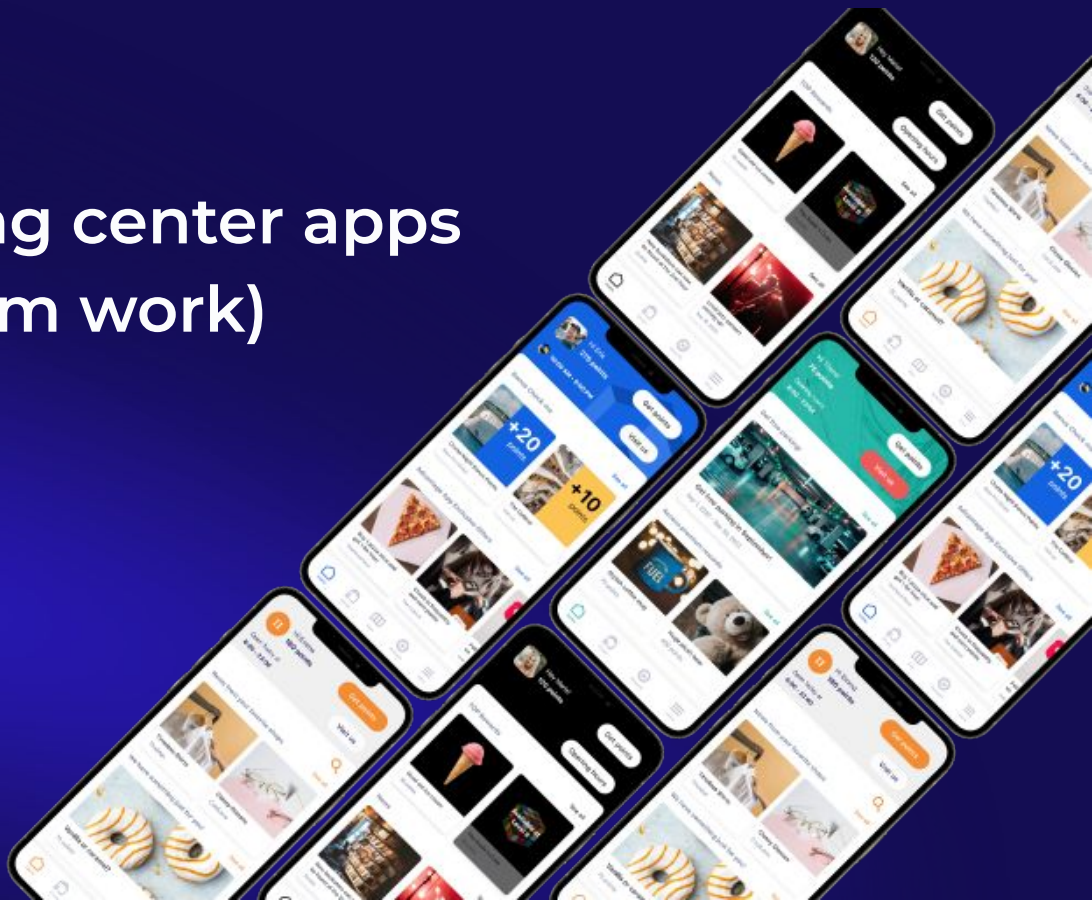


Webinar

The impact of shopping center apps (and how to make them work)

June 28th, 14.00 CEST



Agenda for today's webinar



Our goal is that you leave this webinar with new knowledge you can start using in your shopping center already tomorrow

- 01 Introduction
- 02 Impact of shopping center apps (15 min)
- 03 Strategies for success (15 min)
- 04 Case studies and examples (15min)
- 05 Summary, Q&A and goodbye

01

About Emplate

On sunday Emplate will be a 9 years old company.

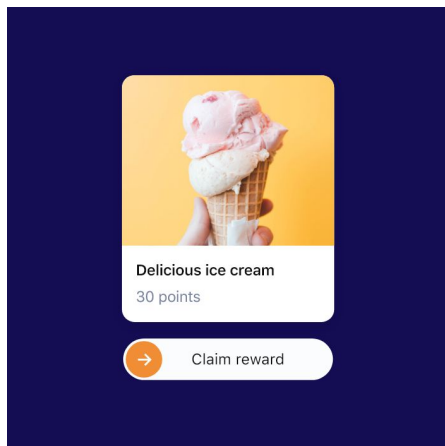
Active in 13 countries.

50+ asset owners, manager and center managers already use Emplate in their shopping centers.

Backed by Heartland.co, the danish family office who own the BESTSELLER Group, big stakes ASOS, Zalando, AboutYOU and more.



Value we bring



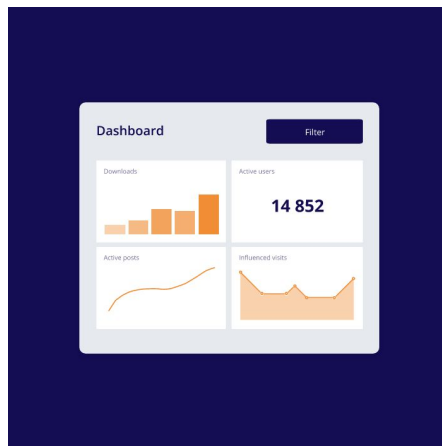
Customer Engagement

Customer database

Engaging content

Gamification

Unique customer experiences



Customer Data

Demographic data

Behavioral data

Excellent



4.6 out of 5

+20k customer reviews

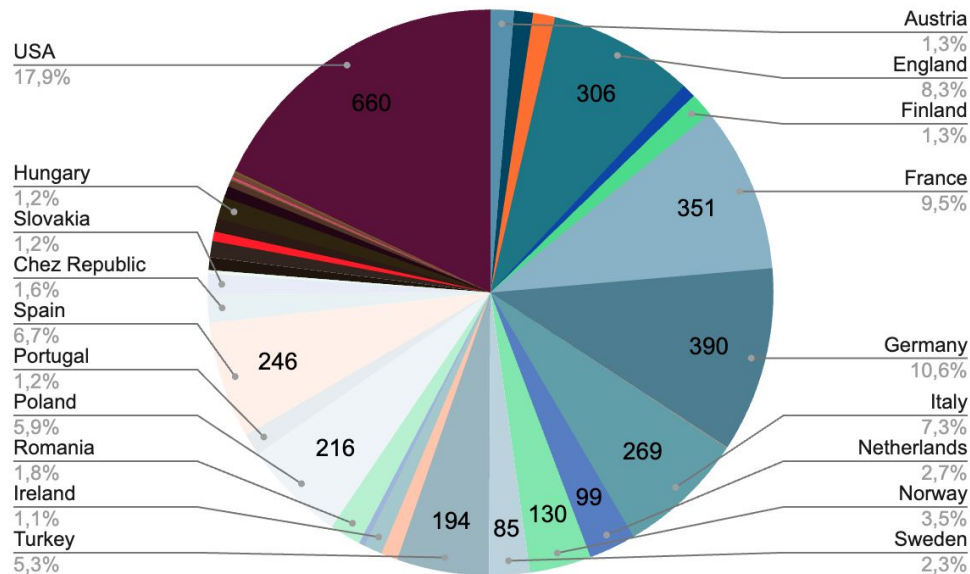


The historical impact of shopping center apps

Data background

3682 unique shopping centers from 36
different countries.

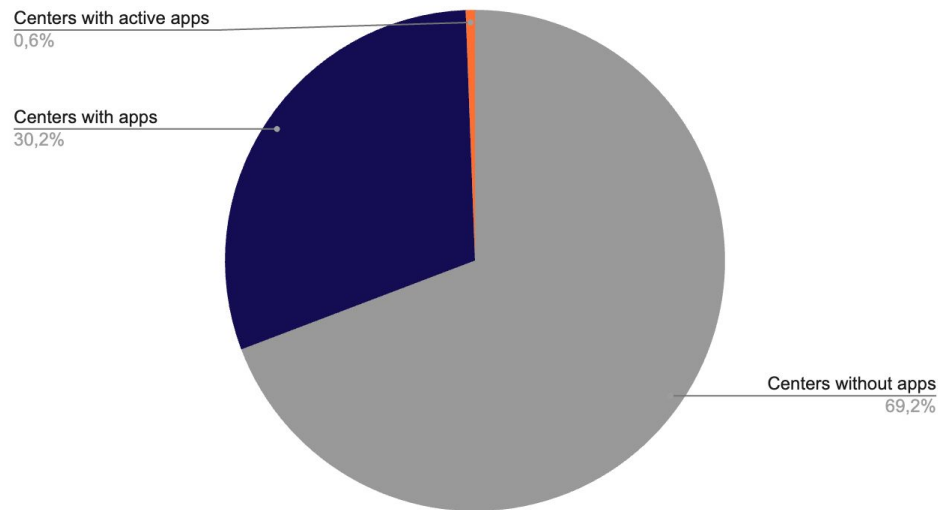
Approximately 80% from Europe and 20%
outside of Europe



Quick conclusion from historical impact

Key points:

- 30% of all shopping centers have tried launching an app.
- Less than 1% of these apps are kept updated and live over time.
- Historically most app project for shopping centers fail.
- We think shopping centers miss a lot of opportunity to meet their customers the right way.



Why do app projects for shopping centers fail?

01 **Poor usage of data**

Failing to identify what parts of a loyalty program that work for and what your customers are looking for.

02 **No clear KPIs or goals**

Goals are nice, but you must be able to tell when you are getting closer to achieving them. For this, numbers are your friends - Set goals and measure.

03 **Wrong expectations**

Loyalty is a long-term investment. Many view it either as the magic pill or yet another cost with no return. You need to understand the mechanisms.

04 **Irrelevant communication**

Irrelevant and unpersonalized communication is why many marketing strategies fail. Loyalty marketing included. Embrace personalization.

05 **Lack of top management involvement**

In order for loyalty program to succeed, it requires full support throughout the organization, with top management at the helm.

06 **Weak and rigid technology**

Your loyalty program technology needs to work. Complex and confusing processes on the customer side are a turn-off. You need a solution that works from the start and can be easily tweaked and optimized.

07 **Forgetting the emotional part**

Customers increasingly value experiences, strong brand values and connection. Loyalty programs that only focus on 'do this/get that' are becoming increasingly irrelevant.

08 **Prolonged gratification**

Many customers quit using loyalty programs simply because rewards and benefits take too long to earn. We recommend rewarding customers upon enrolling to ensure instant gratification to educate the user.

Different app development strategies we see used by asset owners and managers

Outsourcing development teams

You run a tender process to find a local agency you can build the app you have in mind. Most often based on a fixed list of requirements.

Most of the shopping centers who already failed with app projects have used this method.

Insourcing development teams

You hire people who can build apps and other digital product for your shopping center(s).

Typically we see companies setting up innovation departments with 10-75 employees internally. Some great cases can be found.

Software as a Service & platform solutions

You find a solution that already exists and typically something that you can customize so it fits your shopping center. Higher success rate and typically lower costs.

Be aware: We are biased here, because Emplate is in this category.

Two strategies can work - what is the pros and cons of them?

Custom Development vs. SaaS

	Custom Development	SaaS
Price	High	Low
Risk	High	Low
Customization	High	Low
Time frame	Long	Short
Staff training	High	Depends
Control	Depends	Low

02

The general approach to shopping center marketing

Traditional shopping center marketing

Awareness

Seasonal campaigns and events are promoted to customers to attract them to the mall.

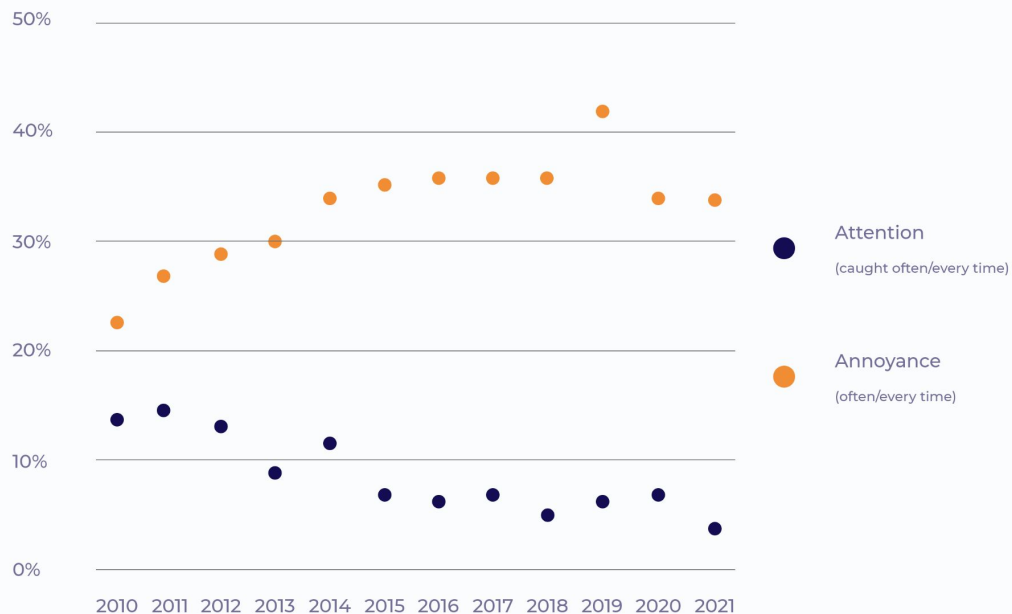
It's expensive, hard to measure, there is no data collected on customers and no way to reach customers again without paying for the next campaign.

Out of home media
(billboards etc.)

Digital ads

Website and social
media

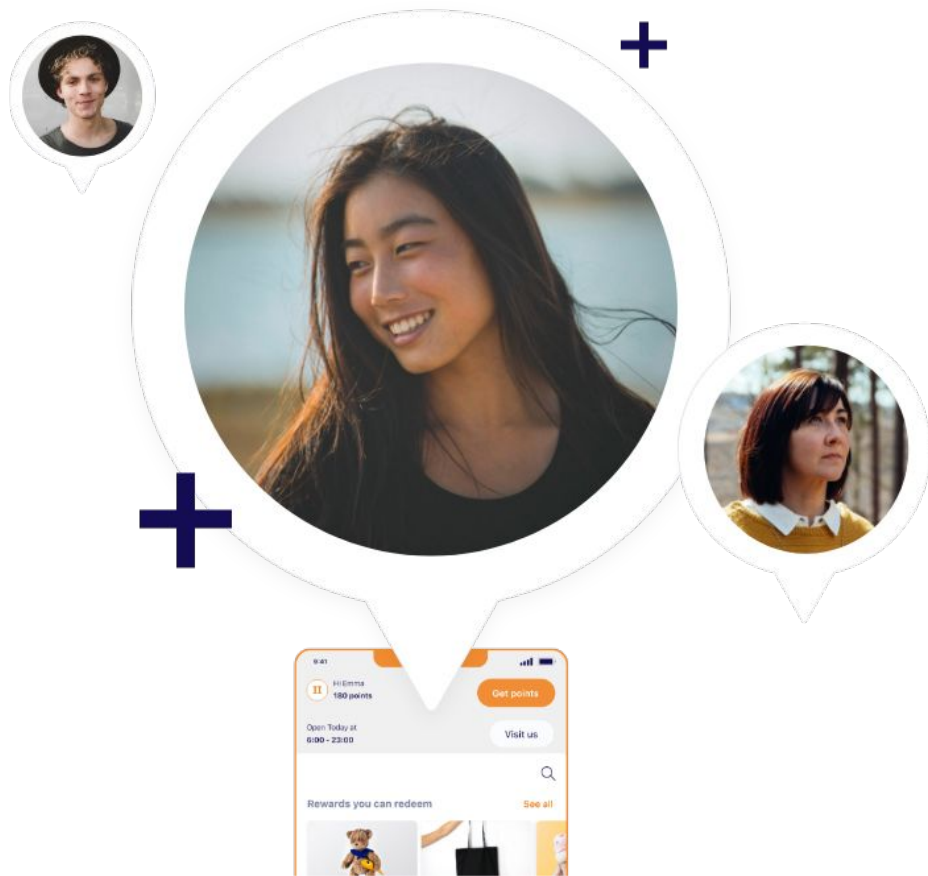
Marketing Effect



(Mindshare Ad Analysis, 2021)

Customer expectations today

- We are becoming advertisement immune
- We are looking for personalized experiences
- Most buying journeys starts online and ends offline.
- Upwards 90% of people check their phone as the first thing in the morning.
- On average during a day you check your phone every 6. Minute and we are multiscreening.



The general approach to shopping center marketing **is changing**

Traditional shopping center marketing

Loyalty, data and engagement driven shopping center marketing

Awareness

Seasonal campaigns and events are promoted to customers to attract them to the mall.

It's expensive, hard to measure, there is no data collected on customers and no way to reach customers again without paying for the next campaign.

Out of home media
(billboards etc.)

Digital ads

Website and social
media

Engagement, loyalty & data

Elevate customer experience with an app that drives engagement, loyalty and visits.

A database of customers to work with is build. Influence customer behavior you would like to see with various tools and data to support your decisions.

App download

User
registration

Points for visits
and spend

Claim rewards

Play games and
competitions

Browse offers, news,
events

Wayfinding, parking
services etc.

Build and target
customer segments

Survey conducted by a shopping center customer of Emplate without the involvement or awareness of us

Visits

Active app users are **2,6x** more likely to visit your shopping center as the first place when shopping

Turnover

Active app users are **3,2x** more likely to spend the most money in your shopping center compared to competitors

Top of mind

Active app users are **4,3x** more likely to have your shopping center on top of their minds

Active app user → Loyal customer



NON-APP USER

17

AVG. VISITS PER YEAR



APP USER

51

AVG. VISITS PER YEAR

... And it's not only something we believe in

"Almost 85% of journeys will start online in 2023"

(BCG, 2022)

"Increasing customer retention rates by 5% can boost profits by 25-95%"

(Bain & Company, 2006)

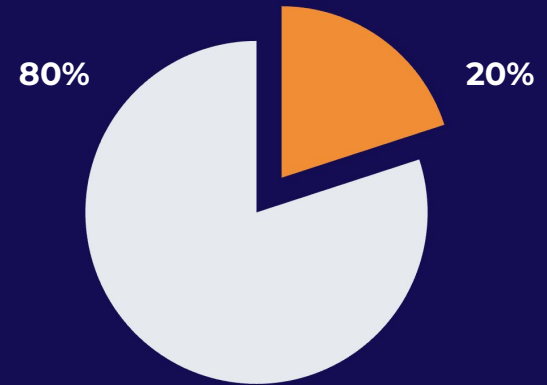
"Clients who are loyalty program members generate more revenue per year, from 12-18% (spending 57% more than an average non member customers"

(Accenture, 2021)

"With 1 in 4 shoppers staying loyal to brands who reward customers for loyalty and make customers feel valued, businesses should segment returning customers and target them with perks such as a loyalty point program "

(Fresh Relevance, 2022)

The Pareto principle



The Pareto principle (also known as the 80/20 rule) is a phenomenon that states that roughly 80% of outcomes come from 20% of causes. The principle was developed by Italian economist Vilfredo Pareto in 1896.

03

What it takes to succeed with shopping center apps

01 - Your strategy

What to prepare?

Define the reason why customers should download and use your app.

For loyalty apps: Be clear on what behavior to reward, what you offer customers in return and what data you need.

02 - Acquisition

How to get downloads, permissions and data-rich profiles?

Nail your message - don't be generic.

Use the channels that works for app acquisition.

Acquisition never stops.
With time focus will shift.

03 - Engagement

How to keep users active and engaged?

Define "monthly concepts" that are simple to understand and easy to operate.

Use your data, segment your customers and target your communication.

Why should the customer download your app?

Copying your website won't cut it!

Services & benefits

- ✓ Free parking
- ✓ VIP events
- ✓ Wayfinding
- ✓ Early access
- ✓ Personal shopper
- ✓ Co-marketing benefits
- ✓ Coupons

Point & rewards

- ✓ Collect points
- ✓ Redeem rewards
- ✓ Level up for better rewards

Gamification & entertainment

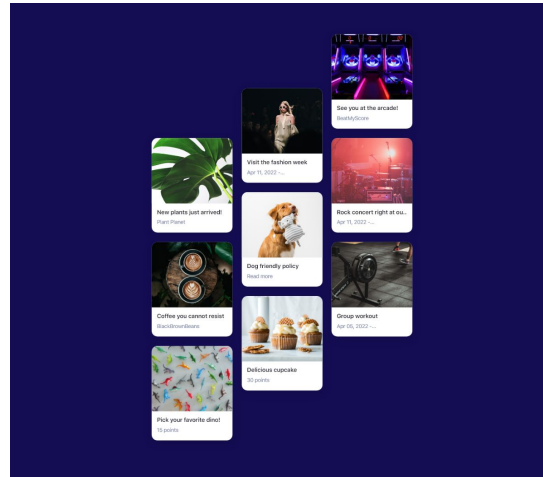
- ✓ Games
- ✓ Lotteries
- ✓ Competitions
- ✓ Quizzes
- ✓ Challenges
- ✓ Treasure hunts
- ✓ Vending machines

Diving into loyalty mechanics - what's your goal & strategy?



What behaviour would you like to influence with points?

- Visit the shopping center
- Spending
- Complete profile (age, gender, ZIP, kids yes/no etc.)
- Shop preferences
- Participating in events
- Visiting on special days (extra points)
- Visiting specific areas or shops
- Treasure hunts
- Other challenges



What can you offer in return for the points?

- Small gifts
- Merchandise
- Coupons
- Games
- Lotteries
- Donate for charity
- Co-marketing benefits

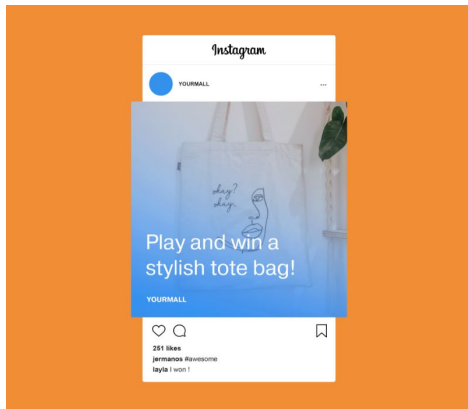


Segmented communication - what data do you need?

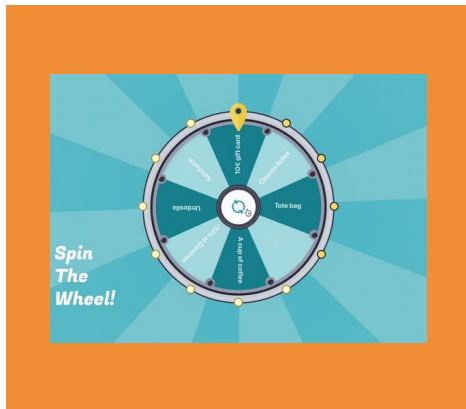
- "High-Spending Shoppers"
- "Frequent Visitors"
- "Young Professionals"
- "Family Shoppers"
- "Inactive customers" (no visit, spend or app use)
- "Local residents"
- "Fashion enthusiasts"
- "Employees of the shopping center"

Examples of performing content

Games - Luck based case

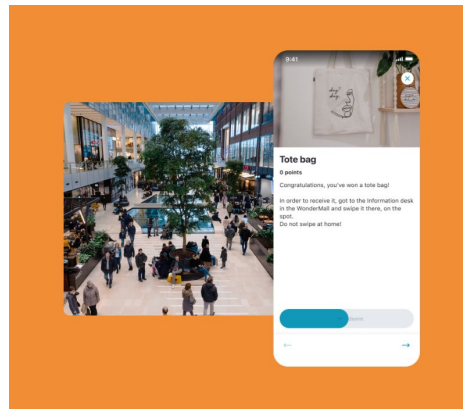


Promote the game



Download, play and win!

[Link to see full game](#)



Visit center and claim!

13.240

Games played in 2 weeks
(max one spin daily)

5.812

Unique customers
(62% of all active users in the 2 weeks)

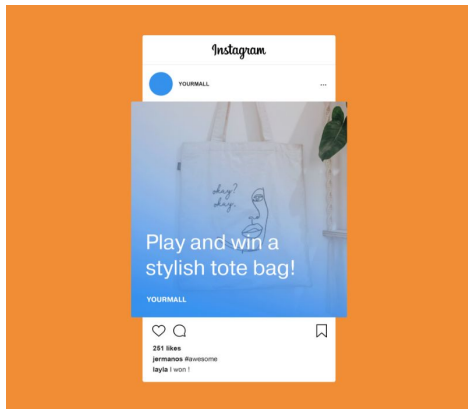
14

Giftcards of €80 and 30 totebags to be won

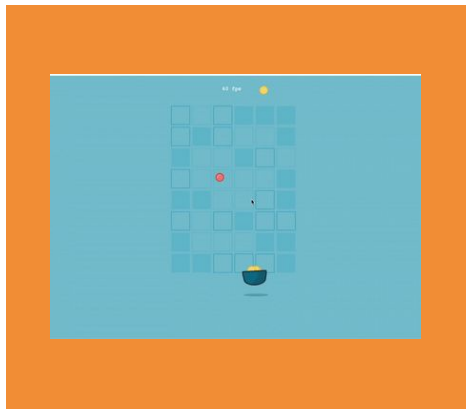
€400

Spent on SoMe ads

Games - Skill based case

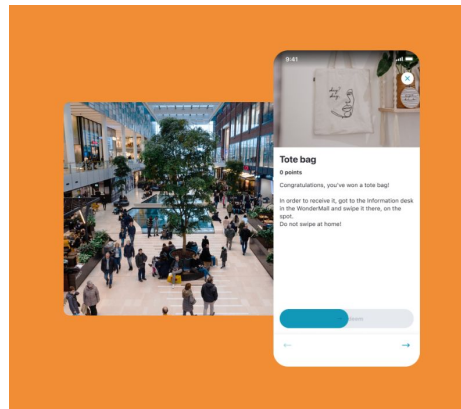


Promote the game



Download, play and win!

[Link to see full game](#)



Visit center and claim!

2.891

Games played in 1 week
(10 points per play)

902

Unique customers

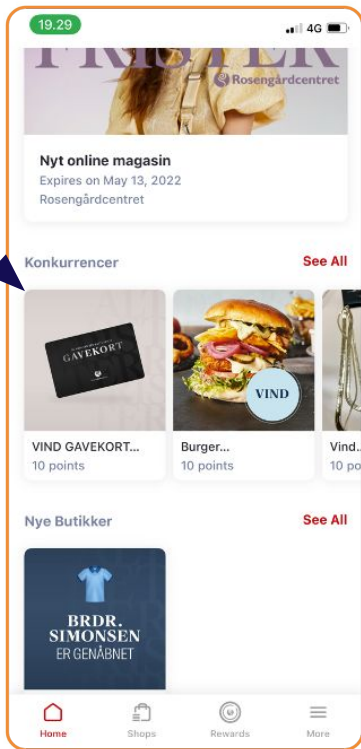
10x2

Event tickets to be won

€0

Ad spend
(push message sent out)

Lotteries



Concept explained

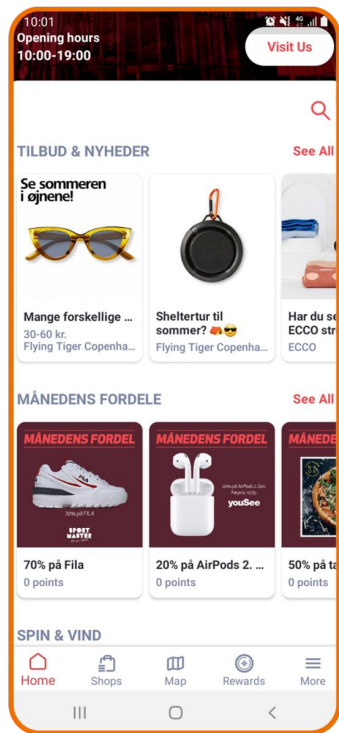
Buy a lottery ticket for 20 points! You can buy as many tickets as you want, but only one per day. At the end of the month a winner was randomly drawn by all the participants. The more lottery tickets you have, the higher chance of winning!

Results

More than 52,000 points (2,600 tickets redeemed) were spent in a single lottery and the cost of the final prize was only € 75.

Concept - monthly rewards

A concept that is easily communicated is crucial for the ongoing engagement.



Concept explained

With a concept like "Reward of the month" or "5 monthly rewards" customers will be waiting for the new rewards each month.

Furthermore, you will be able to attract a lot of traffic to the tenants participating with rewards which will create good cases and a tenant contributions.

Examples of monthly rewards

- 50 % on a pair of selected shorts
- 50 % on Theme park ticket
- 50 % on boat trip around the city
- 50 % on selected jewelry
- One free ice cream
- Free bottled water
- Get two scoops of ice for the price of one

Co-marketing with local businesses



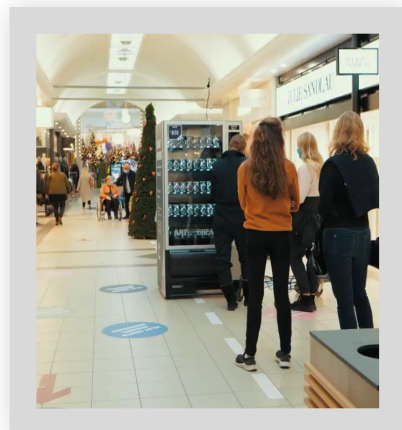
Concept explained

By entering in cooperation with local activities you can connect with customers in a desired segment by giving them the opportunity to get something extra in exchange for being a loyal customer.

This can be used in multiple ways:
local events, food and wine tours, sports activities, museums, ...

Interactive integrations

Redeem a free water from the vending machine, or try your luck with the gift crane – activated by the app.



Concept explained

One example is the "Vending machine".

Connect your app with a vending machine, and let customers spend their points on redeeming everything from drinks and snacks to gift cards and more.

Another example is the "Wheel of Fortune".

Connect your app with your digital screens, and let your customers spend their points on spinning the wheel in order to win cool prizes - which can be found in the app if won..

Results

In just a week these machines generated +6000 downloads and required low maintenance from mall management.

Case - Points & Redemptions

Tenants:	+100
Downloads:	30k
Catchment area:	8% covered
Period:	7 months

Point rules	Number of points	Points collected
Visit mall:	10 points	1.357.620
Register a profile:	10 points	235.840
Complete profile:	40 points	859.790
Follow 10 shops:	10 points	193.640

Total points collected	2.646.890
Total points spent	1.027.230
% of points spent	38,8%

Reward type	Redemptions	Points spent
Mall sponsored rewards	12.362 (23%)	526.365 (50%)
Tenant sponsored rewards	657 (1%)	98.660 (10%)
Lotteries	41.354 (76%)	408.800 (40%)

Mall sponsored rewards

This mall have sponsored different types of rewards, e.g.:

- Free coffee
- Small pizza
- Tickets to amusement parks etc. (Co-marketing)
- Merchandise (umbrella, water bottle, caps etc.)
- KFC voucher

The “point shop” is updated each quarter with new rewards.

The mall has had a total of 100 different rewards and lotteries available during the 7 months.

Lotteries

They use lotteries on weekly/monthly basis, and in some periods daily (like a advent calendar campaign)

Games

This shopping center hasn't tested games yet, but we expect games to be very popular and account for many of the points burned as well.

User acquisition

The message must be concrete and tangible

The **reason why** to download and create a profile should be crystal clear for the customer.

 The message doesn't work when it's generic:

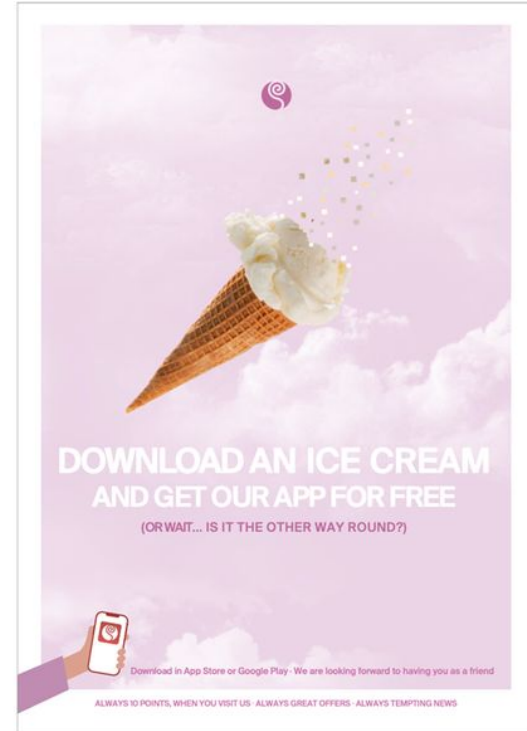
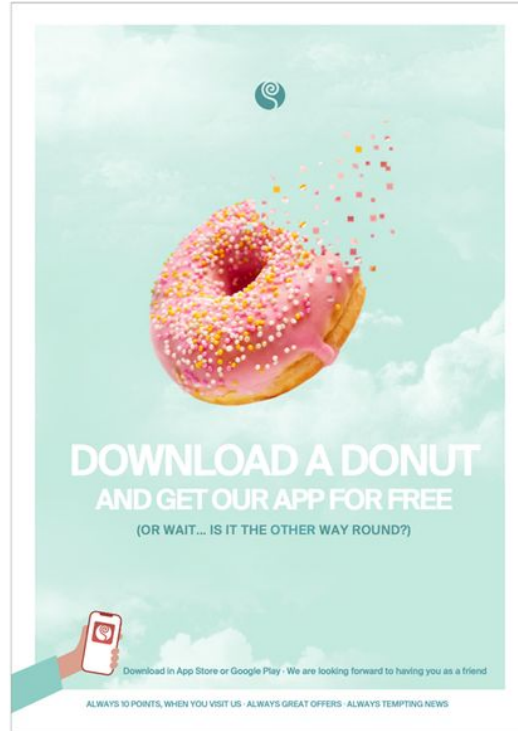
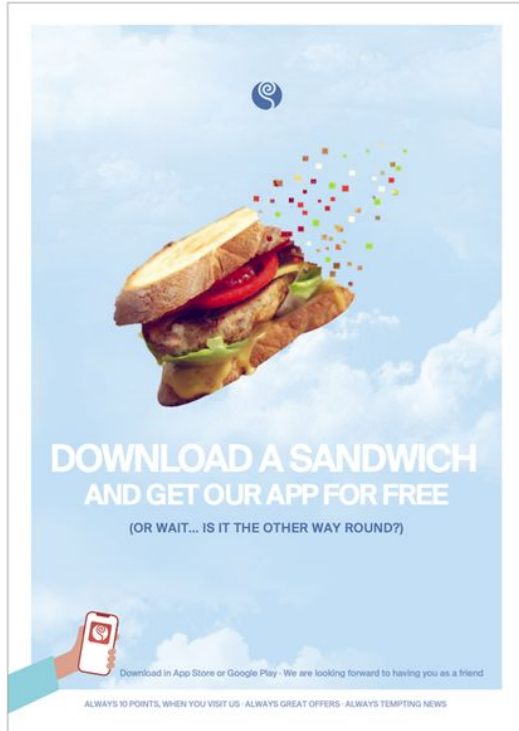
"Download the app, collect points and redeem rewards"

 The message works when there is a **concrete call-to-action**:

"Download the app and get a free donut/ice cream/soda"

Free welcome reward (0-20 pt.)

Have 2-3 welcome rewards, that can only be redeemed once pr. Customer. The result was 15k downloads in 3 months (25% also redeemed the free reward).



Performing channels

Performing channels

- ✓ Google app ads (Android)
- ✓ Facebook app ads (iOS)
- ✓ In-mall marketing
- ✓ Snapchat, Youtube, TikTok
- ✓ Events in the mall
- ✓ Co-marketing with external entities

Channels generally not performing too well

- ✗ OOH (billboards etc.)
- ✗ TV/radio
- ✗ Newspapers
- ✗ Magazines

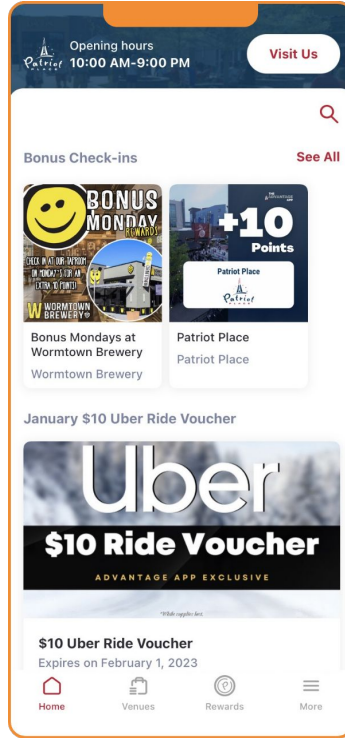
Results of campaigns on Google: The best performing centers get downloads for a cost of **around €0,5 - €1 per installation.**

Patriot Place, Massachusetts

70 tenants

Goals

- **Increase visit frequency** of customers.
- Gain insights on customers to **optimize communication and increase loyalty**.



16k

downloads
in a year

75%

registered
as profiles

+2M

post impressions

+170k

post interactions

How:

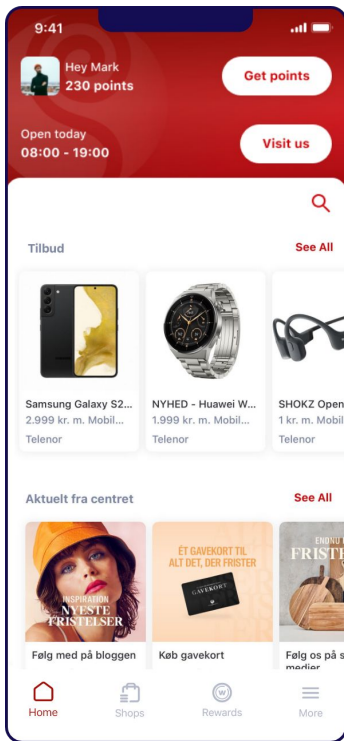
- **Competitions** (visit shopping center or tenants to participate).
- Earn points by visiting, participating in events and much more.
- Spend points on entertainment, dining, shopping and merchandise rewards.

Rosengaardcentret, ECE Denmark

140 tenants

Goals

- Fuel their existing data setup with unique insights.
- Introduce **best in class digital experience**.



30k

downloads
in a year

86%

registered
as profiles

70%

became
active users

50%

inactive users
won-back over time

How:

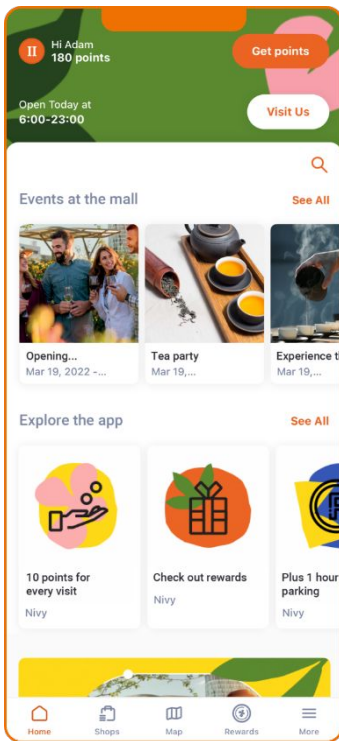
- Gamification
- Earn points by visiting the center and spend points on games, lotteries and rewards.
- Strong acquisition campaigns focused on benefits.

Nivy, HB Reavis Slovakia

200+ tenants

Goals

- Build a **high-end digital ecosystem** with the app as the main communication channel.
- Reach a new audience digitally and convert into physical visits and purchases.



100k

downloads
in a year

75k

redemptions of
coupons, rewards etc.

15%

of the people living in Bratislava
registered in their database.

How:

- Level-based loyalty program.
- 1 hour free parking and other great benefits.
- Omnichannel communication (app integrated in omnichannel setup).

Summary - Key takeaways

- 01 Start with your customers. How can you help them and what are they looking for? Personalization and convenience will win in the long term, you need to accept that. Don't change your customers - Help them.
- 02 The impact on visits and sales in your shopping center can be significant if you manage to succeed with an app for your center.
- 03 Focus on retention and engagement and not downloads. It doesn't matter how many people have downloaded your app if no one are using it.
- 04 Evaluate suppliers on App Store and Google Play app ratings from their previous work. Everything else should be secondary.
- 05 Don't copy your website into an app. Focus on how you can offer something different and unique for your customer and most likely focus on mobile technologies.
- 06 Set clear goals. Focus on the build, measure and learn method. Be agile and optimize your solution as frequent as possible.

Next webinar

15th of August, 2023

Speakers:

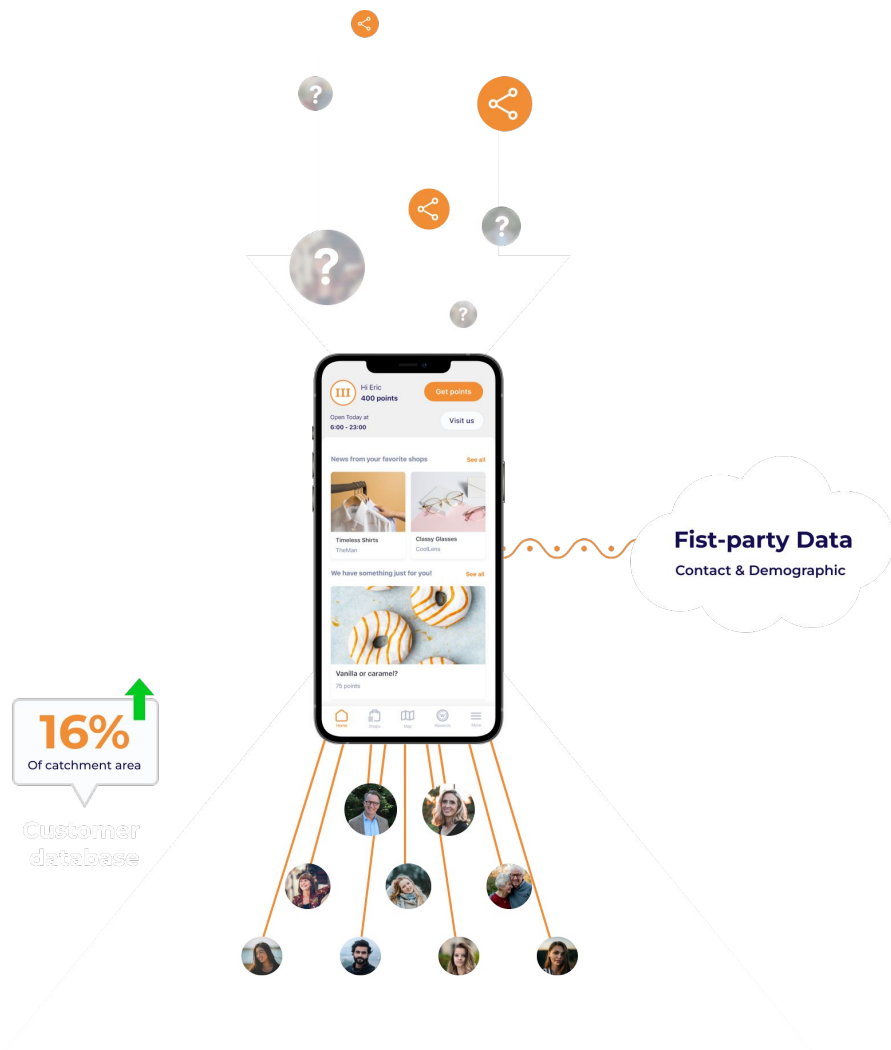
Mette de-Linde + Shopping center director

We'll dig deep into:

- App launch marketing strategies
- App and reward strategies
- How and if you should engage your tenants
- We'll bring a customer that recently had a great launch and let them share all of their best practices, strategies and the results they saw

Ps. We'll send link to registration along with the webinar recording and slides.

SIGN UP



Thank you for your attention.
Hope you will focus on retention.

Goodbye!