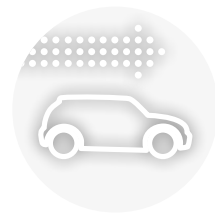




AT YOUR SERVICE

The Importance of Services in Shopping Centers





Service boosts enthusiasm

Why the customers' perspective is indispensable



ALEXANDER OTTO, CEO of ECE

» Systematic service orientation has always been part of ECE's genetic code. «

Dear Readers,

The retail business is characterized by its dynamism. Competitive pressure is growing – and shopping centers are also facing ever tougher competition due to the increasing density of retail outlets in city centers. What's more, online trade is continuing to grow and attract customers with offers that make shopping simpler, faster, and more comfortable.

ECE is facing up to these challenges. As it does so, it is relying above all on the power of innovation. In the strategy titled "Ideas to Innovations," we are therefore combining all of the measures that ECE is implementing as it moves in new directions and opens up new potential for our shopping centers. "Market intelligence" is a particularly important pillar of this strategy, because successful new concepts can arise only on the basis of a detailed knowledge of markets and customer wishes.

"Focus on the customer" and a systematic service orientation have always been indispensable basic principles at ECE. Today, shopping centers have to increasingly present themselves as "the place to be" and offer customers a range of attractive experiences. ECE shopping centers already offer their patrons a broad range of services that make a visit an all-round positive experience. Customers, with their constantly changing requirements, are our

main focus. We would like to offer them our services at the places where they need and want them. Only if we do so can we develop holistic service concepts that will keep our customers enthusiastic over the long term. That's why ECE has conducted a representative Germany-wide TNS survey on the significance of services in shopping centers and has thereby gained important insights into the customer journey. In addition, the survey asked tenants, investors, and experts in other sectors a list of questions about the topic of service.

This publication summarizes the most important findings of the survey. We are also using it as the basis of the next steps we take to a new level of customer service. In order to give the customers in shopping centers a positive sense of being served, the tenants and the shopping centers themselves must work together. The declared goal is to accompany the entire "customer journey" with services at the relevant locations. A systematic customer orientation will always remain the highest priority – today and in the future.

Alex Otto

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// 01. The touchpoints

The customer
journey begins...





Zelone
arkady

@Home services are important for

52%

For young people under the age of 30 the proportion rises to two thirds



150

MILLION page views – i.e. five per second – for ECE shopping center websites in 2015

Arrival services are important for

84%

A journey to “Wow”

We don’t tell customers which services are good and important for them; instead, the guiding principle at ECE is to listen first and then react to specific customer demands and requirements. This is the only way to ensure we can deliver a positive service experience for our customers.

82%

are interested in clear parking area signage



Departure services are important for

80%

68%

expect adequate seating accommodations

300

million

passenger cars drive into ECE shopping centers each year

>>> CUSTOMER JOURNEY:

A seamless service experience chain

The shopping center experience does not occur at a specific time in a single location. It is instead the result of a journey that begins with the customer's preparation at home and ends when he or she leaves the shopping center. A survey conducted by TNS on behalf of ECE identified the individual touchpoints on this journey and the services that are desired along the way.

INFORMATION

Information services are important for

86%

74%

expect clear signage

In accordance with this guiding principle, ECE decided to learn more about customers and to this end commissioned TNS to conduct a representative survey of more than 1,000 shopping center customers (at all shopping centers, not just ECE centers) throughout Germany in March 2016. TNS also conducted several hours of extensive interviews that addressed the following interesting questions, as well as others: Which specific services truly thrill customers at shopping centers? Which services do customers actually expect as a given? What type of dormant potential exists to get customers even more excited about shopping centers? The answers provided important information on how customers generally assess the services offered at German shopping centers. Discussions were also conducted with experts who examined the topic of services from different points of view and contributed valuable additional input. The important thing is that all of the findings will be used by ECE, shopping center operators, and investors to develop a holistic approach that will ensure a thoroughly positive shopping experience for customers.

SHOPPING

Shopping services are important for

61%

and are also an "excitement factor," as good services are often a pleasant surprise for customers

>>> RELAXATION

Services during shopping breaks are important for

86%

69%

would like to have gift-wrapping and packaging services



@HOME

services are important for

52%

and for 63% of people under the age of 30

Where it all starts

Home: The starting point for information and interaction with shopping centers

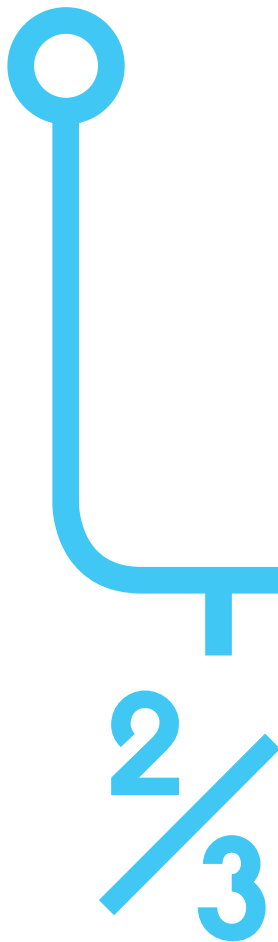
Smartphones have become a permanent mobile companion in people's daily lives. The average person spends around 2.5 hours on their smartphone every day. They use their phones to check e-mails, stay up to date in social networks – and plan their shopping trips. An ECC study from 2015 revealed that one of every three purchases made at a brick-and-mortar business (which corresponds to 40.3% of total retail revenue) is now preceded by online research.² Moreover, one third of all people under the age of 30 now use services such as Click&Collect.

It's therefore all the more important for shopping centers to have a presence in exactly those places where people actively search for "shopping inspiration" – on the Web, as more than half of those surveyed expect shopping centers to operate a website that serves as an initial source of information. Two thirds of consumers now use the touchpoint "@Home" to obtain information via websites, social media channels or apps. Regular customers in particu-

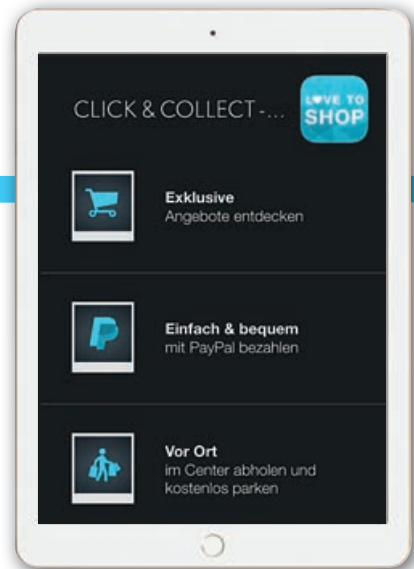
lar like to obtain inspiration in advance – and to interact in this manner with their shopping centers. In this era of "omnichannel shopping," many people view services such as ECE's Love2Shop app as a useful and valuable supplement to their shopping activities. Occasional visitors, young people, and families with children use the app to get information about upcoming events and campaigns, or else simply to start their shopping experience.

An examination of the general importance of the touchpoint "@Home" reveals that two thirds of those surveyed already use it, so there's huge potential here for shopping centers to address customers on the emotional level, offer them added value through an expanded range of online services, and get them interested in paying a visit to a shopping center. With regard to first-time or very infrequent visitors in particular, this touchpoint offers shopping centers the opportunity to position themselves as potential purchasing channels and set themselves apart from the competition.

1 Source: Study at the University of Bonn, September 30, 2015
2 ECC Cologne: "Cross-Channel im Umbruch – Das Informations- und Kaufverhalten der Konsumenten," Vol. 7, 2015



2/3 use the touchpoint "@Home" and obtain information via websites, social media channels or the Love2Shop app



CLICK&COLLECT

A service that allows customers to order merchandise online and then pick it up on the same day at an ECE center

» These days, I expect a shopping center to have a website that allows me to get information about special offers and campaigns in advance. «

KARIN M., customer at Milaneo in Stuttgart



150

More than
300,000

DOWNLOADS
offer proof of the
Love2Shop app's appeal



The QR code for the Love2Shop app is available in the iTunes Store

MILLION
page views – i.e. five
per second – for
ECE shopping center
websites in 2015



Almost
every 4th

person under 30
likes the social media sites operated
by shopping centers

For
88%
of families it's a key
service touchpoint

Almost
40%
want XXL parking spaces



ARRIVAL

services are important for

84%





52%

expect parking spaces
for families and women

300

MILLION

cars drive into ECE shop-
ping centers each year

280,000

parking spaces in ECE shopping centers

»If I quickly find a parking space
in a shopping-center parking
garage, my shopping trip is off to
a good start.«

MARTIN W., customer at the Alstertal-Einkaufszentrum in Hamburg

Good arrival = good mood


A good arrival is extremely important
for getting a shopping trip off to a good start

Shopping involves a lot of happy anticipation. A pleasant arrival – by car, public transportation, bike or on foot – plays a major role. Clearly, this is what shoppers expect! 84% of the shoppers surveyed said that the arrival stage is important. That's a clear indication that arrival should be regarded as an integral part of a holistic shopping experience and that arriving shoppers should be offered attractive services.

There's justification for linking the theme of "arrival" with "parking." More than half of the customers arrive by car, and they want to find the entrance to the parking garage, a free parking space, and the entrance to the shopping center as quickly and conveniently as possible. Services such as parking guidance systems, es-

pecially wide XXL parking spaces, and express parking for contactless entry and exit are important basic requirements. From the shoppers' viewpoint, optimal guidance, clear signage, adequate lighting, and very visible traffic lights and road markings are also important.

In conclusion, shopping centers with disappointing services at the point of arrival will soon have dissatisfied shoppers. However, this touchpoint has great potential. If it's well-designed, it can be a factor that sets shopping centers apart from the competition. Almost 300 million arrivals per year in the parking garages of ECE shopping centers provide ECE with 300 million opportunities to arouse customers' enthusiasm.



52%

of respondents want
parking guidance
systems and electronic
displays

What customers really want from their parking experience

“Mystery parking” is an important technique for optimizing the overall parking experience in a customer-focused manner

The best start to a positive shopping experience is a smooth parking process, as parking is a key phase in the overall customer journey. It's therefore important to listen to what customers say matters most to them when they park – and how they think parking garages should be designed.

One way of obtaining detailed information here is to do “mystery parking,” which involves sending shopping center customers off to complete the entire parking process armed with a questionnaire that allows them to assess each key element – from arrival to the actual parking and payment procedures and the departure from the shopping center. After this has been done, the results are discussed with the customers and evaluated. ECE has been doing “mystery parking” regularly since 2014. It uses the results to optimize parking services in a targeted manner on the basis of the wishes expressed by customers. As ECE has discovered, “mystery parking” pays off, as it can be used to effectively increase customer satisfaction with the parking process.



WHAT CUSTOMERS ARE MOST INTERESTED IN:



BETTER GUIDANCE

through more effective signage in parking garages and on the way to the shopping center itself



MORE SPACE

through higher and wider entrances and parking spaces for SUVs and large cars



GREATER CONVENIENCE

through faster car retrieval and shorter waiting times for entry and payment



GREATER SAFETY

through special parking spaces for women, security systems, and bright lighting



Express parking
Easy to Park

The Easy to Park card with new RFID technology sticks to the windshield and opens entrance and exit gates automatically. This speeds up the process of getting in and out of parking garages, and it also eliminates the need to use parking fee payment machines, as all fees are automatically and transparently debited from the customer's bank account.

UTILITY

TIME SAVINGS

4.84 4.68

(1= Don't agree at all, 5 = Agree completely; customer survey, April 2016)



Care-free parking
Car Finder

The parking garage is both the first and the last touchpoint at a shopping center. The Car Finder from ECE helps visitors here by enabling them to scan a QR code at a Car Finder sign near their vehicle, which saves the vehicle's position in the visitor's smartphone. After making their purchases, customers scan another QR code at a payment machine and are then conveniently guided to their vehicles.



As many as

1,200

USERS
per month and shopping center



INFORMATION

services are important for

86%



74%

expect clear signage

A clear overview

The information phase: Indispensable for getting to your destination

Along with the arrival and the shopping break, the information phase is one of the most important parts of the customer journey: 86% of survey respondents described this touchpoint as "important." This means there's great potential here for implementing measures that offer customers a clear overview of the shopping center. In large shopping centers with up to 200 shops (often on three floors), it's particularly important to quickly provide customers with all the relevant information so that they can get an initial overview of the center and begin their shopping experience in a relaxed manner. Many visitors know exactly what they want to buy, and they want to get where they need to go as quickly as possible.

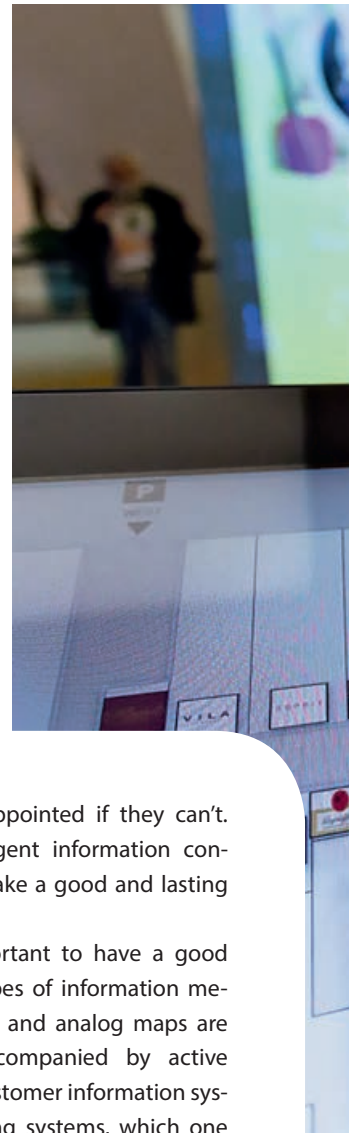
Their experience will be a negative one if they have to search for their destination for a long time. Clear guidance is therefore important for both regular and infrequent visitors. Families with children especially want to do their shopping quickly and efficiently – and

they will be very disappointed if they can't. In other words, intelligent information concepts will very likely make a good and lasting impression.

In general, it's important to have a good mixture of different types of information media. Here, passive signs and analog maps are increasingly being accompanied by active components such as customer information systems and 3D wayfinding systems, which one third of individuals under 40 like to use. Generally speaking, 74% of visitors expect to find good signage and guidance systems at a shopping center. This expectation is actually somewhat higher among older target groups. Systems such as those for indoor smartphone navigation are especially helpful for finding specific shops. Indeed, mobile services are becoming more and more important, given the high level of smartphone use – approximately 72% of shopping center customers already use smartphones for their shopping trips.¹

70%

expect customer information

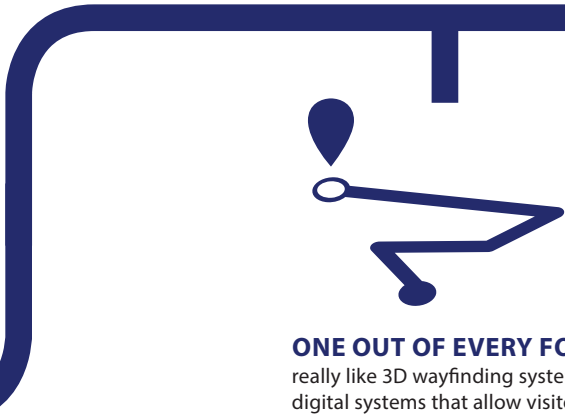


¹ Source: Statista 2016



» A good overview is the most important thing to me in a shopping center. My kids don't like to walk long distances.«

Susanne W., customer at the Schloss-Arkaden in Brunswick



ONE OUT OF EVERY FOUR VISITORS really like 3D wayfinding systems, which are digital systems that allow visitors to search for points of interest and view the routes to them from different perspectives

89%
of 14 to 29-year-olds own a smartphone

Source: Bitkom 2015

FUTURE LABS

IDEAS  INNOVATIONS

Focusing on the shopping center of the future

Innovative technologies open up new service opportunities

The steadily advancing digitization process is also making the range of shopping center services much more dynamic. Customer requirements are changing as well, and people are demanding more convenience, better orientation, and increased mobility in shopping centers. The ECE is not only closely observing this development but also helping to shape it with the Future Labs program. To this end, innovative technologies and new services are

continuously tested for their customer utility at the ECE shopping centers that serve as "Future Labs": Alstertal-Einkaufszentrum (AEZ) in Hamburg, Limbecker Platz in Essen, and Marmara Park Istanbul. Successful developments are subsequently transferred to other ECE shopping centers. The digital possibilities are very diverse, and they enable shopping centers to set themselves apart from online retailers.



Steered to the shop Indoor navigation

iBeacons are a new kind of technology for enabling location-based services. More than 1,000 iBeacons have been installed in the mall areas and parking garages of the Future Labs AEZ and Limbecker Platz. The beacons use Bluetooth signals to establish location-based communication with the customers' smartphones.

The customers mainly benefit with regard to shop navigation. They can use the shopping center app to search for individual shops, display them on a map, and navigate to the respective locations.

In addition to shop navigation, the iBeacons are also used for the car-finder service.

Video-chat assistance **InfoGate**

Digital touchpoints, where customers can engage in live video chats with service employees, perfectly augment the traditional customer information services in ECE shopping centers.

This service has met with an enthusiastic response, receiving over

200
INQUIRIES PER DAY



Personalized customer contact

The Love2Shop app

By means of personalized settings, customers can tailor ECE's Love2Shop app to their needs and thus ensure that they only receive offers that interest them. Geo-fencing ensures that information only appears on the user's smartphone when the customer gets close to a shopping center. The app also offers sharing, pooling, and lottery features. In addition to indoor navigation, the ECE Future Labs shopping centers offer Click&Collect services and a shopping center gift certificate ordering and mailing service.



Already available in

32
SHOPPING CENTERS



Digital help to get there quickly **3D Wayfinder**

Large shopping centers, in particular, need to offer customers a wide variety of orientation services. The state-of-the-art app 3D Wayfinder helps people find precisely what they are looking for: shops, products, ATMs or restrooms. The wayfinding services are presented from a realistic, three-dimensional first-person view-point. By means of a QR code, users can also download the wayfinding service to their smartphones.

1,000

inquiries per day at the Milaneo



95%

of customers give the “heavenly services” a rating of “very good” or “good”

69%

would like to have gift-wrapping and packaging services – 27% of the men surveyed don’t like to wrap presents. However, 58% of the women surveyed say that nicely wrapped gifts are important

Source: ECE Market Report 2015



Lockers are desired by

47%

of the people surveyed



SHOPPING

services are important for

61%



Enriching the shopping experience with services

Shopping centers need to highlight the added value that their services offer customers

Shopping is a very emotional experience: We reward ourselves, look for inspiration, and buy presents. Shopping services can easily generate additional positive experiences and intensify existing emotions. However, many customers mainly associate services with the retailers, who make a good impression by being friendly and providing good advice. That's why it is very important that shopping centers clearly highlight and communicate the added value that their services offer customers. It's the only way to arouse customers' long-term enthusiasm for shopping centers. Many people want services. In fact, 61% of customers say shopping services are important, although women are more demanding in this respect (65%) than men (56%). Customers who have children and regularly visit shopping centers also rate shopping services more highly than people without children. It's clear that services can greatly differentiate shopping centers from their competitors. The positive impact of even relatively minor services is demonstrated by offers such as gift-wrapping services, which are desired by 69% of the people surveyed. Shopping center gift certificates are also considered a must.

Shopping centers that want to pleasantly surprise their customers have to offer more

than just standard services. Concierge services are an example of this: One out of eight people think they are fantastic. Due to demographic change, senior citizen services that help elderly people do their shopping will become more and more important. Elderly customers already appreciate such services very much. The same applies to younger people. Although young customers don't yet need senior citizen services, they feel good about such services and consider them an indicator of good customer care.

The analysis conducted by ECE showed that the relationship between footfall and turnover is especially low in the fourth quarter. This means that far fewer people make targeted purchases during this quarter than at other times of the year and that specific services should be offered to create sales incentives. As a result, ECE began to offer "heavenly services" at 18 selected shopping centers in Germany and Poland during the 2014 Christmas season. The heavenly services, which were very successful, included individualized gift advice, gift-wrapping services, Christmas valets for carrying purchases to the customers' cars, and childcare facilities. Such services have been offered at all ECE shopping centers since 2015.

68%

of respondents want to be able to purchase shopping center gift certificates

70%

of respondents are delighted to receive a gift certificate as a present

Source: RetailMeNot 2015

» Gift-wrapping services are great. I would never be able to wrap presents that well! «

MARIO T., a customer at Ernst-August-Galerie in Hanover



Redefining service: Successful examples from the ECE world

Various possibilities for achieving the highest levels of customer satisfaction

These days, shopping center operators have wide-ranging possibilities at their disposal for offering services that arouse customers' enthusiasm and ensure a competitive edge. Numerous creative approaches can be taken here, as is illustrated by a small selection of measures from the extensive range of ECE services.



Up to

90%

**OF THE
PERSONAL SHOPPERS**

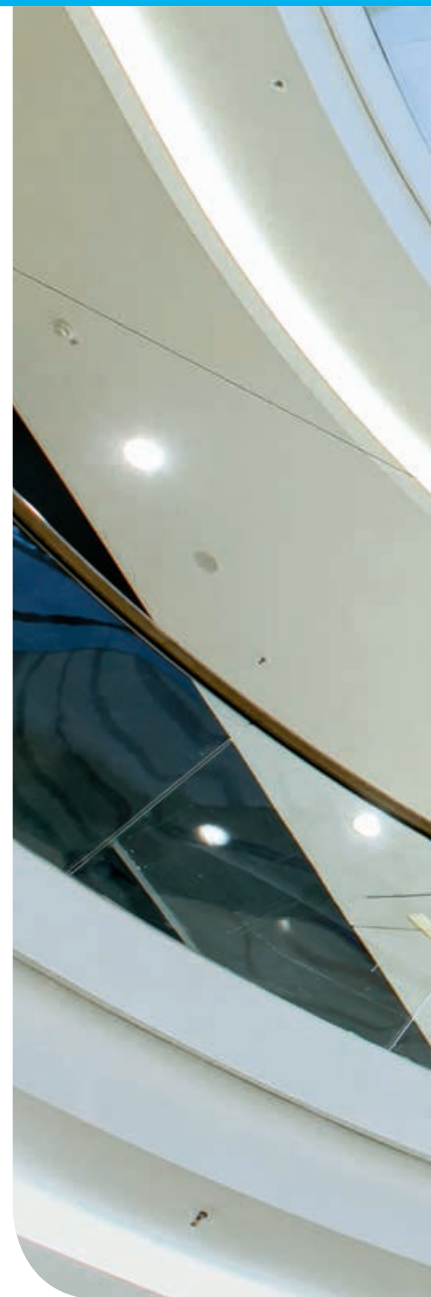
in the OZAS Galerie Vilnius were fully booked during a fashion campaign

Personal shoppers

An emotional upgrade of the shopping experience

Personal shoppers accompany customers in shopping centers and offer them independent and objective advice on outfits, which makes for an extremely positive shopping experience with a pleasant VIP touch. Here, the latest fashion trends are presented and customers

benefit from an extremely varied and high-quality personal consulting process. Personal shoppers can be booked for several hours directly at shopping centers. They are very popular in centers such as the OZAS Galerie Vilnius in Lithuania.





A COMPOSITION OF WELL-BEING

THE SENSES OF HEARING, SIGHT, AND SMELL are stimulated in various ways in multisensory concepts. The moods thus created range from calming to exciting.

Multisensory experiences **Activating the senses**

Shopping used to be a mostly visual experience – but these days it can be made to stimulate several senses. This can offer a decisive competitive advantage over the one-dimensional online retail experience.

This fact is impressively demonstrated at the new Aquis Plaza in Aachen, Germany, which features multisensory installations for sounds, scents, and light that create an inspiring shopping atmosphere in 20 different locations, including entrance areas, parking garage lobbies, and shopping center

corridors. The sensory stimuli have to be sensitively matched to one another and adapted to the character of the setting in question. For example, certain combinations of sounds and scents create a pleasant and welcoming atmosphere in entrance areas. This approach has already been successfully utilized in hotel reception areas to make a good first impression on hotel guests. ECE developed its multisensory experience together with leading sound design and scent marketing agencies.

Varied and customer-focused **Services in Turkey**

Shopping centers in Turkey are considered the third focal point of a person's life after their home and job. This has a lot to do with the high quality of stay in most Turkish shopping centers, which offer services especially tailored to the requirements of Turkish consumers. Such services include:

- Valet parking
- Concierge service
- Shuttle service
- Airport shuttle
- Mobile information
- Wedding locations

The Guest Card **Networked benefits for tourists and business travelers**



Tourists and business travelers in Dresden, Germany, can now take advantage of a special VIP service in the form of the Guest Card when they stay in well-known hotels such as Steigenberger, Hilton, or Kempinski. The Guest Card offers not only gift certificates, special discounts, and free personal shoppers at the city's Altmarkt-Galerie but also special services that make the shopping experience even more convenient – e.g. limousine services and delivery of purchased items to hotels.

Up to
€4,500
in revenue
per customer
has been generated
with the
GUEST CARD



RELAXATION

services are important for

86%

and for 91% of families



89%

of all visitors to restaurants and food courts stay for longer than 15 minutes



10

MILLION
Wi-Fi users per year
at ECE centers

3

OF THE TOP 5 SERVICES
are to be found at the
"Relaxation" touchpoint: clean
restrooms, seating in
the concourses, and free Wi-Fi

Making the most of your stay

The shopping break: A key moment for target group-specific services

Everyone likes to take a break while shopping – and everyone does different things to relax. The shopping break is a moment to savor, and one that nearly 86% of survey respondents described as "important." The break received the second-highest score in the survey, which shows that the desire to have a little relaxation in the midst of the busy shopping day is very great indeed. Shopping centers would therefore be well advised to exploit the available potential here even more systematically.

There are two key factors for success here: In general, all services – from seating accommodations to parent-child restrooms – should be easily and quickly accessible from the many stores in a center, and such services should also take into account the specific needs of individual target groups. Young people want to spend time with friends and take advantage of free and practical services during their shopping break. More specifically, individuals under the age of 30 are especially interested in services

such as cell phone charging stations (45%), free Wi-Fi (44%), and lounge areas (44%). Older people, on the other hand, mainly want to be able to put down their bags, relax, and quietly figure out their next move. The over-60 generation is therefore primarily interested in adequate seating (76%) and quiet zones (54%).

Food and refreshments are also extremely influential services in shopping centers. According to the ECE survey "Destination Food," nearly 60% of visitors to shopping centers consistently take advantage of the food services on offer. While doing so, they expect to enjoy services such as Wi-Fi, lounge areas, laptop stations, baby highchairs, and family stations.

Breaks are very important for families in particular (91%), since a varied range of services can go a long way toward making things more relaxing for them. Such services include digital play areas and Bobby Car rentals, but also practical services such as diaper-changing rooms or parent-child restrooms.

»A great service: charge up the cell phone – and then continue shopping with friends.«

JANINE M., customer at K in Lautern, Kaiserslautern



More than

350,000



photos have already been taken in Selfie Photo Boxes and shared with or sent to friends. Visitors can have themselves photographed in front of different backgrounds, make videos, edit their pictures, and share them on social networks

77%

of customers would like to have quiet zones / lounge areas

68%

would like to have free Wi-Fi





DEPARTURE

services are important for

80%

» I have no desire to wait forever and go looking for change at a parking payment machine after I'm done shopping. «

JENS R., customer at Aquis Plaza in Aachen

53%

would like to have prepaid parking cards. Especially useful for frequent parkers: Cards can be refilled, discounts are available, and trips to payment machines are a thing of the past!



82% want to see clear parking area signage

Happy and relaxed heading home

Departure: The pleasant ending to a perfect shopping experience

Your shopping day is over, and hopefully you've bought everything you needed. Now you just want to head home without any hassles. The departure plays a key role as the last touchpoint of the customer journey because it shapes the final impression of the shopping experience. Not surprisingly, departure services are therefore important for 80% of survey respondents. The figure for families is even higher – 85%. After all, no one wants to wait with tired children at a parking payment machine after a long day of shopping, nor do they want to miss their bus or walk further than necessary on the way out because the way to the parking garage isn't clearly indicated.

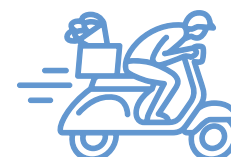
"Departure" is one of the four key touchpoints of the shopping experience, so shopping centers should offer a complete range of service options in terms of guidance, signage, simple payment procedures, and mobility solutions. As is the case with the "Arrival" touchpoint, customers simply expect such services – and can quickly become dissatisfied if they're not provided. Conversely, good service performance arouses customers' enthusiasm and can differentiate a shopping center from its com-

petitors. One example here is ECE's "Same Day Delivery Service," which allows items purchased in a shopping center to be left at a station and delivered to the customer's home on the same day. A total of 33% of respondents said they would like to be able to use this service; this group includes mostly middle-aged individuals, couples, and many single people.

There are many ways to provide optimum support for the departure. Visitors are particularly interested in clear parking garage signage and public transport system timetables. Pre-paid parking cards with attractive discounts for frequent parkers are also very popular. One out of five regular customers thinks taxi services are a great idea, and one third of 50 to 70-year-olds now actually expect such a service. Two services in particular can speed up the process of leaving a parking garage. The first is Car Finder, which uses a QR code that helps customers locate their vehicle: 20% of customers under 40 like this option very much. The second service is contactless RFID parking, which allows visitors to use a chip in the car to enter and exit garages and pay for parking automatically.

67%

would like to have public transport system timetables



33%

would like to have Same Day Delivery Service. According to Bitkom, 60% of Internet users can imagine utilizing such a service, while 10% have already done so

Source: Bitkom 2015, survey of 1,135 Internet users



31% of regular shopping center customers would like to be able to use carsharing services



1,000

times per year – that's the average utilization of a parking space in an ECE parking garage



// 02. The experts

**Ready for new
perspectives...**



TH Real Estate

 **Union
Investment**

MEDIA - SATURN

Peek.Cloppenburg

 **Hochschule Niederrhein**
University of Applied Sciences

 **25h**
twenty five hours hotels
come as you are

The investors' perspective

Services are becoming increasingly important for shopping centers say investors – especially as an element for differentiating shopping centers from online retail

TH Real Estate

» Services will continue to gain in importance – especially as an element that differentiates shopping centers from online retail. «

STEPHAN AUSTRUP, TH Real Estate



Stephan Austrup,
Head of Retail,
TH Real Estate

How would you define customer-oriented services?

It's primarily a systematic alignment with the customers' needs – which of course can be very different, depending on the location and the products. For example, the services that are important for outlet stores include bus service, tax refunds, tips for tourists, and group travel arrangements, whereas the main factors for specialist retailers are location, accessibility, and convenient one-stop shopping. By contrast, for shopping centers the services are a key component of the overall experience, which has to be supplemented by the mix of tenants and the range of catering outlets.

What services do you expect to see at a shopping center?

To name just a few: good accessibility, a smart parking system, Wi-Fi, clean restrooms that are free of charge, a children's playground, a tailor's shop, a ticket sales shop, and lockers. In the future, more and more tenants and shopping center operators will be linking their respective services together. Digitization will open up many new opportunities in this area. For example, people should be able to get apps that make product availability transparent and to exchange items they've bought online in stationary retail outlets.

How would you rate the shopping centers in Germany in terms of service?

There's been a lot of progress in the provision of services in recent years. I think the UK is the European leader in this field. We have to offer services – but not at any price! We always have to consider the balance between services on the one hand and added value for customers and the positioning of the respective shopping center on the other.

In your opinion, how important is the service experience for shopping center customers?

Services are an important part of the total package and a key component of the customer experience. Especially in the high-price segment, it's an advantage to have direct personal contact with the customers. Here there is certainly a parallel with top-notch hotels. My conclusion is that services will continue to increase in importance – especially as an element that differentiates shopping centers from online retail.

What services have you recently used yourself while shopping?

Personally, I really appreciate good parking garages. Barrier-free access and contactless payment get the shopping experience off to a good start. Also, I often check the shopping center's websites ahead of a shopping trip to find out about the product ranges and special events.

» A few years ago, shopping centers were places to shop. Today they're places to experience.«

RALF SCHAFFUSS, Union Investment Real Estate



Ralf Schaffuss,
Head of Shopping
Centers Germany,
Union Investment
Real Estate AG

How important are services for a shopping center?

Shopping centers need to differentiate themselves from the competition and to highlight their special features. With appropriate marketing, they can attract more attention from consumers. In general, customers are strongly aware of brands, but they also try hard to maintain their individuality. For shopping centers that are relatively uniform, services are thus an important tool for obtaining a competitive edge.

What services do you expect in a shopping center?

Shopping centers should make the entire shopping process, including the choice of a place to shop, as easy as possible. Service should begin in customers' living rooms, with informative websites that involve the user, apps, and a presence in social networks. The customers' first direct contact with a shopping center is the parking process, which must be supported in a target group-specific way – with clearly identified parking areas for women, families, and disabled people. The next step is orientation: Customers should be able to find out quickly how to get inside the shopping center via smartphone or directions. In addition to essentials such as free restrooms and a cloakroom, I think it's important to offer cashless shopping, quickly available event information, and merchandise delivery to the shopper's car or home.

Are shopping centers in Germany doing enough in terms of services?

Increasing digitization has gotten a lot of things moving. But Germany certainly still has to catch up in some areas – especially when it comes to helpfulness and a friendly attitude.

Has your opinion of the services on offer changed in recent years?

Because of the increasingly fierce competition in retail trade in Germany, sellers are trying harder to attract every individual customer. Service plays a big role in this competition. A few years ago, shopping centers were places to shop. Today they're places to experience. We want customers to spend more time in shopping centers, and that means we want them to enjoy being there.

In your opinion, how important is the service experience for shopping centers?

A positive service experience is very important, because people talk about it. That way customers become ambassadors of a particular shopping center. The opposite is also true: Bad experiences are communicated even more often than good ones, and they can quickly create a negative image for a shopping center.



The tenants' viewpoint

Stationary and online services are increasingly merging. It's a great opportunity to shape future developments, say tenants. They expect digitization to make this process even more dynamic.



MEDIA - SATURN

» Good service is a key factor in gaining our customers' long-term loyalty.«

KLAUS-GUIDO JUNGWIRTH, Media-Saturn Deutschland

How important are services, in your opinion?

They are the top priority for every company that focuses on the customer. After all, customers want to buy products as easily and comfortably as possible, but that's not all. They want to feel they're in good hands when these products are installed, repaired, overhauled or professionally disposed of. Good service is a key factor in gaining our customers' long-term loyalty.

What specific services do you expect to receive in a shopping center?

I expect to have a shopping experience that is as customer-focused as possible. It starts with parking and the signage in a shopping center and continues with a big product selection and good advice, modern payment systems, and appropriate delivery options.

What services do you use to differentiate yourself from the competition?

We rely on a multichannel strategy – close links between our stationary and our online product ranges. Customers are free to decide whether they get advice in a local branch and then buy a product online or vice versa. In addition, almost every second online customer uses our Click&Collect feature, which enables them to order an item online and then pick it

up directly at a local branch. At our branches we also offer contactless payment and same-day delivery – at most, within three hours after the purchase.

In your opinion, how will the importance of services develop in the future, and which services will be increasingly emphasized?

The demand for services will continue to grow. At Media-Saturn, we are seeing a strong demand for services, especially in the area of the “connected world.” That includes the product category of cellphones and tablets. We offer a wide spectrum of services, ranging from the basic installation of new equipment to the replacement of displays and rechargeable batteries, data recovery, and immediate repairs. In addition, customers want to have support during their selection process and for the installation of connected equipment in their homes – for example, home cinema or multiroom systems. We're already offering that as well.

What services do you offer to the customers at your stores?

In addition to our numerous services for mobile devices and a smart home, we offer to deliver large equipment and TVs to our customers' homes or apartments. If the customer wishes, we also unpack the equipment and set it up, connect it with the electrical system, install it, and explain its basic functions. Our range of services also includes special tasks such as making precise measurements for built-in kitchen appliances and maintaining and repairing fully automatic coffeemakers. The quick availability of our products is also important. At our markets we offer virtual “product shelf lengthening” by means of our salespeople's tablets. As a result, in every branch of Media Markt and Saturn Markt our customers have access to all of the 250,000 items in the online shops of these two retail chains.



Klaus-Guido Jungwirth,
COO, Media-Saturn
Deutschland GmbH

Peek.Cloppenburg

» Today it's crucial to make product availability visible. «

DR. HORST CLEMENS, Peek & Cloppenburg

How would you define customer-oriented services?

In short, giving the customer exactly the information he or she is looking for. Today it's crucial to make product availability visible. For example, at P&C we have an online "Fashion Window" where customers can see what items are available at our stationary retail outlets. Of course our customers can also order our products directly at Fashion ID, the online shop of P&C. In general, customers are very price-conscious these days, so online and off-line prices have to be identical on principle.

Are companies in Germany providing sufficient services, or do we still have some catching up to do to match international standards?

In Germany, sales and shopping advice in the fashion segment are basically functioning very well. The US approach to service wouldn't work in Germany. German shoppers don't want to be bothered while they're shopping. If they have any questions, they deliberately seek out a salesperson and ask. Being addressed by salespeople at regular intervals tends to annoy them.

What services have you recently used yourself while shopping?

An alteration service – this is an offer I greatly appreciate. For example, if you can try on a suit, decide to buy it, and then immediately have a good tailor alter it so that it fits perfectly, that's real convenience. In spite of all the information that's available today on the Internet, personally I still appreciate being advised by a salesperson.

In your opinion, what are the main services a shopping center should offer?

The obvious one is catering, because it really characterizes the range of services in a given shopping center. Today P&C is also offering such services at selected flagship stores so that customers will stay longer and have a better quality of stay.

To what extent can services be a further advantage compared to online retail?

For certain products, occasions, and target groups, personal consultation is absolutely essential. For example, when a young woman is looking for a special dress for her graduation ball, it's simply more convenient to try on a couple of outfits in the store and get specific recommendations from a saleslady. On principle, at P&C we consistently depend on the all-round expertise of our salespeople.

Can you give us an example of a service that deserves to be called a best practice?

Basically, all of the services that give customers practical help in making a shopping decision could be called best practices. One example is the interactive screens in dressing rooms, which provide information about products and offer further recommendations. This is a smart form of indirect advice that offers the customer genuine added value without requiring him or her to make any additional effort.



Dr. Horst Clemens,
Managing Director,
Peek & Cloppenburg KG



ECE's perspective

Four ECE managing directors explain the concept of service from the perspective of their respective areas of responsibility



Henrie W. Kötter,
Chief Investment Officer
(CIO) of ECE

» Services are becoming the criterion of success for sustainable investment in shopping centers. «

CLAUDIA PLATH,
Chief Financial Officer (CFO) of ECE

How would you define good service?

Today, time is a precious resource. That's why I think good service is primarily service that relieves me of time-consuming tasks I don't like doing. I also think that good service means offering customers solutions they hadn't expected – and giving them a pleasant surprise.

Just how interested are investors in the services offered in shopping centers?

They're very interested, and their interest is growing. That's because good service is increasingly becoming a distinguishing factor from the customers' point of view – and thus a competitive advantage for the shopping center as an investment product. You could say that services are becoming a success criterion for the sustainability of investment in shopping centers. We're definitely seeing a growing readiness to invest in service areas on the part of investors.

What services have you recently used yourself while shopping?

I recently used a carwash service while I was shopping. It's a good feeling to have a successful shopping experience on the weekend and then to climb into a clean car.



Claudia Plath,
Chief Financial Officer
(CFO) of ECE

» The dynamic process of innovation in trade, design, and technology gives shopping centers the possibility of trying out new paths. «

HENRIE W. KÖTTER,
Chief Investment Officer (CIO) of ECE

How would you define good service?

In a nutshell, good service means fulfilling the customers' expectations or even exceeding them. However, customers can't specify all of their expectations in concrete terms. Before the invention of the iPhone, hardly any customer would have described it as a product that's missing on the market.

Are there any services that you would describe as essential for a successful shopping center?

In my opinion, the "how" is more important than the "what." I think the most important factor is the team that is delivering the services and is in contact with the consumers and the tenants. These local experts have to make specific decisions about the spectrum of relevant offers and the design and quality of the services. They also have to add the right accents to the shopping situation. For example, I think that cashless payment in the parking garage is an initial step in the right direction. The dynamic process of innovation in trade, design, and technology gives shopping centers the possibility of trying out new paths.

How are service offers evaluated in the M&A process?

We basically act on behalf of investors and give them our support. For properties that were previously managed by other operators, we work with other departments to develop an approach that establishes the ECE level of service quality in every area. In many cases we also have to keep in mind investments that we calculate into the acquisition.



Markus Lentzler,
Managing Director
Architecture &
Construction of ECE

» The shopping center shapes the customer journey up to the threshold of the shop. Inside, the tenant does the shaping. It's essential for these two approaches to match! «

KLAUS STRIEBICH,
Managing Director Leasing of ECE

How would you define good service?

Good service means identifying the customers' needs and wishes, fulfilling them in individualized ways, and always being special and surprising. The result will be that the customers will look forward to their next contact with you.

What services do you yourself associate with shopping centers?

A good range of products and services, easy accessibility, and convenient processes – from my arrival at the shopping center to my return to my own four walls. In addition, customers should have the possibility of always discovering new things in shopping centers. And it goes without saying that cleanliness and safety are essential.

What do the tenants expect from ECE in terms of service?

Basically, the shopping center should offer services that the tenant can also provide in his own shop and range of offerings. The shopping center shapes the customer journey

up to the threshold of the shop. Inside the shop, the tenant is doing the shaping. It's essential for these two approaches to match!



Klaus Striebich,
Managing Director
Leasing of ECE

» The relevant services have to be taken into account during the very first stage of planning. «

MARKUS LENTZLER,
Managing Director Architecture & Construction
of ECE

How would you define good service?

As a safe and friendly atmosphere in which people show an interest in me as a customer.

What services do you associate with shopping centers?

Like a modern airport, a shopping center has to offer all kinds of services, while at the same time creating a feel-good atmosphere. These include good accessibility by every means of transport, comfortable parking, fast orientation, a pleasant atmosphere, protection from the weather, and clean restrooms.

What role do services play in the architectural design of shopping centers?

The relevant service issues are already taken into account in the first planning stage. That applies especially to restrooms and conveying systems, parking lots, food courts, play areas, and info points. Services have always been a factor in the design of shopping centers. However, customers' requirements regarding the overall atmosphere, parking spaces, and customer restrooms are constantly rising. In large part because of the development toward more hospitality in comparable segments such as hotels and restaurants, the status of services is constantly rising in our initial planning processes. For example, restrooms are increasingly becoming "anchors" that define the quality of our services.

Getting the big picture

Services play a key role in other areas as well. Here we present two interesting opinions from academe and the hotel sector.



» Speed is the crucial factor for today's customers.«

PROF. GERRIT HEINEMANN, Hochschule Niederrhein, University of Applied Sciences

How would you define customer-oriented services?

The most important thing is to have a consistent spectrum of services. To make that possible, the tenants and the shopping centers have to be closely integrated. But I think that customer orientation also means always having a sharp eye on the overall costs for the customer.

Where do you see the greatest potential for new and innovative services?

Especially for the stationary retail trade, big opportunities can open up if cross-channel offers are accompanied by store design that provides the customer with superb usability. What I have in mind here is "smart shops." Imagine a customer taking a product off the shelf, leaving the shop, and not being arrested for theft, because he has already paid for this product by placing his thumbprint on his smartphone. That's how I envision the shopping center of the future: without limits, but with lots of freedoms.

In your opinion, which services in shopping centers deserve to be called best practices?

Every service that manages to transfer successful digital customer loyalty programs from the



online trade to the world of shopping centers. In this area, shopping centers have to be at least as adept as online retail. It's also important for shopping centers to see themselves as marketplaces – and digitally present themselves as such.

What touchpoints are important for state-of-the-art, individualized services?

Today's touchpoint is the smartphone. It's the "remote control" of daily life. That's where everything has to come together. For example, sending customers a message such as "Parking level A is full" on their smartphones would be a useful service at a shopping center. Nowadays, no customer will forgive you if you make him waste any time. Speed is the crucial factor for today's customers.



Prof. Gerrit Heinemann,
Professor of Business Administration, Management, and Trade at Hochschule Niederrhein, University of Applied Sciences



» In general, we're seeing hardware becoming less important and software becoming more so. «

BRUNO MARTI, 25hours hotels

How would you define customer-oriented services?

First of all, not being driven by sales or turnover, but instead focusing on the customer and his or her needs. This is probably somewhat easier in the hotel business than in other sectors. When a guest enters a hotel, he or she has already paid for the services and will probably not change his or her opinion of them. As a result, we can focus entirely on delivering customer-oriented services – without feeling any pressure to sell them something in addition.

How good are services in Germany?

In Germany, Austria, and Switzerland, the hotel sector has a relatively good reputation in terms of services. These countries have a long tradition of hospitality and outstanding training programs. But when it comes to empathy, German service providers sometimes fall short. In our culture, people in business life tend to present a serious and emotionally distanced exterior. That might generate trust, but not a feeling of closeness. In Asia, you've got exactly the opposite situation: Human interaction comes first, and business comes second. A third example is the hotel and restaurant sector in the USA. Here, customers often receive ingratiating service that is strongly dependent on the expected tip. However, in many cases this results in a very good service experience for the customer.

Which services do your hotel guests consider important?

Rating portals, blogs, and social media make it very easy to compare products today. That's why it's supremely important to make prices, services, and registration processes clear and transparent from the very start. During their stay, guests consider aspects such as the overall atmosphere, friendliness, and cleanliness important – even more important than location, design, and the quality of the beds. In general, we're seeing hardware becoming less important and software more so.

What measures and services set you apart from the competition?

25hours sets great store by individuality in particular – and that means we pay special attention to our individual employees. Service is a matter of human contact, and it can only be standardized to a limited extent. The important thing is that the employees relate to each customer in an individual way. Even if ultimately every customer "only" occupies a room, attends an event, or has a meal in a restaurant, his or her need for attention can be very different from other customers'.

What makes a service a best practice?

Every service that is offered in the right place at the right time can be a best practice. Of course the very best practices are services that people don't necessarily expect, such as free bicycles in a business hotel.



Bruno Marti,
Chief Brand Officer,
25hours hotels



// 03. The promise

— AT YOUR —

SERVICE





**RECOMMENDATION
RATE**
of ECE centers

91%

88%
of visitors to ECE centers
enjoy shopping

91%
are happy with
their ECE center

4.5
MILLION
visitors daily



» Fulfilling service expectations and thrilling customers – that’s what we mean by “At Your Service.” «

JOANNA FISHER,
Managing Director Center Management at ECE

What’s the biggest challenge for services in shopping centers?

The individual differences between our customers. Every customer has different wishes and expectations when it comes to services. Today the shopping centers we operate already offer a very broad range of services. We’re very proud of the fact that 91% of our visitors are satisfied overall with the ECE shopping centers and would recommend them to others. However, the customers don’t always know exactly what services are being offered and where they can be found. It’s essential to offer relevant services – but clear communication with the customers is equally important. For ECE as a shopping center operator, a further challenge lies in the implementation of the services in shopping centers. A successful shopping experience goes together with good services. That’s why it’s our job to get the owners and tenants enthusiastic about offering new and improved services.

Why is customer orientation such an important aspect of a service concept for shopping centers? Couldn’t we simply do the same thing as other sectors (such as hotels and airlines)–define standard services and then classify shopping centers according to the services they offer?

The sectors you’ve mentioned have clear standards and clear priorities. They can be classified according to these standards and priorities, and the customers know this classification and understand it. But when we look at shopping centers, we quickly see that there’s not just one pattern for shopping centers: Each one is unique. For this reason, our “At Your Service” approach is based on the most important opinion of all – that of our customers. Let me give you a practical example. In a fashion-oriented shopping center in a big city, the customers expect different services than the customers in a small neighborhood shopping center with a high proportion of local suppliers. Nonetheless, the customers in both shopping centers can be satisfied with the services they are offered. This shows that the services on offer have to be individually adapted to particular shopping centers and their customers. And that’s exactly what we aim to do.

“At Your Service” – what’s the concept behind this big promise?

About 4.5 million people visit an ECE shopping center every day – and we want every one of them to feel completely satis-

fied. We can achieve that only by making an all-round effort and having an approach that is geared to specific target groups. Our goal is to fulfill our customers’ expectations concerning their shopping trips – and ideally to surpass them. That’s why we are at our customers’ service – always and everywhere. We have to offer them our services where and when they are wanted. In addition, we have to offer them services they hadn’t expected – in other words, we have to provide some pleasant surprises. In close cooperation with investors and tenants – who also offer important services at the touchpoints – we jointly provide an uninterrupted chain of services to our customers. Every touchpoint along the customer journey has been taken into account and aligned with the service requirements of the respective locations and target groups. In other words, we will never take a “watering can” approach.

In your opinion, which services will be especially important in shopping centers in the future? What trends are developing?

Against the background of the growing importance of online commerce, service is a crucial competitive factor for the stationary retail trade. In this connection, digitization and innovative technologies in particular are creating completely new approaches to service offers that will arouse our customers’ enthusiasm. For example, location-based services make it possible to navigate inside a shopping center with the help of a smartphone. In the future, the “Searchable Mall” and “Local Inventory” features will enable customers to find out before they actually go on a shopping trip exactly what products are available at which dealers, and how much they cost. On the other hand, shopping centers have to not only offer interesting innovations but also satisfy their customers with very traditional services. Free Wi-Fi, ample seating areas, and easy orientation are a must – they’re not just nice extras. The goal is to create an atmosphere that makes people feel comfortable and generates positive emotions. Services play a key role here. They are a key component of our efforts to make customers feel that a shopping center is a real “place to be.”

We offer “At Your Service” according to a plan – from analysis to implementation

Our approach consists of a detailed analysis, clear recommendations for action, maximum transparency, and consistently individualized implementation. We are taking four clearly defined steps in order to be able to offer “At Your Service” to our customers:

1 ANALYSIS OF SHOPPING CENTERS

Every shopping center is different and has specific target groups. This is why we conduct an analysis of the customer needs in each individual shopping center, so that we can identify the relevant services there, on location.

2 ANALYSIS OF SERVICES

In our analysis of local services, we take a close look at all of our existing services, as well as the services the customers want in the future.

3 SETS OF MEASURES

We generate well-organized sets of measures, as well as concrete recommendations and alternatives.

4 IMPLEMENTATION

After receiving authorization from the owners, we implement these services, offering expert support during every phase of the project.

Systematically exploiting the potential of services in the future as well

This publication summarizes the most important results of a comprehensive TNS survey titled “Services in German Shopping Centers,” as well as numerous research projects, interviews, and analyses. It identifies the most important touchpoints along the entire customer journey and analyzes them in detail in order to find out what services customers are asking for.

This is the first step on our journey toward a new level of service. On the basis of this knowledge, we are cooperating closely with our tenants and investors in order to adapt our shopping centers, step by step, to the current and future wishes of our customers. Our aim is to create a seamless and holistic chain of service experiences that begins with customers planning their shopping at home, continues with their visit to a shopping center, and ends with their departure for home.

Attentive listening will continue to be a key activity for ECE in the future. Our customers’ perspective will always be the foundation that enables us to focus on the key touchpoints and offer them an outstanding service experience. We direct all of our efforts to reaching this goal, which is characterized by a deeply rooted “Focus on the customer.”

» The importance of services in shopping centers will continue to increase. ‘Focus on the customer’ is the principle on which we base our actions. «

ALEXANDER OTTO,
CEO of ECE



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