



## We built it. But will they come?

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By Kathleen Vereen Dayton  
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Although developers of the long-awaited Coastal Grand Myrtle Beach mall have released only a partial list of stores for the mega-development, some area residents are saying their bubble of anticipation has burst.

"It's almost like a repeat of everything that's around," said Pat Mayerhoffer of Pawleys Island. "When you hear that this is the biggest mall in South Carolina, we really had high hopes. I'd like to see something that's different."

Mall developers say they are nowhere near revealing the full glory of Coastal Grand.

"We've only given you a partial list of stores to date," said Barb Ivankovich, vice president of mall marketing and corporate relations for CBL & Associates Properties Inc., which is developing the mall along with Burroughs & Chapin Co. Inc. Ivankovich said tenant announcements will be forthcoming right up until March 17, the mall's scheduled grand opening.

Mayerhoffer had praise for some of the announced stores and eateries, such as Bed Bath & Beyond, Dillard's and Sticky Fingers, all locating here for the first time. But the rest of the offerings drew a yawn.

So far, less than a third of the stores announced for Coastal Grand are new to the Myrtle Beach market, including two of the anchors, Belk and Sears. Other stores have a familiar ring, such as hair salons Regis and Mastercuts and shoe stores Rack Room and Payless.

"I can see where you'd have GNC and Foot Locker; they're in all the malls. But I'd like to see something new come in," Mayerhoffer said.

Although Belk and Sears already have a presence on the Grand Strand, the Coastal Grand locations will be larger, two-story stores with escalators, Ivankovich said.

Coastal Grand also has contracted with Cinemark to build a 14-screen movie theater with stadium-style seating.

Two of the mall's five anchor spaces are being reserved for future development. The mall will open with three anchors: Belk, Dillard's and Sears.

"Typically, when we build shopping centers, we always build them with the thought process in mind that there is room for growth and expansion," Ivankovich said. "It is not unusual to have additional anchor pad sites that don't have an anchor in place at opening. We may not at this point get every retailer that's on our desirable list right now, but that doesn't mean we won't get that retailer later."

Jean Coggan, spokeswoman for Federated Department Stores, said her organization does not comment on specific locations it is considering, but said many factors are considered before locations are chosen. Federated owns six department store brands, including Bloomingdale's, Macy's and Rich's.

"We take into account the market, the demographics, the competitive environment," Coggan said. "On an ongoing basis, the Federated real estate department looks at opportunities throughout the country. There are always more opportunities than there is capital for investment."

### **Shopping goes upscale**

Long known as a bargain lover's paradise of outlet malls, Dollar Trees and all-you-can-eat buffets, the Grand Strand is expected to add more upscale shopping to the mix as its population diversifies.

New developments like Grande Dunes, with its high-end golf courses, are adding clientele with deeper wallets. Retirees from the Northeast also are looking for stores with which they are familiar.

Mayerhoff and several friends put together a wish list of stores they would like to see at Coastal Grand. Stores that made the wish list were for the most part large chains deeply rooted in major metropolitan areas, such as Nordstrom, Lord & Taylor, Macy's, Bloomingdale's and Filene's. Other popular stores and restaurants such as Crate & Barrel and The Cheesecake Factory also were on the list.

Mayerhoff, formerly of Pleasantville, N.Y., said her Pawleys Island friends were all transplants from the Northeast, where there was an abundance and large variety of chain stores.

They are part of an ongoing relocation trend along the Grand Strand, which counts the Northeast among its primary feeder markets for population growth and visitors.

Mary Summers of Annapolis, Md., is planning a move to Ocean Isle Beach, N.C., and would like to see stores such as Pottery Barn, Williams-Sonoma and Crate & Barrel at Coastal Grand mall.

More than 600 people moved to the Grand Strand from Suffolk County, N.Y., alone between 1995 and 2000, according to the 2000 census.

During that same period, thousands more moved in from Pennsylvania, Connecticut, New Jersey, Maryland, Virginia and neighboring North Carolina.

Joann and Jerry Aach, who moved to Sunset Beach, N.C., from Hammonton, N.J., have also been hoping that Coastal Grand would attract a large, upscale department store.

Joann Aach was hoping for a Macy's.

"I'm accustomed to going to malls and finding a variety of different department stores," Aach said. "If I didn't find it at Macy's, I'd go to John Wannamaker's. Here, we have Belk, and we have Belk, and we have Belk."

Jerry Aach is surprised that more large department store chains haven't yet discovered the Grand Strand.

"I can't believe that Hecht's or Macy's or some of the other ones haven't come into this area," Jerry Aach said. "The year-round population isn't as high as some of the major cities, but tourism is year-round and obviously Lowe's and Home Depot and Super Wal-Mart feel there's enough business here."

Retail experts say many variables impact a retailer's decision to enter a new market.

"Some of those national retailers make their decisions based on population and average household income," Ivankovich said. "They simply will not go into marketplaces unless they meet a certain requirement within those statistics. Some say they're not interested in a tourist market and some will say they will only come when the household income is \$75,000 or more. Some are just not expanding right now."

Lord & Taylor announced in July that it would close 32 of its 85 stores as it repositions itself.

"Many of those stores are not expanding right now because of the national economic situation and somewhat a trend away from department stores," said Al Parish, an economist at Charleston Southern University.

Shoppers have been trending toward discounters such as Wal-Mart and Target in the current economy, Parish said, adding that retail chains may not be aware that the Myrtle Beach population is changing.

"Either they don't believe there is the income in the region to support their presence, or they haven't been presented with a marketing study to contradict that impression," Parish said.

The economist thinks the Myrtle Beach area is now at the point where it could support a larger department store chain.

The estimated population of Horry County is 206,000, up from 144,000 in 1990.

"I could see having one or two of those high-end stores," Parish said. "We shouldn't open five at once because there isn't population to support that."

The number of retirees moving into the area with a considerable amount of spendable income has helped transform Myrtle Beach from an area that was once primarily a seasonal tourist and golf destination, Parish said.

Walter Grammer, vice president and district manager for Dillard's, said growth and change in the Myrtle Beach market is one reason the company decided to invest in the area.

"That's a market that everyone in the entire United States is aware of," Grammer said. "I like to call it America's playground. It's a destination for most tourists, and we have always wanted to be a part of that since we got into this part of the world in 1990."

### **Changing beach perception**

Stephen Green, director of communications for the Myrtle Beach Area Chamber of Commerce, said the average income of the typical Myrtle Beach tourist also has grown. More than 42 percent have annual incomes of \$75,000 and above, he said.

"People look at us as a blue-collar destination because we are affordable, but what makes us successful is that we touch all markets," Green said. "I think it will be exciting to see where we go in the next decade or so."

Adam Epstein, president of New York-based **Site Analytics Co.**, said it may take awhile for retailers to change their perception of Myrtle Beach.

"The retailers may have a perception about you, and their perception may or may not be accurate," Epstein said. "It can take a long time for perceptions to change."

The economy and shifting habits of the American consumer are added challenges, according to Epstein.

"Retailers want to see that things have turned the corner before they make multimillion-dollar investments," Epstein said. "A second thing is, malls are no longer the mecca they used to be. Shopping habits have changed, and some people don't want to navigate the long corridors of a mall. They want to be in and out."

Retailers also can be hesitant to enter a new market ahead of their competitors, Epstein said.

"Some people are reluctant to be the first one on the block," Epstein said. "They want to see that other people are making the same decision. My guess is, if the mall opens and does well in the first two months, Myrtle Beach will have people beating down their door to fill up those two [Coastal Grand] anchor spaces. Word travels fast."

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