



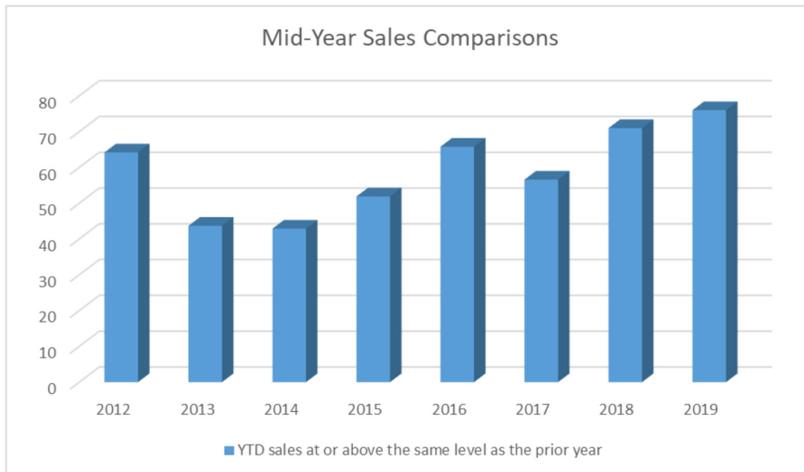
# RESEARCH RESULTS

## Levin Survey Shows Technology Propelling Retail's Positive Trajectory

The incorporation of cutting-edge technology to serve customers and gain competitive insight continues to propel retailers within Levin Management Corporation's (LMC's) 105-property, 15 million-square-foot portfolio on a positive trajectory. The commercial real estate services firm's eighth annual Mid-Year Retail Sentiment Survey polled managers to gain grass roots insights on tech issues and their stores' year-to-date performance.

### PERFORMANCE AND EXPECTATION

- ➔ 76.0% of participants reported sales at a same or higher level year over year.
- ➔ 72.9% are seeing traffic levels that match or exceed last year at this time.
- ➔ Further, 82.2% indicated they expect sales to continue at the same pace or improve.



### PERFORMANCE COMMENTARY

The mid-year sales and traffic percentages beat trailing averages by double digits. The LMC results are supported by other positive outlooks. For example, the National Retail Federation has forecasted a retail sales increase between 3.8% and 4.4% for 2019. It appears that technology and the continued merger of e-commerce and brick-and-mortar is at the core of the retail sector's solid performance. What previously has been differentiated as e-commerce or traditional retail today is, simply, retail.

Levin Management's Retail Store Manager Sentiment Survey gauges the strength of the American economy from a street-level perspective.

Managers of retail stores regularly interact with the consumers who drive the industry. These managers are also responsible for meeting the sales goals set for their stores. This daily frontline experience gives them a unique outlook on the true state of retail.

Levin Management, which operates approximately 105 shopping centers across a broad range of markets in six key states, surveys the store managers of its 1,100+ tenants three times annually, gathering information on current sales and traffic numbers, and on manager sentiment about the next half year.

The surveys also ask timely questions about hiring patterns, the evolving impact of ecommerce, key events and other socio-economic factors that may be influencing performance.

# RESEARCH RESULTS

## TECH TRENDS: CLICK AND COLLECT, AND BUSINESS INTELLIGENCE

In an increasingly omnichannel world, “click and collect” has become a major driver of traffic to brick-and-mortar locations.

- ➔ 70.4% of LMC survey respondent companies offer an online option for purchasing goods, scheduling appointments for services or placing orders for pick-up.
- ➔ This figure is up from 49.8% just two years ago.
- ➔ Of those respondents who indicated their brand has adjusted its business plan due to the growth of e-commerce, the addition of an in-store pickup and returns option for purchases made online is one of the four most popular adaptations.

Retailers also are leveraging technology for business intelligence.

- ➔ 66.9% of survey respondent companies are analyzing customer and sales data for the purpose of merchandising, creating new services and options, planning in-store events, and creating individualized special offers.

## TECHNOLOGY TRENDS COMMENTARY

Smart retailers know ancillary sales are a big win as click and collect gains traction, and they are striving to make the customer experience as convenient as possible. Additionally, tenants are gaining valuable insights from information they are gathering organically in the process of selling goods and services, and via maintaining customer-loyalty and other programs. This undoubtedly facilitates a more targeted marketing process.



### Levin's Portfolio:

The company's 105-property, 15 million-square-foot shopping center portfolio includes neighborhood, community, lifestyle and power centers, enclosed malls, downtown stores and mixed-use projects. Properties are located in New Jersey, New York, Pennsylvania, Connecticut, Virginia and North Carolina. Retailers based there include small local retailers to large national chains, personal service providers, as well as restaurants and, at mixed use properties, government and professional offices.

### About Levin Management:

Founded by shopping center pioneer, Philip Levin, in 1952, Levin Management has evolved into one of America's leading retail real estate services firms, offering clients the widest possible range of services needed to successfully operate any retail venue. Services include Leasing, Property Management, Financial Management and Reporting, Lease Administration, Construction Services/Management, and Marketing.

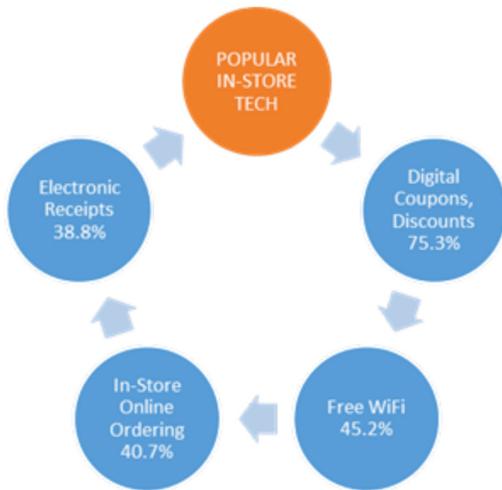
Levin has earned a long list of coveted awards. During the past few years alone, the firm has been included in National Real Estate Investor's Top Retail Managers, Commercial Property Executive's Top Property Managers and Top U.S. Real Estate Companies, Chain Store Age's America's Top Redevelopers, Mid Atlantic Real Estate Journal's "Best of," NJBiz's Top Commercial Real Estate Developers and Top Property Management Companies, and New Jersey Business' Top 10 Real Estate Developers.

# RESEARCH RESULTS

## A FOCUS ON CUSTOMER EXPERIENCE

Physical retail also is working to “up its game” in areas that distinguish in-store shopping from its online counterpart.

- ➔ 71.9% of survey respondents who have made changes based on the e-commerce evolution have increased their focus on training and customer service.
- ➔ 48.1% have added in-store services and/or incentives.
- ➔ Survey participants who are using technology-centered tools in-store for customer service and convenience favor digital coupons, discounts and/or loyalty points; free WiFi; in-store, online ordering (with free shipping) for out-of-stock items; and electronic receipts.
- ➔ 25.2% of LMC Mid-Year respondents plan to adopt new in-store technologies this year.



## CUSTOMER EXPERIENCE COMMENTARY

The human touch and the level of convenience that can be created today in a physical store has great appeal for consumers. Smart retailers are recognizing this and taking advantage of any chance to make a trip to their shop pleasant and worthwhile.



### METHODOLOGY:

Survey questionnaires are distributed electronically and by hand to the store managers at properties operated by Levin Management. Neither the properties nor the stores are identified in any way on the survey forms. The results are tabulated online by Levin’s marketing department.

### CONTACT INFORMATION:

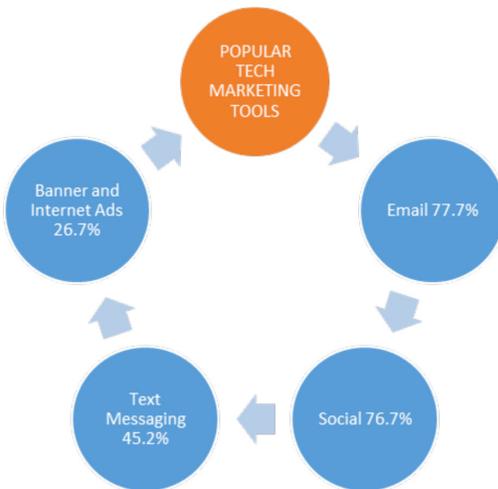
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# RESEARCH RESULTS

## MARKETING AND TECHNOLOGY

Technology is weighing in prominently in retailers' external marketing efforts as well.

- ➔ Email is the most popular tool, followed closely by social media/social marketing – used by 77.7% and 76.7%, respectively, of respondents employing tech-centered marketing.
- ➔ The popularity of text messaging appears to be rising, currently used by 45.2% of tech-marketing-savvy respondents – a jump over a four-year trailing average of 32.4%.
- ➔ Facebook, Instagram and Twitter are the most popular social media platforms, continuing an established hierarchy.
- ➔ 37.3% of survey respondents who are leveraging social are enhancing their presence with paid options, such as Facebook sponsored content.
- ➔ For social marketing, Yelp is a clear favorite, followed by Groupon/Living Social.



## MARKETING AND TECHNOLOGY COMMENTARY

Retailers have such a great opportunity to leverage technology in marketing. It is no secret that consumers today conduct research online before heading to a store to make a purchase. And when it comes to social, a hyper-local strategy can be a big differentiator in establishing strong community-based branding and shopper loyalty.

# SURVEY QUESTIONS & TABULATIONS OF RESPONSES

The survey asked respondents to compare year-to-date sales and traffic to last year at mid-year.

- 35.9% reported higher sales.
- 40.1% reported sales at the same level.
- 24.0% reported lower sales.

- 33.7% reported higher traffic.
- 39.2% reported traffic at the same level.
- 27.1% reported lower traffic.

The survey asked participants how they feel their store/service will perform during the second half of 2019.

- 58.4% are optimistic that sales will improve.
- 23.8% anticipate sales about the same as the first half.
- 10.3% are concerned that sales will decrease.
- 7.6% are not sure.

The survey asked participants whether their company offers an online (e-commerce) option for purchasing goods, scheduling appointments for services or placing orders for pick-up.

- 70.4% replied "yes."
- 29.6% replied "no."

The survey asked participants whether their company actively employs technology to analyze customer and/or sales data for the purpose of merchandising, creating services/menu options, planning in-store events or creating individualized special offers.

- 66.9% replied "yes."
- 18.2% replied "no."
- 14.9% replied "I'm not sure."

The survey asked those respondents who have adapted their business models in response to e-commerce growth which adaptations they made.

- 48.1% added in-store services and/or incentives.
- 71.9% increased training and focus on customer service.
- 27.7% added "experience" draws such as demonstrations, classes, performances or other in-store events.
- 10.0% altered store prototype (i.e. smaller store size or increased focus on showrooming).
- 28.8% altered store inventory (i.e. fewer in-stock SKUs, larger quantities of popular items).
- 28.5% added in-store pickup and returns option for purchases made online.
- 24.6% increased coordination between online and brick-and-mortar operations.

# SURVEY QUESTIONS & TABULATIONS OF RESPONSES

The survey asked whether those that have adapted have seen benefits in terms of increased sales and/or in-store traffic.

- 52.8% replied "yes."
- 21.1% replied "no."
- 26.1% replied "I'm not sure."

The survey asked participants whose companies are using technology in-store to provide incentives or conveniences for customers which tools they are incorporating.

- 75.3% offer digital coupons, discounts and/or loyalty points.
- 40.7% offer in-store, online ordering (with free shipping) for out-of-stock items.
- 45.2% offer free Wi-Fi.
- 1.9% employ virtual reality/augmented reality.
- 23.2% offer mobile scanners enabling employees to check stock-room inventory and nearby stores for items..
- 15.6% offer sales floor price-check scanners.
- 5.7% offer scan-as-you-shop or other rapid-payment option.
- 4.9% offer self check-out.
- 13.7% use mobile point of sale systems.
- 38.8% offer electronic receipts.

The survey asked participants whether they plan to adopt any new in-store technologies this year.

- 25.2% replied "yes."
- 32.8% replied "no."
- 42.0% replied "I'm not sure."

The survey asked participants who use technology-centered marketing which tools they are leveraging.

- 77.7% use email.
- 45.2% use text messaging.
- 14.7% use SEO optimization.
- 19.9% use Google AdWords.
- 26.7% use banner ads or other Internet advertising.
- 76.7% use social media/social marketing.

The survey asked respondents (whose companies actively use technology tools in their marketing efforts) how their amount of technology-centered marketing for 2019 compares to last year.

- 52.1% said the amount is higher.
- 43.6% said the amount is the same.
- 4.3% said the amount is lower.

# SURVEY QUESTIONS & TABULATIONS OF RESPONSES

The survey asked participants who use social media in their marketing mix which social media outlets they are using.

87.1%	use Facebook.
3.6%	use Foursquare.
29.1%	use Google+.
60.4%	use Instagram.
13.3%	use Pinterest.
12.9%	use Snapchat.
34.2%	use Twitter.
17.6%	use YouTube.
1.4%	use LinkedIn.

The survey asked participants who use social media in their marketing mix whether they are enhancing their social media presence with paid options (like Facebook sponsored content or ads).

37.3%	are using paid options.
62.7%	are not using paid options.

The survey asked participants who use social marketing in their marketing mix which social marketing outlets they are using.

28.4%	use Groupon/Living Social.
16.2%	use Waze or other GPS programs.
68.2%	use Yelp.

PLEASE NOTE: Not all survey participants answered every question.