Hammerson: Retail specialists
Welcome to Kings Place!
Vibrant new premises for Hammerson’s corporate headquarters

Transport links around the UK and France

Neighbouring tenants
- the guardian
- The Observer
- TED BAKER
- Travelex
- Wolverine Worldwide

Moving to the area
- Google
- Facebook
- Boots

Cultural hub

Retail showcase

Agile working
Agenda

01 Brand update
David Atkins, CEO Hammerson

02 Shopper Tribes
Maureen Hinton, Global Research Director, Conlumino

03 Hammerson: Where more happens
David Atkins, CEO Hammerson

On the panel

Steve Brown
Group Head of Marketing, Hammerson

Sophie Ross
Group Head of Multichannel, Hammerson
David Atkins,
CEO Hammerson

Brand update
Brand strategy is driving our business
More than just a new brand identity

Proposition
What a brand (corporate brand or asset brand) stands for in the eyes of its audience

Experience
The experience a brand (corporate brand or asset brand) provides for its audience

Expression
The visual identity and visual cues of a brand

Coherence
Consistency – either in terms of proposition and experience or expression
### Hammerson legacy
The history of Hammerson’s brand identity

<table>
<thead>
<tr>
<th>Year</th>
<th>Logo 1</th>
<th>Logo 2</th>
<th>Logo 3</th>
<th>Logo 4</th>
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A strong, flexible approach
The brand to match our strategic goals
Our new identity will be rolled out in phases

Three stages of expression

1. CORPORATE
   Head office and corporate communications

2. B2B
   Extend to B2B experience in Hammerson controlled environments

3. B2C
   Retain asset identity and iconic destinations
   Hammerson controlled assets
   Adopt common approach across markets
   Adopt common approach to digital
   Retail Parks
   Leeds Victoria Quarter
Brand expression: B2B

Shopper tribes

Emotions are what to stay

...
Brand expression: B2C Retail Parks

Note: Representative image of Hammerson retail parks signage
Brand expression: B2C development

Note: Representative image of Hammerson development signage
Brand expression: B2C shopping centres

- Bullring, Birmingham
- Victoria Quarter, Leeds
- The Oracle, Reading
- O’Parinor, Paris
- Les Terrasses du Port, Marseille
- Italie Deux, Paris
- Villebon 2, Villebon-sur-Yvette
- Manor Walks, Cramlington
Brand expression: B2C shopping centres

Note: Representative image of Bullring signage
Maureen Hinton, Global Research Director, Conlumino

Shopper Tribes
The considered consumer

Total retail growth year on year %

<table>
<thead>
<tr>
<th>Year</th>
<th>Careless</th>
<th>Careful</th>
<th>Considered</th>
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<tbody>
<tr>
<td>1999</td>
<td>3.8%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>2.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>3.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>0.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>-1.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>0.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>-0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2011</td>
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<td>2012</td>
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<td>2015</td>
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<td>2016</td>
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<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2.4%</td>
<td></td>
<td></td>
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</tbody>
</table>

Retail growth year on year for non-food
Three shopper tribes

Channel surfing enthusiasts

Time-stretched value hunters

Focused functional spenders
What they spend

Annual spend on non-food

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>£48.1bn</td>
<td>£53.8bn</td>
</tr>
<tr>
<td>35-54</td>
<td>£68.4bn</td>
<td>£72.5bn</td>
</tr>
<tr>
<td>55+</td>
<td>£47.7bn</td>
<td>£55.7bn</td>
</tr>
</tbody>
</table>
What is important when purchasing?

Share of consumers % - factors important in purchasing non food products

- **Price**
  - 18-34: 71.0%
  - 35-54: 79.8%
  - 55+: 77.2%

- **Range**
  - 18-34: 47.8%
  - 35-54: 58.6%
  - 55+: 74.2%

- **Convenience**
  - 18-34: 46.8%
  - 35-54: 63.3%
  - 55+: 70.1%

- **Quality**
  - 18-34: 26.3%
  - 35-54: 44.9%
  - 55+: 62.4%

- **Service/experience**
  - 18-34: 29.0%
  - 35-54: 31.2%
  - 55+: 40.6%

- **Facilities**
  - 18-34: 19.8%
  - 35-54: 28.6%
  - 55+: 37.3%
Planned purchasing drives most spending

Share of consumers % what drives the purchasing decision

- **Impulse**
- **Browse & purchase**
- **Planned / researched**
- **Promotion driven**
- **Luxury spend**

**18-34**
- 11.1%
- 20.2%
- 17.1%
- 35.2%

**35-54**
- 19.5%
- 15.4%
- 14.0%
- 43.1%

**55+**
- 8.3%
- 13.0%
- 17.3%
- 11.0%
- 51.6%
Share of consumers %

85.6% of consumers now use 2 or more channels to shop

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Use of mobile and tablet devices during shopping</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>57.8%</td>
</tr>
<tr>
<td>35-54</td>
<td>38.9%</td>
</tr>
<tr>
<td>55+</td>
<td>22.6%</td>
</tr>
</tbody>
</table>
Speed & convenience in demand

Share of consumers %

47.8%  Expect delivery within a day

55%  Would use click & collect if offered
### Promotions inherent expectation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Share of Consumers %</th>
</tr>
</thead>
<tbody>
<tr>
<td>I rarely buy some products at full price</td>
<td>57.1%</td>
</tr>
<tr>
<td>I wait until a product is on offer or discounted before buying</td>
<td>51.9%</td>
</tr>
<tr>
<td>Retailers sometimes exaggerate levels of discounting on offer</td>
<td>70.8%</td>
</tr>
<tr>
<td>Discounting is losing its impact because of ubiquity &amp; frequency</td>
<td>40.2%</td>
</tr>
</tbody>
</table>
**Black Friday**

Weekly sales growth year on year

- **BLACK FRIDAY**
- **CHRISTMAS**

*John Lewis*

- 2014-15: £69.55m
- 2013-14: £66.39m
- 2012-13: £63.27m
Summary

<table>
<thead>
<tr>
<th>Three distinct shopping tribes</th>
</tr>
</thead>
<tbody>
<tr>
<td>All share characteristics of considered consumer...</td>
</tr>
<tr>
<td>...plan purchases, look for value, promotions, want convenience</td>
</tr>
<tr>
<td>But each also have different purchasing patterns</td>
</tr>
<tr>
<td>Shopping and channel promiscuity increases touch points</td>
</tr>
<tr>
<td>Complexity proliferating for retailers</td>
</tr>
</tbody>
</table>
Summary

Retailers must understand the diverse demands & expectations of their customer groups and tailor offers accordingly.

Retailers must ensure they reach customers at every touch point with relevant communications.

Stores are still at the heart of retail, but they must be more than just collection points, they must offer inspiration and become primary destinations.
David Atkins, CEO Hammerson

Hammerson: Where more happens
Hammerson’s differentiated approach
Driving our vision to be the best owner-manager and developer of retail property in Europe

1. Retail industry insight
   - Generating thematic research
   - Depth of retail expertise
   - Thought-leading commentary
   - In touch with retailer and shopper needs

2. Structured approach: Product Framework
   - Product Framework is built into the way we operate
   - Understanding what is relevant where
   - Creating physical retail space which is valuable to retailers
   - Driving shareholder returns

3. Leveraging valuable customer data
   - Customer profiling
   - Tailored offers
   - Influencing shopper behaviour
   - Informing and enhancing leasing negotiation
Retail leadership and insight
Ear to the ground with retail

**LEADERSHIP**
David Atkins,
BCSC President 2015
Jean-Philippe Mouton,
Co-Chair, CNCC Committee
driving retail performance

**SALES BAROMETER**
Monthly sales tracker across 850 units

**RESEARCH**
Annual retail research report

**DEBATE**
IPF research: Pricing Retail Space

**INSIGHT**
Gathering and analysing retail data

**THOUGHT LEADERSHIP**
Across leading trade publications
Retail expertise
Depth of retail experience within the business

David Tyler
Chairman

Sophie Ross
Group Head of Multichannel

Stephen Brown
Group Head of Marketing

Nidae Abbas
Head of Development Leasing

Sarah Fox
Head of Speciality Leasing

Pierre Bouchut
Non-Executive Director

Tom Nathan
GM, Brent Cross

Sophie Ross
Group Head of Multichannel

Michaela Moore
GM, Bullring

Andrew Berger-North
Director of Retail Parks

Bastian Leal
France Head of Marketing

Fiona Campbell-Roberts
UK Head of Marketing

Jo Tallack
GM, Highcross
Delivering what retailers want
Pleasing the hardest audience...

“Hammerson takes the time to understand my needs as a retailer, in both general day-to-day and through research such as this. It also recognises the importance of the needs of customers. Customers are at the heart of both our businesses and as they become ever more demanding and progressive, Hammerson is taking the time to listen and respond to their needs in the environments it creates”

“Hammerson consistently achieves a really well balanced retailer mix that both draws a significant customer base and allows my offer to stand out, with neighbours that complement rather than overlap my brand”

“Hammerson’s investment and development of its portfolio has created a strong set of centres that are the ‘right’ locations for us providing the right balance of retailers, leisure and restaurant operators”

“Hammerson consistently achieves a well-balanced retailer mix that both draws a significant customer base and allows retailers’ offers to stand out and complement each other”
Product Framework
Delivering a consistently great retailer and shopper experience in line with our business objectives

We create desirability

Iconic Destinations
- World class architecture
- Seamless technology
- Heart of the community

Best @ retail
- Optimal retail mix including new concepts
- Flexible stores
- Shared resource

Convenient & easy
- Services that drive footfall and support in & out missions
- Facilities
- Grab & go food

Interactive & engaging
- Services that support browse & dwell missions
- Customer service
- Digital infrastructure

Entertaining & exciting
- Integrated leisure
- Food & beverage
- Arts & culture

Sustainability: Positive places
- Optimal operational performance
- Responsive to local needs
- Resilient to changing climates
Priority initiatives
Consistency across assets and rolling-out best practice

Designing new developments: Beauvais, Victoria Gate, Brent Cross, Watermark

- Experiential
  - Performances in our space
  - Place-making art
  - Sound, light and smell
  - Digital infrastructure
  - Customer service desk
  - Electric vehicle charging points
  - Mobile phone charging

- Functional
  - National events programme
  - Commercialisation brand partnerships
  - Street food
  - Pop up strategy
  - Technology company partnership
  - Childcare
  - Concierge services
  - Click & collect roll out
  - Hands free shopping
  - Digital car parking tools
  - Consistent culture & standards

- Iconic destinations
- Best @ retail
- Convenient & easy
- Interactive & engaging
- Entertaining & exciting

2015

2017
Using digital to engage with our customers
Collecting valuable customer data via digital infrastructure

App developed for 18 shopping centres
More than 6,000 bluetooth-enabled beacons installed across all assets
Offer redemption of 10% by customers who receive a push notification
Average dwell time on Les Terrasses du Port PLUS app of 8.3 minutes
Leveraging valuable customer data
Collecting customer data and personalising content and offers allows us to influence shopper behaviour and hence drive more value out of our retail space.

Data gathering
Tailoring content and offers
Influence behaviour
Driving loyalty and retail spend

Valuable retail space

Sharing data and insight with retailers
Profiling our customers

Digital infrastructure allows us to understand who, where, what, when. We communicate in real time

Who are our loyal customers?  
How often do they visit our centres?  
What are they interested in?

Where do they go in our centres?  
How are they using the app?  
Which offers do they redeem?
Hammerson’s differentiated approach
Driving our vision to be the best owner-manager and developer of retail property in Europe

1. Retail industry insight
2. Structured approach: Product Framework
3. Leveraging valuable customer data
Thank you
Any questions?