



MallMix Report for INSERT MALL NAME

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Mall Audited on February 2014

Presented By

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A Mall Mix Report for your shopping centre will give you important pieces of findings, analysis, and action recommendations. This is strictly a sample report, using a real mall situation.

Executive Summary

This part of the report will be a brief overview of what J.C. Williams Group Senior Advisors perceive in a SWOT review – plus recommendations.

Strength

This is a large, powerful regional centre with a dominant position locally. It is the “go-to” place for shoppers.

Weakness

There are definitely tenant mix gaps and serious problems with weak stores. Some balancing of commodities is needed.

Opportunities

- For the gap issues
- Drop weak tenants
- Add new concepts, maybe expand food offering
- Consider re-clustering stores into “Lifestyle groups”

Threats

- The mall is looking a bit tired
- The “experience” is fading a bit – will it offset cellphone/web-based shoppers?

New Thinking

Revitalize the mall into lifestyle groups/clusters, which include food.

Recommendations

It is time to revitalize the mall with new concepts and lifestyle groupings and weed out old concept stores to introduce new, decorative, way finding, and experience elements.

Methodology

J.C. Williams Group has developed MallMix and successfully used it for The Rouse Company (Columbia, MA) and Hammerson Development (Mississauga, ON), plus for downtowns such as Denver, CO, and Houston, Dallas, and San Antonio, TX.

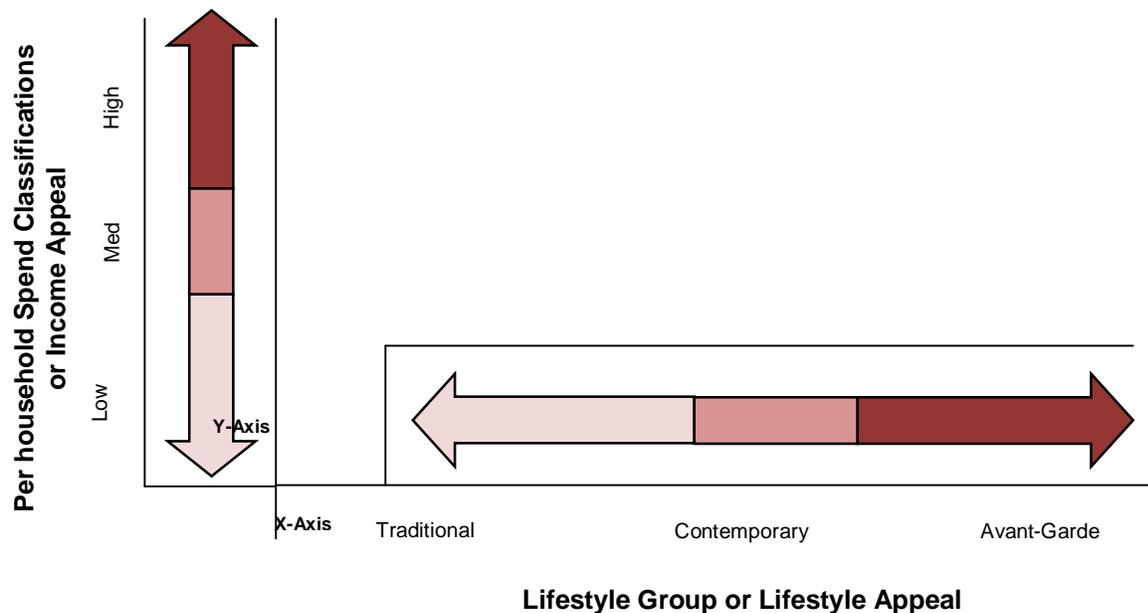
This report is an analysis using a real mall, but with calculated sales data.

Step 1: Development of Custom Groupings

- Environics Analytics began by determining which of the 66 PRIZMC2 clusters existed within the shopping centre Trade Area (as defined as a 15 minute drive from the shopping centre).
- In this example, 23 PRIZM clusters resided within the shopping centre trade area, which Environics Analytics aggregated based on similar demographic and lifestyle characteristics to create 15 custom target segments.
- This gives mall management unique insights into trade area residents.

Step 2: Development of the Market Information and Spending Potential Report

- On the vertical axis, average dollar spend per household (per product category) was used to plot each of the target groups.
- The vertical axis was separated into three ranges based on whether spend was considered to be above, below, or on par with the average spend for that category.
- On the horizontal axis, the target segments were plotted using a lifestyle score based on an assessment of selected social value variables, which indicated whether a segment was Traditional, Contemporary, or Avant-Garde.
- The horizontal axis uses a scale of lifestyle scores separated into classes based on where the division occurs between each lifestyle type.
- The size of the bubble (plot) reflects the proportion of total spend the segment is responsible for in the trade area for the particular category.
- This gives a clear weighting on the importance of the various target groups.



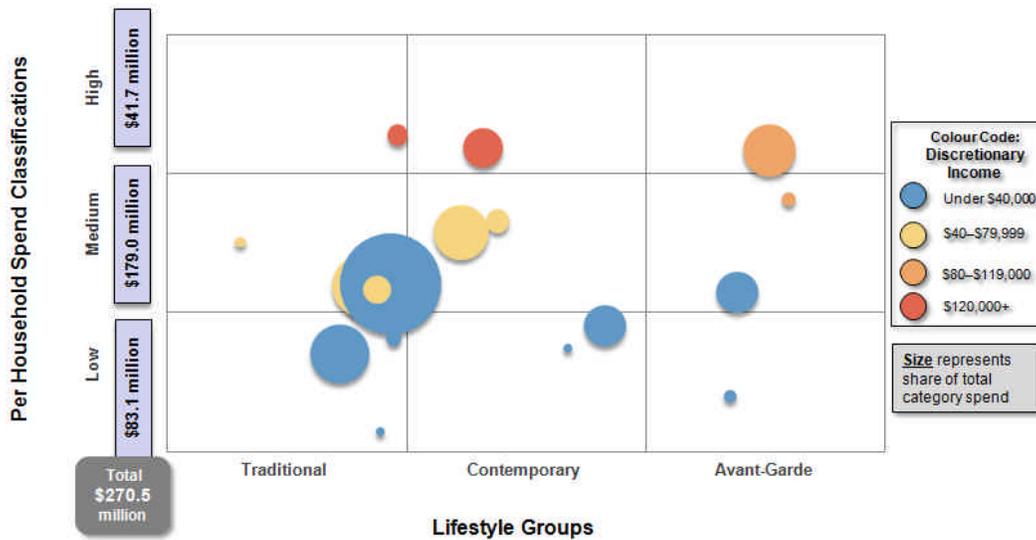
MallMix Report on Market Information and Spending Potential

Market Information

MallMix Commodity Review: Women's Apparel

This matrix shows where each social value's (lifestyle) cluster group is positioned in the trade areas and the relative size of income.

Trade Area Population Spending Matrix For Your Mall



This matrix outlines the spending potential in the trade area for each of the nine different shopper segments.

Trade Area Market Spending Potential

Per Household Spend Classifications	Lifestyle Groups		
	Traditional	Contemporary	Avant-Garde
High	\$3.8m	\$13.9	\$24.0m
Medium	\$130.9m	\$31.4m	\$16.7m
Low	\$33.1m	\$15.5m	\$1.4m

In millions of dollars.

Reading the Trade Area Spending Matrix and Store Positioning Matrix

Lifestyle

- Each of the target segments are plotted along the horizontal axis depending on which lifestyle they fall into. The lifestyle classification is considered a continuum, which means that a group that is plotted closer to the vertical axis is considered more conservative and becomes more Contemporary or Avant-Garde as its position moves away from the vertical axis.
- The same is done for each store.

Category Spend

- The same is true of how the target segments are plotted on the vertical axis. The higher a segment is plotted, the more each household spends on average in a particular category.

Income Appeal

- The vertical axis on the store positioning matrix shows the store's income appeal; the higher a store is plotted, the more it appeals to high income households.

Size

- The size of the bubble represents the proportion of total spend the segment is responsible for in the trade area for the particular category.
- For the Store Positioning Matrix, the size of the bubble represents the store's total sales.

The perpendicular lines for both the vertical axis and the horizontal axis create nine matrix cells that assist in categorizing the target segments within each product category.

Step 3: Your Shopping Centre's Coverage of the Trade Area (development of store positioning matrix)

- The lifestyle and income appeal of each of the stores audited in the mall were evaluated by a team of experts based on the following factors:

Lifestyle Appeal

- Merchandise style and appeal
- Store design and display

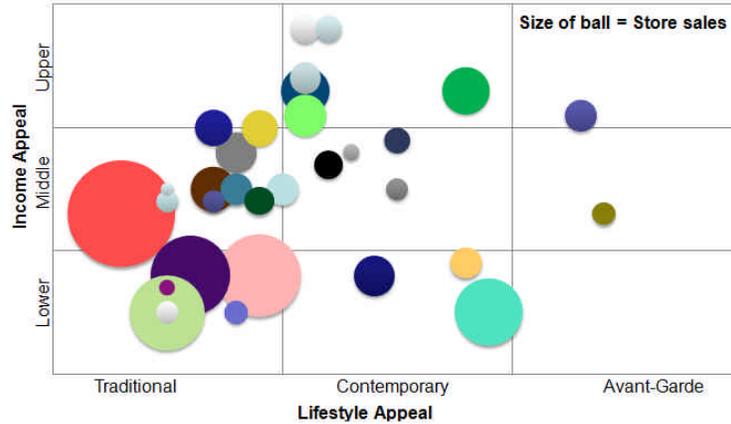
Income Appeal

- Product pricing in relation to market average
- Product quality

MallMix Report on Your Mall’s Coverage of the Trade Area

Store Positioning Matrix for Your Mall

- Your tenant mix that currently serves the trade area is shown below
 - Each circle represents a women’s apparel store found in your mall, and its positioning is based on expert opinion of the store’s income and lifestyle appeal
 - There are 32 stores currently selling women’s apparel



MallMix Report on an Assessment of Each Store’s Performance and Competitiveness (by Colour Code)

Store Performance for Your Mall

- Tenants’ performance (both numerically/sales per sq. ft. and quality) was evaluated and compared to the best-in-class
- There are obvious issues in (a) tenant mix coverage of the trade area and (b) the amount and position of “red” (poor performing) stores



Store reviews are in Appendix A.

MallMix Report on Your Mall’s Opportunity for Sales and Revenue Increases

MallMix Metric and Issues

This matrix is a summary of (a) market potential and (b) the actual store sales from mall records. Market share and productivity (\$/sq. ft.) are noted.

Key Metrics

	Traditional	Contemporary	Avant-Garde
Upper	Market: \$3.8 m	Market: \$13.9 m Mall: \$7.8 m Market Share: 56.1% Sales/sq ft: \$239	Market: \$24.0 m Mall: \$0.9 m Market Share: 3.8% Sales/sq ft: \$300
Middle	Market: \$130.9m Mall: \$19.3 m Market Share: 14.7% Sales/sq ft:\$231	Market: \$31.4 m Mall:\$20.0 m Market Share: 63.7% Sales/sq ft: \$300	Market: \$16.7 m Mall: \$0.45 m Market Share: 2.7% Sales/sq ft: \$300
Lower	Market: \$33.1m Mall: \$17.7 m Market Share: 53.5% Sales/sq ft: \$204	Market: \$15.5 m Mall: \$6.4 m Market Share: 41.0% Sales/sq ft: \$229	Market: \$1.4 m
	Traditional	Contemporary	Avant-Garde

Lifestyle Appeal

Market: sales potential
Mall: sales of stores in the market segment
Market Share: mall's share for the market segment
\$/sq ft: cell's productivity
Red Text: no store currently serves this cell/market segment

Mall’s Untapped Potential

- Assume market share to be 40% and rent to be 8% of sales, an unbalanced tenant mix is causing missed sales and rent in cells where market share is low.
- In total, there is a potential of \$46 million in sales and rent revenue of \$3.67 million in women’s apparel.

	Traditional	Contemporary	Avant-Garde
High	Missed sales: \$1.5m Missed rent: \$0.12m		Missed sales: \$8.7m Missed rent: \$0.70m
Medium	Missed sales: \$33.1m Missed rent: \$2.6m		Missed sales: \$6.2m Missed rent: \$0.50m
Low			Missed sales: \$0.6m Missed rent: \$0.04m
	Traditional	Contemporary	Avant-Garde

Lifestyle Group

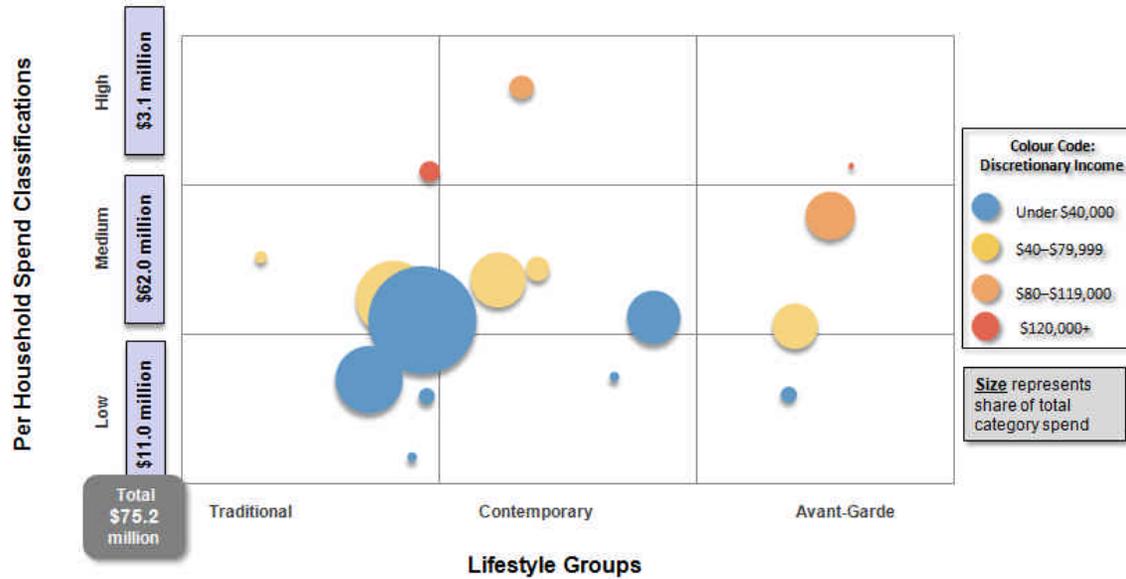
Women's Apparel Issues

- No coverage of Upper Traditional, some lost sales and revenue
- Weak in Contemporary and Avant-Garde
- Weak performing stores in big potential Medium Traditional and Lower cells
- Opportunities to rebalance and pick up market share and revenue (total \$3.96 million)

Store reviews in Appendix A.

MallMix Commodity Review: Women's Footwear

Trade Area Population Spending Matrix For Your Mall



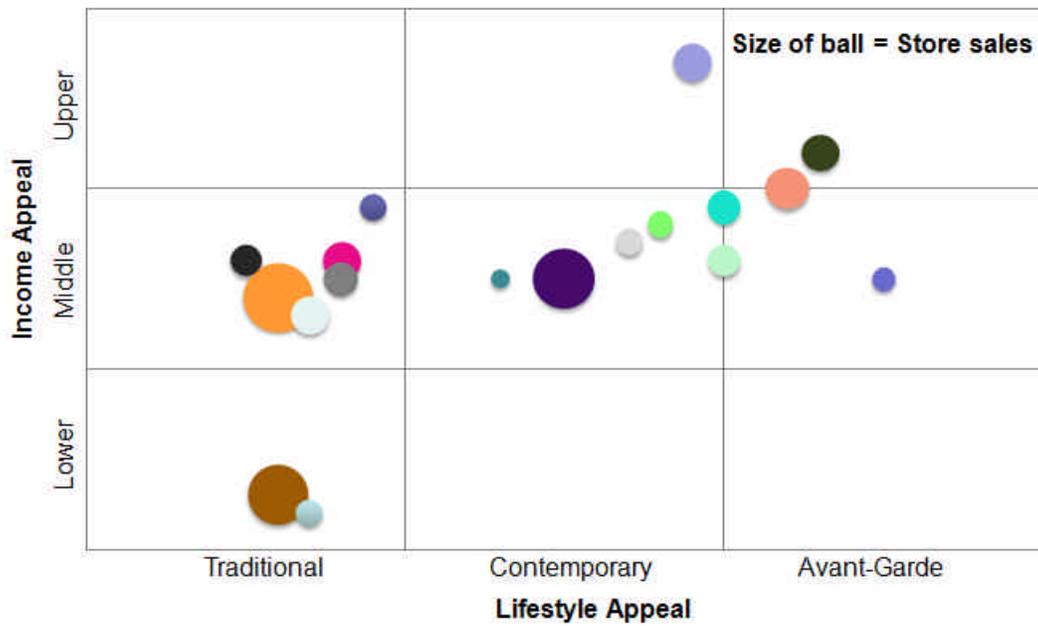
Trade Area Market Spending Potential

Per Household Spend Classifications	High	\$1m	\$1.2m	\$0.9m
	Medium	\$39.0m	\$13.8m	\$9.2m
	Low	\$10.2m	\$0.2m	\$0.6m
		Traditional	Contemporary	Avant-Garde
		Lifestyle Groups		

In millions of dollars.

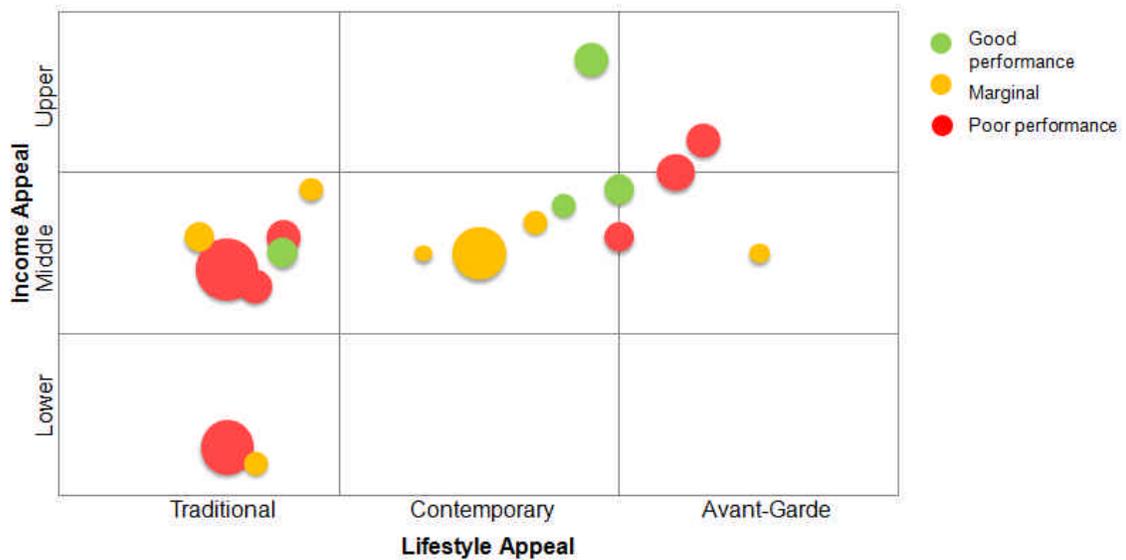
Store Positioning Matrix For Your Mall

- Your current tenant mix
 - 18 stores currently sells women's footwear



Store Performance For Your Mall

- Your tenants' performance compared to the best-in-class



MallMix Metric and Issues

Key Metrics

INCOME APPEAL	Upper	Market: \$1.0 m	Market: \$1.2m Mall: \$0.6m Market Share: 50% Sales/sq ft: \$300	Market: \$0.9m Mall: \$0.6 m Market Share: 67% Sales/sq ft: \$300
	Middle	Market: \$39.0m Mall: \$4.4 m Market Share: 11.3% Sales/sq ft: \$244	Market: \$13.8m Mall: \$3.2 m Market Share: 23.2% Sales/sq ft: \$300	Market: \$9.2m Mall: \$1.0 m Market Share: 10.9% Sales/sq ft: \$300
	Lower	Market: \$10.2 m Mall: \$1.8 m Market Share: 17.6% Sales/sq ft: \$300	Market: \$0.2m	Market: \$0.6m
		Traditional	Contemporary	Avant-Garde

Market: sales potential
Mall: sales of stores in the market segment
Market Share: mall's share for the market segment
\$/sq ft: cell's productivity
Red Text: no store currently serve this cell/market segment

LIFESTYLE APPEAL

Mall's Untapped Potential

- Assume market share to be 25% and rent to be 8% of sales, an unbalanced tenant mix of women's footwear retailers is causing missed sales and rent in cells where market share is under represented

Per Household Spend Classifications	High	Missed sales: \$0.25m Missed rent: \$0.02m		
	Medium	Missed sales: \$5.4m Missed rent: \$0.43m		Missed sales: \$1.3m Missed rent: \$0.10m
	Low	Missed sales: \$0.8m Missed rent: \$0.06m	Missed sales: \$0.05m Missed rent: \$0.004m	Missed sales: \$0.15m Missed rent: \$0.01m
		Traditional	Contemporary	Avant-Garde

Lifestyle Group

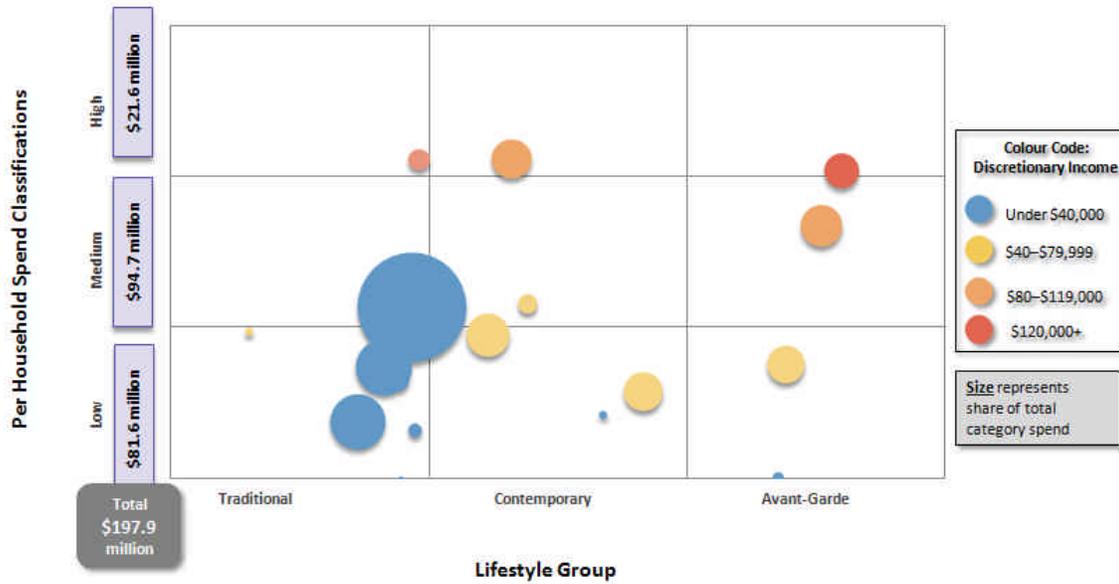
Women's Footwear Issues

- No coverage of Lower Contemporary and Avant-Garde, losing sales
- Traditional is under-stored and existing stores are performing poorly, resulting in lost sales and revenue
- Lost rental revenue of \$840,000

Store reviews in Appendix A.

MallMix Commodity Review: Men's Apparel

Trade Area Population Spending Matrix For Your Mall



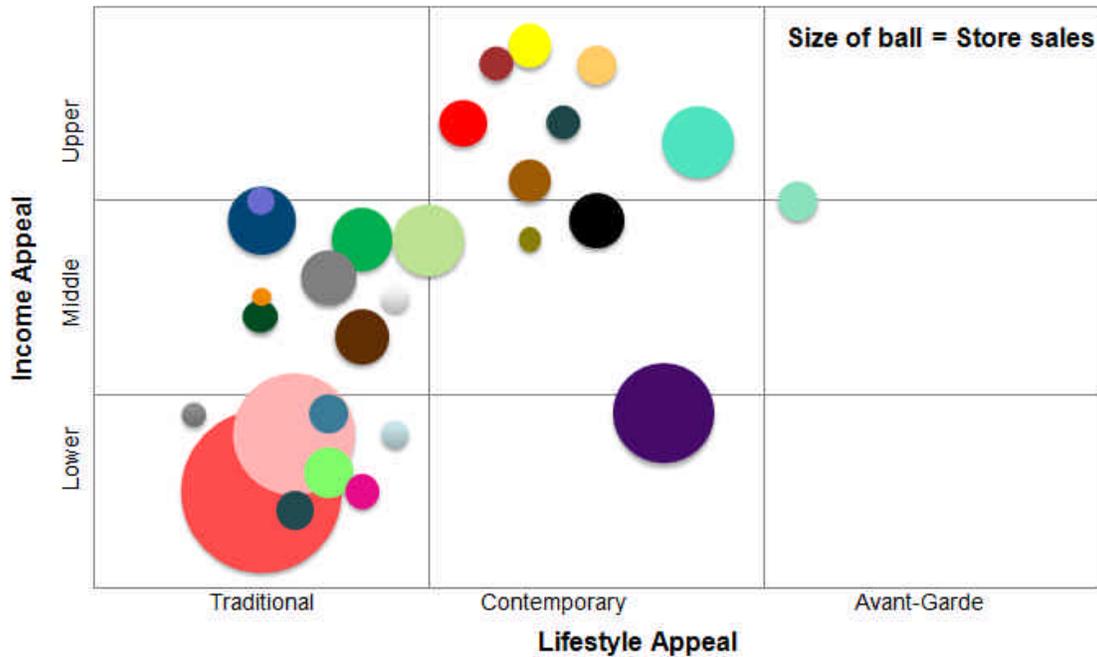
Trade Area Market Spending Potential

Per Household Spend Classifications	High	\$3.1m	\$10.6m	\$7.9m
	Medium	\$80.2m	\$2.7m	\$11.8m
	Low	\$47.8m	\$23.4m	\$10.4m
		Traditional	Contemporary	Avant-Garde
		Lifestyle Groups		

In millions of dollars.

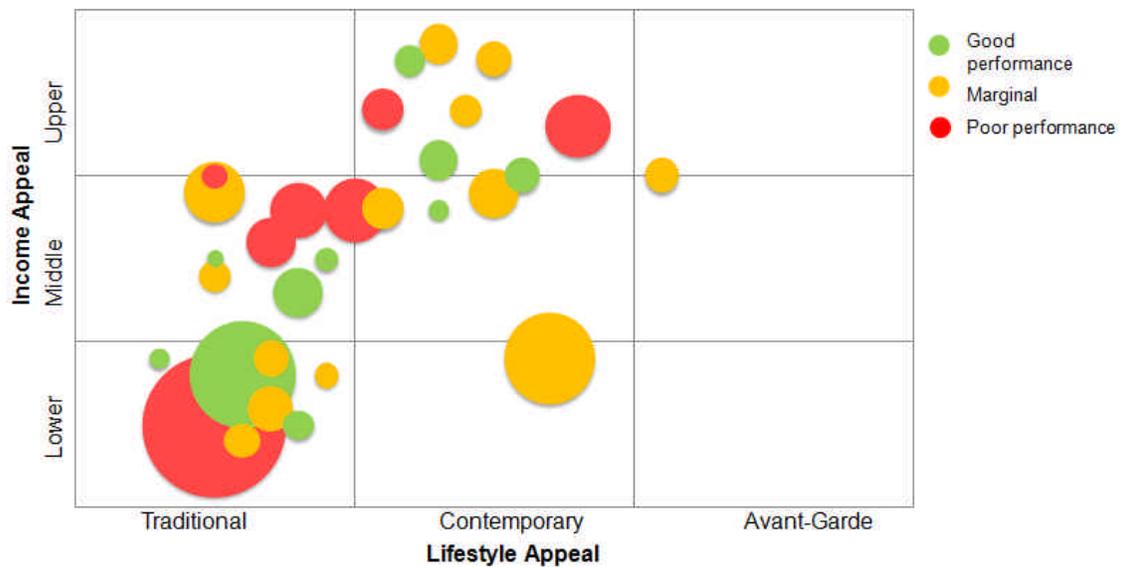
Store Positioning Matrix For Your Mall

- Your current tenant mix
 - 28 stores currently sells men's apparel



Store Performance For Your Mall

- Your tenants' performance compared to the best-in-class



MallMix Metric and Issues

Key Metrics

INCOME APPEAL	Upper	Market: \$3.1m	Market: \$10.6m Mall: \$5.9 m Market Share: 55.7% Sales/sq ft: \$203	Market: \$7.9 m
	Middle	Market: \$80.2m Mall: \$8.9 m Market Share: 11.1% Sales/sq ft: \$302	Market: \$2.7m Mall: \$1.4 m Market Share: 52% Sales/sq ft: \$300	Market: \$11.8m Mall: \$0.6 m Market Share: 5.1% Sales/sq ft: \$300
	Lower	Market: \$47.8 m Mall: \$18.8 m Market Share: 39.3% Sales/sq ft: \$212	Market: \$23.4 m Mall: \$4.0 m Market Share: 17.1% Sales/sq ft: \$200	Market: \$10.4m
		Traditional	Contemporary	Avant-Garde

Market: sales potential
Mall: sales of stores in the market segment
Market Share: mall's share for the market segment
\$/sq ft: cell's productivity
Red Text: no store currently serve this cell/market segment

LIFESTYLE APPEAL

Mall's Untapped Potential

- Assume market share to be 40% and rent to be 8% of sales, an unbalanced tenant mix of men's apparel retailers is causing missed sales and rent in cells where market share is under represented

Per Household Spend Classifications	High	Missed sales: \$1.2m Missed rent: \$0.10m		Missed sales: \$3.2m Missed rent: \$0.25m
	Medium	Missed sales: \$23.2m Missed rent: \$1.85m		Missed sales: \$4.1m Missed rent: \$0.33m
	Low		Missed sales: \$5.4m Missed rent: \$0.43m	Missed sales: \$4.2m Missed rent: \$0.33m
		Traditional	Contemporary	Avant-Garde
		Lifestyle Group		

Men's Apparel Issues

- Probably over assorted in the Upper Contemporary cell
- Over coverage of Upper Contemporary so lower productivity
- No coverage of Avant-Garde results in lost sales
- Weak performance in the Lower and Middle of the Traditional category
- Lost rental revenue of \$3.29 million

Store reviews in Appendix A.

MallMix Report on Cross Commodity Review

MallMix presents shopping centre management with the opportunity to analyse the balance between commodities. In some instances, there can be an over or under assortment of stores that require a shopper to go elsewhere to complete their purchasing.

Women's Apparel and Footwear

Apparel covers the lower price zones, but Footwear does not. Therefore, women shoppers wanting contemporary lower priced footwear will shop elsewhere.

Women's and Men's Apparel

Women's apparel is strong in the Middle and Lower categories, but men's is weak, so male spouses of women have to shop elsewhere.

MallMix Report on Tenant Placement and Adjacencies

A review by lifestyle, income appeal and quality of store operations allows mall management to think and act strategically about tenant placement and adjacencies.

Women's Apparel - Lifestyle Map

There appears to be no avant garde stores (1 only) and no clustering of similar lifestyle and price zone stores.



Women's Apparel - Performance Map

A dangerous situation with a preponderance of re/poor performing stores clustered together, which creates a "dead wing."



Legend

Lifestyle Categories

- Traditional Lower
- Traditional Middle
- Traditional Upper
- Contemporary Lower
- Contemporary Middle
- Contemporary Upper
- Avante-Garde Lower
- Avante-Garde Middle
- Avante-Garde Upper

Store Performance

- Good Performance
- Marginal
- Poor Performance

MallMix Report on the Quality of Tenant's Stores (store assessment)

Each store that is placed or positioned on the Store Position Matrix is rated on key factors:

- Productivity
- Position on the matrix
- Concept - is it current? competitive?
- Experience - easy to shop? website integrated?
- Quality - is merchandise related to price and value?
- Service - competitive policies, staff, support?
- Other such as IT, in-store marketing, special features.

There will be a brief commentary on the ratings and store and action to be taken on mediocre or poor tenants.

Report on Mall's Tenants' Performance

One Assessment for Each Retailer in Your Mall

MallMix Store Assessment

Name Store XYZ Commodity W&M apparel

Size 10,000 sq. ft. \$/sq. ft. 600 Sales 6,000,000

Overall rating: 5 /5 Keep Watch Drop

Position on Matrix Lower Middle, Contemporary →Avant-Garde

Concept Fast fashion

Experience (fresh/new, look/feel, layout, visual presentation, website)

4 /5 Easy to find way around, low tie-in to website, new, fresh

Quality (brand name, private brand, price/value, merchandise currency)

5 /5 Private brand, good value for money, very current

Service (signage, return, staff level, loyalty programs)

5/5 Ample staff and fitting rooms

Other (IT system, promotion & advertisement)

5 /5 Great windows

Commentary

..... A key store for your mall

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MallMix Store Assessment

Name Accessories store **Commodity** Gift

Size 500 sq. ft. **\$/sq. ft.** 400 **Sales** 200,000

Overall rating: 3 /5 **Keep** **Watch** X **Drop**

Position on Matrix N/A

Concept Not sure what the store is all about. Are they needed?

Experience (fresh/new, look/feel, layout, visual presentation, website)

3 /5 A mass of unrelated items

Quality (brand name, private brand, price/value, merchandise currency)

3 /5 Prices are not competitive, merchandise is novel

Service (signage, return, staff level, loyalty programs)

4 /5 Adequate staff

Other (IT system, promotion & advertisement)

4/5 A lot of in-store deals

Commentary

..... Need to re-invent

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MallMix Store Assessment

Name Store ABC **Commodity** Children's apparel

Size 2,000 sq. ft. **\$/sq. ft.** 300 **Sales** 600,000

Overall rating: 2 /5 **Keep** **Watch** **Drop** X

Position on Matrix Traditional/ Middle

Concept Traditional luggage

Experience (fresh/new, look/feel, layout, visual presentation, website)

2 /5 Tired concept with no appeal

Quality (brand name, private brand, price/value, merchandise currency)

3 /5 Typical brand, full price, no new trend or colour

Service (signage, return, staff level, loyalty programs)

2 /5 Staff not engaged, weak signage

Other (IT system, promotion & advertisement)

0/5 No promotion

Commentary

..... Need a "new concept" store in the category

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