

How to Use Demographics to Attract Prospects

You should always mention your center's demographics when pitching your center to prospective tenants. That's because prospects want to lease space at a center whose demographics reflect the type of customer they want. And, in fact, many prospects won't even consider a center unless they have demographic information about the center's trade area.

There are several different ways you can use demographics to attract prospects, says site specialist Adam Epstein, who runs a service that helps centers convince prospects to sign leases. We'll tell you the types of demographics to gather and give you two strategies for using demographics to attract prospects.

Types of Demographics to Gather

To get the demographic information you need, you can either hire a service like Epstein's or use your own marketing staff. Whoever gathers the demographic information should then compile that information in a report (see box, on p. 2). There are three general types of demographics available, and the type you want to get depends in part on how you're going to use the information. The three types are:

Center's trade area. A shopping center often tries to attract a regional or national prospect by showing how its own trade area's demographics reflect the type of customer the prospect wants. Trade area demographics typically include information such as the number of high-income people, low-income people, families with children, and people over age 50 within one-, three-, and five-mile radii from your center.

Center's shoppers. While it's good to tell a prospect about the demographics of your center's trade area, it may be even better to tell the prospect about the demographics

of your center's shoppers. If you don't have such data, your tenants might have some. For example, many stores require their staff to ask shoppers for their zip codes when they're checking out.

Comparative demographics. It's a good idea to get demographics about *other* centers and trade areas where the prospect already operates and compare your center's demographics to the demographics of those centers, says Epstein. To get "comparative demographics," your staff or the service you hire will need to identify centers where the prospect has stores and get demographic information about those centers and areas.

Two Strategies for Using Demographics to Attract Prospects

Here are two strategies for using the demographics discussed above to attract prospects to your center. You can use either strategy or both strategies, says Epstein. Your choice will depend in part on the type of impression you wish to make with your prospect, he explains. It will also depend on the actual demographics.

Strategy #1: Tell prospect if your center's demographics reflect its typical shopper. If the demographics of your trade area or center reflect the prospect's typical shopper, showing the prospect this information could help convince it to lease space at your center, says marketing expert Cindy Ciura. So in your conversations or marketing letters to a prospective tenant, let it know why your demographics make your center an attractive location for it, she says.

But be careful not to promise the prospect any particular results—for example, don't say "We're sure that, if you're located in our center, you would do as well as your

other stores.” By presenting just the demographic facts without opinions or projections, you should avoid getting into legal trouble for making misrepresentations if the prospect leases from you and things don’t work out. Here’s an example of what might be appropriate to say: “You’re looking for a center in which to open a toy store? You might be interested to know that 35 percent of the people who live in a five-mile radius of our center are families with children.” The key is to pitch your center’s fit with facts—not projections, opinions, or promises, says Ciura.

Strategy #2: Tell prospect if your center’s demographics are comparable or superior to centers where prospect already operates. If your center’s demographics are comparable or superior to those of the centers or trade areas where the prospect already operates, showing this information to the prospect can help convince it to lease space at your center, says Epstein. It takes more time to put together a comparative demographics report, but such an analysis can uncover enough helpful data to make your pitch stand out among the dozen site packages a retailer may receive every day, he notes.

Shopping center executive Don Thomas successfully used comparative demographics to lure a home furnishing chain to open a store at his center. The chain, not knowing the center’s market, felt that the demographics of Thomas’s center were weak. So Thomas found three other locations where the chain was operating and got the demographics of those areas. Thomas then issued a report showing that his trade area demographics were comparable with, if not better than, the demographics of the centers where the chain already had stores. The chain decided to lease space at Thomas’s center.

You won’t need to prepare comparative demographics for every prospect, says Thomas. First, find out how interested the prospect is in your center. By judging the extent of its interest, you may not have to go through the time and expense of producing a comparative report. But if the prospect says it isn’t interested, ask why. If the prospect says that your

demographics aren’t good enough or if the prospect is uninformed or misinformed about your market, ask yourself if you really want this prospect as a tenant. If you do, consider getting a comparative demographics report, says Thomas.

Insider Says: If your center’s demographics are comparable or superior in only a few or no categories, the prospect probably isn’t a good fit for your center and shouldn’t be pursued, says Epstein. ■

INSIDER SOURCES

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Who Should Compile Demographics and Prepare Report?

It’s not enough to simply get the demographics. They need to be compiled in a report that you can then use in your marketing material or show to prospective tenants. But who should compile the demographics and prepare the report? You have three choices:

Do it yourself. To do it yourself, you’ll need to buy a sophisticated demographics program that will analyze your center’s demographics and the demographics from the prospect’s other trade areas. Such software can cost thousands of dollars. You can find companies that sell such software under “Demographic/Market Analysis/Prospecting Software” under “Computer Hardware/Software” in the *ICSC Directory of Products and Services*.

Pay for demographic analyses, but do comparison yourself. An alternative is to pay a demographic research company to provide a demographic analysis for your trade area and each additional trade area you need and to perform the analysis and comparison yourself. But this can be an expensive alternative. Even if you only compare your trade area to four or five other trade areas, the cost of the analyses can easily run \$500 or more. And you’ll still have to prepare the report on your own. You can get such analyses by talking to companies listed under “Demographic Data Services” under “Consumer/Market Research” in the *ICSC Directory of Products and Services*.

Use demographic analysis company to do analysis and generate report. Consider using a site selection service like Adam Epstein’s, which charges \$1,500 per report. Using a service such as Epstein’s is particularly wise if you want a comparative demographics report targeted to one specific prospect. By hiring an outside service to produce such a customized report, you help convince the prospect that you’re serious about attracting it to your center. And using an independent third party assures the prospect of the objectivity of the analysis, notes Epstein. If you don’t already have the in-house staff and software to produce such a demographics report, this is probably your best bet.