

THE CRYSTAL BALL HAS BECOME A REALITY

Footfall counting systems, we're all familiar with them. Shopping centres, shopping streets, shops, stations and so on: counting systems are active everywhere and produce an enormous amount of data. Data that is turned into fascinating reports. Afterwards. But what if we could use all this available data to make prognoses? Wouldn't the rates of return be much higher? This is exactly what PFM aims to do with the event monitor.



We're discussing the matter with Bart Schmitz (general manager PFM) and Wendy Hulshof (business consultant PFM). Bart has been with the company for over twelve years now. He took over from his father in 2013, when his father retired. Wendy joined PFM a year and a half ago, after working for Corio (Klépierre) for eight years: "I was a researcher/analyst there. Every shopping centre Corio owns uses PFM's systems, so I've worked with the system quite a lot."

CHALLENGES

PFM is active throughout the whole of Europe with a focus on The Netherlands, England and Germany. Bart Schmitz: "In England our systems can be found in all the big real estate projects situated within the M25. For instance at the Kings Cross Development, a gigantic area. We also supply all the large train stations. In The Netherlands you can find us at 120 shopping centres and in Germany we're growing rapidly as well."

"We're facing enormous challenges. Not just concerning the software, but especially when it comes to data. Our next step is to provide more insight for the client with this data. And also to link the data to surrounding areas, making it even more valuable. On top of that we are extending the functionality of our data reports, like with our event monitor."

ACCURACY

Wendy Hulshof explains that the event monitor is a mix of looking back and predicting the future.

"Most of the shopping centres using the PFM system have a history of data going back years. We now use that data in a model with which we can make predictions, making it possible for us to predict the amount of visitors on a daily basis. We can do this with an accuracy of 80 until 95 percent."

APPLICATIONS

Predictions, what are they useful for? Wendy Hulshof describes that PFM's clients especially want to be able to predict the effect of events more accurately. "Clients want to be able to predict beforehand, as well as to measure afterwards. They want to know what the returns of an event are and if the marketing manager has done his job correctly. If you want to do this accurately, you need more than merely the number of visitors."

Wendy explains that patterns, that have been reappearing for a longer amount of time, can clearly influence the measurements. "You might not take into account that the shopping centre has been attracting more visitors for quite a while. Or what type of weather it is or that the event was thrown on the last day of the month. When it's already a lot busier, because customers have just received their paychecks or their social security."

"The model PFM has developed takes a lot of different factors into account: the weather, the day of the week, seasonal patterns, holidays, the trends of the shopping centre and macro economic information such as economic growth and consumers trust. These are all fitted into one model making it very dependable in its predictions of the number of visitors on a daily basis."

BENCHMARKING

For example: PFM can calculate what the number of visitors should have been on a certain day. On that day they held an event attracting 10,000 extra visitors. But is that successful or not? Is that a large number for a fashion show or a food event?

"It was clear that our clients needed to be able to benchmark these different figures. That's why we have expanded the model - that could first only predict the number of visitors - to an event model, in which we

Shopping centres have a lot of data to their disposal. But what can you do with it?

also take into account what the value of these extra visitors is for the shopping centre. We do this by labeling these extra customers with a value, based on the average spending at the concerning shopping centre. That outcome decides what the value of the event is. Once we've established this value, we can subtract the costs of the event, giving us the results. At that point you know whether the event was worth having or that it has just cost money."

In the end it's all about spending your marketing euro in the best possible way'



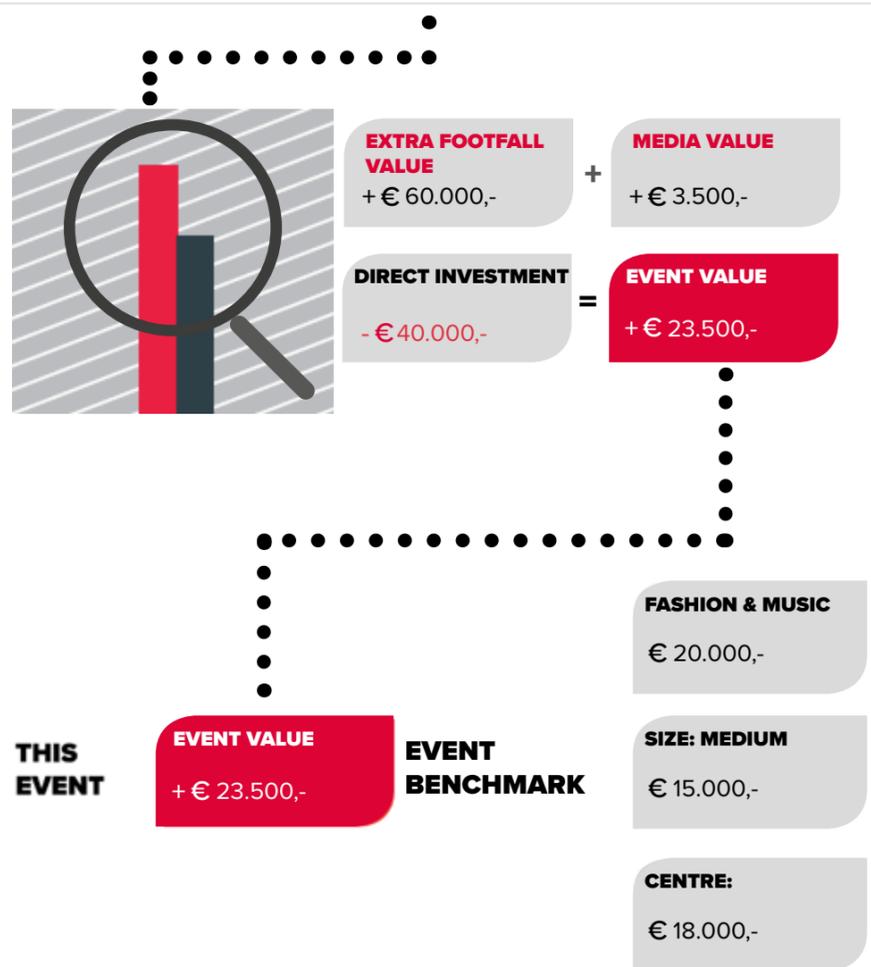
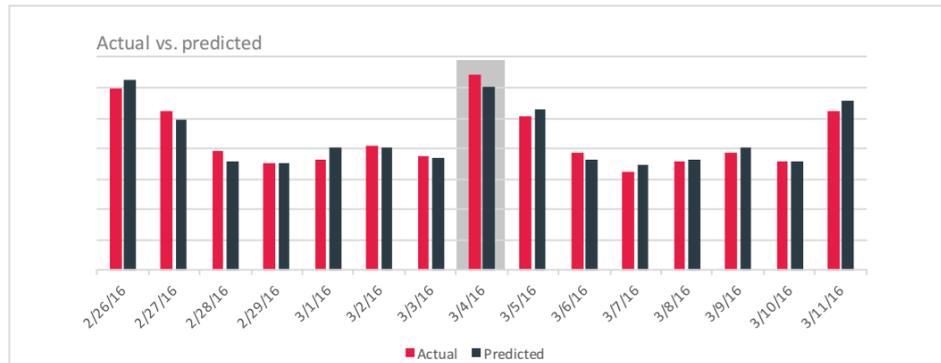
Wendy Hulshof and Bart Schmitz

Photo: SCN

FREE PUBLICITY

But this approach is disputable. Sometimes you don't organize an event just to attract extra visitors, but to create a good p.r. spin-off. This doesn't necessarily lead to extra visitors, but can in particular lead to attention in the press.

"So we've also linked this media value (free publicity in newspapers, rtv and social media) to the model. This way you can overlook the big picture of an event and you can make a better estimation of what the value is. And what if you organize an event around a top celebrity? This usually amounts to more visitors, but not to more spending among these visitors. Or a fashion show? That can actually lead to more spending. To filter these details, you would have to monitor all the spendings at every event. We have chosen not to do this, because if you do it in the same way for every event, you can still successfully benchmark it." →



A report example. It shows the actual visitor numbers versus the predicted numbers, and these have been transposed to the event value and the benchmark.

TAKE THE GUT FEELING OUT

So a shopping centre can really measure the effects of her marketing calendar and can provide insight into which event was successful and which wasn't. This can lead to interesting insights throughout the whole portfolio. You can detect in which shopping centre a fashion show works well and in which it doesn't.

Wendy Hulshof: "This is interesting information for the marketing manager to share with the entrepreneurs of the shopping centre. If for example they like to stick to throwing a fashion show during an important event, while a different type of event would lead to a better outcome, this can effectively be discussed thanks to these figures. You end up having a different kind of discussion."

Bart Schmitz argues: "You take the gut feeling out of the discussion and make the effect clear with objective arguments."

EXAMPLES

The possibilities of the event monitor are practically endless. To give a few more examples:

- Researching whether approaching new target groups will be effective. Imagine, you want to attract a younger crowd and organize an event to do so. Does this have enough effect? How does this event relate to other events? Is there some form of growth visible, making it worthwhile to hold on to the event a while longer?
- What is the effect of programming anti cyclical? (No events on days that are busy anyway, but at other moments.)

'You take the gut feeling out of the discussion and make the effect clear with objective arguments'

- Warn the entrepreneurs that they're about to witness a peak moment, so it might be a good idea to arrange more staff.
- The expected effects of a shop switching locations or the arrival of a new tenant.
- Plan in extra cleaning shifts, because of more pollution.
- Warn technical service that the CO₂ content might possibly get very high, so it would be a good idea to anticipate by adjusting the ventilation.

TENANT SUPPORT

These data also come in very handy to support the tenant. Wendy Hulshof: "You can get good insights into what, for example, the effect would be if you added a discounter such as Action. What would that do to the number of visitors? A shop like Action often pays lower rent than customary in a shopping centre and the rental manager has to defend this. He can, for example, argue that the number of visitors will increase. This could mean that other store locations can be rented out for higher prices."

A USEFUL REPORT

Big Data: very interesting, but without a decent report it's not much use to you. Bart Schmitz: "That's why we really listened to our customers wishes and designed a report in which people can see straight away what the efficiency of an action or an event is. Or what road blocks cost." "You can also see what the expectations versus the realization will be," Wendy explains. "Moreover, the

events are represented by category, making it very clear which type of event works well and which works less. Furthermore, we take into account the amount of time the visitor stays, the temperature and the online activity before, during and after the event takes place. We also report what these different activities are worth. All in all very valuable information for the asset manager, the shopping centre manager and the marketing manager."

MORE AND MORE

Where will this all lead to? What else is possible? Bart Schmitz: "There is so much data available and this will only increase. Also we're capable of measuring more and more. For example by reading faces using camera's, enabling us to produce figures that show how many women versus how many men visit."

"We can even estimate an age category. Or see if you're happy, angry, neutral or disappointed. This kind of data eventually leads to customer loyalty reports, in which we can later on also make our predictions."

In conclusion, Wendy Hulshof comments: "With this technique you can also measure if your event attracts the right target group: mothers with children, or rather grandpa and grandma? We can accumulate more and more information."

"But in the end they're all just tools to spend the marketing euro in the best possible way and to let the shopping centre thrive. Our challenge is to facilitate all this with our measurements and to translate this to readable reports." ←

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