



Neinver is strategically placing food areas throughout its centers, including Roppenheim The Style Outlets.

What's Cooking Overseas

European centers take food-and-beverage to a new level.

By **Amy Laughinghouse**, Contributing Writer

European outlet center customers are hungry for more than brands these days. They've developed an appetite for a varied and sophisticated food offering, as well. Key industry players have responded by taking food-and-beverage off the back-burner and cooking up a smorgasbord of strategies to satiate visitors' demands.

"This is a new revolution," said Barbara Somogyiova, who established a Food and Beverage Task Force at Neinver shortly after joining the company as leasing director Europe in fall 2017. "Companies that own and manage outlets are finally getting switched on to the idea that they're not going to win consumers through purely offering good

brands at discounts. Consumers are not purely value driven and they can find good prices online, as well. Our competitive advantage is a smart and engaging combination of discounted prices plus brands plus leisure, food-and-beverage, services and entertainment."

Michiel Reuvers, who joined McArthurGlen as director of hospitality last year, attributes the growth of F&B in part to a faltering economy taking a bite out of retail. "Looking back over the last 10 years, we've seen that some retailers started struggling, and so more GLA was becoming available," he said. "Because of that, food had the chance to really develop and grow the GLA."

At the same time, food—both dining and cooking—began attracting the equivalent of primetime television ratings on social media platforms like Instagram. According to Somogyiova, "The most sophisticated, fashion-conscious consumers—the ones with the highest transaction value, who may be responsible for as much as 80 percent of turnovers for our key tenants—may research where they will eat before even deciding where they will shop."

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**Rachel Scott
Peel**

“The ratings our restaurants have on Trip Advisor can influence whether the customers will actually show up and how much time (and share of wallet) they will plan to spend in our center, six hours or two,” she added. “This has a massive impact on our bottom line, because a customer who has a meal at one of our centers is spending about 20 percent more than those who don’t.”

Well-Balanced Meals

Addressing customers’ varying needs throughout their stay is crucial. “You have your coffee moment, your quick-snack moment, your lunch moment, and your evening offer,” Reuvers said. “We are trying to ensure that all parts of the day are covered.”

Weekends are particularly important. “For some restaurant operators, about 60 percent of their business is done in about six hours of the entire week, which is lunch on Saturday and Sunday. This puts very specific demands on the speed and the quality of service,” Somogyiova said, adding that Neinver will actually advise their F&B tenants on how to adjust their restaurant operations for maximum efficiency.



Gloucester Quays, one of Peel’s Lifestyle Outlets, emphasizes food.

While most centers close by 8 p.m., Peel’s Lifestyle Outlets have extended their U.K. centers’ evening appeal by opening movie cinemas at both Gloucester Quays and their Lowry Outlet, which is part of the mixed-use MediaCityUK Manchester development, also home to a performing arts theater. So, customers may come to shop during the day, and then stay for dinner and a movie or a live show, and perhaps even a nightcap.

“Some of our big brands like Carluccio’s offer breakfast all the way through to a late license for dinner and drinks,” said Rachel Scott, Peel’s head of leasing. “That’s a critical part of the offer at our outlet schemes.”

Variety is the Spice of Life

Obtaining the right F&B mix is paramount. “When a tourist visits our outlets, she would like to see not only international fare—a burger place, upscale pizza, high-quality pasta, and a grill—but she’s also expecting to have local flavor in the mix,” Somogyiova said.

Reuvers generally favors a ratio of 50/50 or 60/40 local versus international fare, with the emphasis on the local. A recent overhaul of McArthurGlen’s Designer Outlet Roermond is a prime example. “It gets about six million visitors, about half of whom come from Germany, even though it’s in the Netherlands,” he said. “You also have Belgian, Dutch and about 10 percent Asian.”

In addition to recently introducing globally known brand names, such as Starbucks and Wagamama Asian restaurant, McArthurGlen also brought in a German bakery and delicatessen and a French fry business—a Dutch favorite. “People are lining up for 50 meters just to get their French fries,” Reuvers says. “We now see a footfall increase of about 10 percent, an increase of about 40 percent in the number of F&B transactions, and an increase in the amount of the average transaction, as well.”

As Peel’s Scott notes, “What you don’t want to have is each F&B operator cannibalizing each other. So, we’re very careful to choose a range: an Italian, a Japanese, a Spanish, a French, a British gastropub, and brands like Cote Brasserie and TGI Fridays.”

“You have to have some well-known brands to bring the customer, because people know them and trust them,” Scott continues. “Once they’re there, they’ll branch out and try something else.”

F&B Placement and Price Points

Operators also find that customers are looking for more upscale offerings than traditional fast food. “In many markets, the average transaction in a factory outlet is considerably higher than an average full price shopping

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McArthurGlen Designer Outlet Roermond (top); McArthurGlen Designer Outlet Provence (above)

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center, which means many of our consumers have no hesitation in spending 30 or 40 euros for a lunch,” Somogyiova says. “The quality of the dining experience, the sensual aspect of it, is more aligned with the mentality of our shopper, who will happily spend an hour or more around a full three-course meal.”

Neinver is adding a new 500-square-meter food court with 177 seats to its popular Factory Krakow center, which will bring the center’s total F&B GLA to 750 square meters, encompassing six restaurants and two cafes. More and more, however, Neinver is moving toward strategically placing F&B tenants throughout its centers. This will be the case at new outlets opening near the airports in Prague and Amsterdam, scheduled to open on April 26, 2018, and in 2019, respectively.

By distributing their F&B in different areas, “it helps us balance out the footfall,” Somogyiova explained. It also allows F&B tenants to establish a more personal identity and can even attract more upscale retail



Neinver is adding a 177-seat food court to its Factory Krakow center.

tenants. “Many upmarket designer brands are now interested to have a quality restaurant next to them, because it’s a traffic driver and a way to get additional visibility to their store,” she said.

McArthurGlen embraces the idea of distributing F&B throughout their centers, as well, as they have done in Provence, which opened in Spring 2017, and plan to do in Malaga when that center opens in 2018. “We have small squares in our centers, which have a really unique feeling and are great places to develop food and beverage,” noted Reuvers, who says he is already planning to expand the F&B offer in Provence within a farmhouse located inside the scheme.

He’s also a strong supporter of “fast casual” restaurants. “It’s served fast, but with more of a service twist, delivered to your table, and it’s better quality,” Reuvers said. He cites Nando’s and Leon, which is known for local and ethically sourced food, as two examples. “Good food and beverage doesn’t necessarily need to be expensive.”

Although Peel has some F&B offerings, such as coffee stops, scattered throughout each scheme, they are big proponents of establishing a dining and leisure quarter. “At Gloucester Quays, we’ve introduced a cinema, a gym, and a restaurant quarter with 16 restaurants, cafes, and bars in total,” Scott said. “Before that, we had an overall footfall at Gloucester of roughly two million, and now we have seen footfall throughout the scheme go up to 6.3 million. Our new tagline is ‘Time Well Spent,’ because people think, ‘Okay, I can go to an outlet because I can get a bargain, but I can take my time and enjoy the experience, too.’”

Peel also plans to expand its F&B at Lowry Outlet in Manchester with seven new waterfront restaurants. The addition should be completed by 2018, bringing the total number of F&B venues to 12.

Additional core components of Peel’s gourmet offerings are annual summer food festivals, headlined by celebrity chefs, and monthly artisan markets. The festivals and markets are held at both Gloucester Quays and Lowry Outlet and will also be introduced at their Glasgow Harbour outlet when it opens in 2020 or 2021.

“This last summer, at our food festival in Gloucester, we had 108,300 visitors over three days,” Scott said. “Our philosophy is very much a lifestyle outlet, where you have a strong component of retail, of course, but also leisure, entertainment, events, and dining. We’re trying to create a sense of place.”

Ultimately, these outlet operators agree, it’s the overall consumer experience that counts, with quality retail, architecture, atmosphere, and food and beverage all playing a role. “A lot of people at shopping center developments think that food is *the* solution,” Reuvers said. “We are strong believers that it is one big part of the puzzle.”



Gloucester Quays Food Fest (top); Lowry Outlet Food Fest (above)