest price or free of charge, for a shopping experience that is increasingly innovatory and fun", says Gino Antonacci in conclusion, adding: "This learn-while-having-fun project is a perfect fit with the Group's 'Let's Play®' *retailtainment* approach, promoting an increasingly enhanced shopping experience".





LIGHT MY FIRE!

Pop concerts, children's music, jazz and more, there's something to suit every taste in Klépierre shopping centers. This expertise is well-developed in Italy and now being emulated in other countries too.

For jazz lovers, the key festivals are the Montreux Jazz Festival and the one in Juan-les-Pins. In Torino, Italy, there's been another festival held in July every year for the last 13 years that has gradually worked its way into the list of top, unmissable events: the Gru Village Music Festival.

"Having started out on a small scale, the event immediately proved a success and has gradually ramped up to become one of the biggest concert destinations in Italy, welcoming each year top national and international artists and an audience of 40, 000 people for each edition and generating heavy media coverage", explains Gino Antonacci, Managing Director of Klépierre Italy, who is able to get a precise measurement of the boost this gives to the center's image and reputation: "We are really perceived as a place where you come to "Shop. Meet. Connect®", a place laden with 'live' emotions and excitement. We're now regarded as playing a decisive role in the area's social and cultural life".

Following their proven success, concerts are now also being held in two other Italian shopping centers that are among the largest in the Klépierre Group: Campania in Naples ("Luglio in Jazz" — "July in Jazz") and Porta di Roma in Rome ("Porta di Roma Live").

A concert program is also a central element of the positioning for the Hoog Catharijne center in Utrecht, The Netherlands. The center, which welcomes 26 million visitors each year, takes part in Cultural Sundays held by the city several times a year and cultivates synergy with the contemporary music complex, TivoliVredenburg. "We use these partnerships with Utrecht, as with TivoliVredenburg, to organize events at Hoog Catharijne and thus strengthen our *retailtainment* offering", explains Javier Cuellar Sanchez, Managing Director of Klépierre Management Nederland B.V, who is delighted at the new customer profiles attracted by this type of music event.

ENTER THE MAGICAL WORLD OF MOVIES

The movie world helps inject the “Let’s Play®” spirit that’s so dear to the Group, with coverage of Oscars’ Night broadcast live in the Parque Nascente center, as well as a reconstruction of the world of the superheroes, Batman, Aquaman and Justice League in around fifteen Klépierre shopping centers in Europe.

Is there anyone who’s unfamiliar with the Oscars ceremony, held in Los Angeles to give out the movie industry’s most prestigious awards? For those who can’t make the trip, there is an alternative: head to Portugal, to Parque Nascente in Porto. “For the last eleven years, Parque Nascente has taken advantage of Oscars Night to hold a grand movie-themed event, broadcasting coverage of the ceremony and giving all those who’ve registered the chance to attend screenings of the nominated films at our cinema complex”, explains Luis Pires. The Managing Director of Klépierre Iberia is delighted that the operation is now recognized by the city as a Porto event in its own right: “Our reputation has spread, with very heavy media coverage. We recreate a festival atmosphere, with the essential red carpet, cocktail party, photo call, guests lining up like in Hollywood, and the presence of actors, bloggers and influencers helping to convey the dream for our customers in the center that day”.

In 2018, the retailers joined in with the operation by handing out their products so as to make the event even livelier.

Movie magic is also at work with the DC Comics 2018 road show, recreating the world of the superheroes, Batman, Aquaman and Justice League in 15 European centers, in six different countries. “The movie world reaches out to all generations and working with famous movie franchises generates a huge amount of traffic. Whether it’s The Avengers or DC Comics superheroes, Klépierre shopping centers provide a large audience for the big movie franchises to offer unique, surprising experiences that are closely linked to their core targets”, emphasizes Élise Masurel, Marketing Director for the Klépierre Group.





TEDX GIVES KLÉPIERRE ITALY A POSITIONING BASED ON EXCELLENCE

On November 9, 2018, around a hundred special guests had the chance to attend a TEDx conference held by the marketing team for the Campania center in Naples with a local committee of young startups.

People are desperate to get their hands on invitations to TED conferences (short for Technology, Entertainment and Design), wherever they're held. The American not-for-profit organisation, "The Sapling Foundation", has been holding them for the last thirty years in the aim of spreading "ideas that are worth being widely shared" with the general public. An annual conference is held in Vancouver every Spring with prestigious speakers, such as Al Gore, Bill Gates, Jane Goodall, Sir Richard Branson and Philippe Starck.

TEDx, the local variation of the American version, is run independently but in the same spirit of excellence and with the same thoroughness. "TED appealed to us because of its themes and the quality of speakers, so we had the idea back in 2015 of holding TEDx Italy conferences in our Campania shopping center", explains Gino Antonacci, Managing Director of Klépierre Italy. The first was on the theme of "Global Contamination", the second, in 2016, was on "My Generation", and the one held in 2018 was on the theme of "Zoom In/Zoom Out", in which speakers from the Italian political, economic, corporate and media world debated the future of Southern Italy.

"It's the first time a shopping center has adopted a positioning based on such a sophisticated type of event. It enabled us to attract new audiences, enhance our image and gain heavy press coverage. And establish Campania as an authentic producer, with a commitment to the future of its region", says Gino Antonacci in conclusion.



Conversation with

LOUIS BONELLI

**“RETHINKING OUR
FOOD & BEVERAGE
PROPOSITION
TO MAKE IT
CONVIVIAL,
SOCIALY AWARE
AND SURPRISING”**

In harmony with the brands and range of leisure activities, Food & Beverage has a real role to play in enhancing visitors' experiences and feelings, as explained by Louis Bonelli, CEO of Steen & Strøm, Klépierre's Scandinavian subsidiary.

**INFLUENCIA // WHERE
DID THE IDEA COME FROM
FOR THE “DESTINATION
FOOD®” CONCEPT
INTRODUCED TWO YEARS
AGO?**

LOUIS BONELLI // // Have you ever experienced a romantic dinner in a shopping center? The idea seems ludicrous at first, but you'd be astonished to see how many people are already doing it in lots of countries. If they choose to do this for their romantic dinner, it's because shopping centers have succeeded in re-interpreting their Food & Beverage proposition to make it convivial, personal and surprising. Efforts made in recent years with regard to architecture, design and technology to create warm, or even intimate ambiances has changed customers' perceptions.

You still need to really understand customers' socio-cultural roots and, at the same time, anticipate their expectations. At Hoog Catharijne, our center in Utrecht in the Netherlands, we asked ourselves the question: where do Dutch people like to go for coffee? By the waterfront! So, we made a feature of the canal that crosses the center, creating two ponds, resulting in a unique spot for meeting people that is in keeping with tradition. Better still, in this age when social media can make or unmake reputations, it's instagrammable! Similarly, the rooftop of Meridiano, our center in Tenerife in the Canary Islands, is now one of the most popular spots in the city, just like the top floor of the new Prado center in Marseilles.

**WHAT CAN YOU TELL US
ABOUT IT?**

LB // At Prado, once the setting had been designed, we required a high quality, varied Food & Beverage range, in keeping with emerging trends in catering, such as affordable gourmet food and “iconization” of a unique product, not forgetting chef-led concepts. In this respect, we've been pioneers by inviting a renowned chef, Éric Fréchon, to open a brasserie in the shopping center that we manage at Saint-Lazare railway station. And it's a real success. In the Val d'Europe extension near Paris, we've installed 8 catering outlets based on innovative concepts. Field's, in Copenhagen, has a “Food Land”.

By 2020, around fifteen projects will come to fruition in our most iconic European centers, as part of our Food & Beverage® concept known as “Destination Food”. For example, in the 11,000 sq.m. extension to Créteil Soleil, 30% of space will be dedicated to Food & Beverage on an entire floor called the “Food Avenue”. Around twenty restaurant businesses will join us at Grand Place in Grenoble. And we'll continue creating destination places with added soul at most of our centers.

WELLNESS AND SPORT

Surfing and pole vaulting in Belle Epine, yoga classes with the Pepper and Nao robots, a flight simulator and climbing wall at Odysseum, or a Pétanque World Cup... Appeal is greatly enhanced by combining an attractive, varied selection of shops with entertaining activities.

“Major sporting events help root us in the local community and magnify our role in society in the territories where we are based”, says Stéphane Rombauts, manager of the Odysseum shopping center: “With 12 million visitors a year, Odysseum is a 50-hectare *retailtainment* destination in Montpellier, capable of hosting large-scale events”. That’s the case with the Pétanque World Cup, which has been held there for the third time, or the partnership with the Beach Volleyball Federation and the International Festival of Extreme Sports: “There’s nothing better for promoting and enhancing the status of Odysseum as a destination, generating top-of-mind awareness and boosting its reputation”.

The fun activities attracting many enthusiasts to Odysseum include an indoor climbing wall (a first for the region), the skydiving simulator, Twistair, a disco on ice, a swimming pool, cinema and Zen nights held every Monday, in association with local fitness clubs and open to aficionados who sign up via the shopping center’s social media. That’s an effective response to the new generations’ appetite for anything related to wellness.

The yoga-themed national tour of France throughout 2018 by the robots Pepper and Nao in our Rives d’Arcin, Val d’Europe, Portet, Paris Saint-Lazare, Belle Epine and Beau Sevrans centers is also shaking up retail conventions. “The French want a shopping experience that stirs feelings and excitement. It’s our job to anticipate our customers’ expectations and lead the way in surprising them”, concludes Élise Masurel, Marketing Director of the Klépierre Group. And it’s working, as the operation has generated a 96% satisfaction rating and an average increase in traffic of 9%. In 2019, Pepper and Nao will be doing a European tour of Klépierre centers.





3

BRAND EXPERIENCES



Conversation with

ÉLISE MASUREL

**“THE DIGITAL
EXPERIENCE
MAGNIFIES THE
FEELING OF WONDER
AND DISCOVERY”**

E-commerce and online marketplaces have reshuffled the cards for brick-and-mortar retail. The customer experience now includes the expression of a new type of creativity. Élise Masurel, Marketing Director for the Klépierre Group, explains why the events strategy plays a central role in the marketing approach taken by the shopping centers leader.

**INFLUENCIA // FACED
WITH ONLINE SHOPPING,
WHAT TRUMP CARDS CAN
PHYSICAL RETAIL PLAY TO
ATTRACT CONSUMERS?**

ÉLISE MASUREL // For a brand, the store provides the opportunity to enhance and magnify its brand content, and our role is to provide them with the right type of traffic to generate sales. Shopping centers and brands are indissociable and complementary: shopping centers know all about customers in catchment areas, while the brands have a more national marketing approach. That's where Klépierre's added value lies: enabling us all to be better and more relevant together to better target mutual customers and offer them broader content. It's in fact up to us to suggest joint marketing campaigns that increase the individual impact. A win-win partnership, in short!

**WHAT PART DOES
RETAILTAINMENT PLAY?**

EM // An events strategy is at the center of our ecosystem. We work on multiple dimensions: firstly, with openings, notably the launch of the new Sephora store concept at Saint-Lazare is particularly emblematic. Events can take many forms. A brand may create its event based on a store opening or on an anniversary, as in the case of Lacoste's 85th anniversary, which is being celebrated in our shopping centers. We also allow use of spaces, such as for JD Sports' Football Freestyle campaign at Val d'Europe, to let the brand come out of their store or create a pop-up store to coincide with a seasonal collection. Brands also join forces for events held in the center to spread their reputation. A prime example of this is the partnership set up with Marionnaud in 18 shopping centers for the first national auditions to be held in a physical location for the French TV reality show, *Les Reines du Shopping*, shown on the M6 channel.

A NEW FORM OF CREATIVITY IS EXPRESSED THROUGH EVENT OPERATIONS. DOES THE NEW DIGITAL STATE OF AFFAIRS AMPLIFY THE CUSTOMER EXPERIENCE EVEN MORE?

EM // I'm firmly convinced that digital is a tremendous opportunity for making a brand or venue known, and for echoing the live experience in a shopping center, particularly via social media. The center then acts like a proper media channel.



In addition, technology is continually improving to allow increasingly innovative experiences. In an events strategy where strong feelings are key, digital magnifies the sense of wonder, surprise and discovery, such as with virtual reality or augmented reality, for example, while adding a strong element of personalization.

Lastly, the strength of Klépierre's physical venues lies in their ability to enable the convergence of local and digital communities. Through use of social media, digital facilitates and strengthens the meeting and interaction process. Millennials really love shopping in store, provided there are completely new and surprising experiences for them to enjoy and then share with their digital community. A program of regular events utilizing the full richness of digital encourages this engagement and loyalty needed in an ultra-competitive retail world.



Conversation with

HERVÉ BROSSARD

**“THE MALL IS
THE SIXTH MEDIA
CHANNEL”**

A brand really has to have a presence in a shopping center and communicate about that presence. There can be audiences of millions. This is a firm conviction held by an expert on the subject: Hervé Brossard, the CEO of Omnicom Media Group in France and Vice President of DDB Worldwide.

INFLUENCIA // WHAT ROLE DOES THE SHOPPING CENTER PLAY IN THE BRAND EXPERIENCE?

HERVÉ BROSSARD // The key word for a brand, as for a store, is appeal. This appeal is derived from the distinctiveness of what is being offered, but also from the way in which it is presented. According to research by Gartner, 64% of consumers regard the in-store experience as being more important than price when choosing where to shop. The idea of leisure shopping these days has gone well beyond simply doing your errands. An increasing number of French people combine shopping with leisure. Over a quarter of people aged 18-35 stated they combine the two activities. Shopping centers that are now battling to maintain a physical link and closeness between brands and customers are perfectly able to meet these needs and have become places of entertainment, designed to draw people in with events, activities, restaurants, cinemas, bowling alleys, etc.

HOW HAS E-COMMERCE CHANGED THE STATE OF AFFAIRS?

HB // These days, the customer has changed their way of buying. Their expectations and habits have evolved. They now seek simplicity and instantaneity: they have to be able to buy or interact with brands at any time, by whatever means, whether via a website, sales outlet, email, mobile, social media, etc. They move from one channel to another and expect responsiveness and efficiency. The brands have grasped that, adopting a multi-channel strategy. Shopping centers, for their part, have reacted by encouraging customer loyalty, offering new services and having a geo-location policy that allows them to target the right person in the right place with the right message. Marketing and digital are a winning combo.

WHAT PART DOES THE SHOPPING CENTER HAVE TO PLAY IN A BRAND'S DEVELOPMENT AND COMMUNICATION STRATEGY?

HB // An essential part. The shopping center is a driving force, a powerhouse. The more attractive it is, the more flow there is, the more people it draws to the sales outlets. Customer visitors represent an audience that can amount to millions of people. The center is the final step before the purchase is triggered. A brand has to have a presence there and communicate about that presence. Today, the mall is the sixth media channel! Real estate companies have clearly understood that and are creating management divisions to market the spaces. There's every type of display present and the new augmented reality ad formats also open up new prospects with social media.



**BRANDS
PUT ON A SHOW
AT KLÉPIERRE**





KLÉPIERRE CROWNS THE QUEENS OF SHOPPING

Determination to strengthen the appeal of a shopping center through completely new events with major players from the world of entertainment led Klépierre to join forces with the French TV channel, M6 for the first national auditions for the reality program *Les Reines du Shopping* — The Queens of Shopping.

Millions of women a year go shopping in Klépierre centers, to track down the latest trend. Women who undoubtedly watch *Les Reines du Shopping*, a flagship program on M6 that has been avidly followed by a weekly audience of 1.5 million TV viewers since it first aired in 2013. “Linking our centers with a program that’s a real favorite with French women gave us the opportunity to assert ourselves as a natural, choice player in the world of fashion and shopping”, explains Delphine Beer-Gabel, New Business Director for Klépierre Brand Ventures, who mounted this campaign and brought the Pantène brand together with M6. “The aim of this campaign was to create impact, promote the image of Klépierre shopping centers and make them top-of-mind in our customers’ shopping repertoire”, she says.

In April 2016, therefore, fashionistas between the ages of 18 and 70 were invited to go to one of 18 participating Klépierre shopping centers during a two-week period to apply in person for the first national auditions for the TV program, *Les Reines du Shopping*. Klépierre had designed a set for the event featuring an enormous pink shopping bag, over two meters high, inspired by the program’s credits. It proved a phenomenal success: 28,000 women took part, with 3.5 million video views on the centers’ Facebook pages, including a tutorial from Cristina Cordula and the invitation to attend auditions, 70,000 customers added to the database through the game, one million visits to the centers’ websites and the equivalent of €700K worth of coverage in the national and local press. Marionnaud, the partner retail chain that ran the cosmetics and beauty care event, saw an 8% rise in its sales in a fortnight in the participating stores (and as much as a 30% rise at Créteil Soleil).

THE “NEW SEPHORA EXPERIENCE” AT SAINT-LAZARE PROPELS CUSTOMER EXPERIENCE INTO A NEW ERA

A Beauty Hub with new digital tools to try out products, online ordering points, an activities table for learning new tips... This is the “New Sephora Experience”, an ultra-digital concept launched by Sephora in 2017 and now being rolled out gradually across France and internationally.

The success of the opening of a “new generation” Sephora store on 20th February 2018 at Saint-Lazare shopping center in Paris is emblematic of the power of an effective phygital system. Firstly, because the new Sephora concept has utilized the best aspects of digital to reinvent and improve the customer in-store experience. And secondly, because Klépierre’s use of digital during the opening acted as an echo chamber for revealing the new store to people. “We worked with Sephora on thinking about how to make the customer pathway as smooth as possible and how to use digital technology and social media to amplify the event and make it even more celebratory and memorable”, explains Élise Masurel, Marketing Director for the Klépierre Group.

A joint #sephorasaintlazare hashtag was created, the whole of the opening was broadcast live on Instagram, an internet and email campaign was rolled out, a Facebook game was set up and a community of influencers created. Given its location, screens at the entrance to the store displayed train, RER and metro timetables. “Millennials absolutely love shopping in-store and sharing their experiences. We therefore left no stone unturned in socializing about Sephora Saint-Lazare and created a community that is still going strong even after the opening itself. Millennials are unique opinion leaders and tremendous drivers for generating traffic and community activities. Over a million people ‘liked’ the event and interacted with the brand in a single day”, she emphasizes. As a result, the operation helped the Sephora Saint-Lazare branch become one of the brand’s top 5 stores worldwide.





HAPSATOUSY: THE BRAND DETERMINED TO SHAKE UP RETAIL CONVENTIONS

Last May, the business woman, Hapsatou Sy, drew inspiration from her existing model in other countries and from her travels to design her first French 'Boîte à beauté' cosmetics boutique at Belle Épine, France's 5th largest shopping center, with 16 million visitors a year.

Beauty Addicts had long been waiting for the opening of the first French HapsatouSy "Boîte à beauté" store. "The approach to beauty care must bear in mind the uniqueness of each individual, whatever their origins or physical characteristics. That's why I had doubts initially about the idea of setting up in a shopping center that embodied everything that's not my brand. But I quickly understood that that's where my customers are", explains the business woman and TV host, frankly. "I therefore decided to launch the 'Boîte à beauté' concept just as I'd already done in Dakar and Abidjan".

The result is a 40sq.m. haven that opened last May, offering a full range of hair-care, beauty treatment and personalized beauty tips. "When creating a cosmetics brand, you have a social role; I want to sell a lifestyle experience. I wanted customers, when entering my store, to feel like they've come into my salon, with books, pictures on the walls, and so on."

I hope this will really shake up conventions and nearby stores, so we won't remain an alien newcomer to the retail planet."

"Meeting with Hapsatou Sy has been a huge success. It's very interesting to work with a woman from the media world who contributes both her celebrity status and her expertise in creating content that generates the support of her fans on social networks and in the media. The result was a million video views for the store opening at Belle Épine. 'Boîte à beauté' is a venue for events scheduled throughout the year: a space that combines beauty treatment and retail sales, collaborations with other brands, artistic displays in-store, a program to match traffic, etc." explains Delphine Beer-Gabel, New Business Director for Klépierre Brand Ventures. "It's a new winning formula to generate the right kind of in-store traffic".

JD SPORTS AT VAL D'EUROPE: AS VIRAL AS IT GETS!

Klépierre mounted a huge publicity campaign, including dance exhibitions, competitions, digital communication, use of influencers, etc. to celebrate the arrival at Val d'Europe of the leading British sports footwear and clothing retailer.

The sports and fashion chain is expanding fast but selectively around Europe and on Saturday, September 30, 2017, JD Sports opened a new store at Val d'Europe. To celebrate this opening, a large-scale campaign was mounted. "We co-created a celebratory event, creating a customer experience in keeping with their DNA", says Élise Masurel, Marketing Director for the Klépierre Group.

On the day of the opening, Klépierre made Place des Étoiles, a new iconic location in the center, available to JD Sports for it to communicate and publicize itself outside of the actual store. Football freestylers and hip-hop dancers put on a performance there. A competition to win a year's supply of trainers was also launched, attracting 1,500 entries.

A major PR campaign using digital tools was put in place, including website design, a mailshot to Val d'Europe's customer database, push notification to users of the shopping center's mobile app, and a video was produced and shown on the center's Facebook page. "When social media is used properly, it generates the right kind of traffic and a high level of engagement", observes Élise Masurel. As a result, JD Sports' sales in the first week-end were double the set target.

A few days later, on Wednesday October 4, an autograph session was held in the new JD Sports store with the sports influencer, OhPlai and relayed via the shopping center's social media. Around 500 people attended, and the operation contributed greatly to increasing the number of fans of the brand.





SHOPPING IS DATING AT LES PASSAGES SHOPPING CENTER

On June 9, 2018, thanks to a partnership with the dating app, Happn, Les Passages shopping center in Boulogne-Billancourt was turned into a giant speed-dating venue for a day.

How do you attract 25-35-year old, the core target for Les Passages? The Boulogne shopping center had the idea of launching a powerful, trendy digital campaign to generate drive-to-store for the brands in the shopping center. “Bringing local communities together is in our DNA, so it seemed logical to us to form a partnership with Happn, the geolocation-based dating app, to create times filled with conviviality and strong social value”, explains Élise Masurel, Marketing Director for the Klépierre Group.

The first 400 users of the Happn app to go to Les Passages shopping center won a “Single Box”, giving them the chance to share leisure activities, such as a trip to the cinema or a meal out etc. with one of the single people they encountered during the event. “Shopping centers create links, so what could be better than Happn as the means to speed-up encounters?” observes Élise Masurel.

Throughout the operation, Kusmi Tea introduced its products to people by offering tea tastings, while Marionnaud carried out personalized make-up demonstrations. “This operation generated a rise in sales of nearly 30% for the retailers involved”, notes Élise Masurel. “We are always keen to suggest joint marketing campaigns with brands, to generate even greater engagement in a celebratory and convivial atmosphere”.

Following the success of the “Shopping is dating” operation at Les Passages, which served as a pilot, Klépierre has decided to roll this idea out in all its shopping centers in Europe for Saint Valentine’s Day in 2019.



Conversation with

DELPHINE BEER-GABEL

THE “AUGMENTED” MALL, THE MEDIA CHANNEL THAT GOES THE LAST MILE

The new advertising formats that are emerging create fun new mechanisms that enable brands to make the most of the power of malls and turn them into their playgrounds of choice.

An interview with Delphine Beer-Gabel, the New Business Director for Klépierre Brand Ventures.

**INFLUENCIA // SHOULDN'T
WE BE TALKING NOW
ABOUT THE
“AUGMENTED MALL”?**

DELPHINE BEER-GABEL //

Yes, virtual reality and augmented reality allow the creation of “new mixed realities”, combining the spectacular with the up-close-and-personal, at times all within just a few square meters of space. These days, VR and AR technology is more reliable, more realistic, more aesthetically pleasing and easier to use. For shopping centers, these technologies greatly increase the opportunities to offer new shopping experiences that are unique moments of enjoyment.

**WHAT DOES THIS
PHYGITAL MALL BRING TO
BRANDS?**

DB - G // A powerful, closely targeted mall is becoming the phigital geolocalized media channel for engagement, that amplifies the appeal of stores over that last mile, and it constitutes in itself an alternative ecosystem, additional and complementary to digital platforms. The strength of a media channel is as much about guaranteeing brands audience potential as it is about the ability to form links with the public and enliven its community. This is exactly what the shopping center offers, and it is being further accentuated with new technologies.

New, innovative advertising formats that mix brand content, digital displays, social media, mobile formats and augmented reality are emerging and opening up new prospects for the malls to develop the storytelling aspect that goes with these new forms of brand expression.

**CAN YOU IMAGINE MALL
OWNERS UNITING TO OF-
FER AN ECOSYSTEM THAT
COMBINES CONTENT AND
PUBLICITY FOR BRANDS,
AS A POSSIBLE ALTERNA-
TIVE TO GOOGLE OR FACE-
BOOK?**

DB - G // I think so. I have worked in advertising since 1990 and been fascinated by the immense transformation that has taken place in the media world. When I started work in a big international agency for Unilever and Coca-Cola, our media plans were always the same: three TV waves and a combination of two other media, either press, radio or posters. Getting your brand to stand out is now a real headache for advertisers. Thanks to social media and geolocalization possibilities, the value of local media has greatly increased. The media channel that gets highest approval from advertisers these days is powerful, closely targeted, geolocalizable, in touch with the local community, close to a sales outlet, national and international, all at the same time; it guarantees brands spaces for expression with strong visibility: the mall, like Facebook and Google, meets all these criteria. So yes, we're giving thought to creating greater links between contact points and building a unified, overall media space between malls, and why not with other media too.

VIRTUAL REALITY REKINDLES THE MAGIC OF SHOPPING CENTERS

Virtual reality and augmented reality allow the creation of fun new experiences for interaction with brands, digitalized physical spaces, fresh, constantly changing settings and decor, and new services. Klépierre is at the forefront in rekindling the magic of both the customer experience and brand experience.

People are fascinated by virtual and augmented reality technology. 79% of young people from generation Z say they can't wait to try it out. More interesting still, 80% of young Americans say they're more prepared to visit a store that offers entertainment involving VR*. This is a groundswell that Klépierre has clearly grasped.

In September and October 2018, in the Rives d'Arcins, Blagnac, Prado and Belle Épine centers, Lacoste offered its visitors a virtual reality experience to celebrate its 85th anniversary. With the aid of a VR headset and controllers, they went back in time to find themselves in the middle of the company's workshops, in the shoes and apartment of René Lacoste, the brand's founder, playing tennis on a clay court or on snow and so on. In another example, this summer Klépierre Brand Ventures, the real estate company's specialist pop-up retail and advertising division, introduced the Samsung VR experience at Val d'Europe. The national tour attracted over 50,000 people.

You could ride a roller coaster in 4D with the Samsung Gear VR headset, hurtle down a slope at full speed with Xtreme Bike or contemplate the world's most beautiful sites. A totally new experience for the brand that increased the stores' conversion rate: 74% of users of these demonstrations said they wanted to inquire in-store and 53% were thinking of making a purchase.

New AR attractions and escape games using VR technology are also making their way into shopping centers. Several stages of the "Just Dance" World Cup, the video game from Ubisoft that's getting the whole world dancing, will take place in Klépierre centers in France and elsewhere in Europe right through 2019. This encapsulates the full richness of experience brought by this new technology. And it is this is just the beginning.

*étude Greenlight, VR Consumer Report, 2017





CLEAR CHANNEL: DIGITAL DISPLAY, WORKING WITH FEELING

Clear Channel offers a huge selection of devices and systems for brands to express themselves creatively, including facial recognition, free-standing ad displays, augmented reality, a virtual changing room...

“Shopping centers have really become a destination for enjoying brand experiences”. That’s the firm conclusion from Emmanuel Pottier, Vice-President in charge of strategy, transformation and digital at Clear Channel, which has been installing digital displays at Klépierre since 2011. The out-of-home advertising company is using 500 sides of free-standing digital display signs in 46 major Klépierre centers in France, reaching an audience of around 6 million visitors a week*. “Thanks to our partnership, advertisers can develop their designs, use geolocation, choose specific time slots, offer new interactive services and increase in-store traffic”.

An extensive range of devices and systems is being deployed, such as a sampling operation combined with augmented reality for the “L’ivresse du fruit” (“Fruit Euphoria”) campaign by the soft drinks company, Pago; the installation of a virtual changing room for Tex, Carrefour’s clothing line; and “green” digital ad displays for Netflix.

The company’s new “baby”, Hyperstories, is an out-of-home social video content platform that allows advertisers and local authorities a new form of social video storytelling.

Not forgetting the Happiness Index, the Microsoft technology that detects feelings shown on faces. “Through the ‘common thread’ formed with Klépierre via this partnership, we are seeking to go beyond the confines of simply supplying solutions, to providing the Group with added value. We introduce it to start-ups that are using our technology and are best-placed to help it improve the experience for its end customers as well as its retailers”, explains Anthony Virapin, Director of the Microsoft France Start Up Business Unit.

“THESE DAYS, OUR MAIN COMPETITION IS INDIFFERENCE”

The shopping center is no longer just the place where the commercial transaction takes place, it has become a major venue for socializing.

A joint interview with Jean-Marc Jestin, Chairman of the Klépierre Executive Board, and Isabelle Musnik, CEO of INfluencia.



Les Passages, Boulogne-Billancourt, France

“LET’S PLAY®” IS THE PUBLICITY CAMPAIGN LAUNCHED IN 2014 FOR THE KLÉPIERRE SHOPPING CENTERS IN FRANCE, AND THEN ACROSS EUROPE IN 2017.

WERE YOU THE TRAIL-BLAZER FOR THIS RETAILTAINMENT PHENOMENON?

JEAN-MARC JESTIN // Originally, *retailtainment* was a concept based on leisure and entertainment that first appeared in malls in America and was then heavily developed in the Middle East. But you must not approach it just from the “recreational” angle. Admittedly, basic needs are virtually all satisfied in our developed economies, and there ought, in theory, to be more budget available to spend on entertainment. But at the same time, customers have to “juggle” their money more, making decisions between spending on education, healthcare, entertainment and the sharing economy, which together account for a significant proportion of their budget.

In my view, *retailtainment* is more a response to the fact that we’ve gone from undifferentiated consumption to a more personalized way of consuming, where brands, in order to attract customers, have to demonstrate greater ingenuity, know-how and marketing expertise. These days, our main competition is indifference. High street stores are our second biggest competitor and then in third place comes online shopping, like Amazon, which theoretically has no need for a physical location in order to expand.

We therefore had to show that in our shopping centers we were designing a form of shopping that’s the opposite of routine, i.e. shopping focused on experiences, feelings and excitement. Hence the fun, really close and friendly tone of this “Let’s Play®” campaign, based on the idea that shopping in our centers is fundamentally fun.

This also provided the opportunity to demonstrate that we had turned the corner as regards the transformation of retailing and had grasped the issues at stake in this new state of affairs. We’ve already been working for some years now in consultation with all the big retail names in our centers. In practical terms, we support brands to help them remain fresh, with new concepts, pop-up stores, which have a great future, gamification, etc. Together, we are meeting customers’ changing expectations and creating with them a real customer experience that is rich, differentiating and fun, and that generates the final commitment. In a world full of repetition, the shopping center must be a place of constant discovery — indeed this even lies at the heart of retailing — and *retailtainment* plays a part in that.

ISABELLE MUSNIK // Contrary to received wisdom, millennials, who are causing such a stir with the brands, are not turning their backs on physical retail, quite the opposite in fact! A recent household consumption survey, called the Observatoire Cetelem de la Consommation 2018, revealed that 74% of European millennials like going to the big shopping centers and 57% of them even regard it as a pleasure (compared with 47% in the overall population). Moreover, “going shopping” is top of their list of favorite leisure activities, ahead of “going to the movies”, which says it all. But this generation, more than their elders, are undoubtedly seeking connected services, but also sensory experiences and lively activities. They want to experience feelings and excitement and be able to share this with their digital community.

HOW DO YOU MAKE THE MOST OF CONSTANT DISCOVERY? WHAT IS THE ART OF RETAIL IN THE 21ST CENTURY?

JEAN-MARC JESTIN // In order to discover, you have to be surprised. *Retailtainment* is part of this ecosystem that we are establishing to foster discovery and enhance the customer experience, support the transformation of our retailers and assist their performance, but it's just one of the elements that contribute to surprise and engagement. The “Let's Play®” marketing activation platform, with its annual schedule of events and entertainment that supports our marketing plans, concerns all our shopping centers. As does our “Clubstore®” concept, which is aimed at smoothing away any little points of frustration or “irritants” along the customer path-

way, and at making the individual the focus of attention, as in the hotel industry. And then there's “Retail First”, which allows us to support, amplify and magnify the retailers' offering. Our ecosystem's strength lies in the uniting of these elements which, together, stimulate engagement. Technology helps us to magnify, accentuate, surprise and amaze. Entertainment and technology combine together to great effect, including in a store, and our role is to help retailers create the conditions for specific, suitably adapted visual merchandising with dramatic flair.

ISABELLE MUSNIK // “Every store must be a theater”, said Martin Urtutia Islas, the Global Retail XP of Lego at the National Retail Federation's Big Show in New York last January. “I may no longer remember the color of the floor or curtains, but I will remember the story”. Nowadays, the world's best store concepts offer their customers a story, such as Gentle Monster, the Korean sunglasses and optical glasses retailer, telling their story through art, or Eataly in New York, which is always full, due to its fun, interactive and immersive vision of Italy. Or then there's Story, the New York concept store that has a complete overhaul of its range and entire décor every three months and closes for three weeks in between for work on the new installation.

HOW DO YOU SEE THE SHOPPING CENTER OF TOMORROW?

JEAN-MARC JESTIN // Our shopping centers are no longer just for commercial transactions, they have become major venues for socializing. Especially as the consumer has changed in nature to become a consumer, opinion leader and co-creator, all at the same time. The shopping center of tomorrow must therefore be even more attuned to the consumer, feed on consumers' opinions and expectations, and become a place for co-creation with the customer and city to stimulate preference and involvement. And this need for social interaction will get stronger in the coming years.

We are developing our Food & Beverage, entertainment and experiences offering to turn our centers into social hubs. But we need to go further. We must provide new reasons to frequent them and create the conditions for greater porosity with the city and local areas. The shopping centers of tomorrow will be hybrids, offering other usages besides purely retail. They are already hosting co-working spaces, sports facilities and medical centers. Why not libraries, music academies, drama schools, community venues, cultural spaces and so on? There are so many really urban uses that will make our centers inclusive places that promote interaction and sharing. Our new tagline: “Shop. Meet. Connect®” is a perfect illustration of our way of thinking and our vision of retailing.



Why not libraries, music academies, drama schools, community venues and cultural spaces in future?”

ISABELLE MUSNIK // One of the other big challenges that all shopping centers will have to take up in the near future concerns corporate social and environmental responsibility. A survey conducted in February 2018 by the marketing consultancy GoudLink for the accountancy firm Denjean & Associés shows that French consumers take CSR increasingly into account in their perception of brands. 90% state they have a better opinion of companies with a high-quality CSR policy and 97% say they could even envisage boycotting a business with supposedly poor environmental, social or labor practices!



The shopping center of tomorrow must therefore become a place for co-creation with the customer and city.

JEAN-MARC JESTIN // How do we ensure our centers improve their social and environmental footprint? How do we adapt to new, “cleaner” methods of transport? How do we offer new consumption models, including in Food & Beverage and entertainment? How do we build places that are good for the planet? These are the key questions we face today and for the future. Klépierre is addressing these with its Act for Good® initiative, a set of strong five-year commitments, made both to significantly reduce our carbon footprint and become an environmental leader in our industry, but also to increase local value creation in the areas where we are based. We will have to make our shopping centers exemplary places in this respect, especially as the communities who are our stakeholders become more and more sensitive to this issue. They’re absolutely right and it is for them that we work.



Val d'Europe, Serris, France



SHOP. MEET. CONNECT.®

