Can Entertainment Help Save Shopping Centers & Malls?

September 11, 2019

Kansas City, MO

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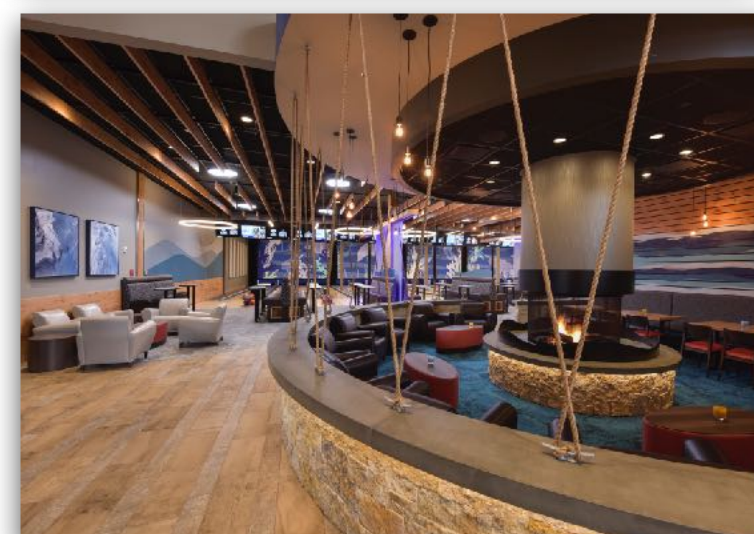
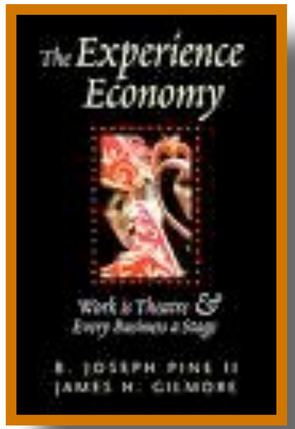
Feasibility, design, production & consulting services



- Our 30th year
- Served 500+ clients in 36 different countries
- Projects have won 17 first-place awards
- Expertise and projects featured in *Time* magazine, *The Wall Street Journal*, *USA Today, New York Times.* on the *Food Network* and in many national and industry publications
- Website has over 2,600 pages of information



This presentation

1. State of brick-and-mortar retail & e-commence
2. Non-retail type tenants that motivate trips
3. State of out-of-home entertainment
4. Trends impacting out-of-home entertainment
5. The fidelity-convenience trade-off
6. There's a bubble on the horizon
7. Future-proof entertainment model
8. Q&A

Things no publication talks about

Evidence-based - lots of data

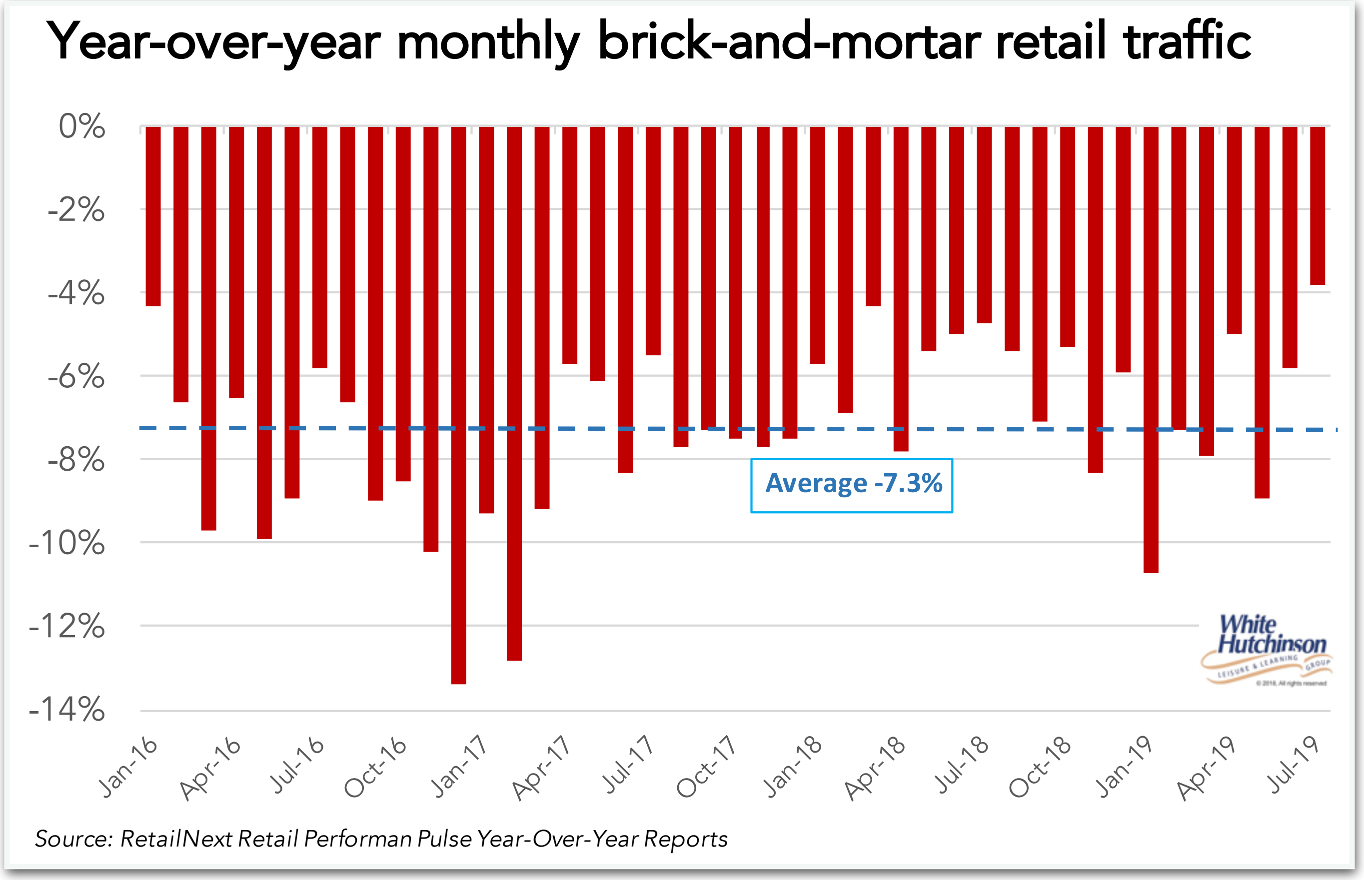
Inflation-adjusted & per capita data

Data sources:

- Consumer Expenditure Survey, Bureau of Labor Statistics
- American Time Use Survey, Bureau of Labor Statistics
- U.S. Bureau of Economic Analysis, U.S. Department of Commerce
- U.S. Census Bureau
- ICSC
- Proprietary and industry surveys
- Academic research papers

Glossary:

- OOH - out-of-home
- E&A - entertainment & arts



Year-over-year monthly brick-and-mortar retail traffic
0%
-2%
-4%
-6%
-8%
-10%
-12%
-14%
Average -7.3%
Jan-16
Apr-16
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
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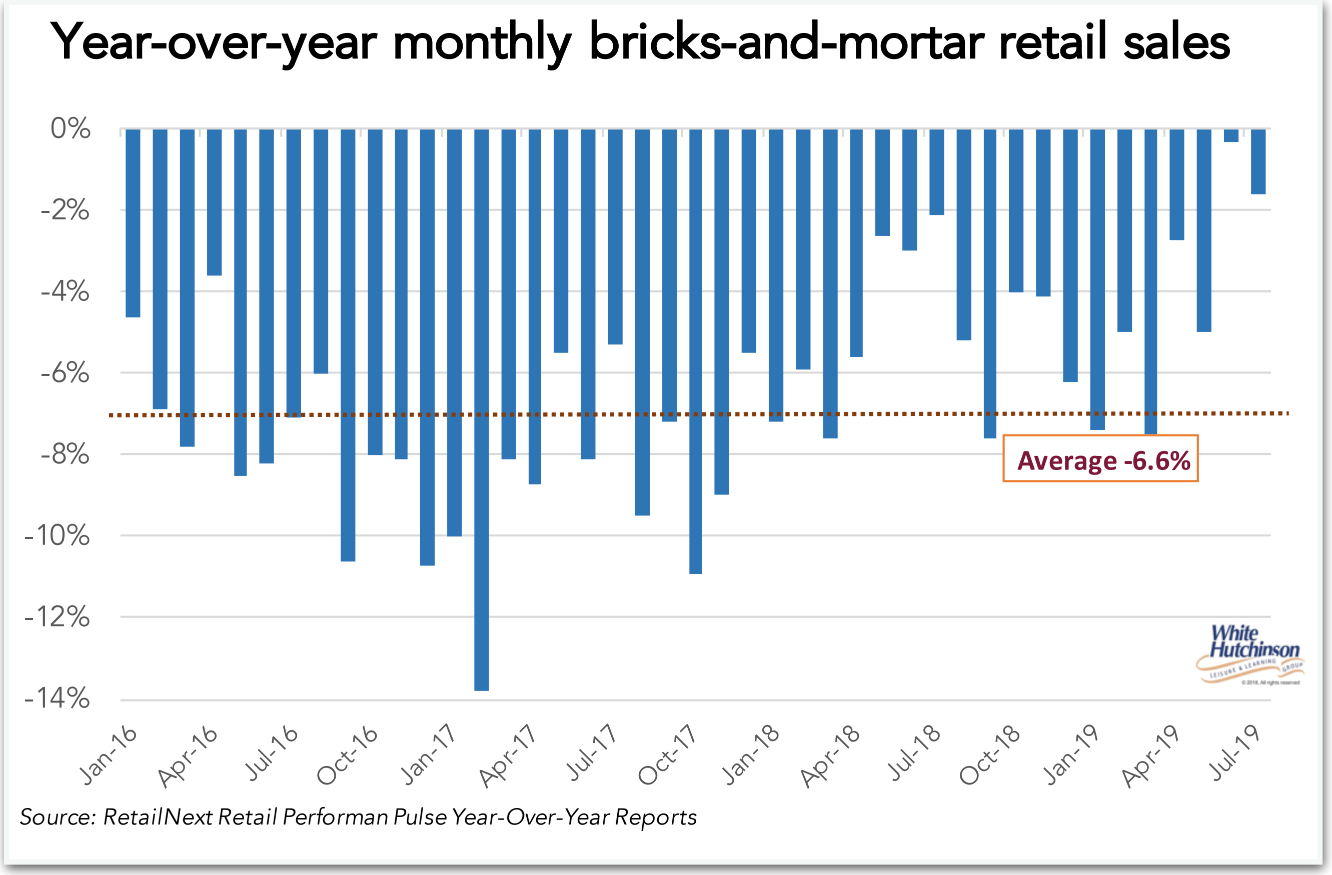
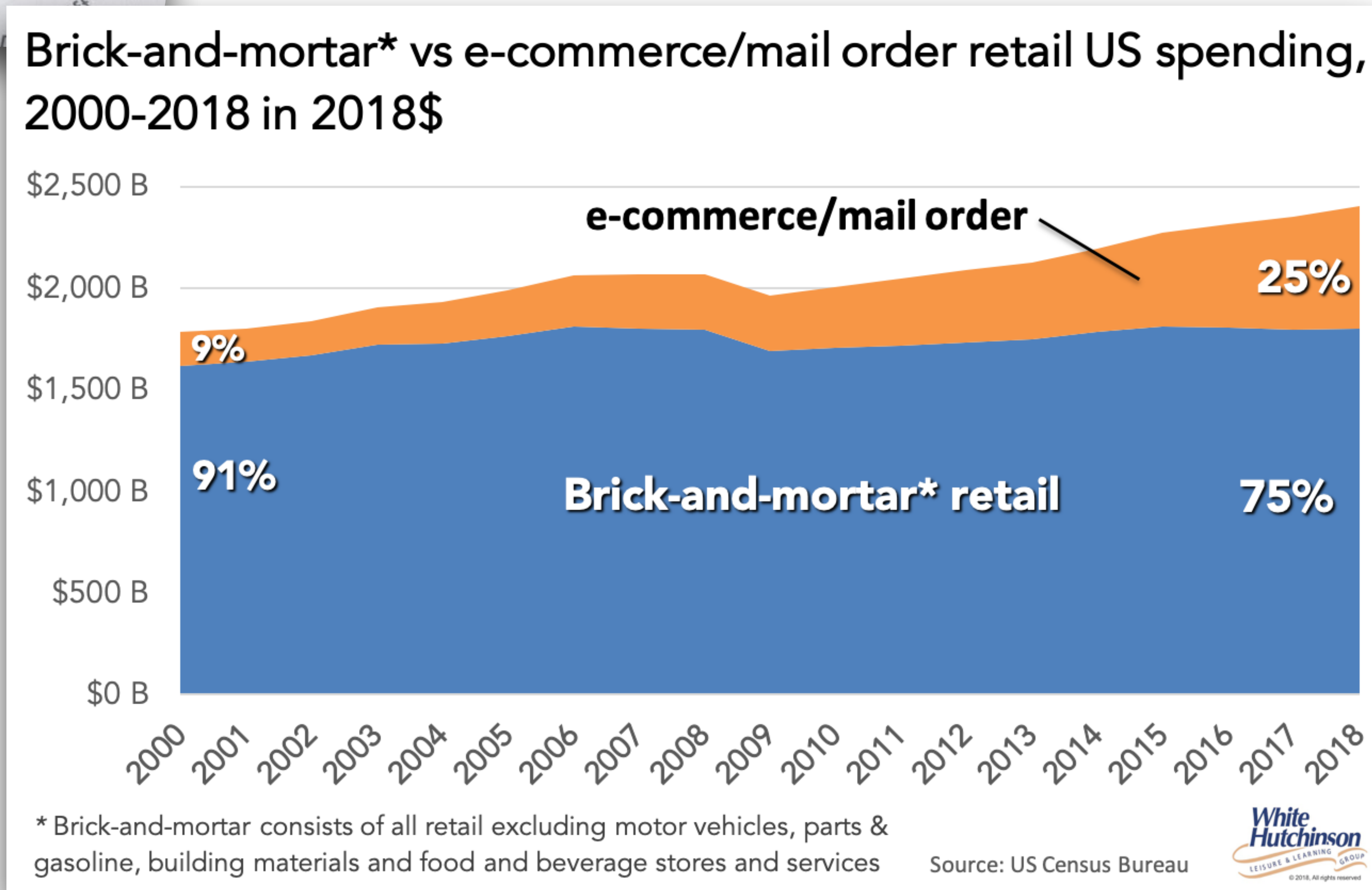
Source: RetailNext Retail Performan Pulse Year-Over-Year Reports



Year-over-year monthly bricks-and-mortar retail sales
0%
-2%
-4%
-6%
-8%
-10%
-12%
-14%
Average -6.6%
Jan-16
Apr-16
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
White Hutchinson
Source: RetailNext Retail Performan Pulse Year-Over-Year Reports


Brick-and-mortar* vs e-commerce/mail order retail US spending, 2000-2018 in 2018$
$2,500 B
$2,000 B
$1,500 B
$1,000 B
$500 B
$0 B
e-commerce/mail order
25%
9%
91%
Brick-and-mortar* retail
75%
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018
* Brick-and-mortar consists of all retail excluding motor vehicles, parts & gasoline, building materials and food and beverage stores and services
Source: US Census Bureau
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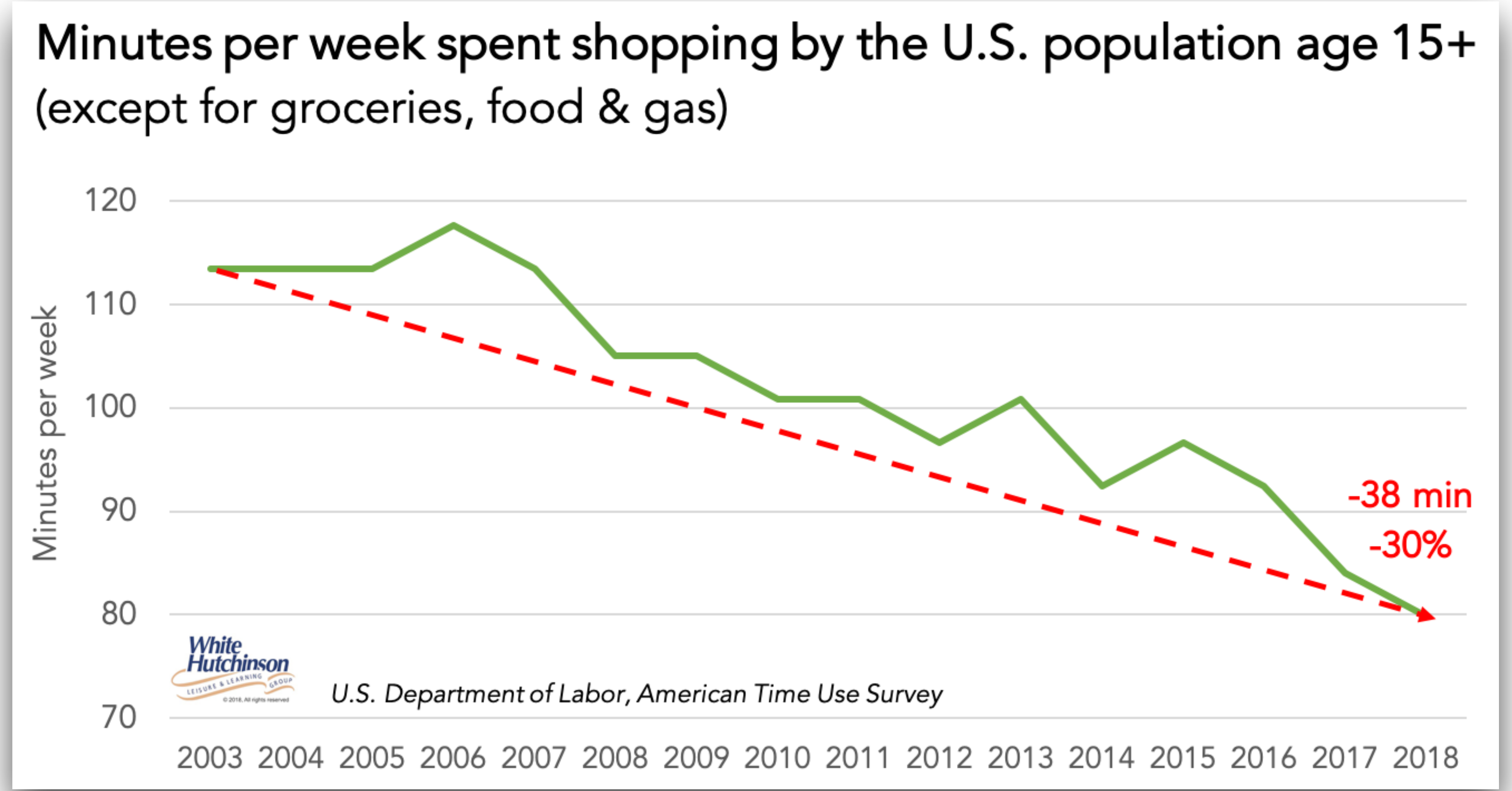
Leisure & Learning Group



Minutes per week spent shopping by the U.S. population age 15+
(except for groceries, food & gas)
120
110
100
90
80
70
Minutes per week
-38 min
-30%
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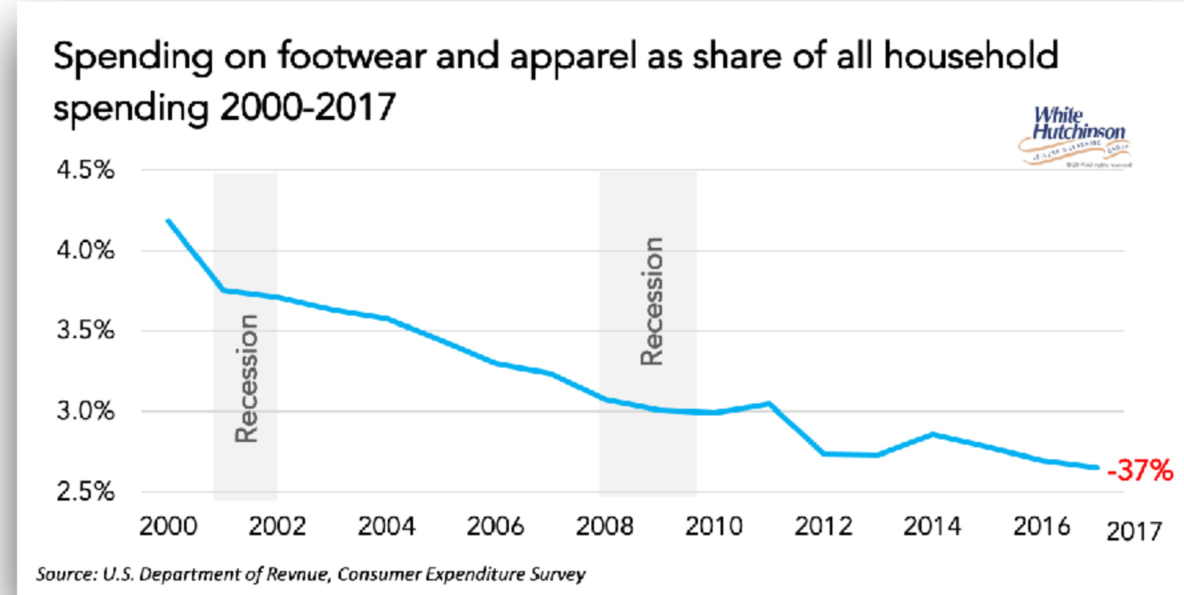
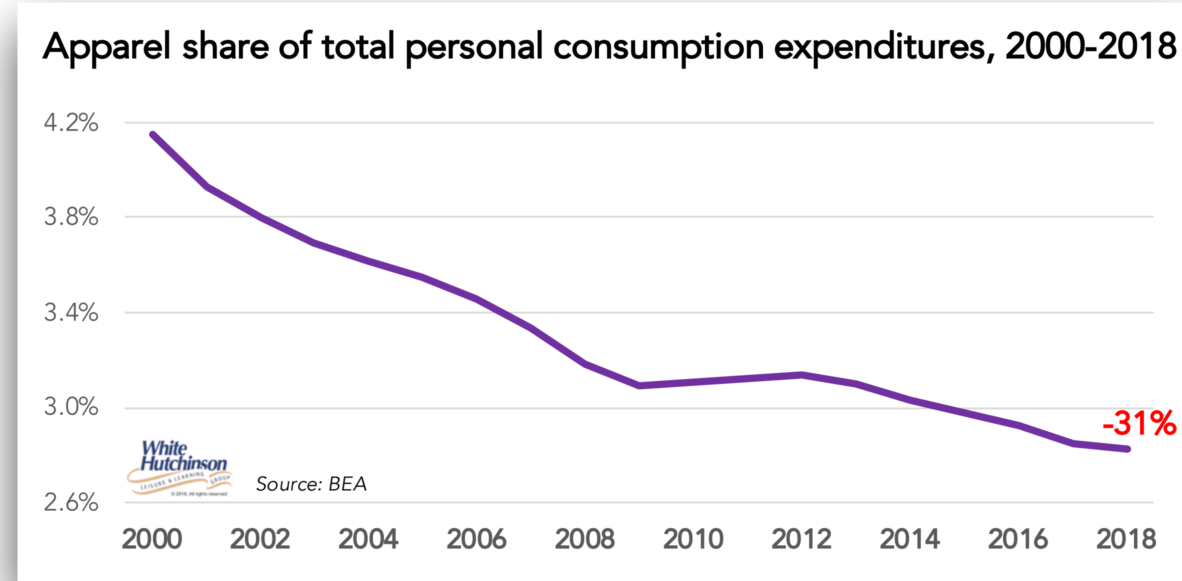
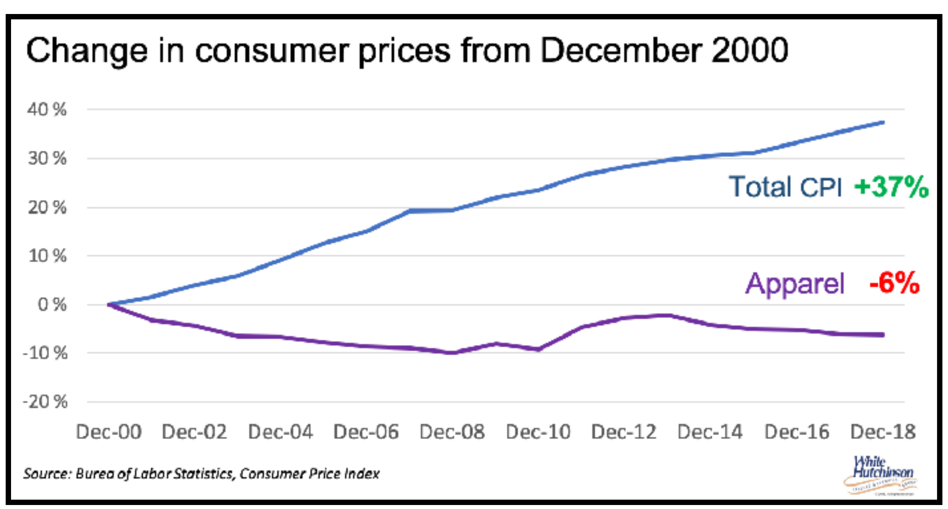
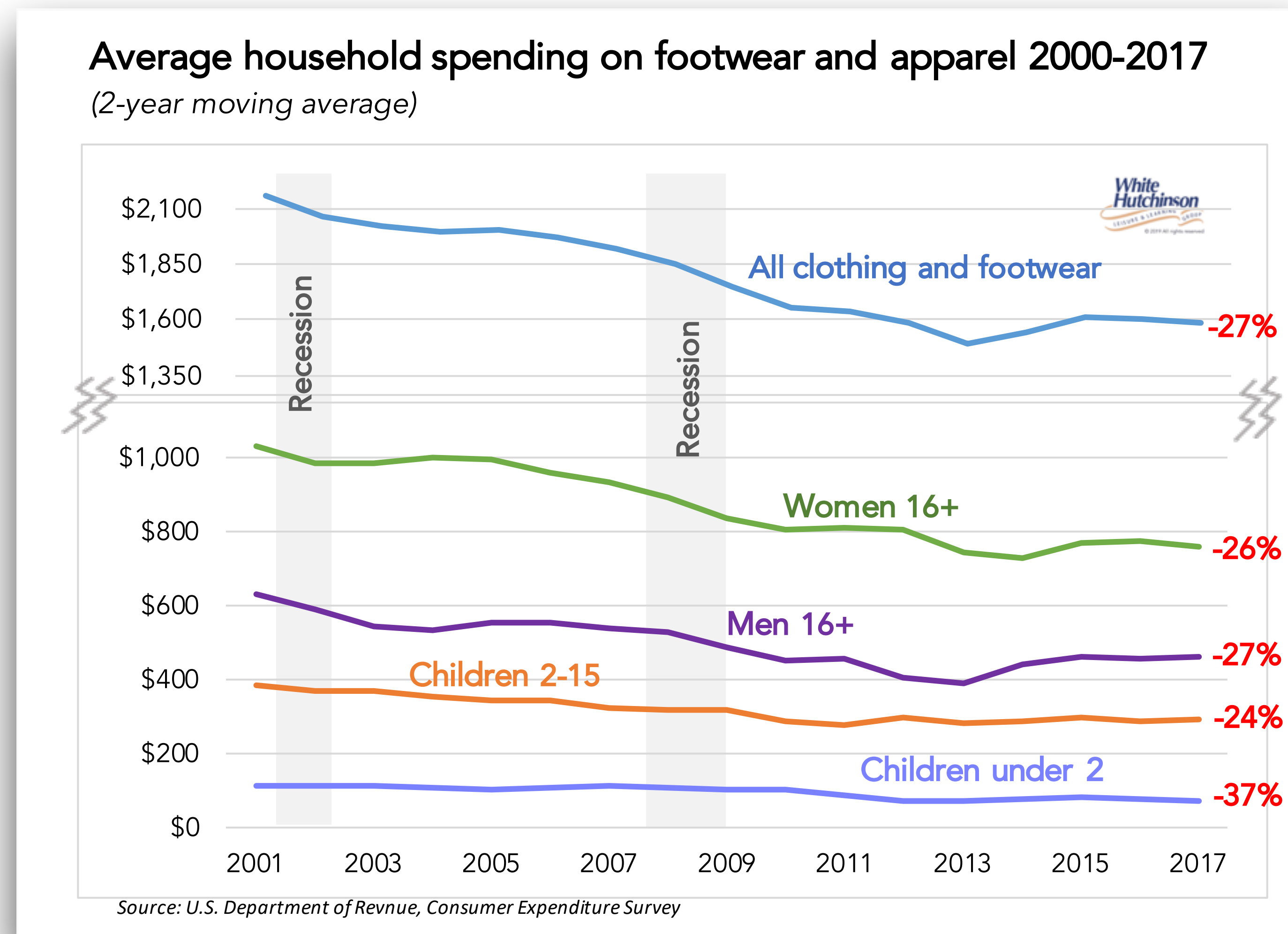
U.S. Department of Labor, American Time Use Survey
2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

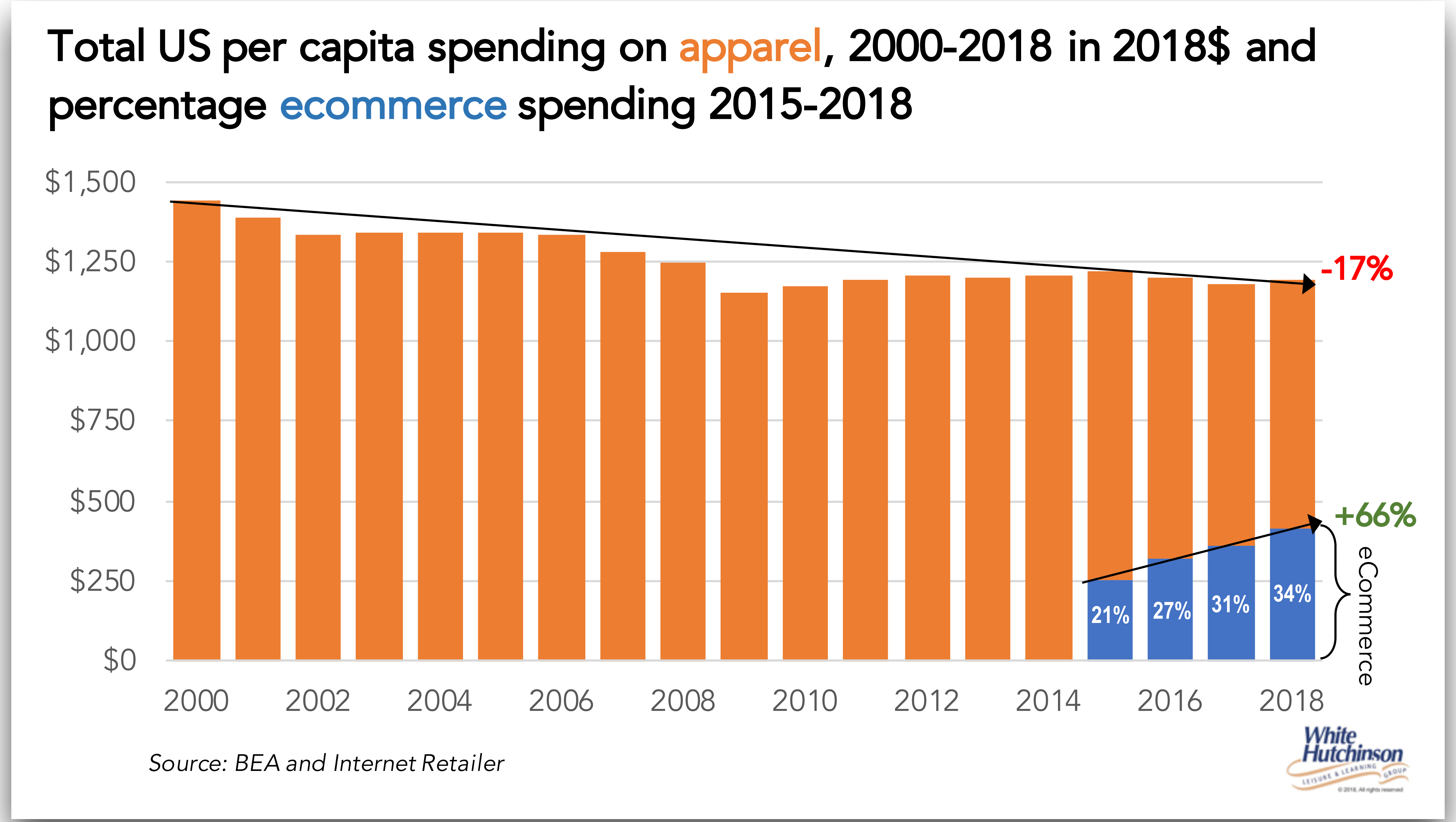








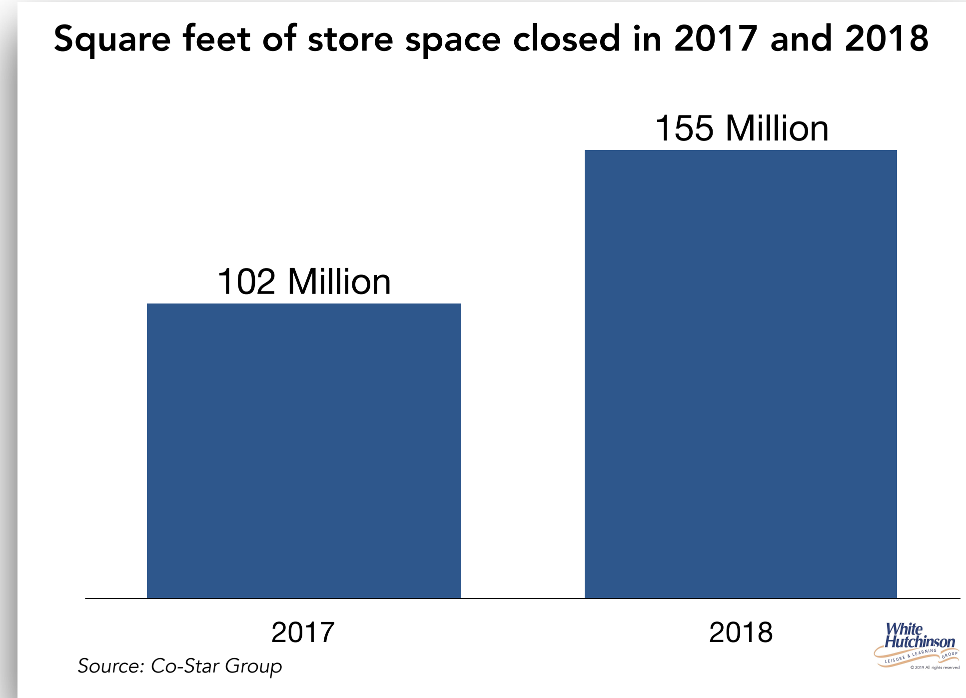
Can Entertainment Help Save Shopping Centers and Malls?



Can Entertainment Help Save Shopping Centers and Malls?

Change in Apparel Brick-and-Mortar Sales (inflation-adjusted)			
	2000	**2018**	***change***
Number of Households	109,367	130,001	*+19%*
Apparel spending per HH*	$2,253	$1,607	*-29%*
% E-commerce/catalog	*2%*	*34%*	
E-commerce/catalog sales	$4,900,000,000	$71,400,000,000	*+1,294%*
% Bricks-and-mortar	*98%*	*66%*	
Bricks-and-mortar sales	$241,400,000,000	$138,700,000,000	***-43%***
Decrease in brick-and-mortar		-$102,700,000,000	
Decrease in SF stores at $450/sf		**-228,000,000 SF**	

**2018 spending is for 2017/18 year. Source: Consumer Expenditure Survey*

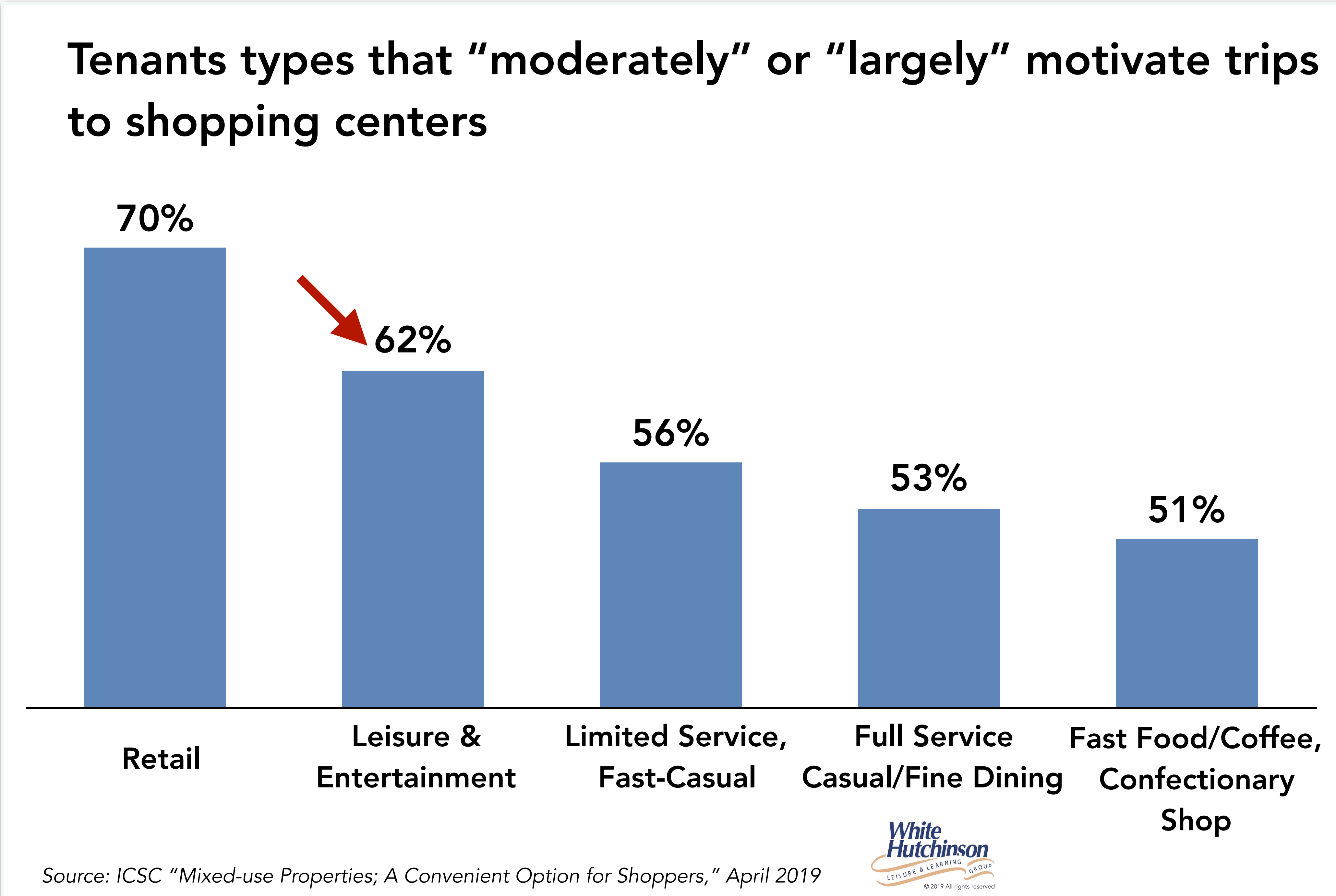


Store closings

As the Amazon Jungle becomes an inferno in the physical world, amazon.com is like a slow-moving lava flow that is enveloping our consumer culture.

Sarah Holbrook - The Robin Report

So what other than retail will attract consumers to shopping centers & malls?


Tenants types that "moderately" or "largely" motivate trips to shopping centers
70%
62%
56%
53%
51%
Retail
Leisure & Entertainment
Limited Service, Fast-Casual
Full Service Casual/Fine Dining
Fast Food/Coffee, Confectionary Shop
Source: ICSC "Mixed-use Properties; A Convenient Option for Shoppers," April 2019
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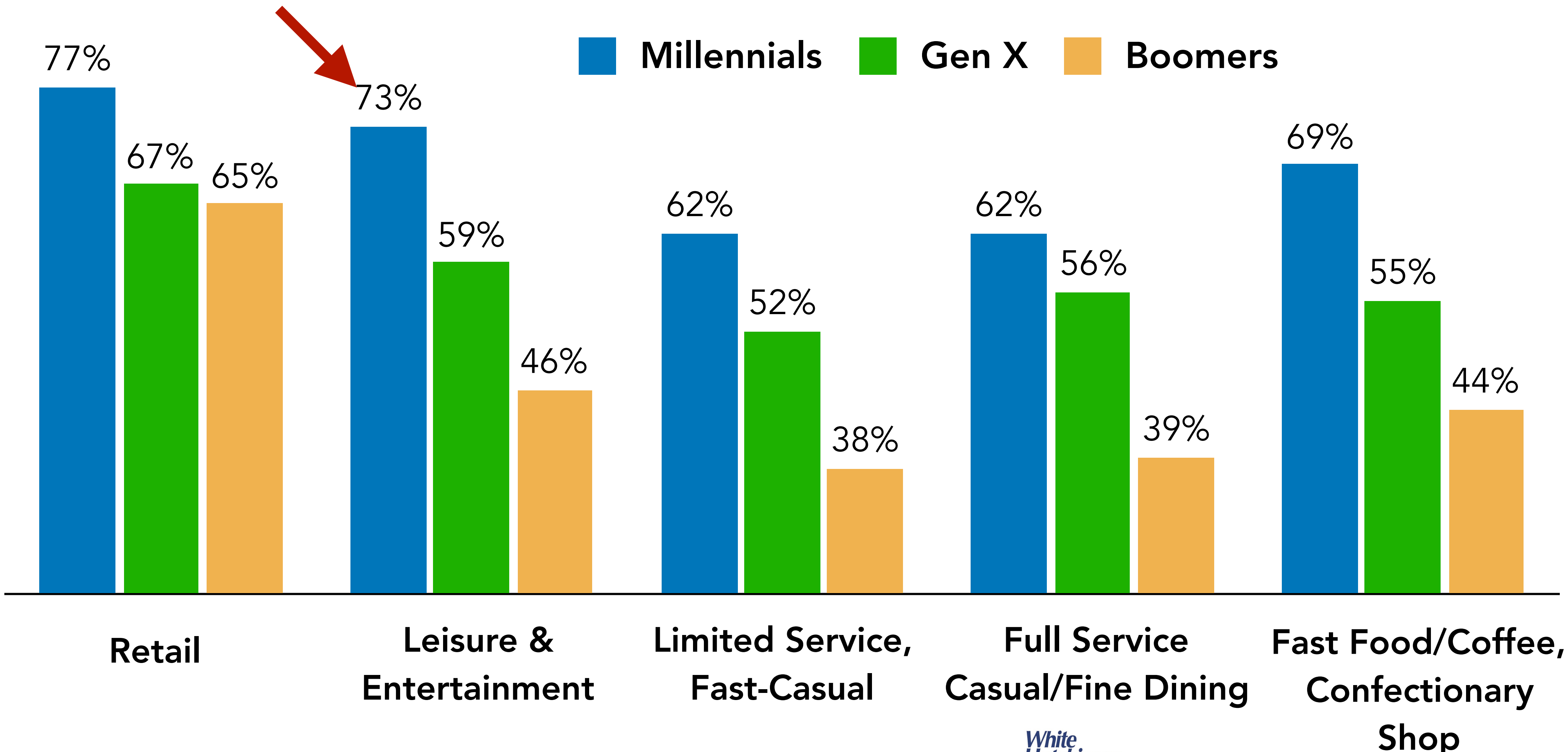
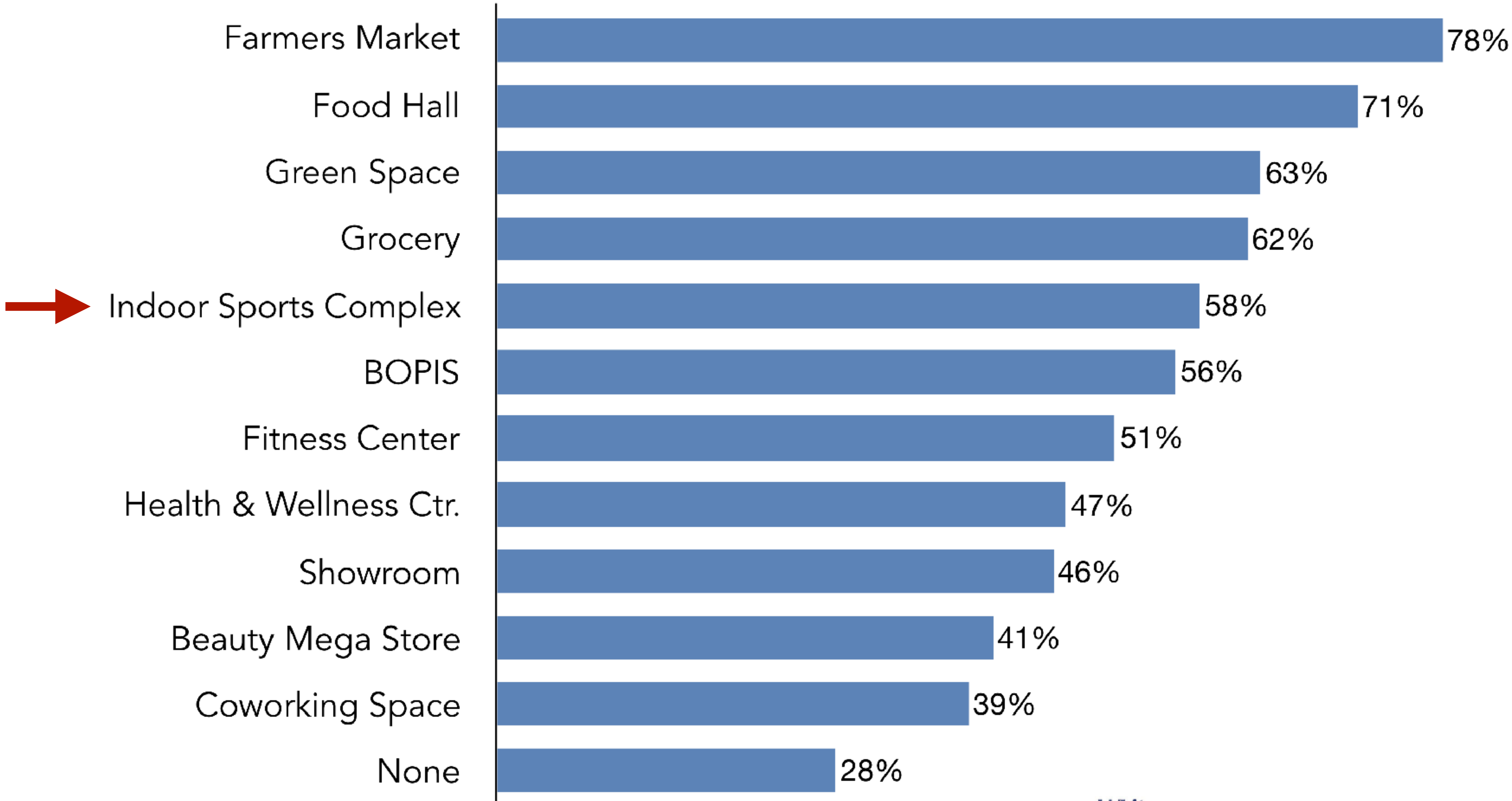
Tenants types that "moderately" or "largely" motivate trips to shopping centers by generation



Source: ICSC "Mixed-use Properties; A Convenient Option for Shoppers," April 2019

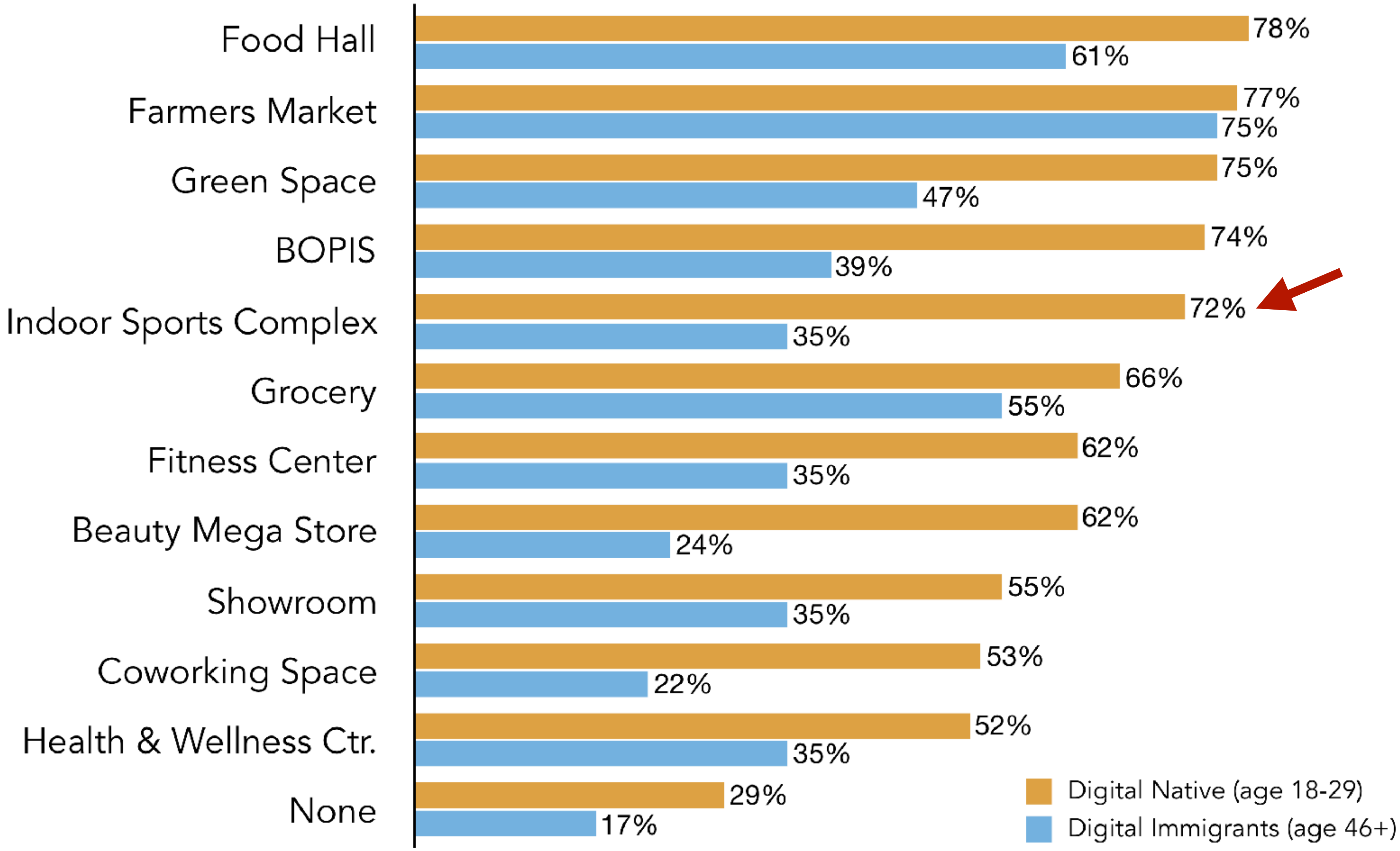
How much will this concept influence* your decision to visit a mall that offers this concept?



*Based on top two values

Source: WD Partners, Apocalypse to Relevance, What does tomorrow's mall look like to consumers?

How much will this concept influence* your decision to visit a mall that offers this concept?



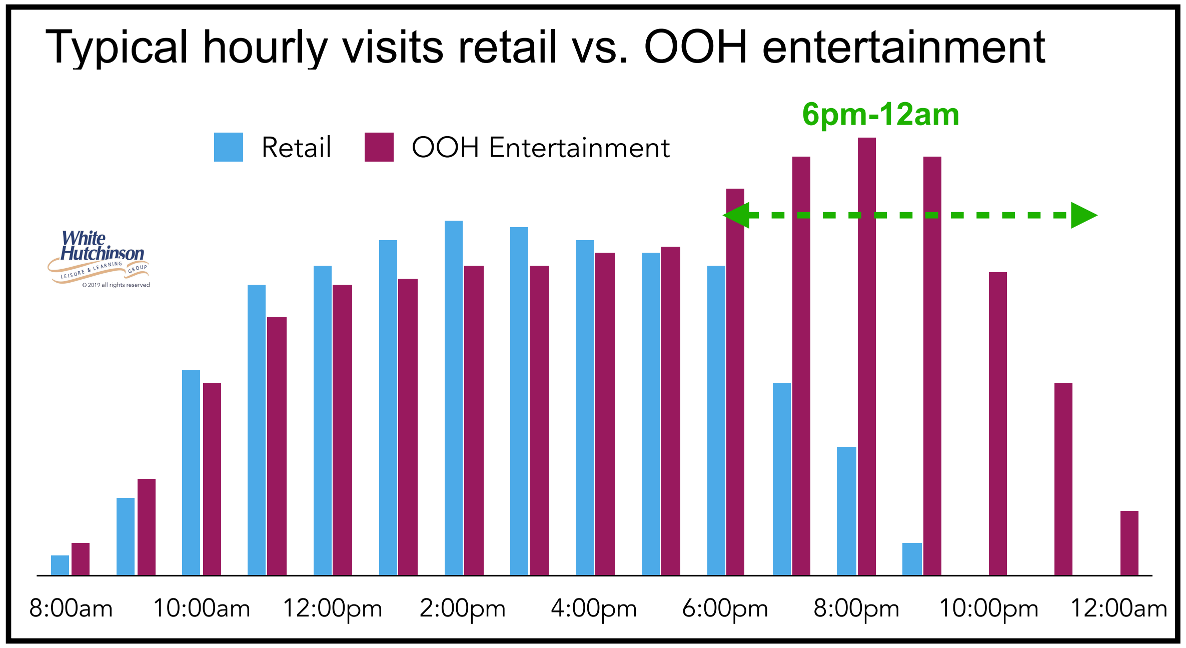
*Based on top two values

Source: WD Partners, Apocalypse to Relevance, What does tomorrow's mall look like to consumers?

WD concluded in their survey report, "Most notably, they [Digital Natives] want concepts that create social opportunities. A chance to do more than simply buy things, but to do things - take a yoga class, play a volleyball match, attend a makeup seminar, scale a climbing wall, make gnocchi with a master chef. . . You must find a way to engage shoppers in the physical world."

Advantages of entertainment tenants

- Offers experiences that can't be replicated on the internet
- Extends day-parts to slower retail periods - seasons, days of week and times of day
- Broaden's center's appeal
- Extends trade area
- Increases visits and visitors
- Extends length-of-stay
- Can contribute to increased retail sales

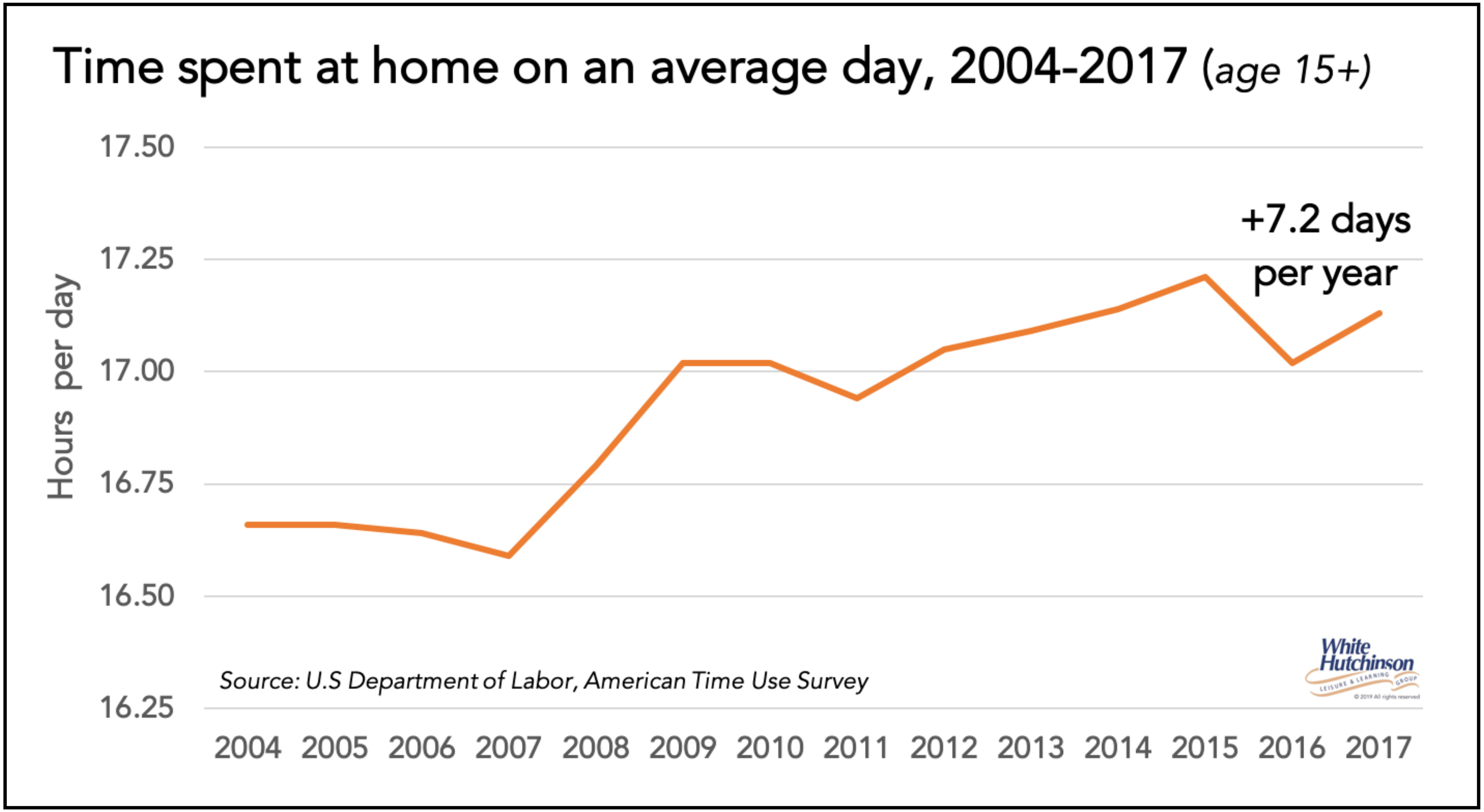


Changes to OOH entertainment *(disruption)*

- ✓ Digital
- ✓ Competitive landscape
- ✓ Socio-demographics
- ✓ Leisure time
- ✓ Leisure culture
- ✓ Values
- ✓ Expectations for OOH experiences

So many reasons to just stay home

Twitch
Amazon Fire
NVIDIA
GrubHub
Laptops
Roku
Binge Watching
HDTV
Skype
Kindle
Hello Fresh
Desktops
Xbox
YouTube
Augmented Reality
Plated
Web Comics
Google Home
Tablets
Virtual Reality
PostMates
Wii
High Speed Internet
Hygge
iTunes
Watching Sports
BluRay
Board Games
Surround Sound
Netflix
DVDs
Apps
Blue Apron
Texts
Pandora
eSports
Apple TV
Bunkering
Smartphones
Cocooning
Switch
FaceTime
Amazon Prime
Bunkering
Alexa
Online Gambling
Smart TV
UberEats
Hulu


Time spent at home on an average day, 2004-2017 (age 15+)
Hours per day
17.50
17.25
17.00
16.75
16.50
16.25
+7.2 days per year
Source: U.S Department of Labor, American Time Use Survey
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
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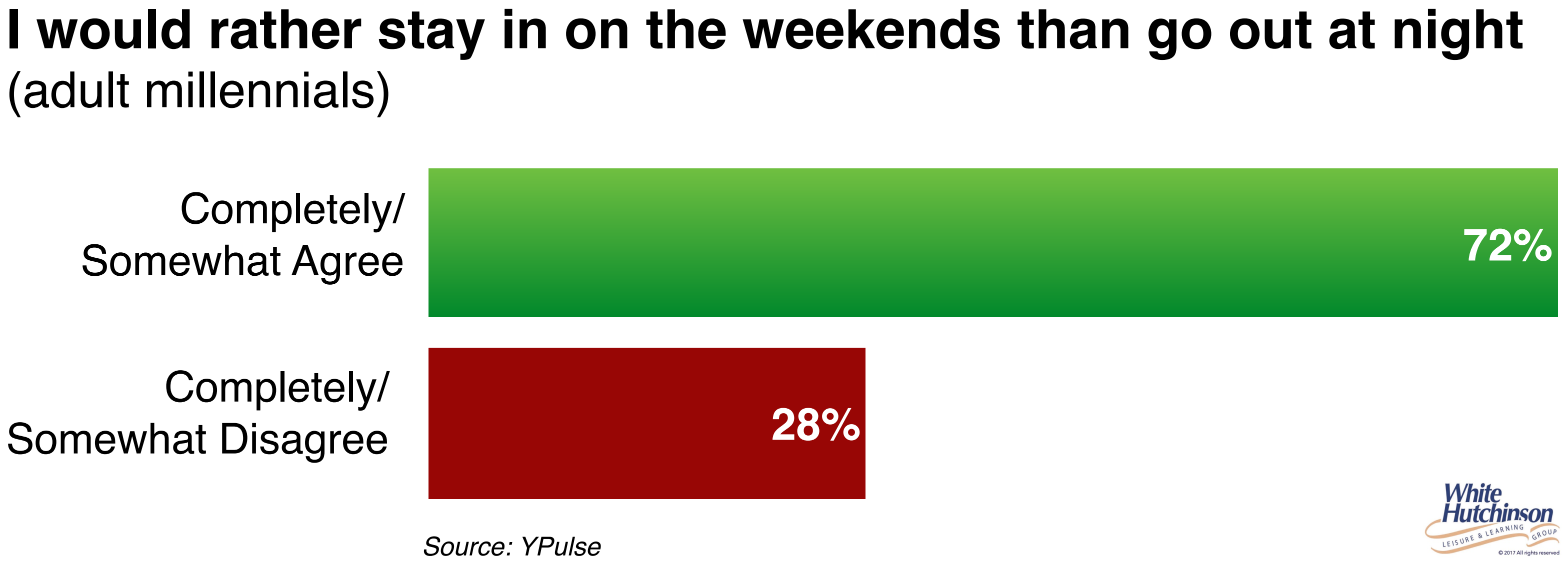
Staying home is the new going out

Cocooning Bunkering Home-basing Hygge

Generation Homebody



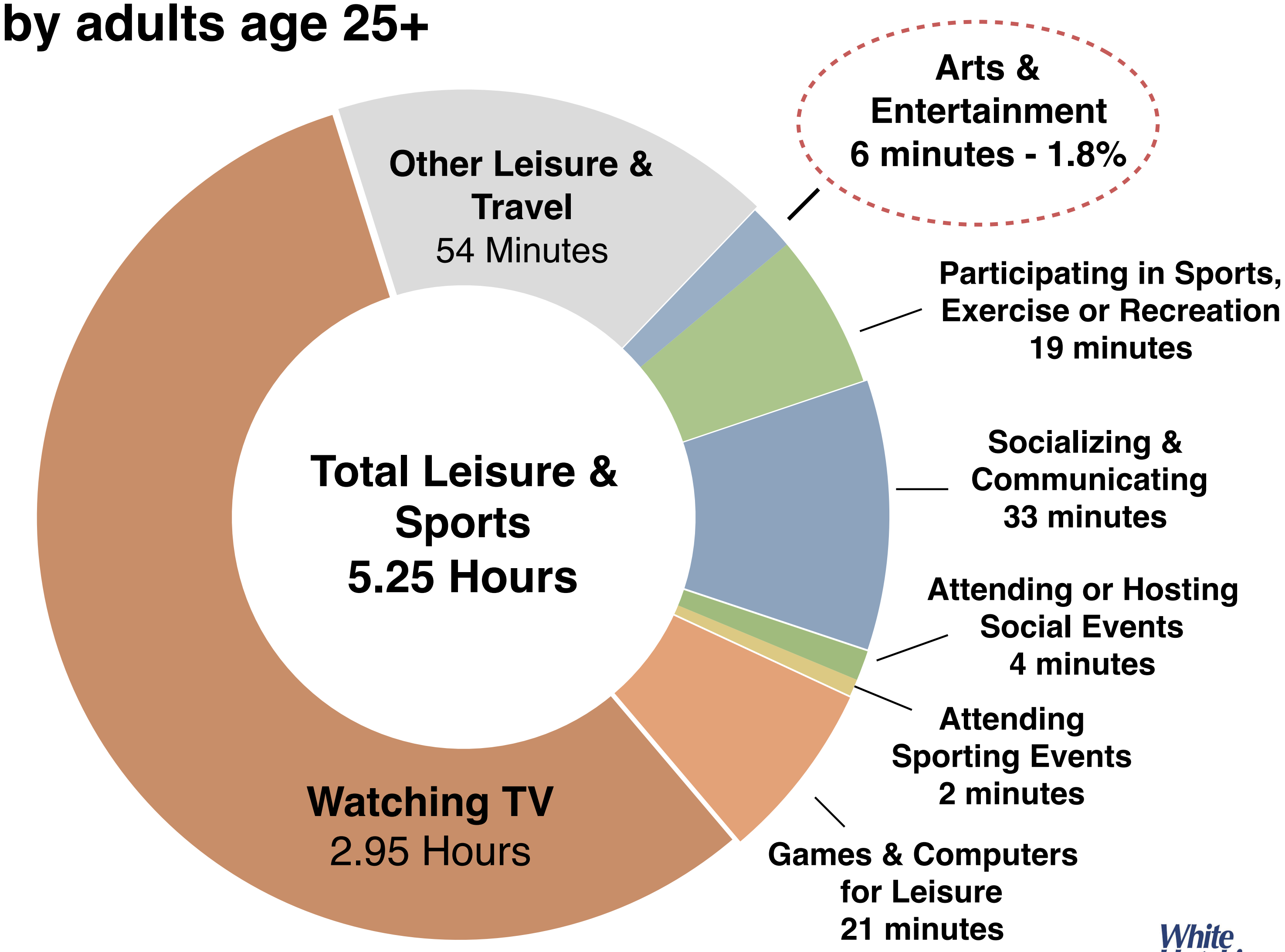
So what's happening

to

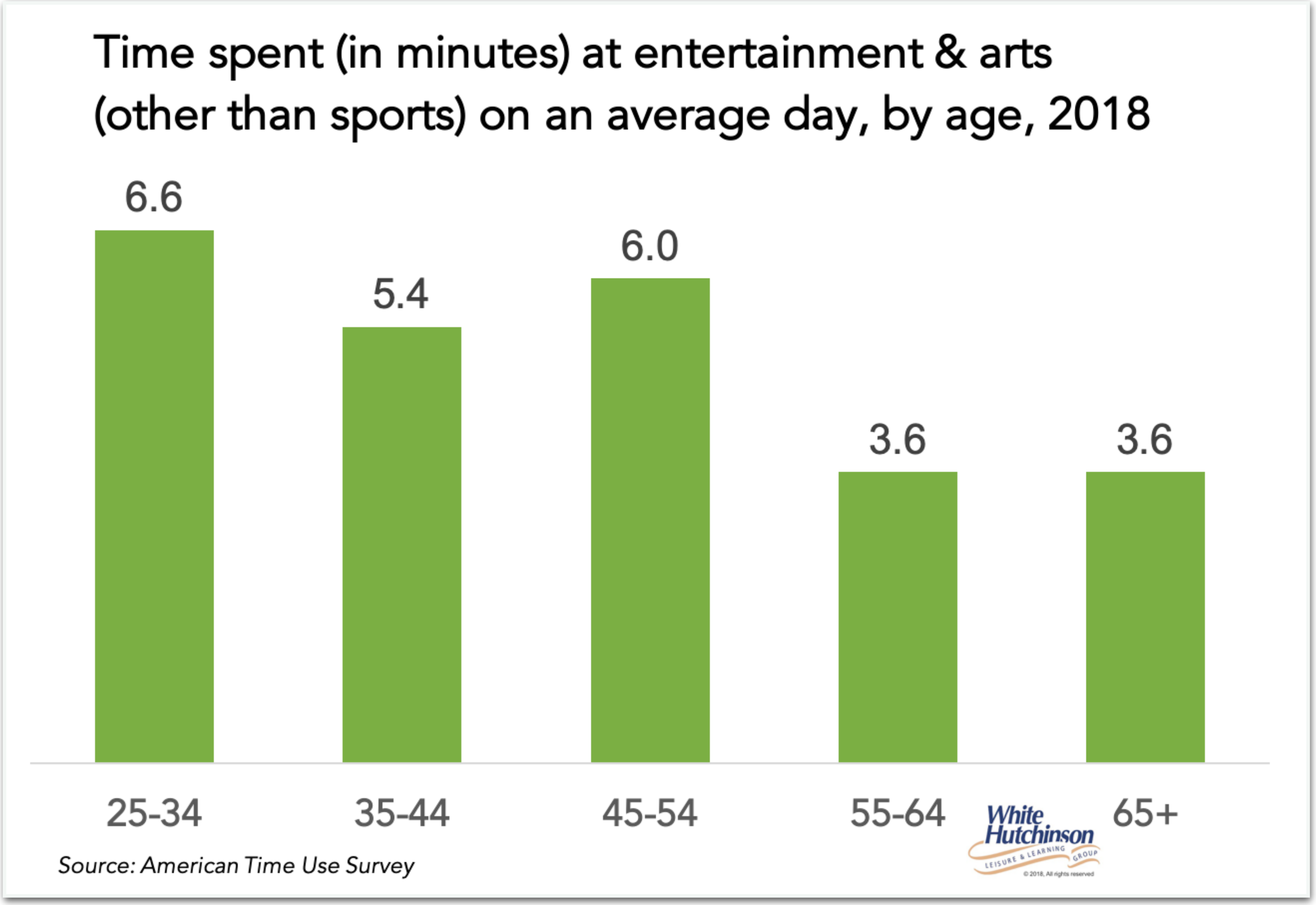
OOH entertainment?

It's a zero-sum game

Leisure time* spent on an average day in 2017/2018 by adults age 25+



*Note: All activities include travel to and waiting for said activity where applicable
Source: American Time Use Survey

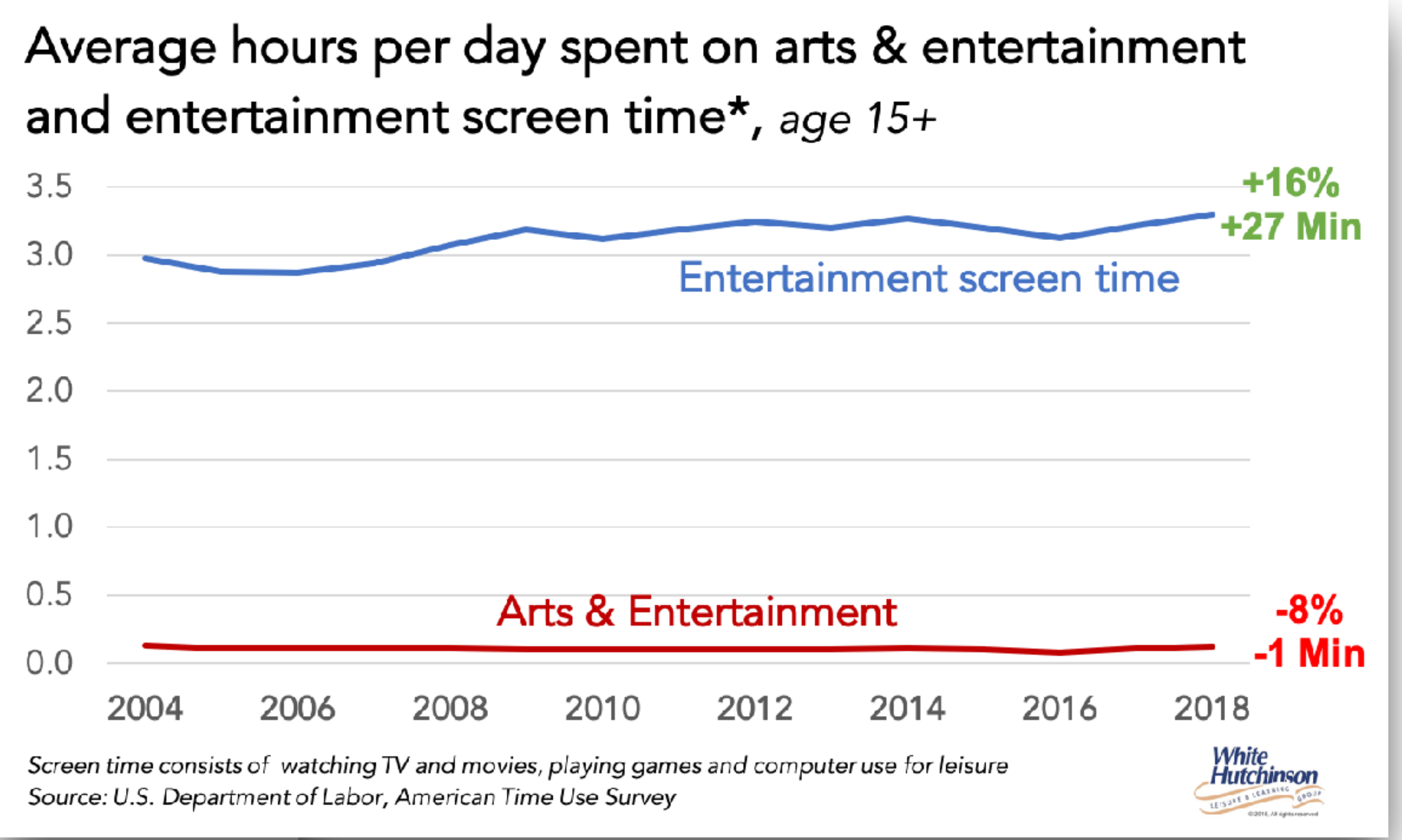

Time spent (in minutes) at entertainment & arts
(other than sports) on an average day, by age, 2018
6.6
5.4
6.0
3.6
3.6
25-34
35-44
45-54
55-64
65+
Source: American Time Use Survey

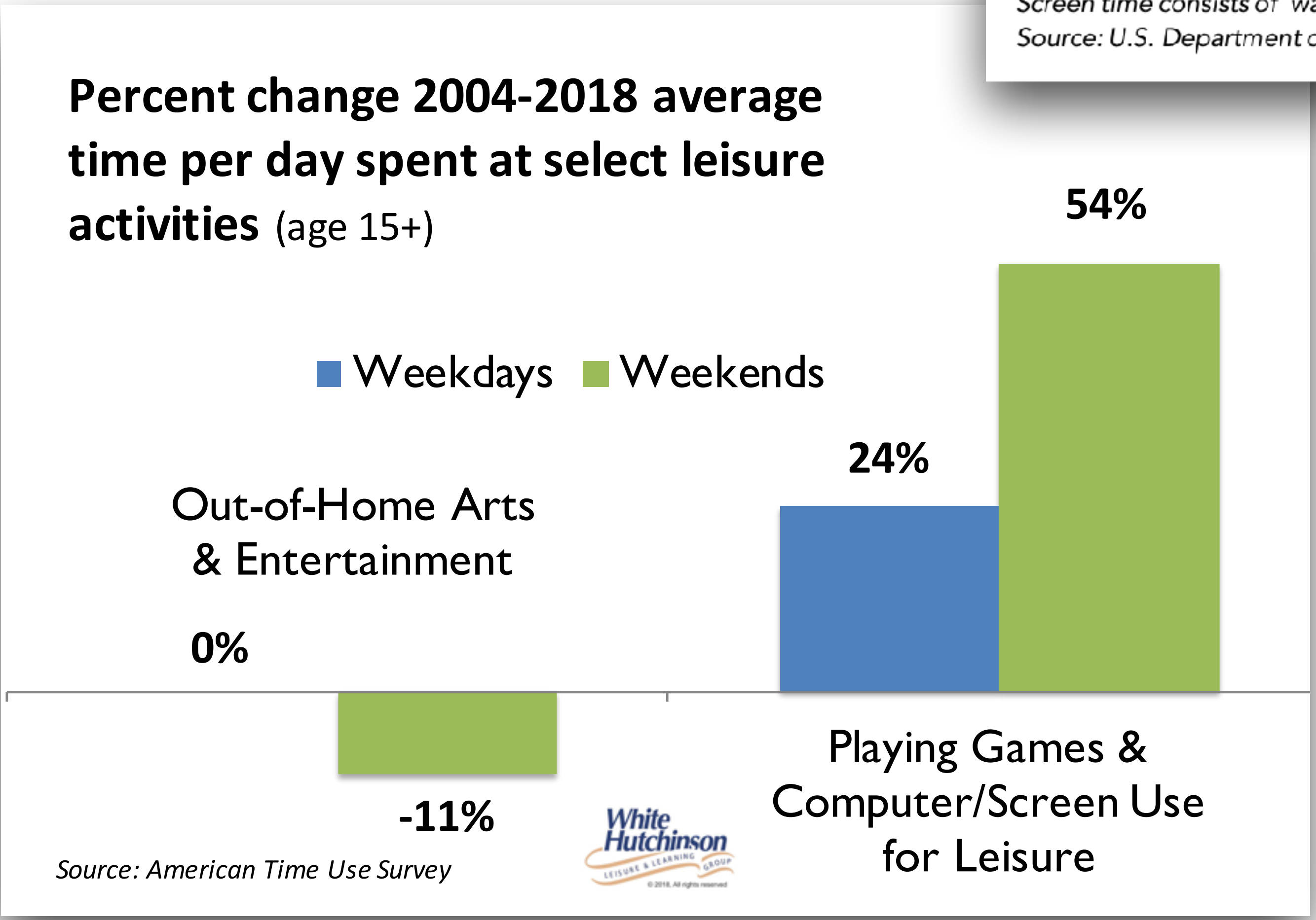
Three ways to measure OOH E&A trends:

Time

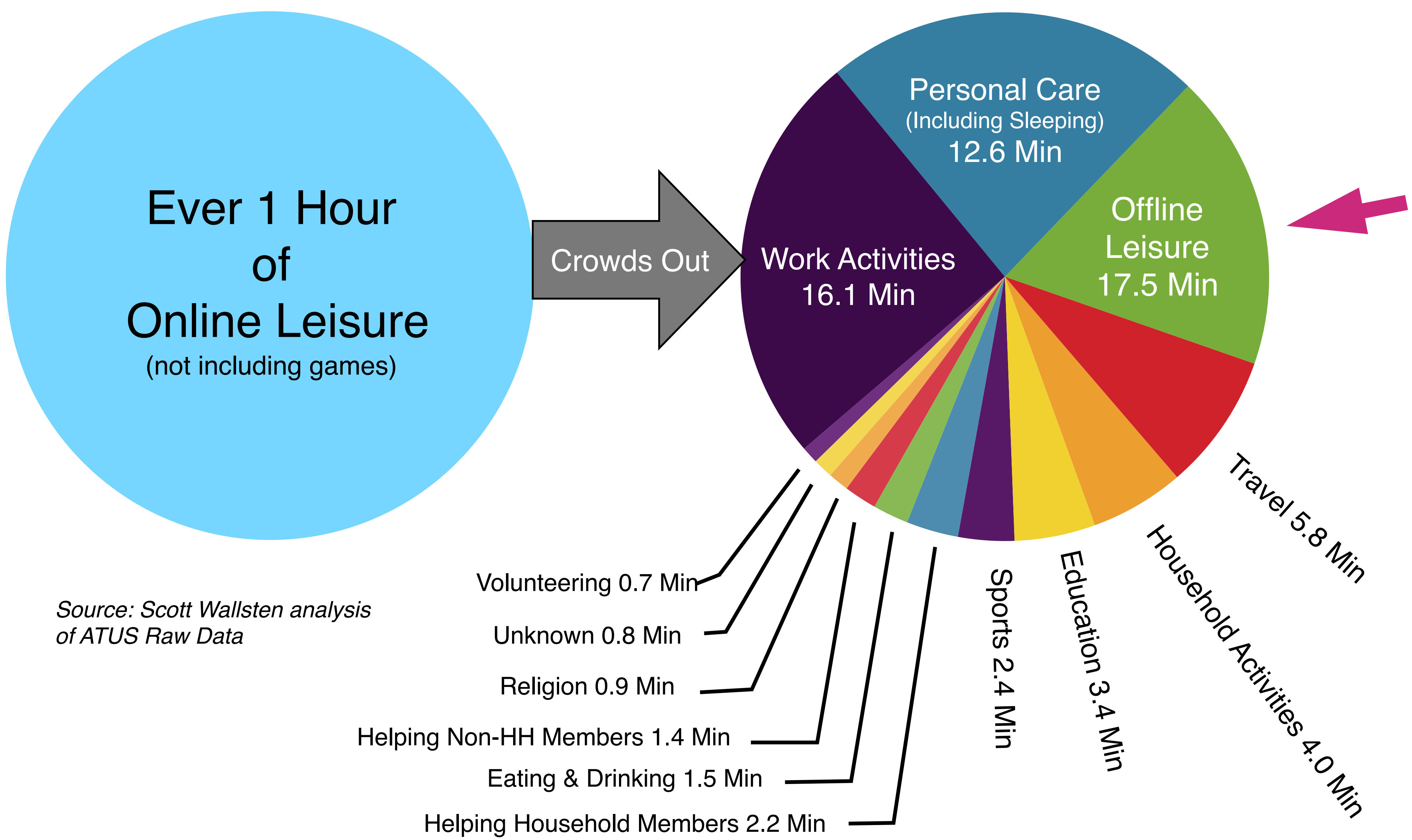
Participation

Spending


Average hours per day spent on arts & entertainment and entertainment screen time*, age 15+
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2004
2006
2008
2010
2012
2014
2016
2018
+16%
+27 Min
Entertainment screen time
Arts & Entertainment
-8%
-1 Min
Screen time consists of watching TV and movies, playing games and computer use for leisure
Source: U.S. Department of Labor, American Time Use Survey

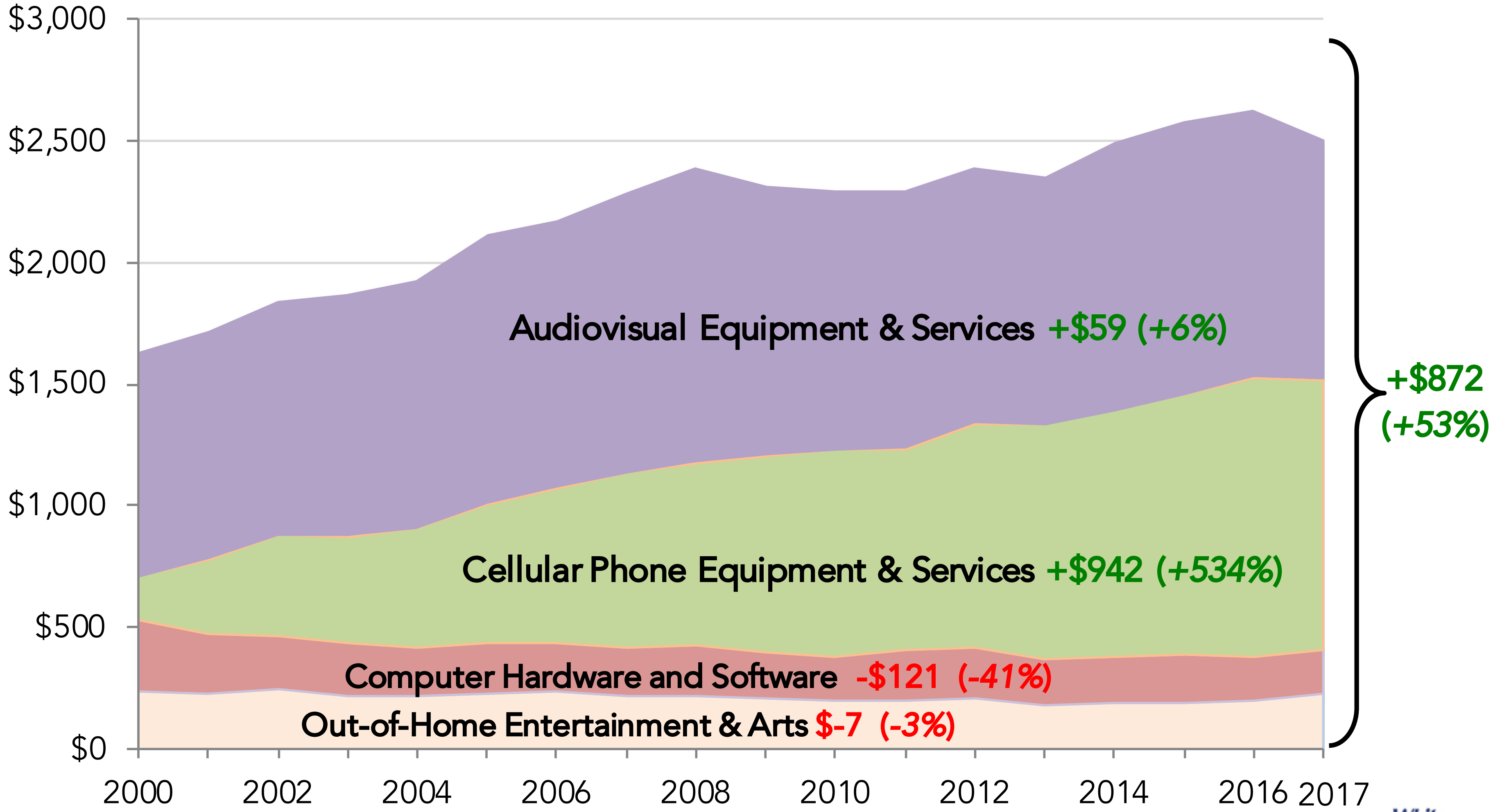

Percent change 2004-2018 average time per day spent at select leisure activities (age 15+)
Weekdays
Weekends
Out-of-Home Arts & Entertainment
0%
-11%
24%
54%
Playing Games & Computer/Screen Use for Leisure
Source: American Time Use Survey

Every Hour of Online Leisure Crowds Out (Replaces) This Many Minutes of Other Activities



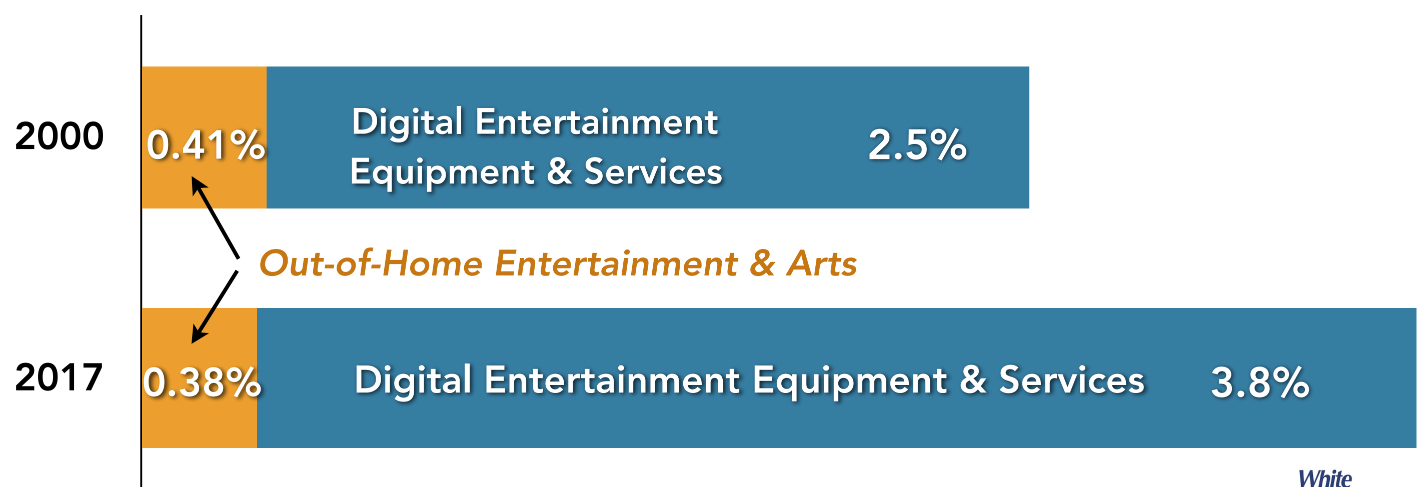
Source: Scott Wallsten analysis of ATUS Raw Data

Average household annual expenditures in 2017 dollars



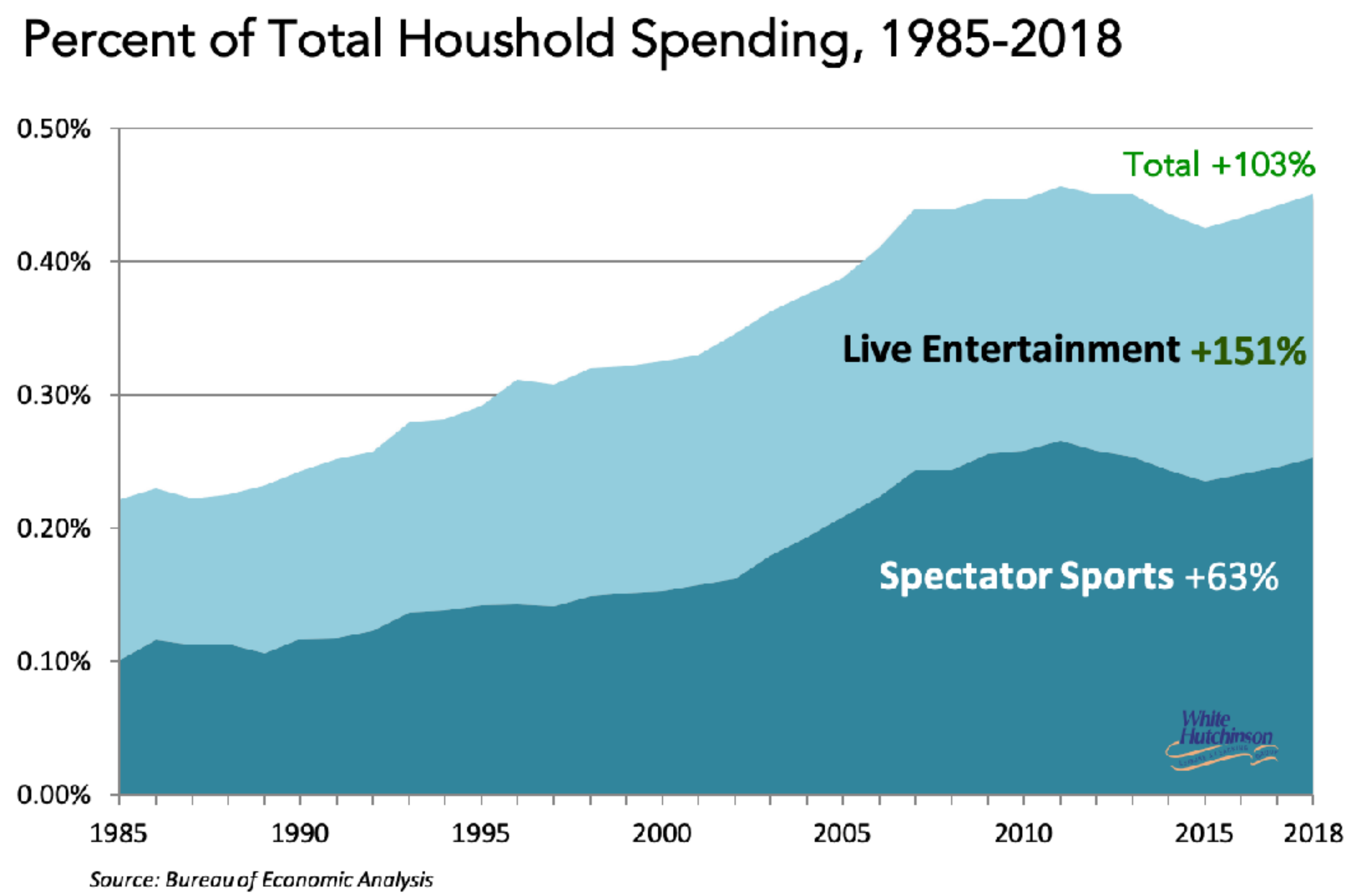
Source: U.S. Department of Labor Consumer Expenditure Survey

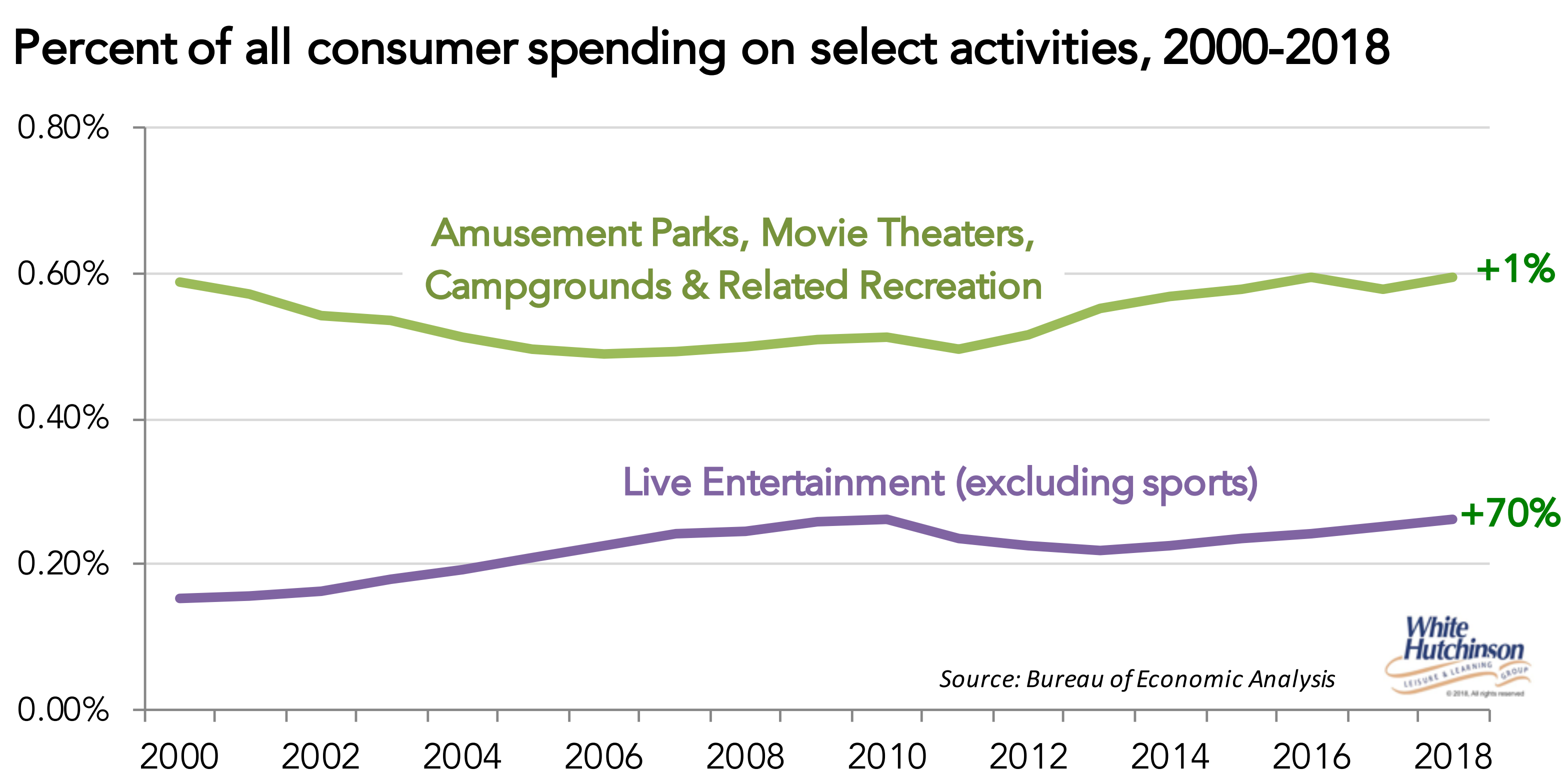
Share of all household spending

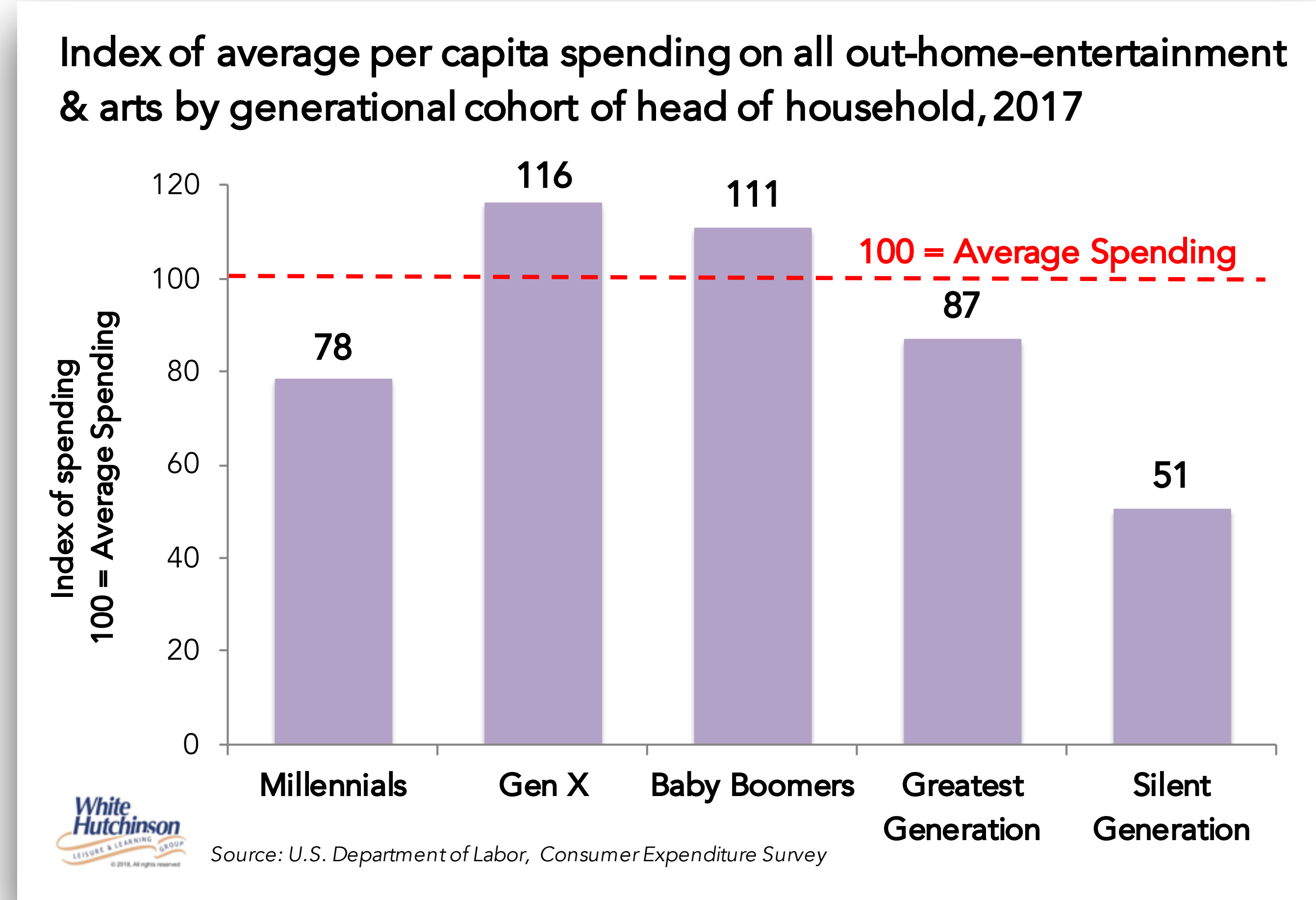


Source: U.S. Department of Labor Consumer Expenditure Survey

Live, limited- & one-time events







Index of average per capita spending on all out-home-entertainment & arts by generational cohort of head of household, 2017
Index of spending
100 = Average Spending
120
100
80
60
40
20
0
116
111
100 = Average Spending
87
78
51
Millennials
Gen X
Baby Boomers
Greatest Generation
Silent Generation
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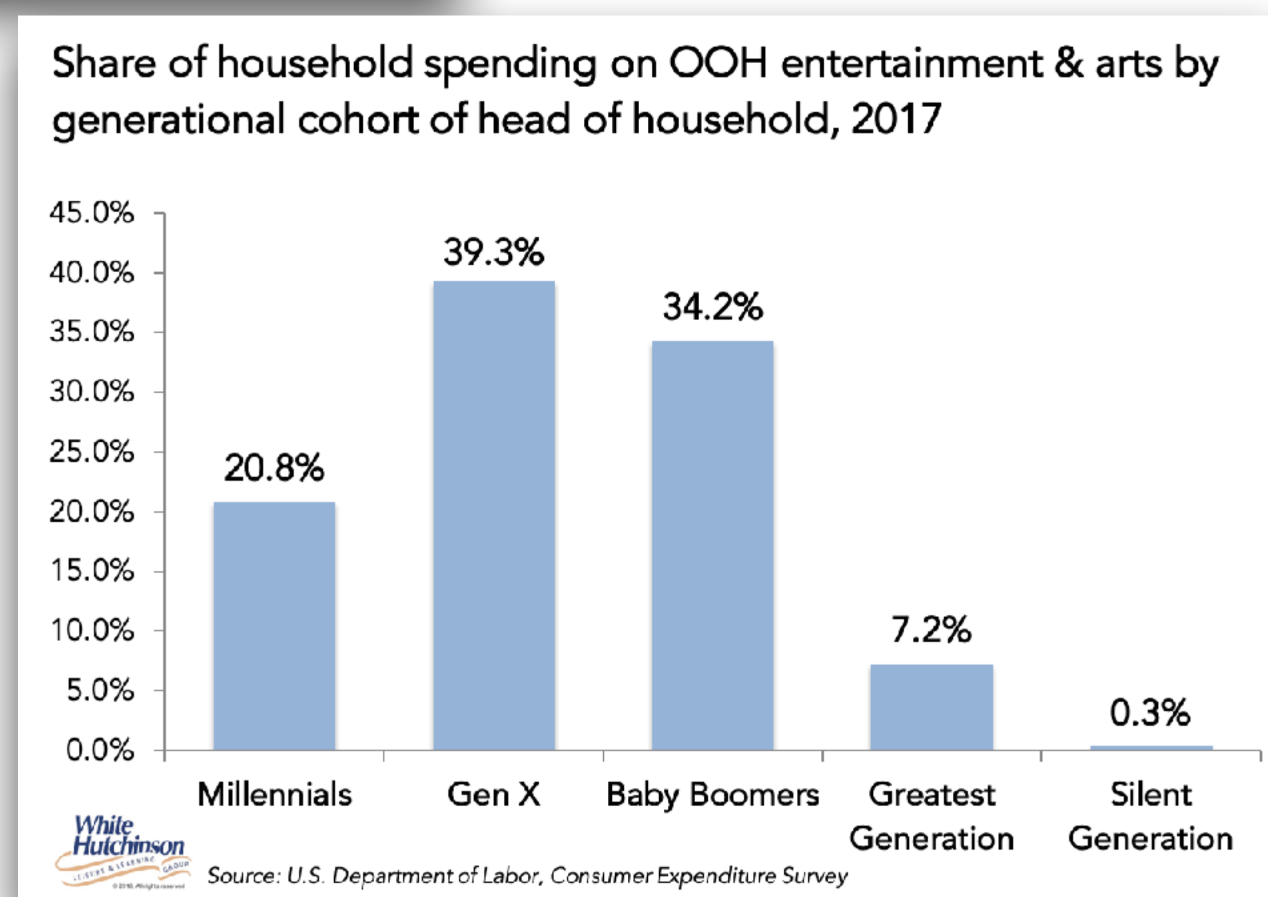
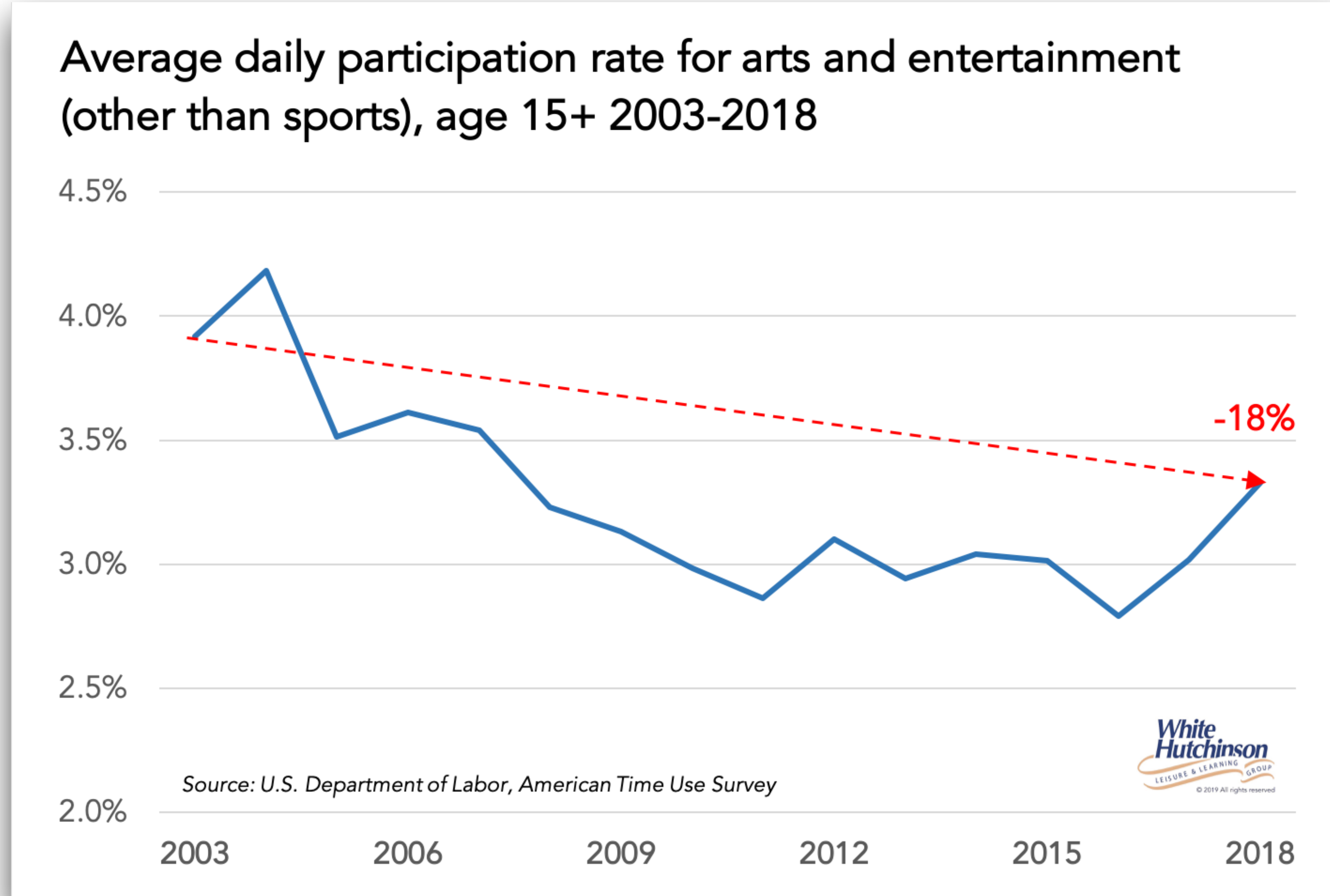
Source: U.S. Department of Labor, Consumer Expenditure Survey



Share of household spending on OOH entertainment & arts by generational cohort of head of household, 2017
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
39.3%
34.2%
20.8%
7.2%
0.3%
Millennials
Gen X
Baby Boomers
Greatest Generation
Silent Generation
White Hutchinson
Source: U.S. Department of Labor, Consumer Expenditure Survey


Average daily participation rate for arts and entertainment (other than sports), age 15+ 2003-2018
4.5%
4.0%
3.5%
3.0%
2.5%
2.0%
-18%
2003
2006
2009
2012
2015
2018
Source: U.S. Department of Labor, American Time Use Survey
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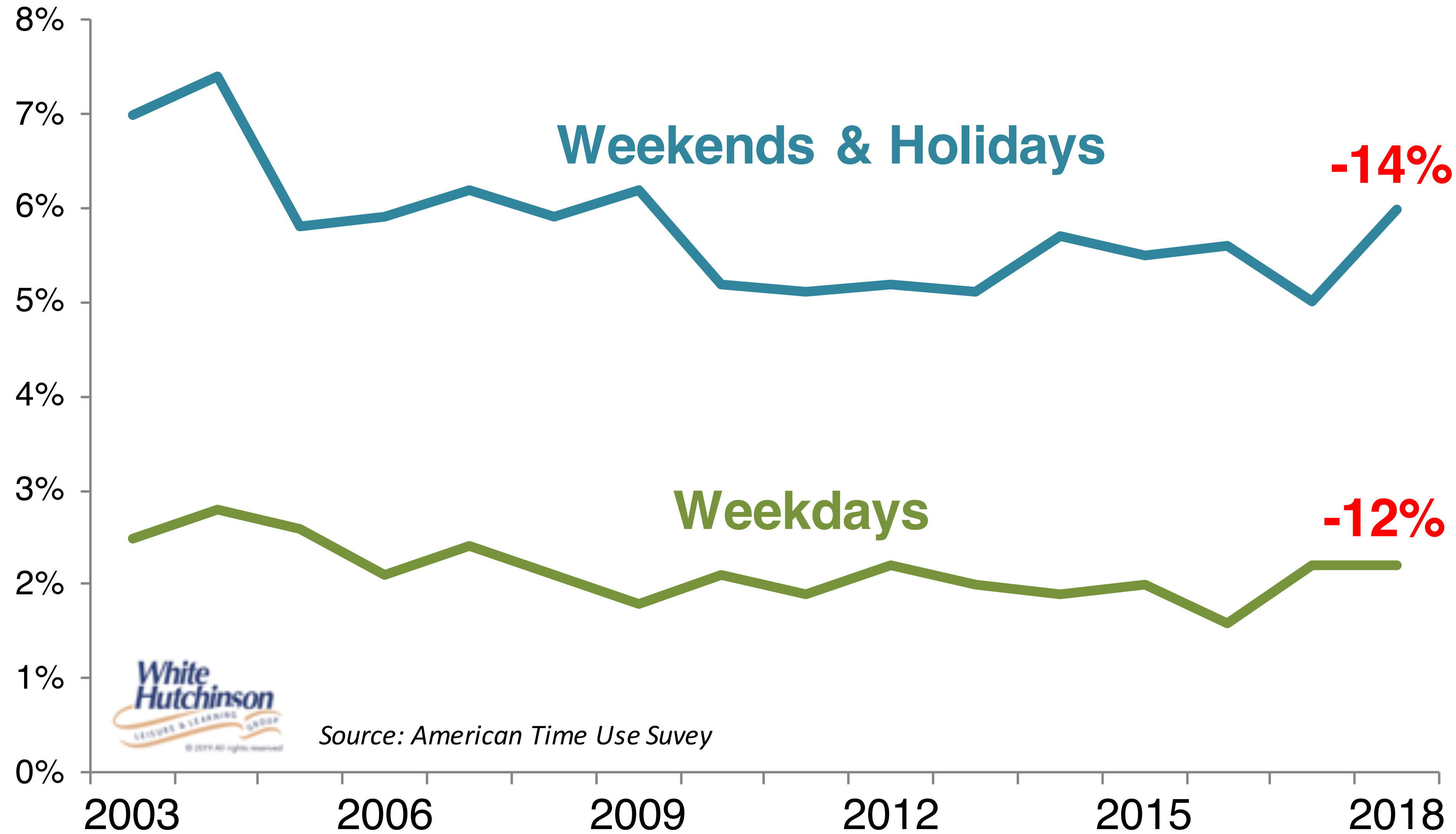
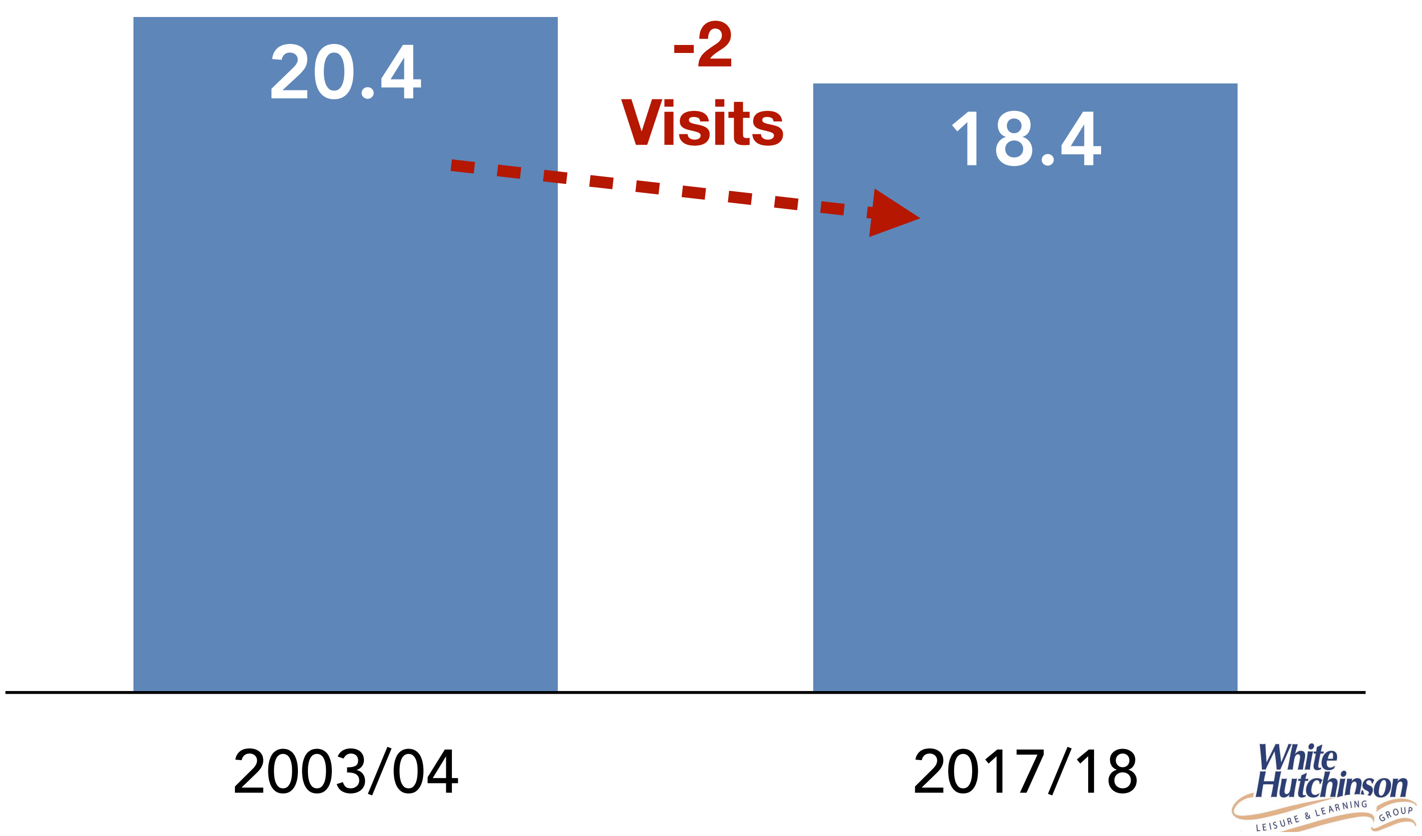
Percent of population 15+ who participated in out-of-home entertainment & arts on an average day

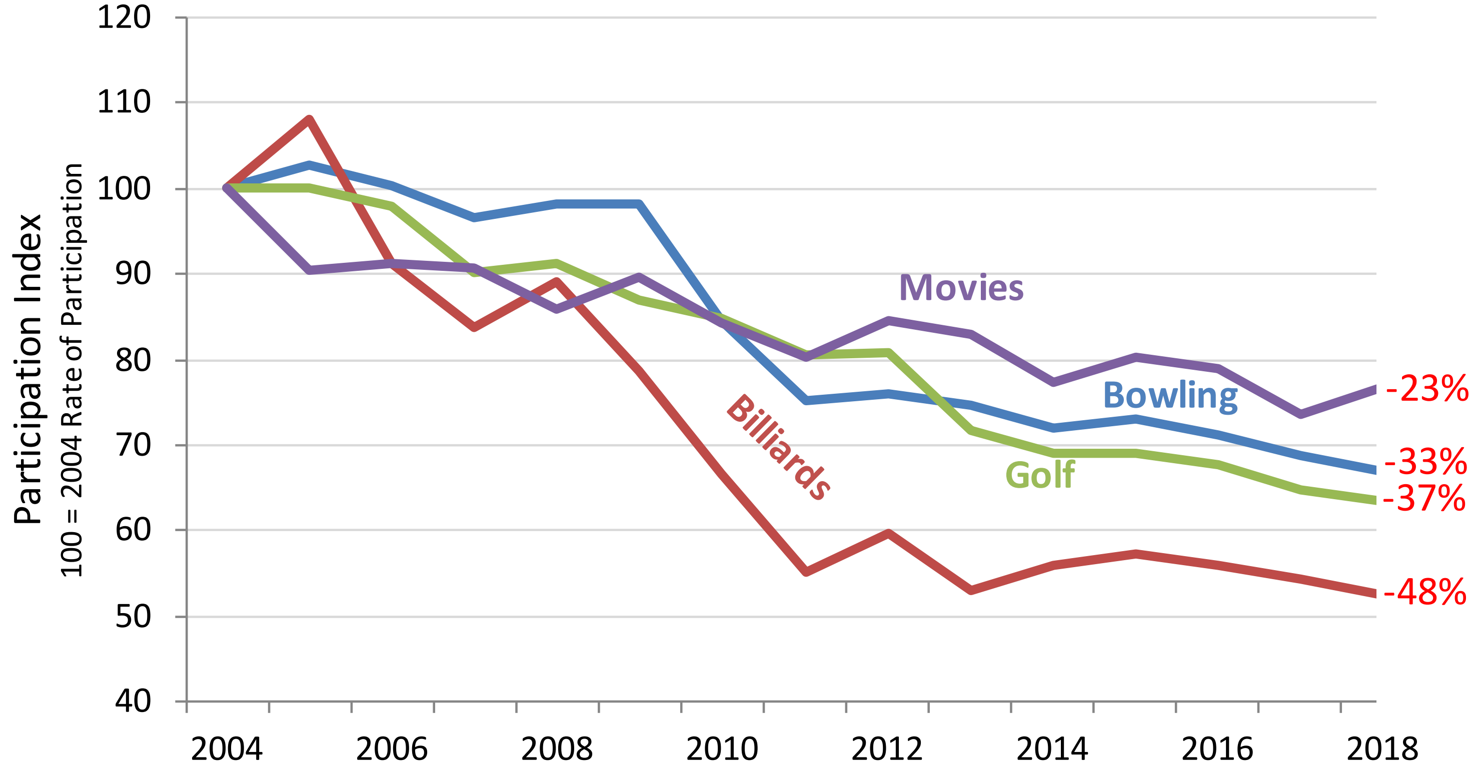


Average annual visits to out-of-home entertainment & art venues by age 25+



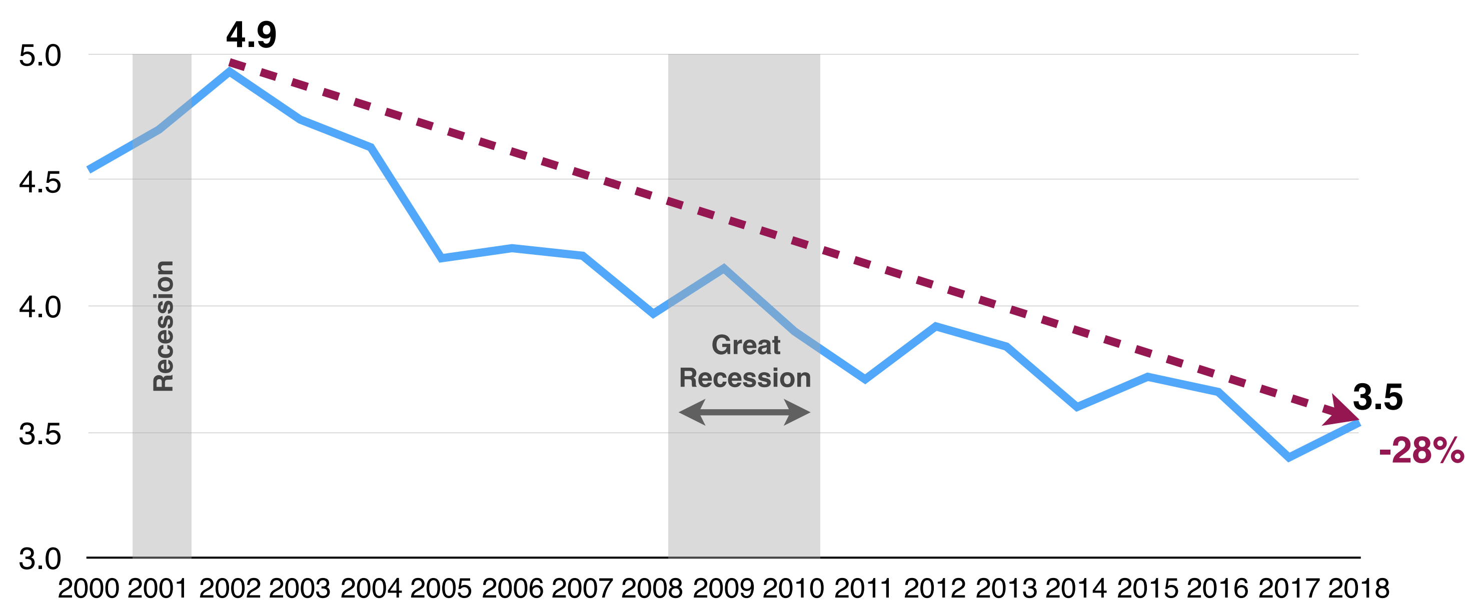
Participation index of selected leisure activities in U.S.

(population ages 7+*)



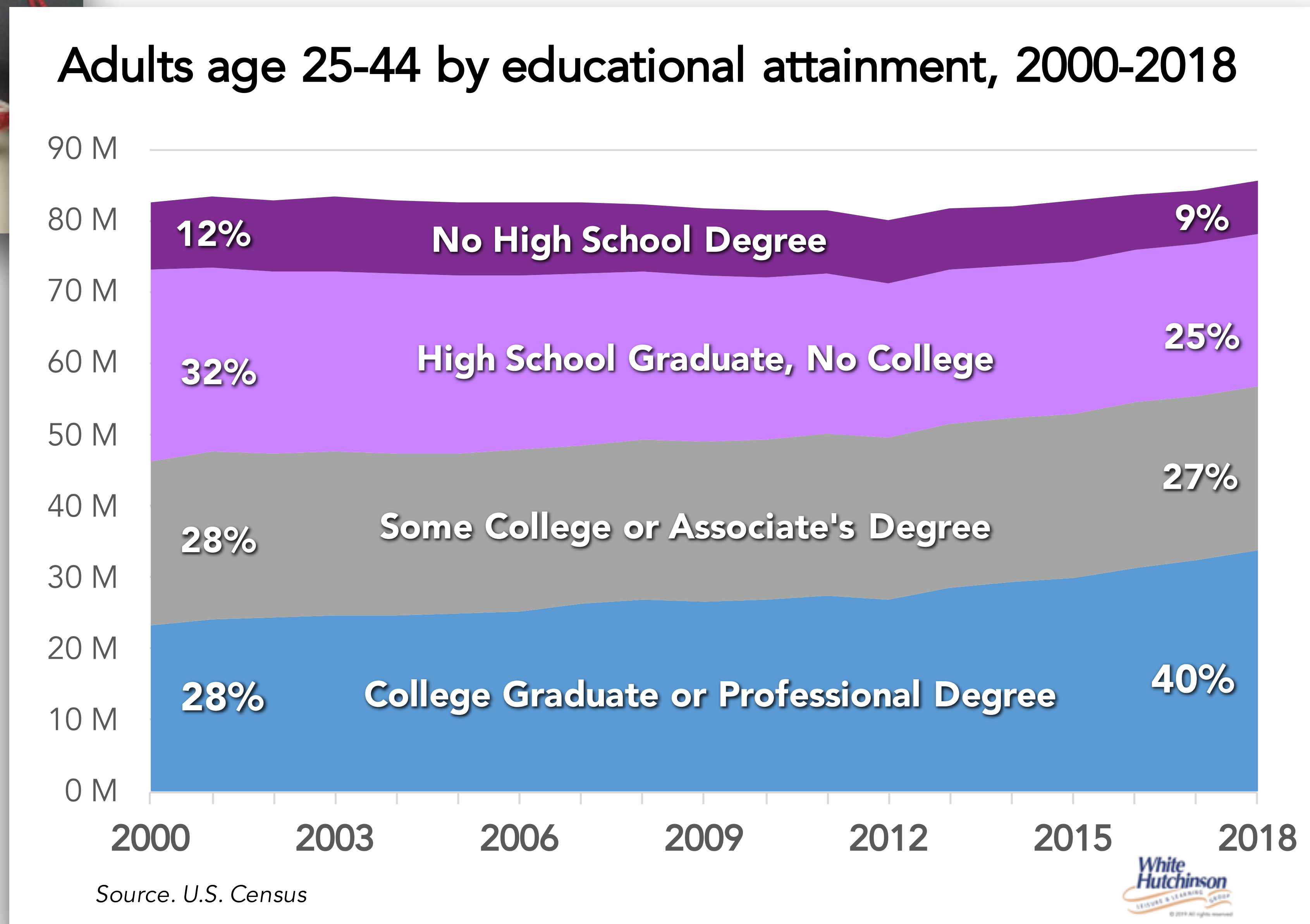
*Movie Participation is for North American Population ages 2+ attending at least once during the year.
Golf, bowling and billiards participation is for U.S. participation 2 or more times each year.
Source: NSGA Sports Participation in the United States, www.boxofficemojo.com, U.S. Census Bureau and Census of Canada

North America cinema annual per capita attendance



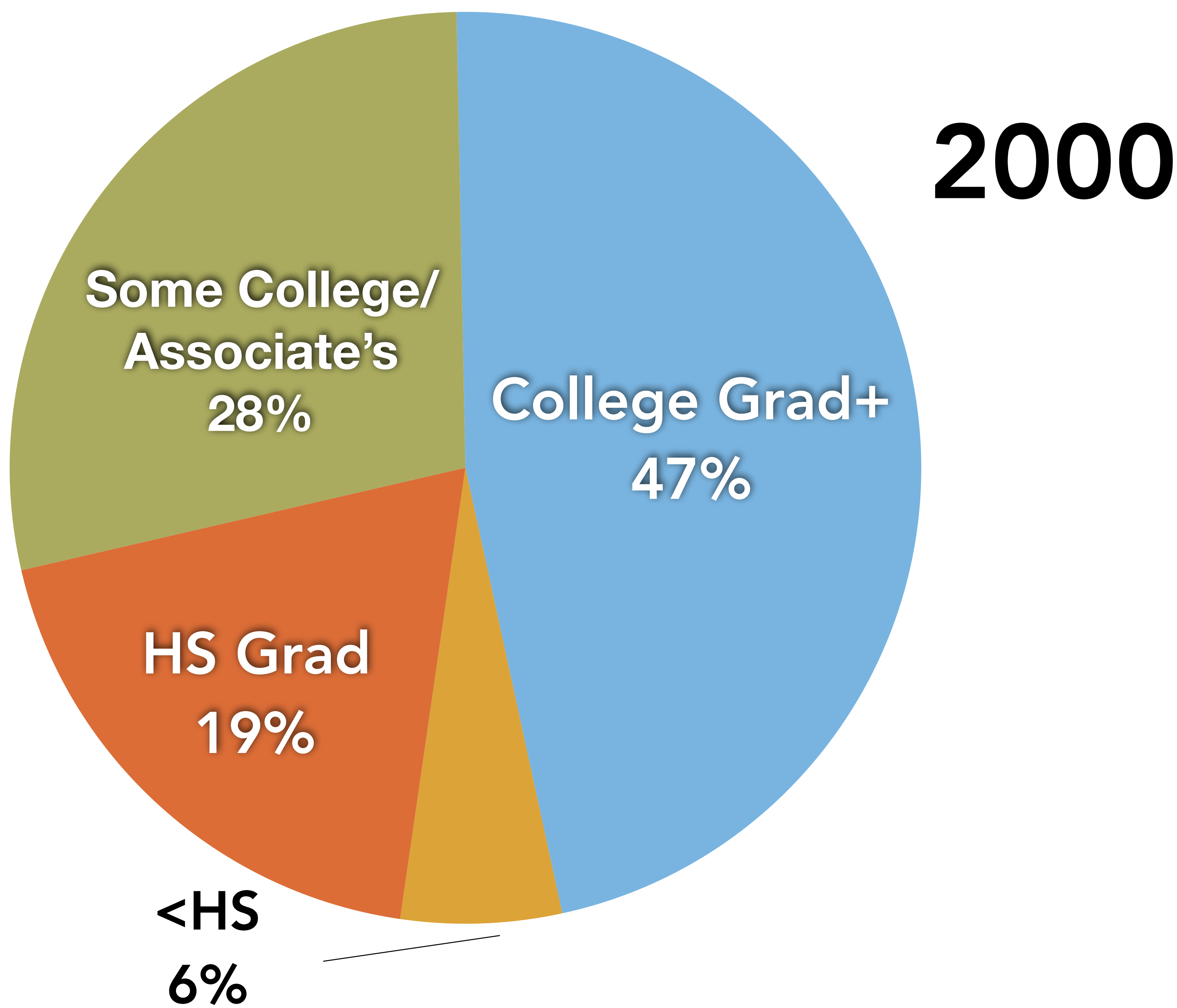
Sources: White Hutchinson Leisure & Learning Group, Box Office Mojo, MPAA Theatrical Market Statistics, U.S. Census Bureau & Statistics Canada.

Gentrification



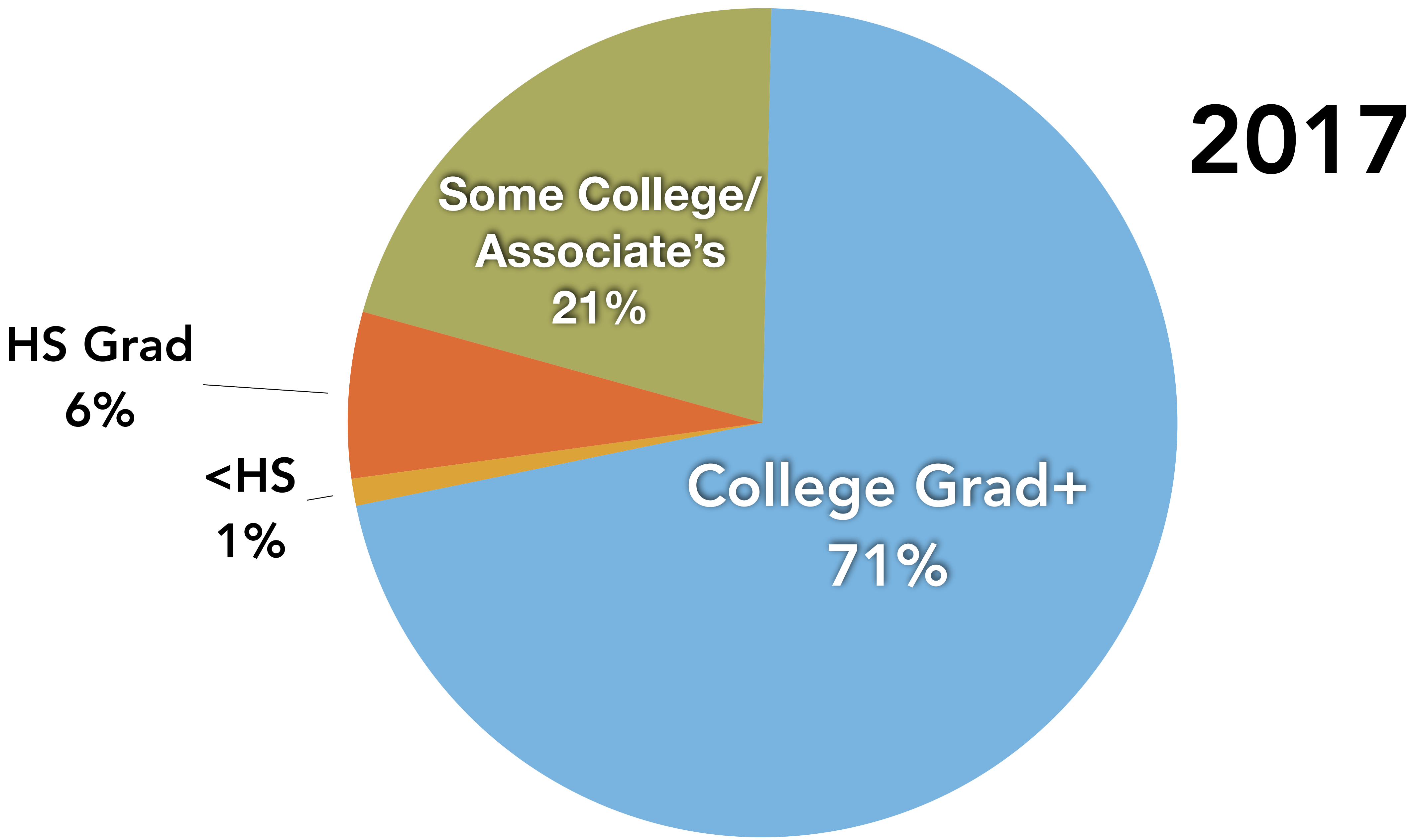
The gentrification of OOH entertainment & arts

Share of spending on out-of-home entertainment & arts by educational attainment 2000-2017

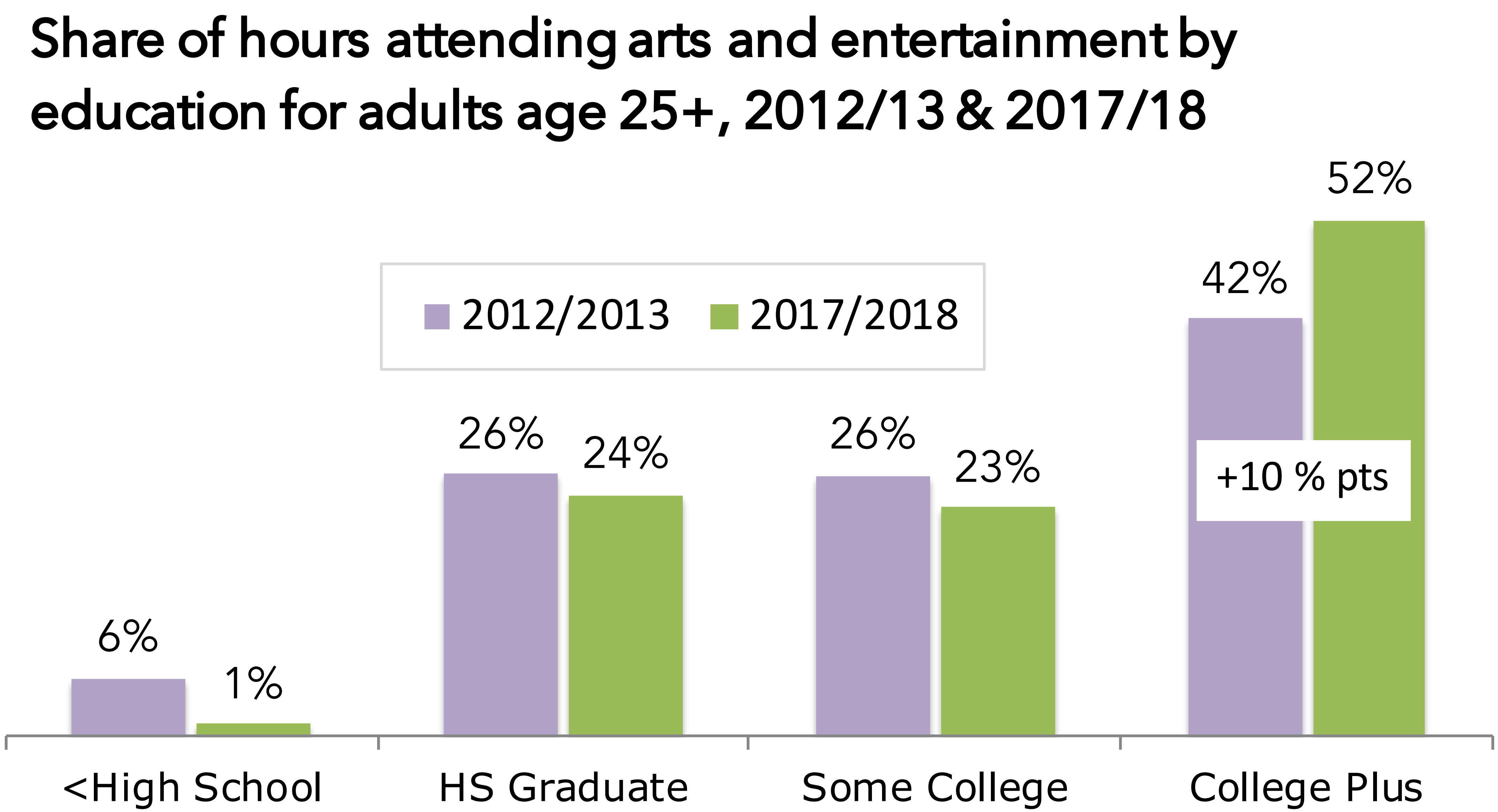


The gentrification of OOH entertainment & arts

Share of spending on out-of-home entertainment & arts by educational attainment 2000-2017



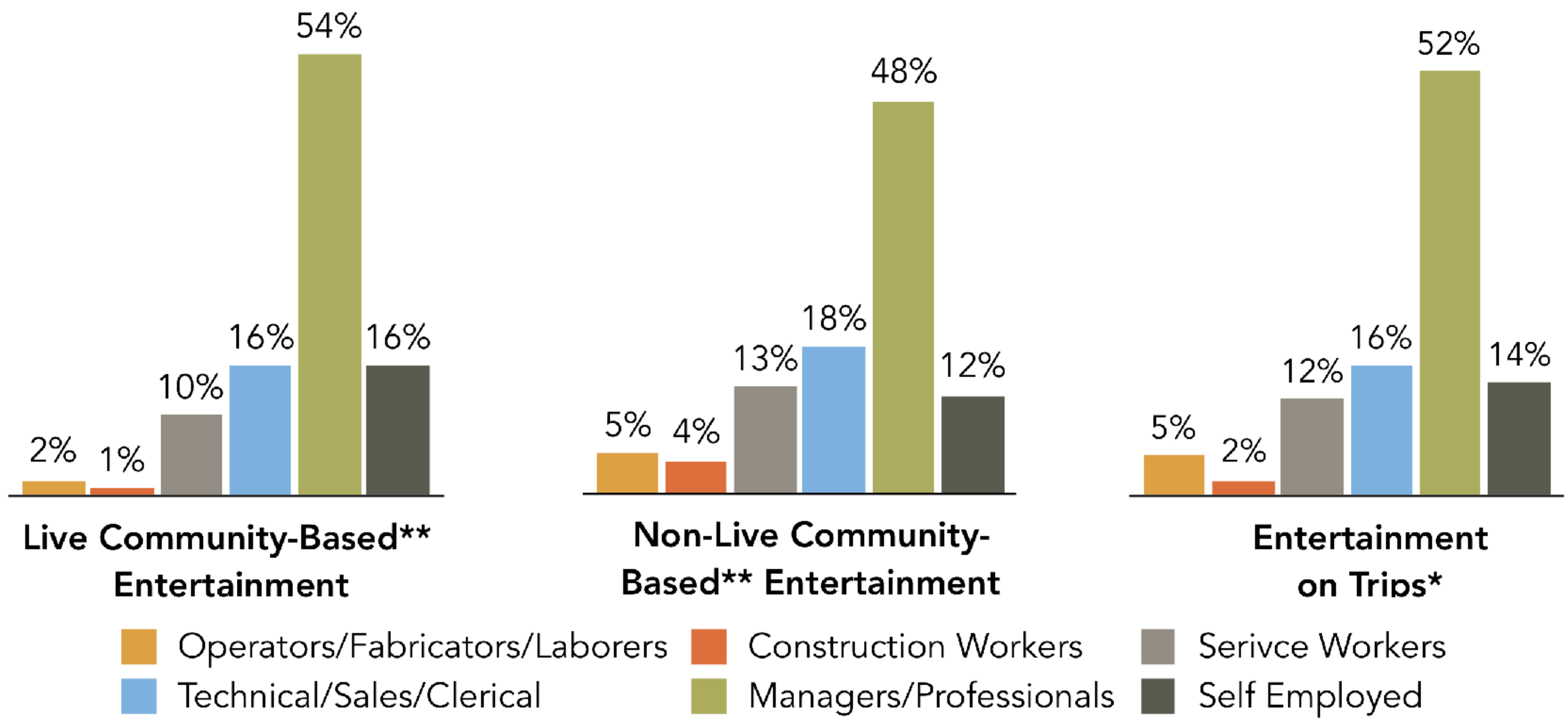
The gentrification of OOH entertainment & arts



Source: American Time Use Survey

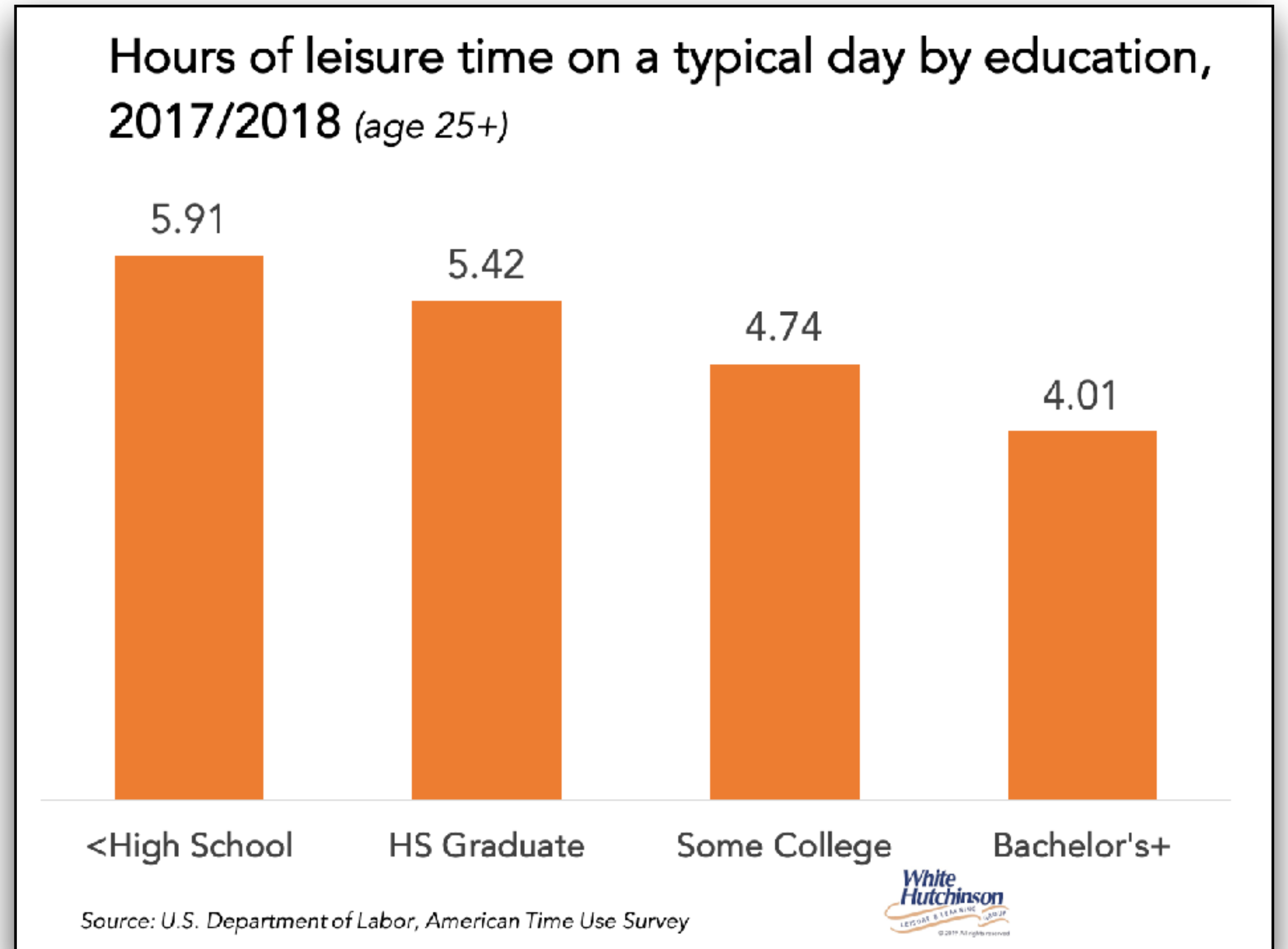
The gentrification of OOH entertainment & arts

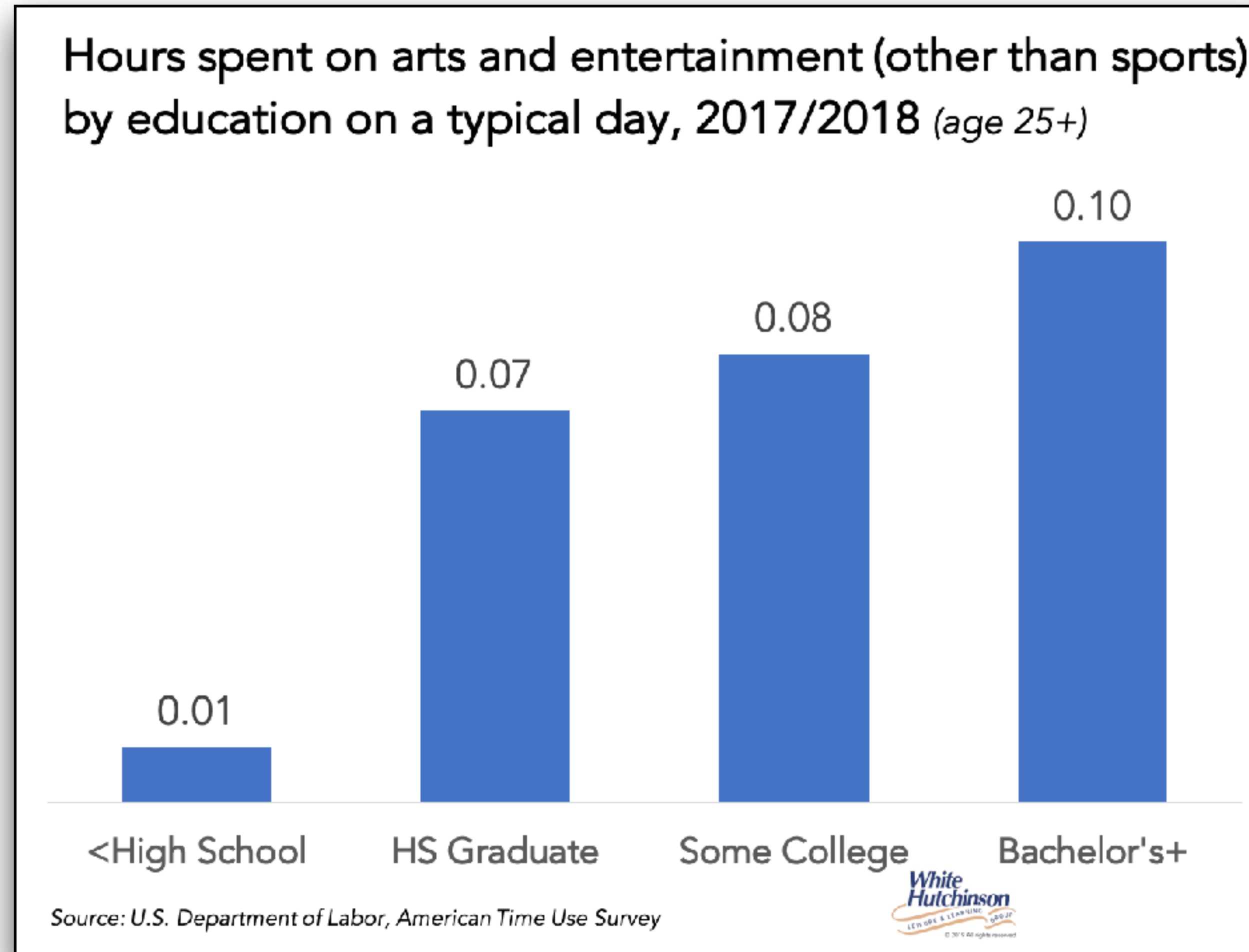
Share of spending by employed households* on select types of out-of-home entertainment & arts by occupation, 2016/2017



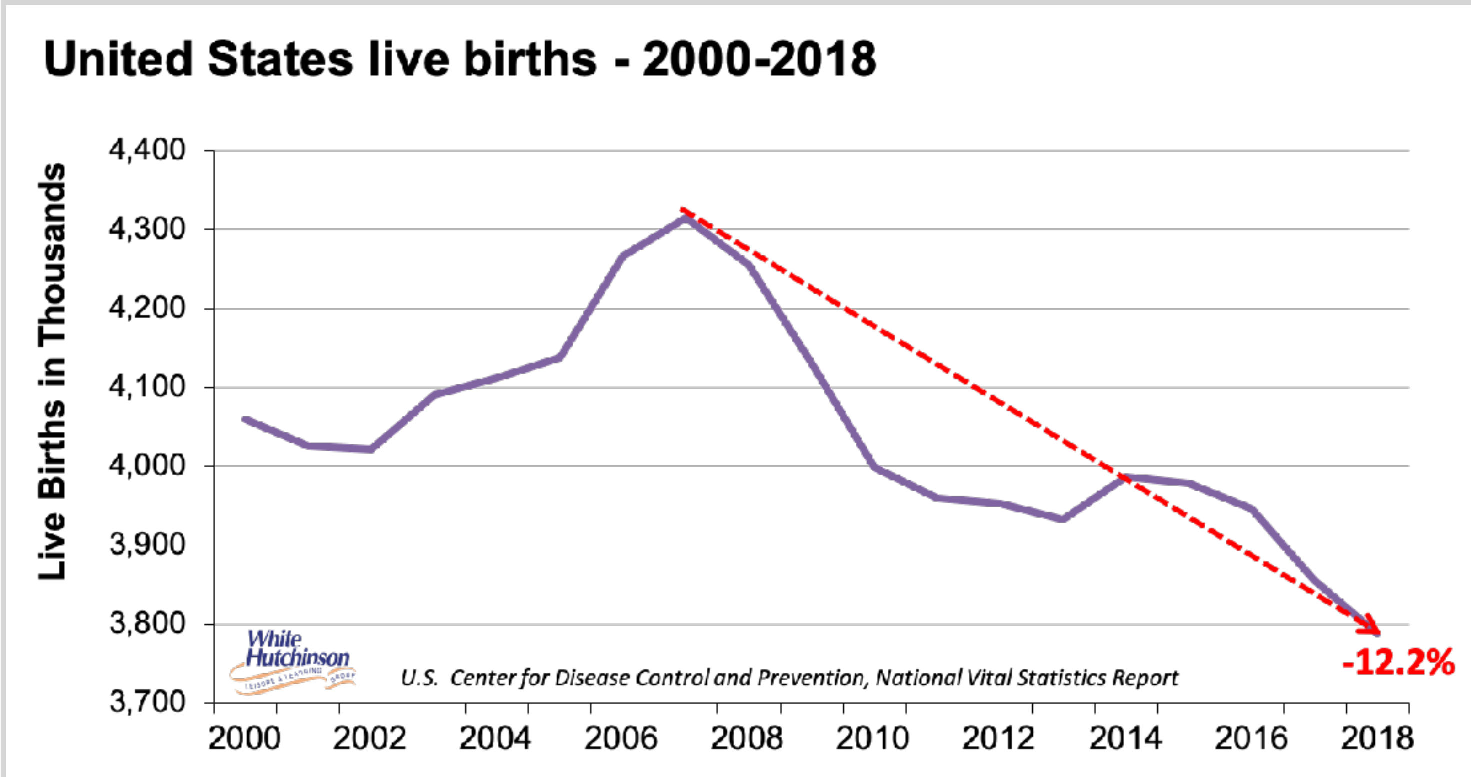
* Excludes retired and unemployed households
**Community entertainment is defined as all entertainment & arts within 50 miles and not during an overnight stay.
On trips is defined as entertainment & arts more than 50 miles away and/or during an overnight stay.
Source: U.S. Department of Labor, Consumer Expenditure Survey

The gentrification of OOH entertainment & arts

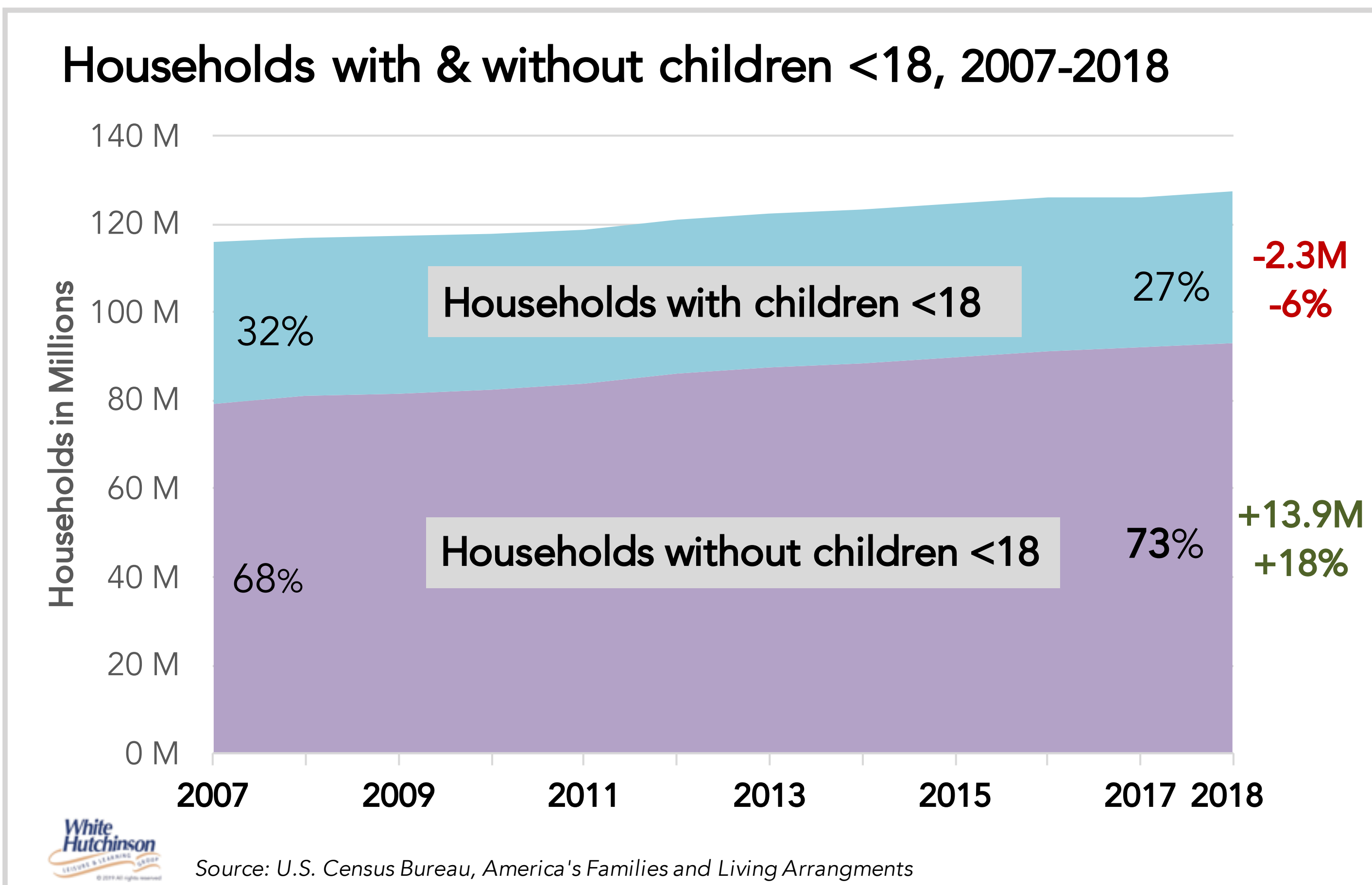




Other trends impacting OOH entertainment & arts

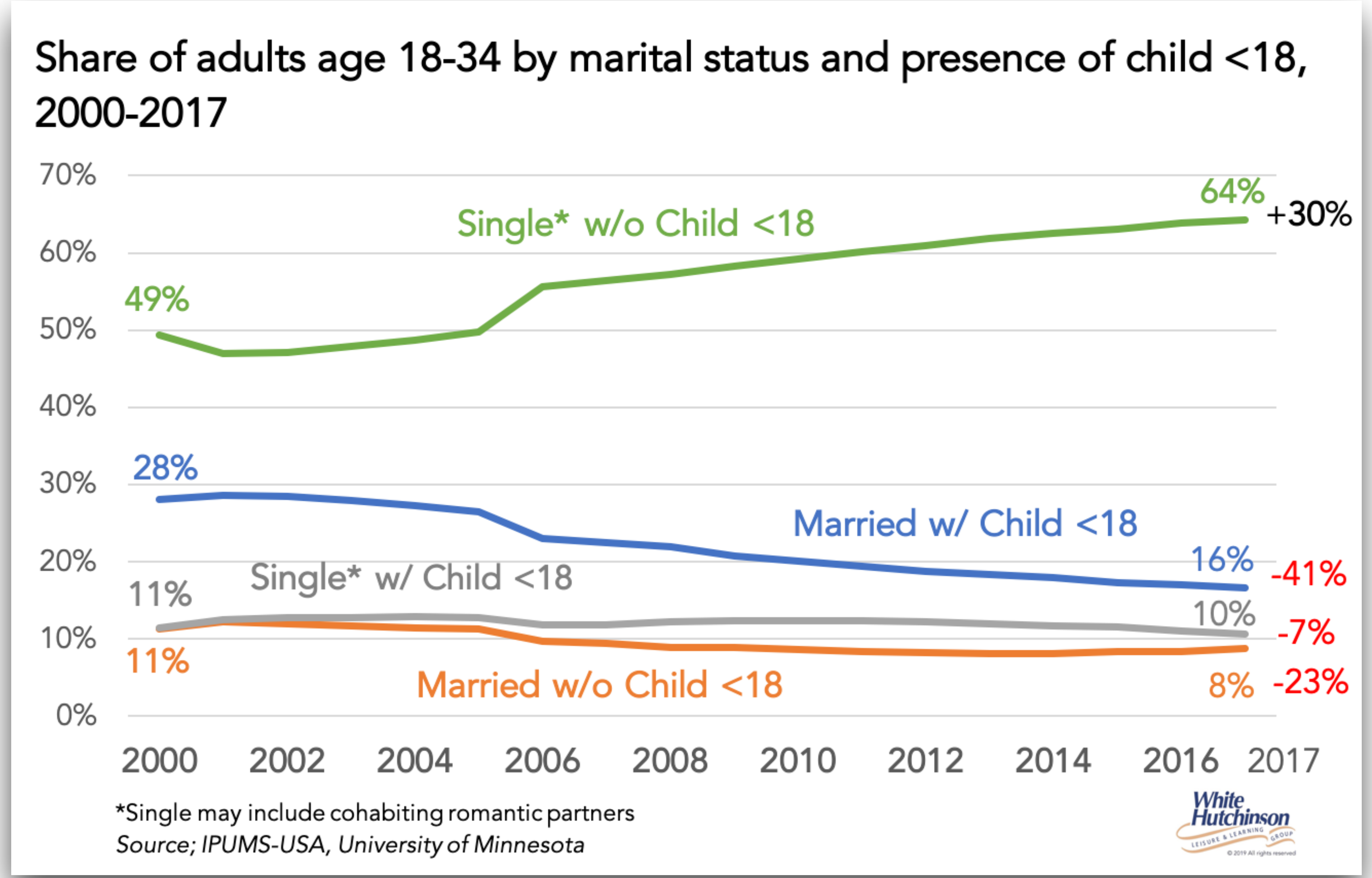


United States live births - 2000-2018
Live Births in Thousands
4,400
4,300
4,200
4,100
4,000
3,900
3,800
3,700
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
-12.2%
White Hutchinson
U.S. Center for Disease Control and Prevention, National Vital Statistics Report



Households with & without children <18, 2007-2018
Households in Millions
140 M
120 M
100 M
80 M
60 M
40 M
20 M
0 M
2007
2009
2011
2013
2015
2017 2018
32%
Households with children <18
27%
-2.3M
-6%
68%
Households without children <18
73%
+13.9M
+18%
White Hutchinson
Source: U.S. Census Bureau, America's Families and Living Arrangments

KGOY


Share of adults age 18-34 by marital status and presence of child <18, 2000-2017
70%
60%
50%
40%
30%
20%
10%
0%
Single* w/o Child <18
49%
64%
+30%
28%
Married w/ Child <18
16%
-41%
Single* w/ Child <18
11%
10%
-7%
11%
Married w/o Child <18
8%
-23%
2000
2002
2004
2006
2008
2010
2012
2014
2016
2017
*Single may include cohabiting romantic partners
Source; IPUMS-USA, University of Minnesota
White Hutchinson
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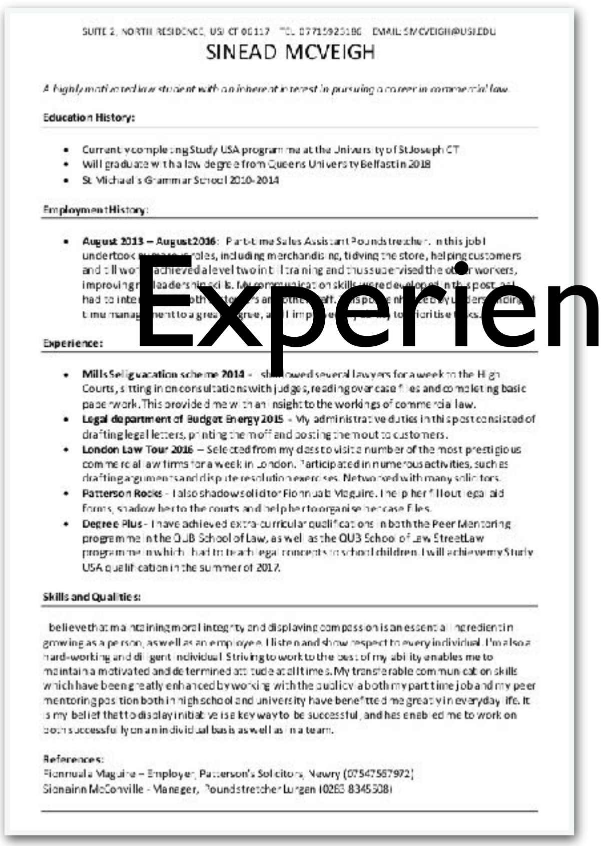
Conspicuous Consumption of Leisure Time

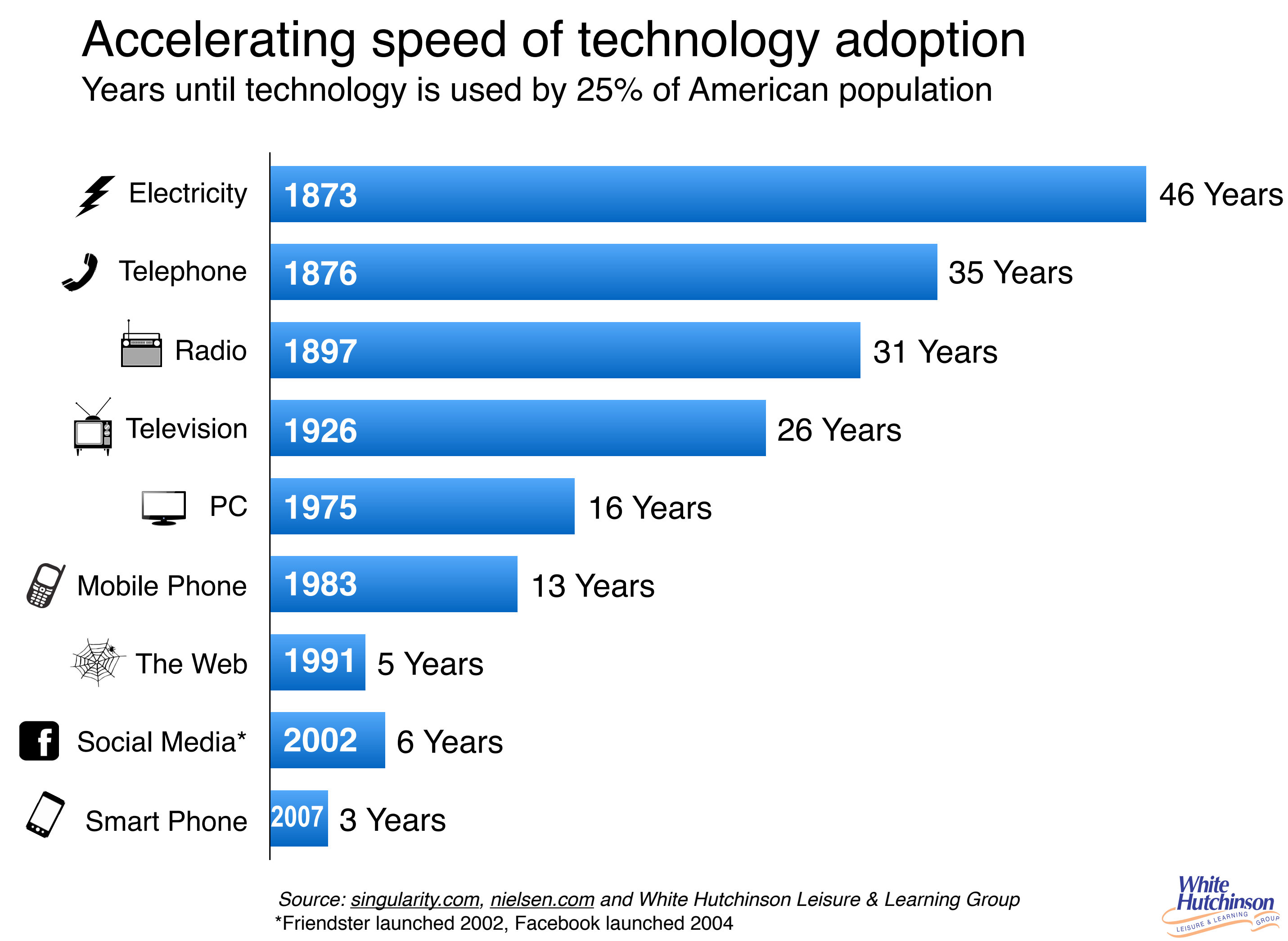
Instagram

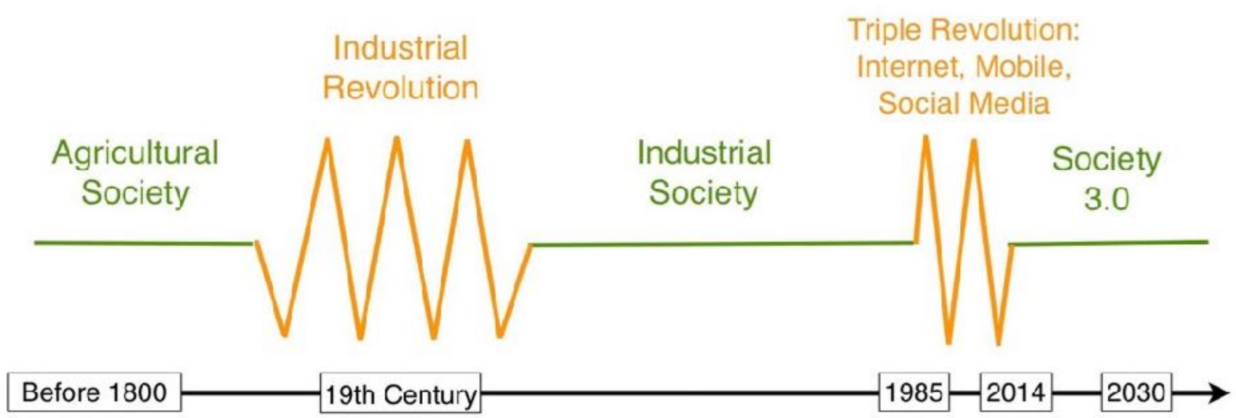


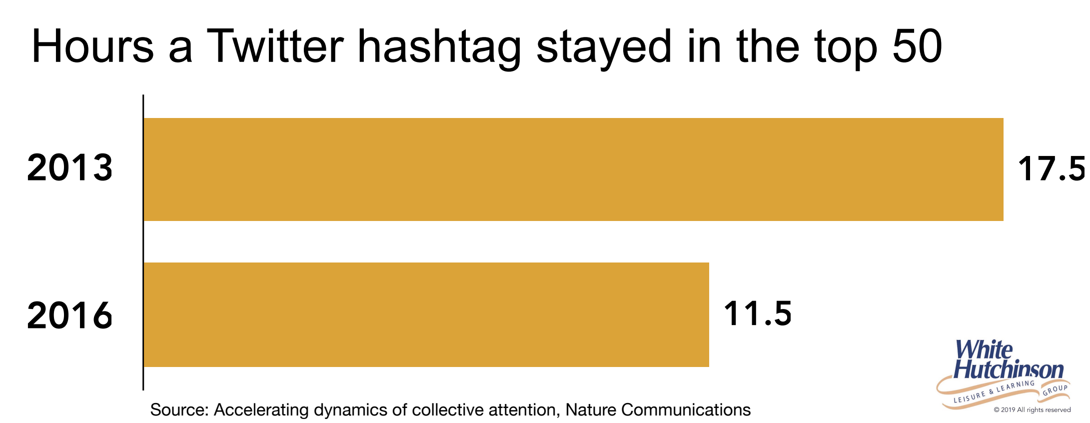
Experiential CV

Social Capital

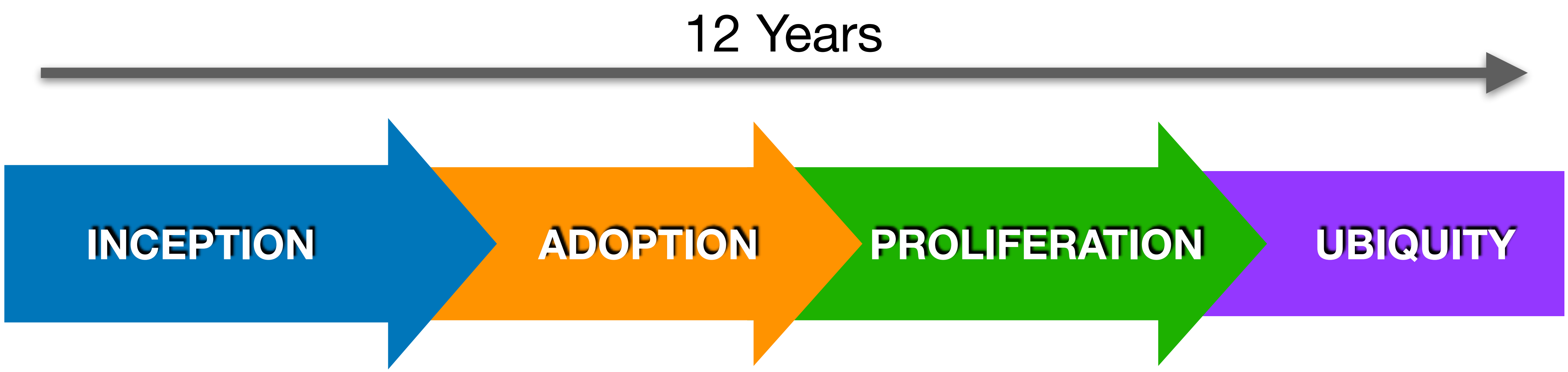
Social Acceleration



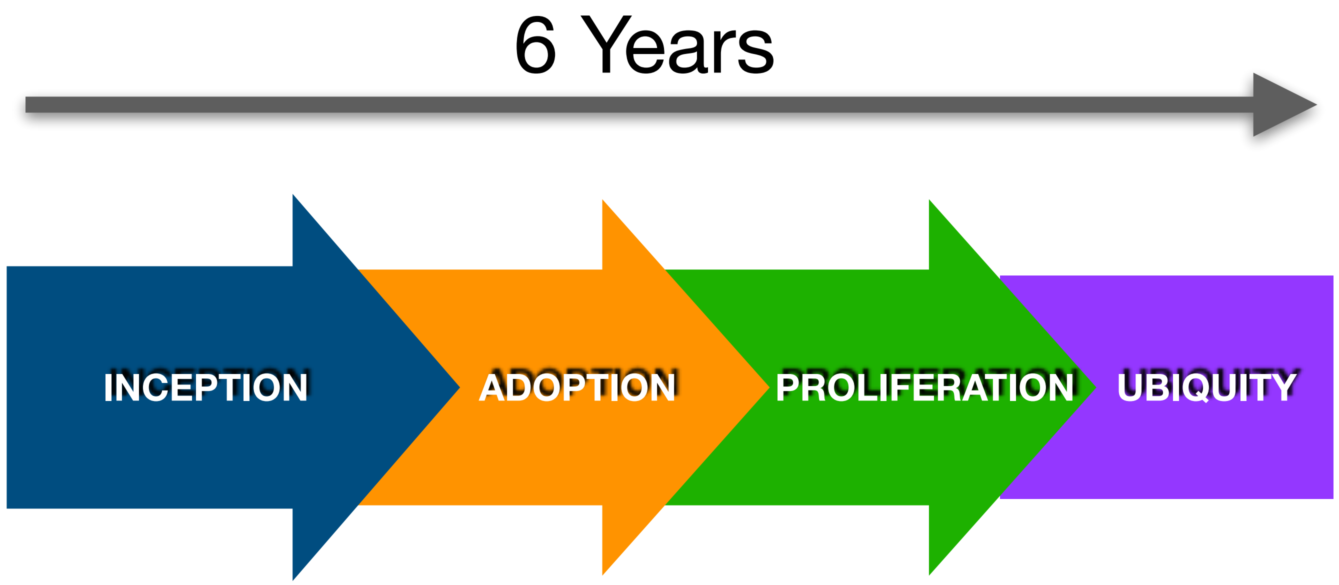




Menu Adoption Cycle

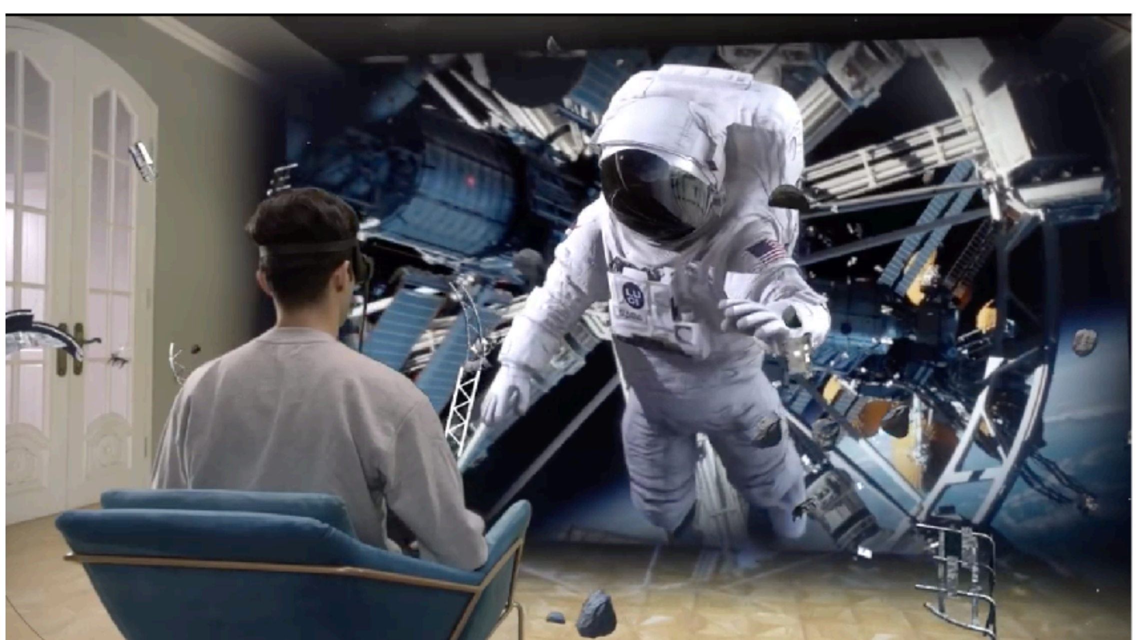


Menu Adoption Cycle



disruption

VR the new opiate?



Virtual Reality

When it matures, VR will allow us to spend time with anyone in any location doing whatever we like for as long as we like. . . Why live in the real world with real, flawed people when you can live in a perfect world that feels just as real?

Adam Adler - *Irresistible*

Types of OOH entertainment venues

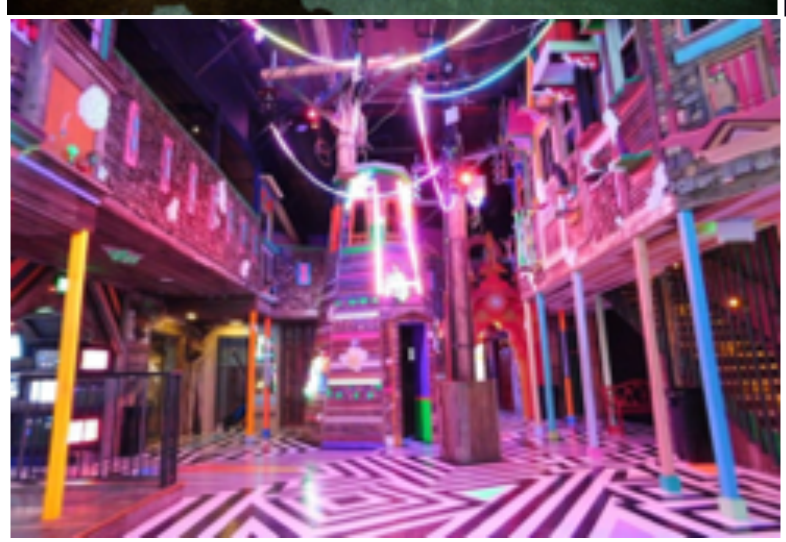
- Eatertainment - *Dave & Buster's, Chuck E. Cheese's*
- Family Entertainment Center - *Main Event*
- Participatory Social Eatertainment - *Punch Bowl Social, Pinstripes, Top Golf, Flight Club,* boutique bowling, mini golf & cocktails, axe throwing
- Escape rooms
- Arcade bars
- Children's entertainment/play cafes
- Trampoline centers/adventure parks
- Indoor karting
- Entertainment in retail, grocery, museums, churches, etc.
- Agritainment
- Hybrids

Agritainment

Artainment

Shark Park
NYC

Meow Wolf
Santa FE
Phoenix
Las Vegas



CAN CAN WONDERLAND

Wineries and breweries

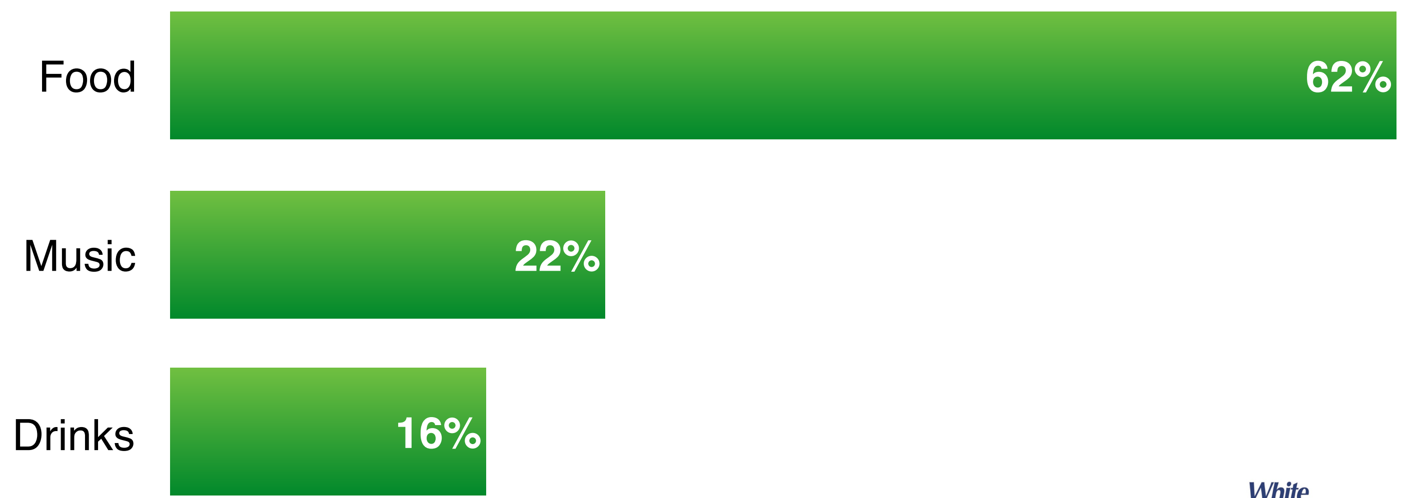
Wall Street Journal, 9/9/2019

Multi-species social entertainment

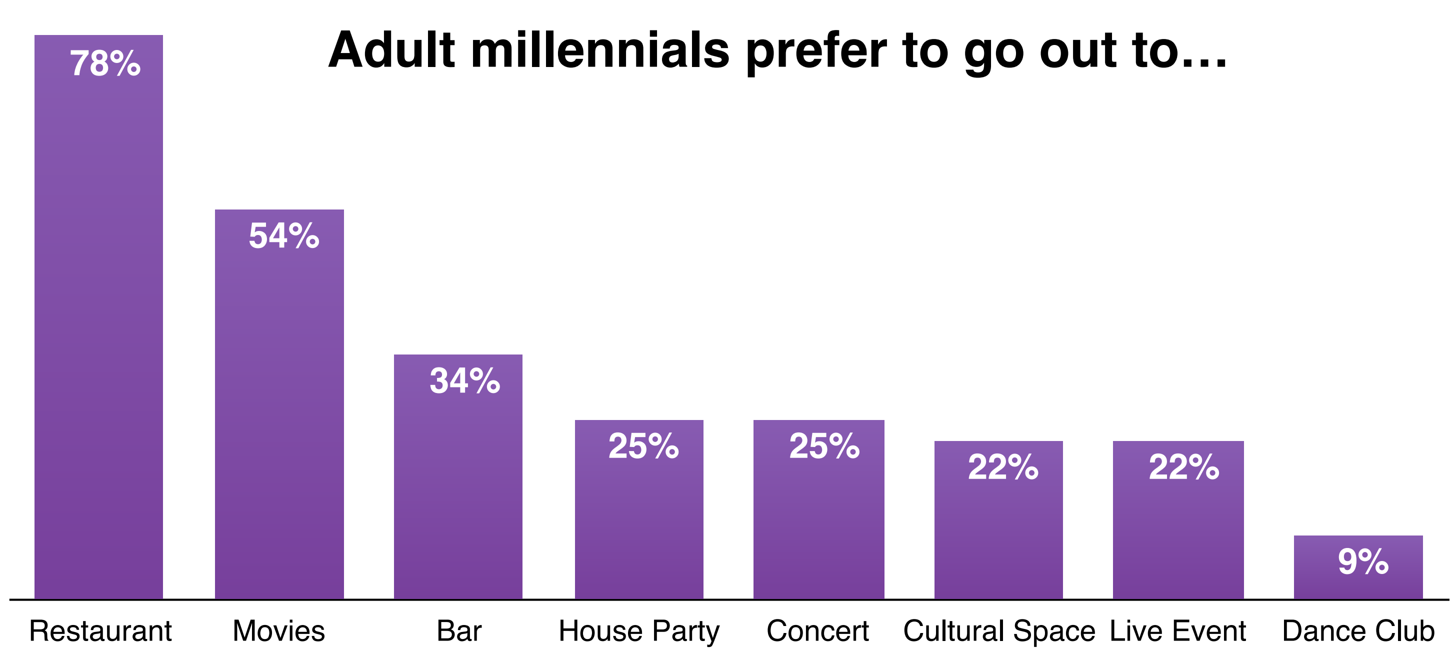
Dog-friendly shopping & entertainment

Food & drink is now considered entertainment

For adult millennials, a good night out is more about the…



Source: YPulse



Source: Ypulse

OOH entertainment business model trends

Most of today's centers are copies of where the puck was in the past, not where it will be in the future

The 5 OOH Entertainment Target Markets

- At-home moms with children infant to age 5
- Young children $\leq$7/8 accompanied by their parents
- Family: generally children 5-12 years with their parents
- Tweens and teenagers attending as a group, not as part of a family
- Adults, generally 25-54, but some older

The 5 OOH Entertainment Target Markets

- At-home moms with children infant to age 5
- Young children ≤ 7/8 accompanied by their parents
- Family: generally children 5-12 years with their parents
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- Adults, generally 25-54, but some older

#4 is not compatible with the other four, especially indoors

Legacy OOH entertainment business model

There's an OOH entertainment venue bubble on the horizon

Out-of-home entertainment/leisure is a zero-sum game for both:


Escape Rooms
Adventure Parks
Artainment
Science Centers
Distilleries
Retail-tainment
Traveling Exhibits
TopGolf
Brand Museums
Bar Arcades
Pop up Museums
Wineries
Casinos
Water Parks
Dinner Theater
Pumpkin Patches
Live Music Venues
Aquatic Centers
eSports Arenas
eSport Lounges
Virtual Reality
Museums
State Fairs
Exhibits
Grocerant-tainment
Consumer Shows
Paintball Centers
Mini Golf
Galleries
Karaoke Bar
Arcade
FECs
Mall Shows
Corn Maze
Art
BECs
Sports Events
Botanical Gardens
Axe-Throwing Centers
Carnivals
iFly
Haunts
Cinemas
Aquariums
Air Shows
Zoos
Parades
Museum-tainment
Theme Parks
Cultural Music, Plays & Dance
Laser Tag Centers
VR Free Roam Arenas
Trampoline Centers
Competitive Socializing
Circuses
Festivals
Ropes Courses
Extreme Sports Parks
Live Music & Concerts
Eatertainment
Brewery & Winery Tours
Dogtainment
Climbing Centers
Zip Lines
Fairs
Agritainment
Beer Hall-Game Parlor
Cocktails & Mini-Golf
Rodeos
Breweries
White Hutchinson Leisure & Learning Group
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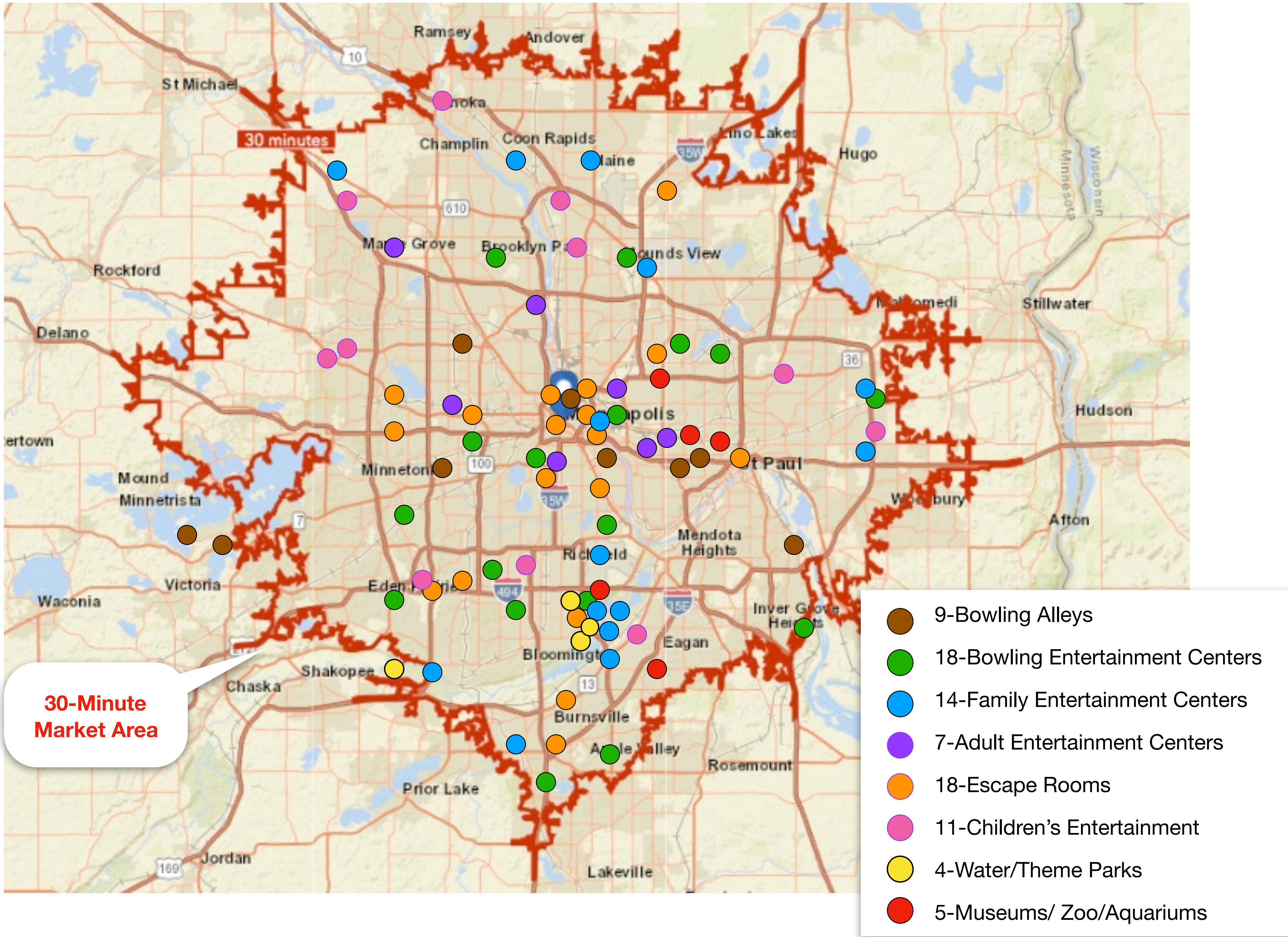
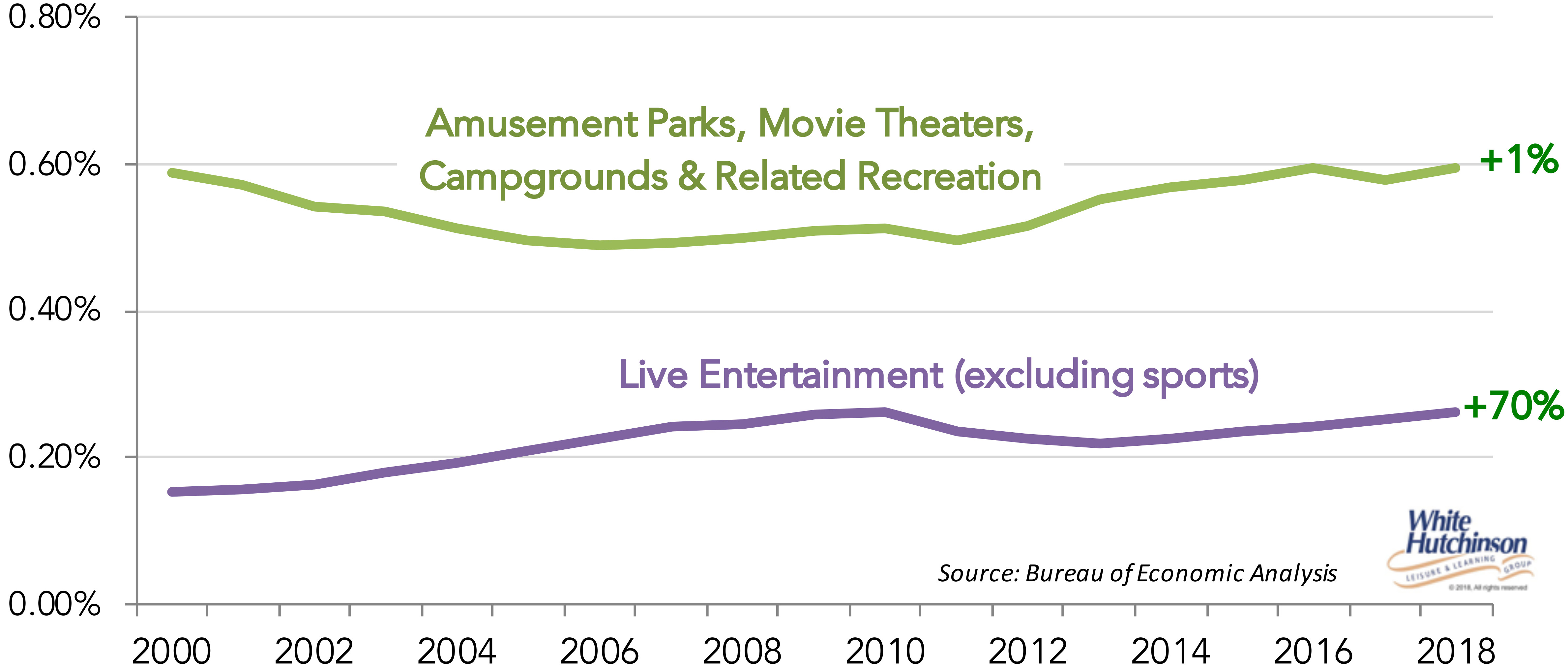
Minneapolis/St Paul OOH Entertainment Options

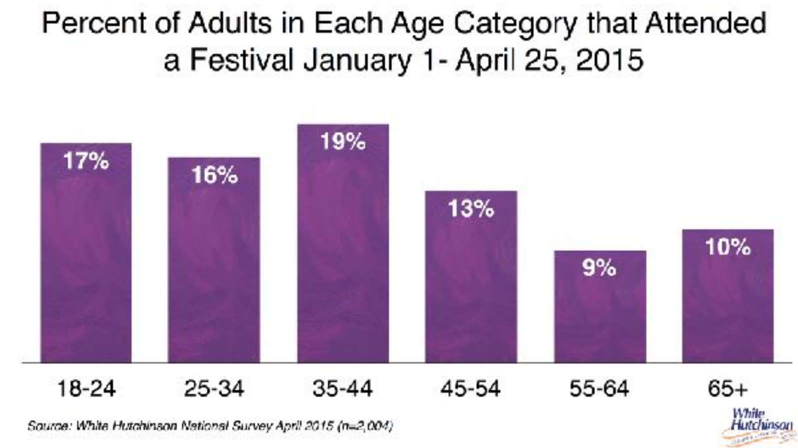


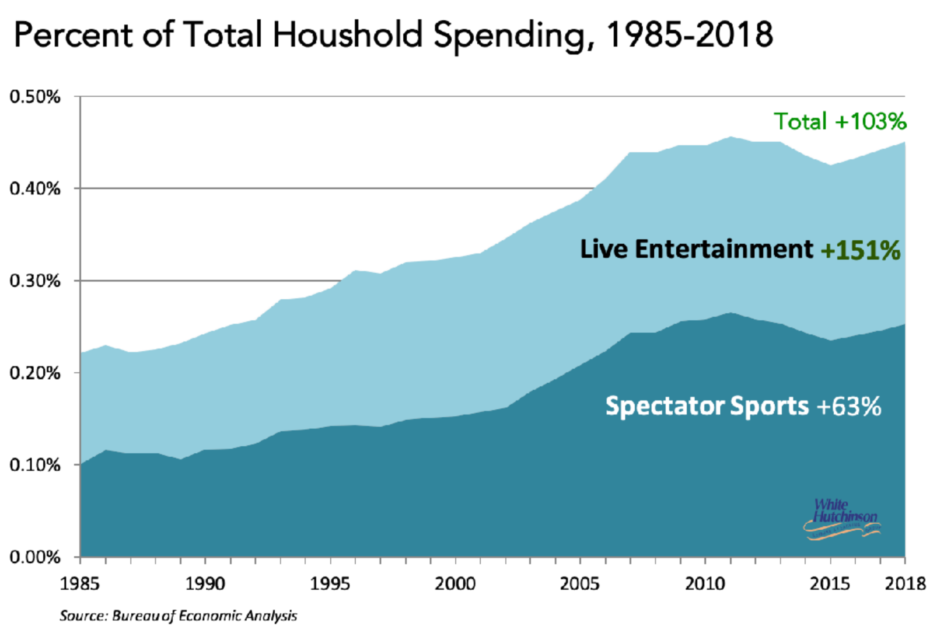
Can Entertainment Help Save Shopping Centers and Malls?

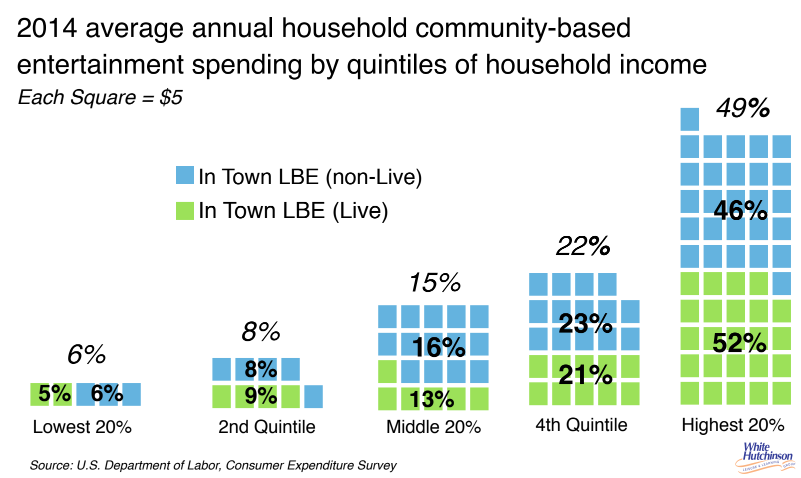
Percent of all consumer spending on select activities, 2000-2018



Live, Limited- & One-Time Events







Kansas City Festivals Memorial Day thru Labor Day 2019

May 2019
- Tumbleweed Music Festival
- Festa Italiana
- KCPrideFest
- Prairie Village Art Show

June 2019
- Enchanted Faire
- Jesse James Wine & Brew Festival
- KC Summer Brew Fest
- Levee Fest
- Party on the Prairie
- Strawberry Festival
- Westport Community Festival
- Heartland Yoga Festival
- Old Shawnee Days
- Downtown Days Festival-Lees Summit
- Greek Festival
- Sugar Creek Slavic Festival
- VegFest KC
- Dragon Boat Festival
- Festival on the Trails
- Gladstone Summertime Bluesfest
- Juneteenth Celebration
- Outpace Poverty Family Festival
- Soul Yoga Fest
- Heart of America Shakespeare Festival
- Arts in the Park Artist and Maker Festival
- Boulevardia
- Frontier Days
- Antique Festival
- Brew-B-Que Kansas City
- SummerFest
- Wine Festival
- Future Stages Festival
- Food. Art. Drink
- Great Lenexa BBQ Battle
- Kansas City LGBT Film Festival
- Waterfest
- Fiesta Filipina
- Maker Faire
- KC BassFest
- Lights on the Lake
- Parkes! Music, Food Trucks and Fireworks!
- Booms & Blooms
- Crossroads Beer Fest
- Freedom Fest
- Kansas City Kansas Street Blues Festival
- Kansas City Folk Festival
- TinyFest Midwest
- Briarfest
- Grand Carnivale
- Sesame Street Festival
- Baby Love, Baby Fair
- Lights on the Lake
- Parkes! Music, Food Trucks and Fireworks!
- Booms & Blooms
- Crossroads Beer Fest
- Freedom Fest
- Kansas City Kansas Street Blues Festival
- Kansas City Folk Festival
- TinyFest Midwest
- Briarfest

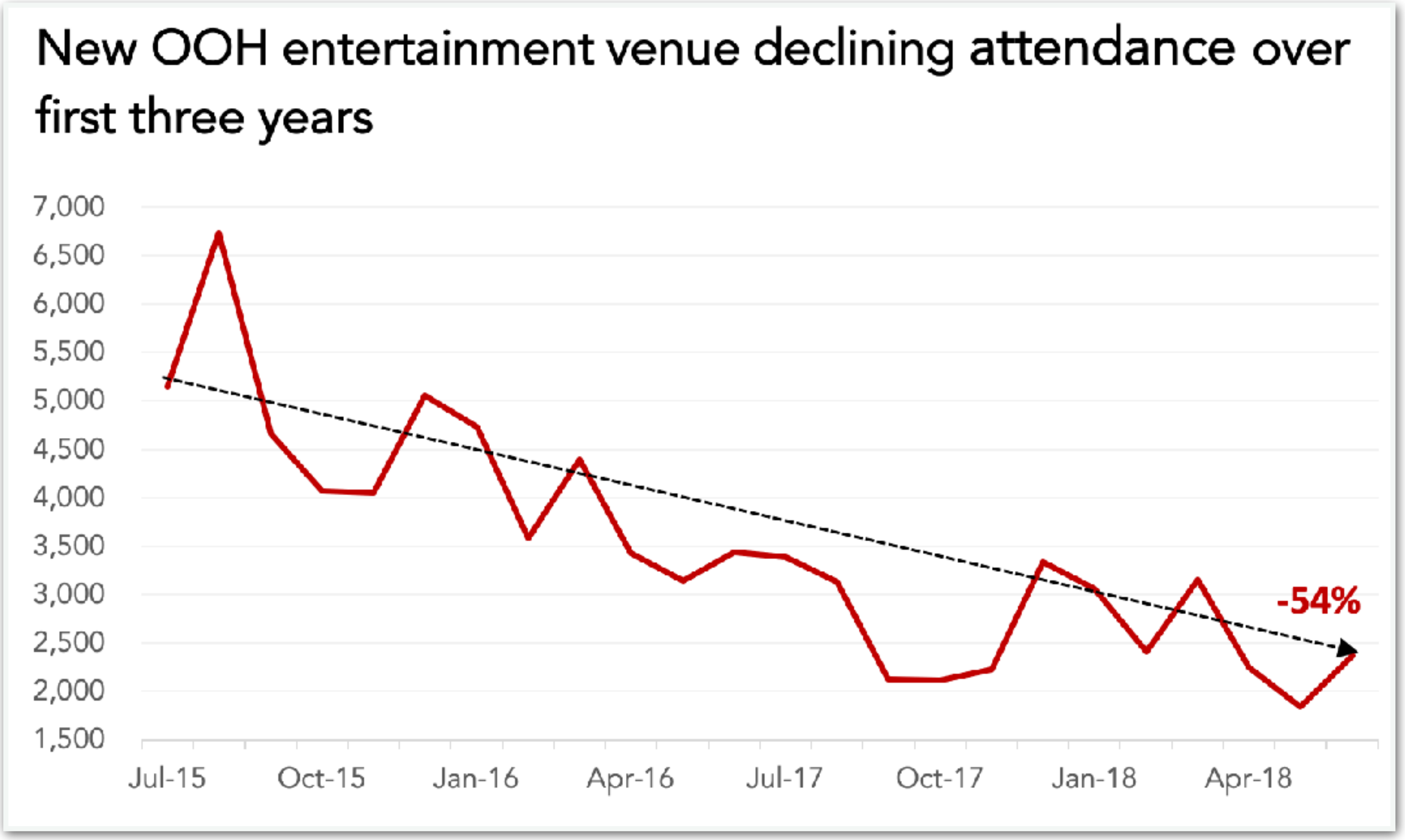
July 2019
- Tails on the Trails Pet Festival
- Sesame Street Festival
- Water Lantern Festival
- Parkville 4th of July Carnival
- Independence Day at Missouri Town 1855
- KC Riverfest
- Village Fest
- Wyandotte Country Fair
- Salut! A festival of Wine and Food
- Teddy Bear Picnic
- Binham-Waggoner Antique and Craft Fair
- KC Taco Fest
- KC Fringe Festival
- Cass County Fair
- Amelia Earhart Festival
- Kansas City's Reggae Music & Jerk Festival
- Kansas City's Big Picnic
- Miami County Fair
- Platte County Fair
- Festival of Butterflies
- Heartland Chamber Music Festival
- Johnson County Fair
- The Great Car Show

August 2019
- Hip Hops Hooray Beer Festival
- Atchison County Fair
- Heart of America Hot Dog Festival
- UNICO Microbrew Festival
- Summer Swing
- Kansas City Improv festival
- Ethnic Enrichment Festival
- Croatian Festival
- Future Fields Festival
- Tiblow Days
- Mission Sunflower Festival
- Parkville Days
- Roots Festival
- Block Party
- Raytown Arts & Music Festival
- Universal Film Festival
- India Fest
- De Soto Days Festival
- Kansas City Irish Fest
- Santa CaliGon Days
- Kansas City Renaissance Festival
- Johnson County Old Settlers
- Brickworld
- KC Zoot Suit Festival
- KidFest

Loss of repeat appeal

Hedonic adaptation

same old, same old
been there, done it
accelerated obsolescence



The fidelity trade-off

HIGH
FIDELITY

Fidelity
Belly

High
Convenience

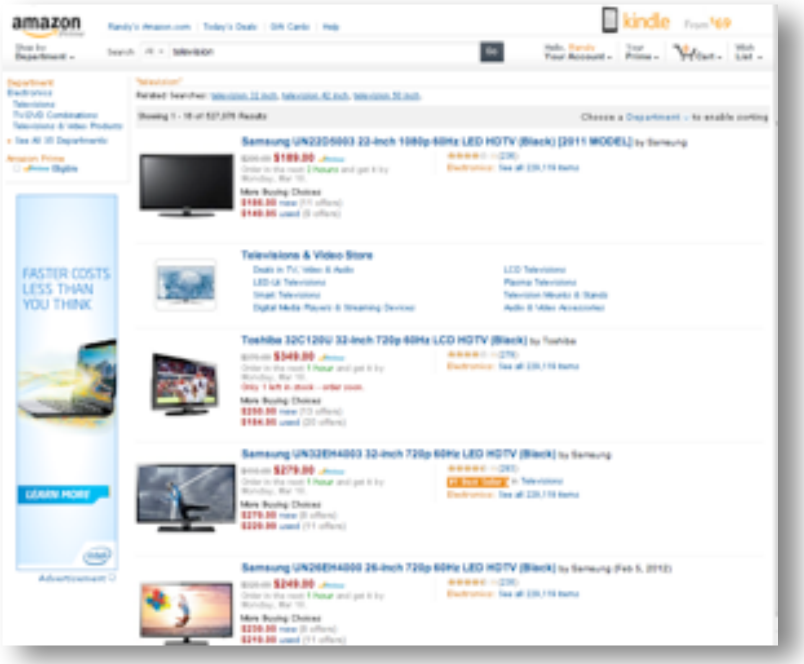
Consumers make decision based on two key dimensions:

✓ Fidelity – Quality of the experience
✓ Convenience – Ease of access in time, money & effort

Trade off - the fidelity swap

NORDSTROM

amazon.com



Fidelity ⟷ **Convenience**

Quality of the Experience — Ease of Getting & Paying

Trade off - the fidelity swap

Fidelity
Quality of the Experience

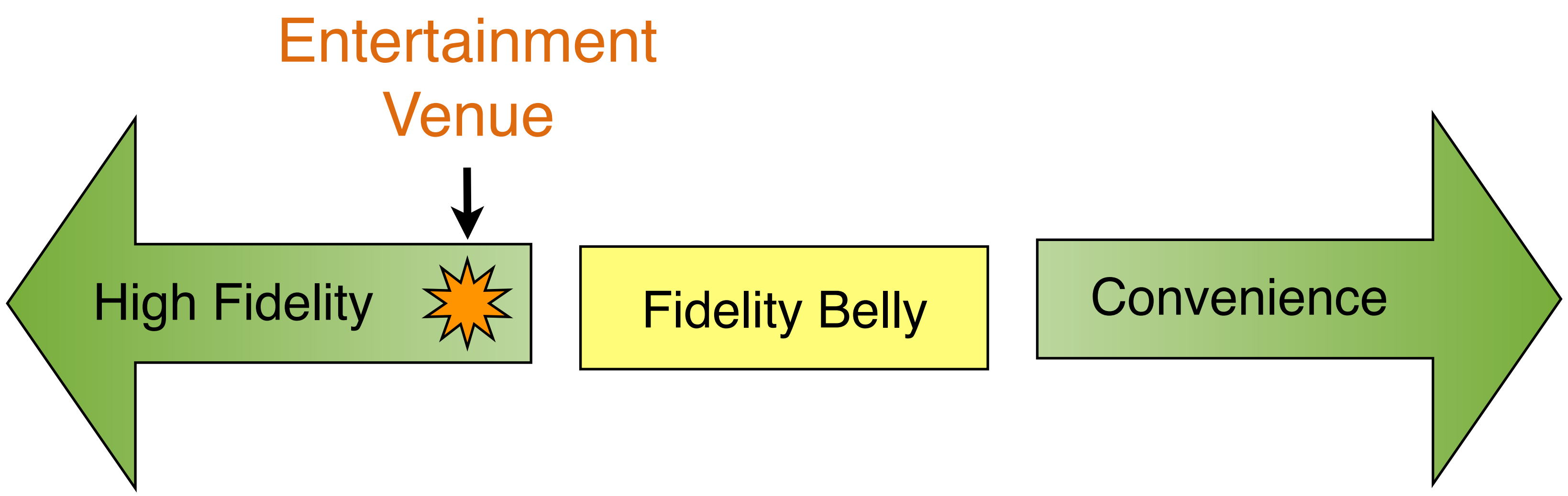
Convenience
Time & Ease of Getting & Paying

Trade off - the fidelity swap

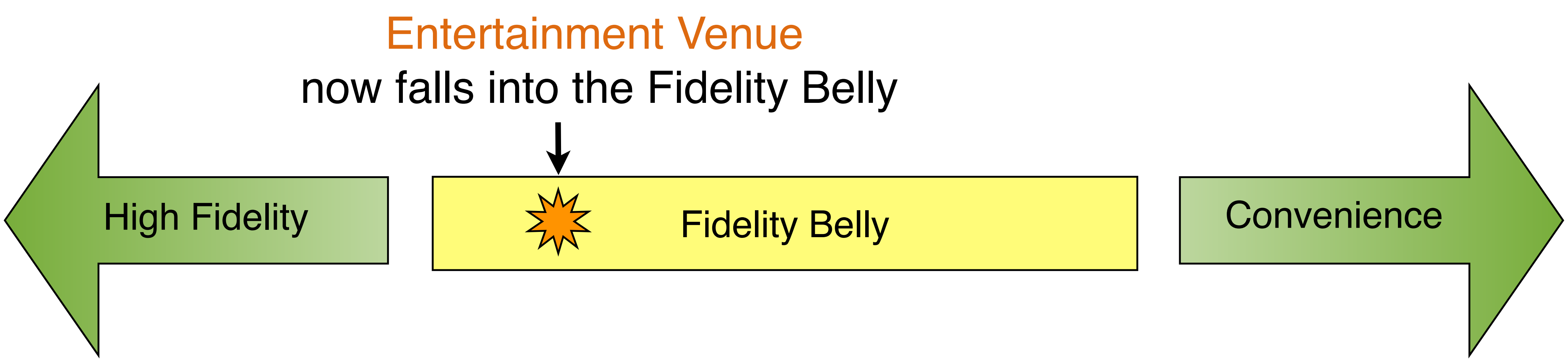
Fidelity
Quality of the Experience

Convenience
Time & Ease of Getting & Paying

A Business is considered High Fidelity



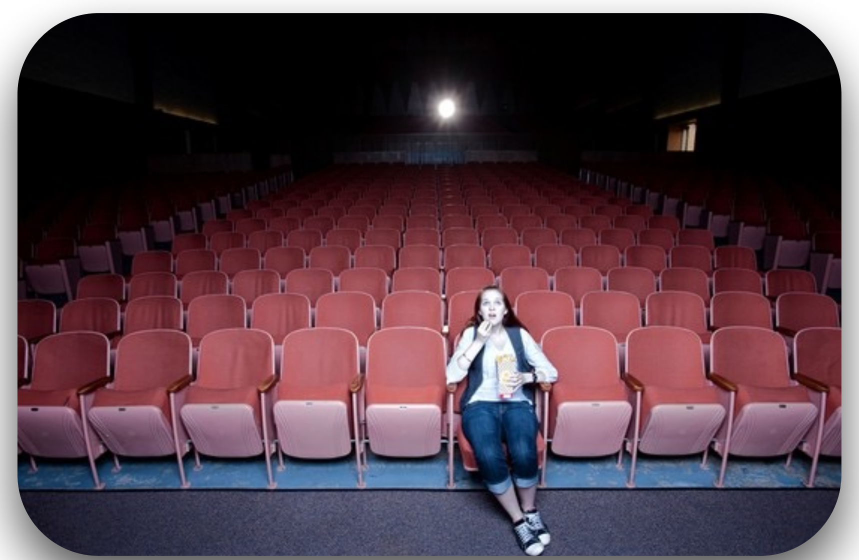
Over time technology moves the boundaries



The fidelity trade-off

High Fidelity   Convenient

Non-Stadium Seating	B&W TV

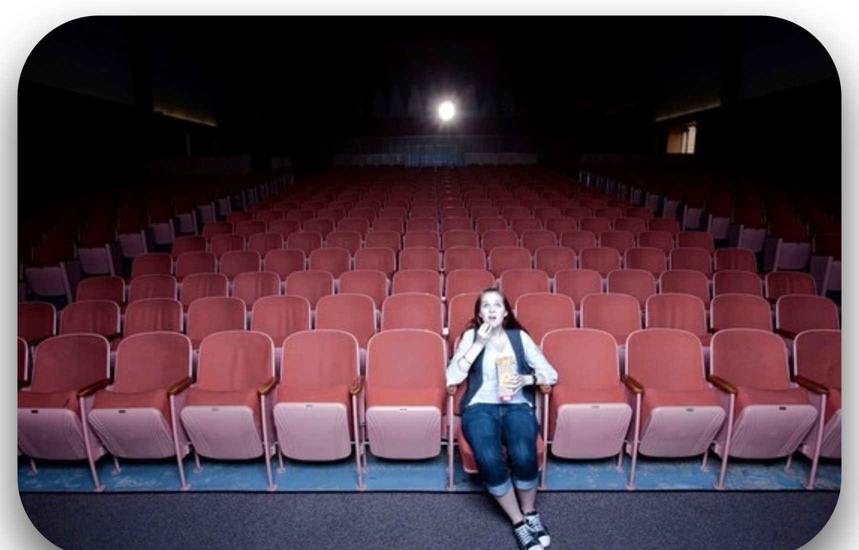


The fidelity trade-off

High Fidelity Convenient

Non-Stadium Seating

B&W TV



The fidelity trade-off

High Fidelity | Fidelity Belly | Convenient

Non-Stadium Seating

B&W TV

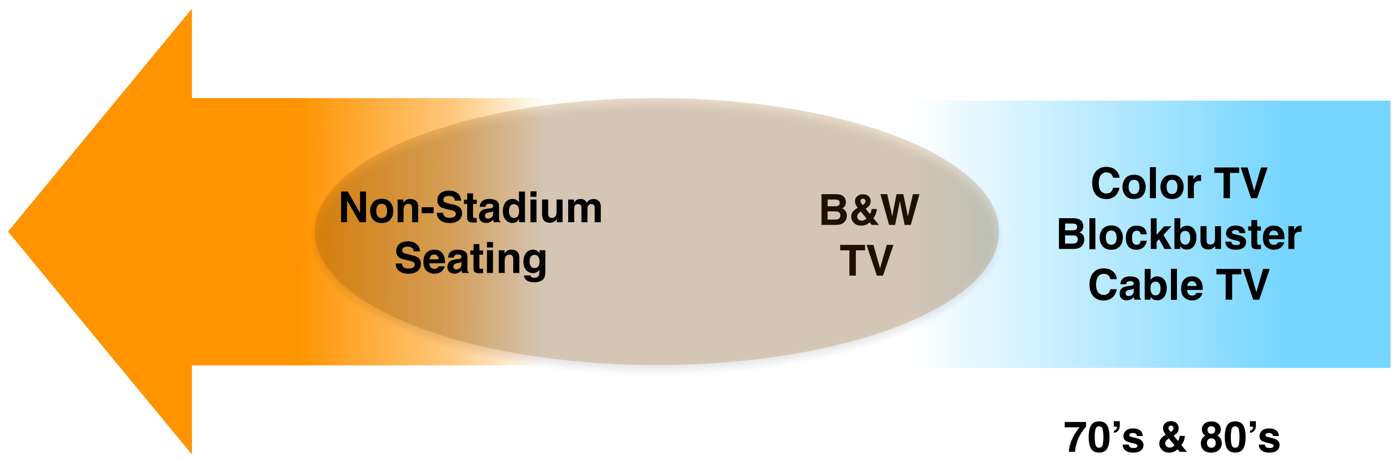
Color TV
Blockbuster
Cable TV

70's & 80's

BLOCKBUSTER VIDEO®

The fidelity trade-off

High Fidelity Fidelity Belly Convenient



70's & 80's

The fidelity trade-off

High Fidelity | Fidelity Belly | Convenient

Stadium Seating

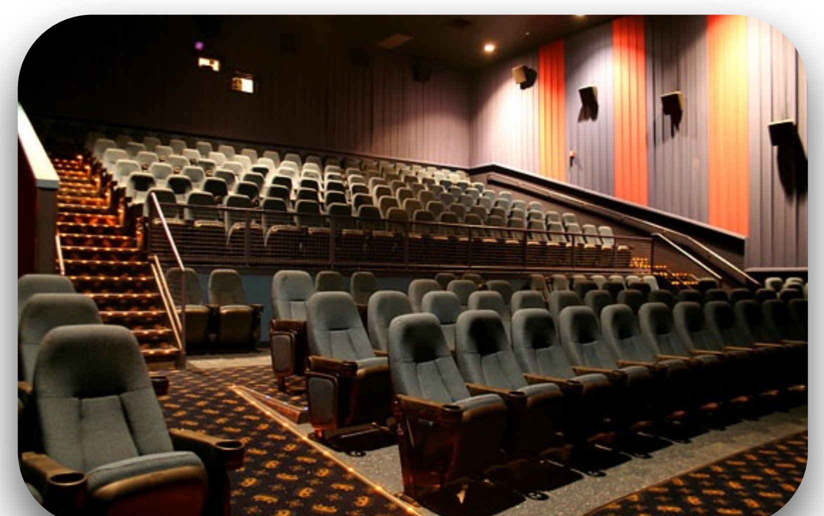
Non-Stadium Seating

B&W TV

Color TV
Blockbuster
Cable TV

90's

70's & 80's



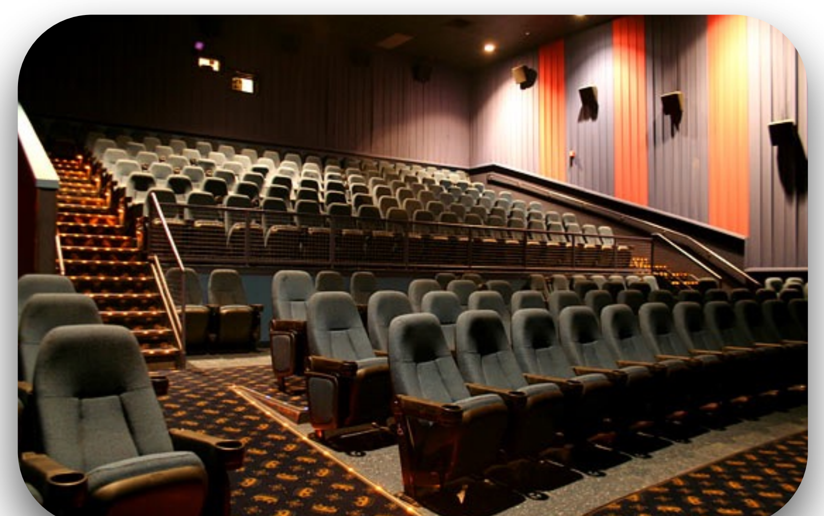
The fidelity trade-off

High Fidelity | Fidelity Belly | Convenient

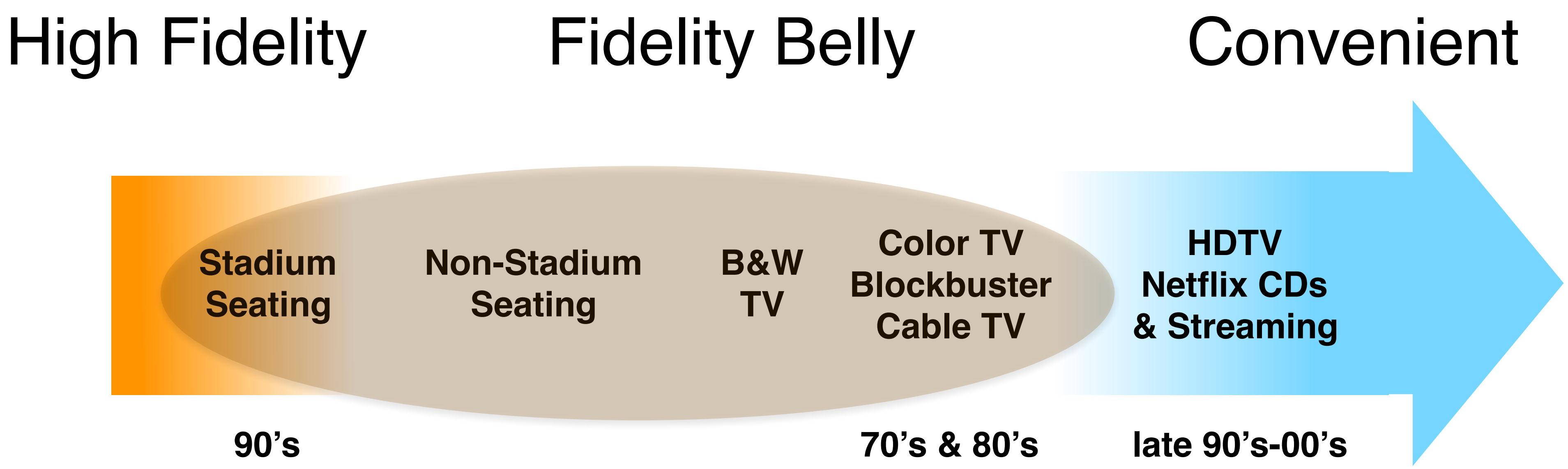
Stadium Seating	Non-Stadium Seating	B&W TV	Color TV Blockbuster Cable TV

90's

70's & 80's



The fidelity trade-off



The fidelity trade-off

High Fidelity | Fidelity Belly | Convenient

Stadium Seating
Non-Stadium Seating
B&W TV
Color TV Blockbuster Cable TV
HDTV Netflix CDs & Streaming

90's
70's & 80's
late 90's-00's

The fidelity trade-off

High Fidelity | Fidelity Belly | Convenient

IMAX
Digital
Food & Alcohol
Plush Seating

Stadium Seating

Non-Stadium Seating

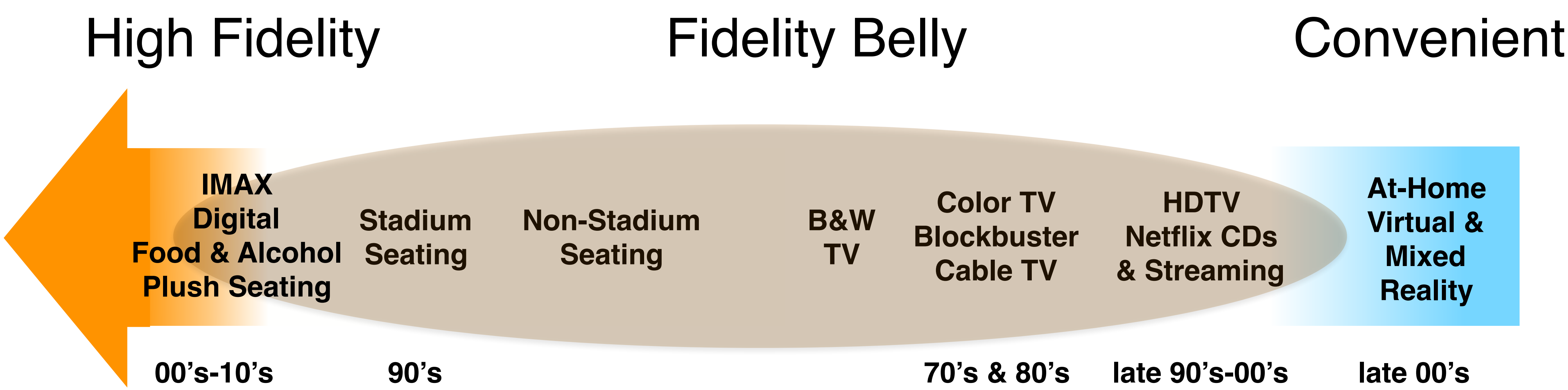
B&W TV

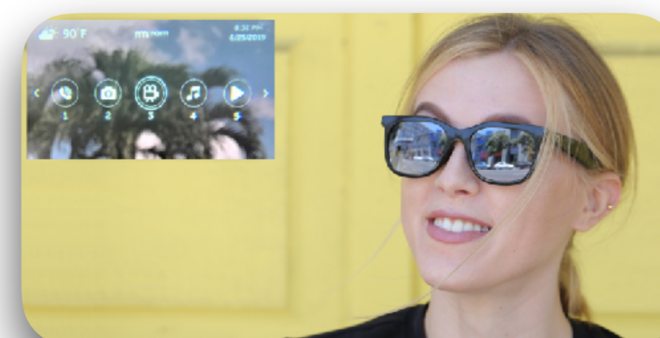
Color TV
Blockbuster
Cable TV

HDTV
Netflix CDs
& Streaming

00's-10's | 90's | 70's & 80's | late 90's-00's

The fidelity trade-off

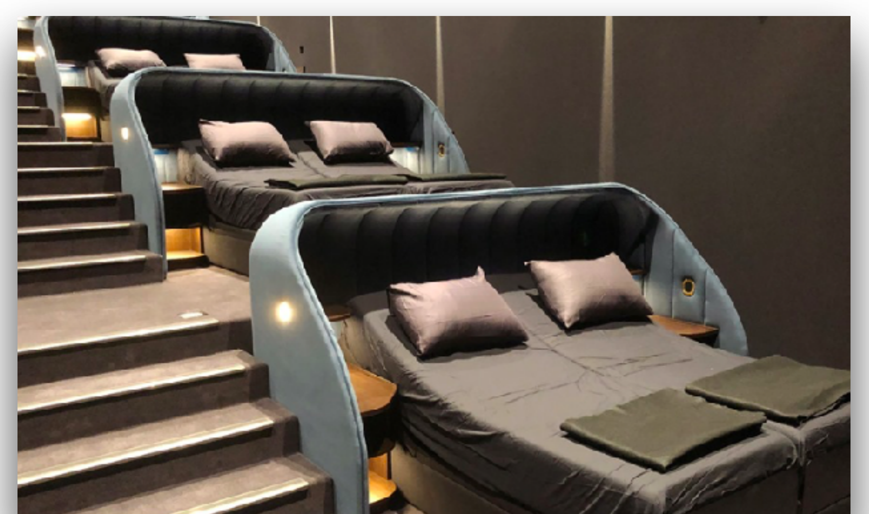




The fidelity trade-off

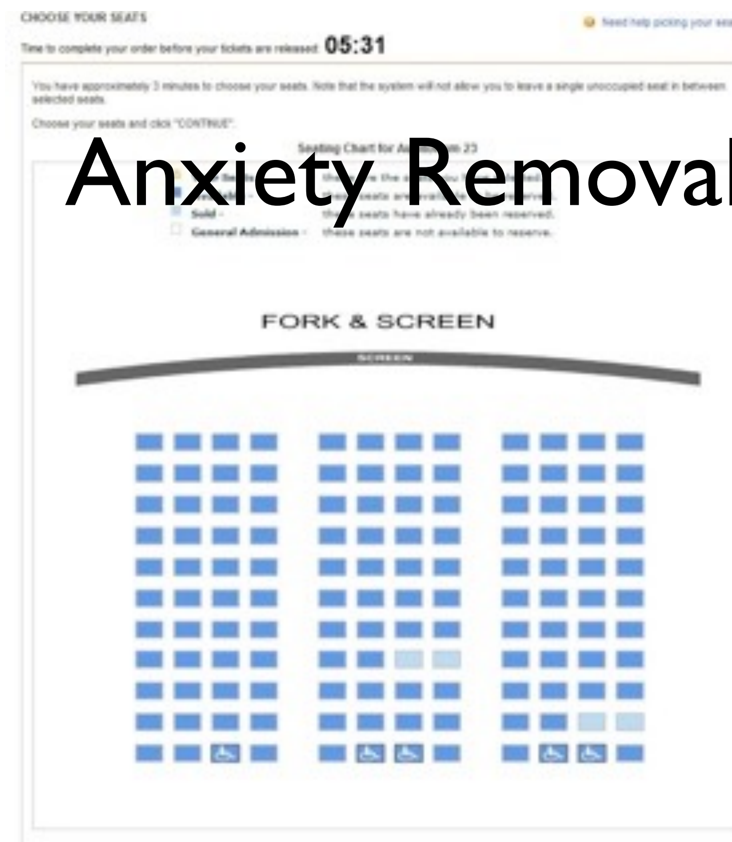
High Fidelity | Fidelity Belly | Convenient

?	IMAX Digital Food & Alcohol Plush Seating	Stadium Seating	Non-Stadium Seating	B&W TV	Color TV Blockbuster Cable TV	HDTV Netflix CDs & Streaming	At-Home Virtual Reality
??	00's-10's	90's			70's & 80's	late 90's-00's	late 00's



Raise the fidelity of the experience

AMC THEATRES



Anxiety Removal

Decreased # seats by 64% = Attendance up 80%

+ increase per capita F&B

High Fidelity

Fidelity Belly

Convenience

At-Home & Mobile Digital Entertainment

At-Home Dining

Peapod
GRUBHUB
Uber Eats
Postmates
Blue Apron
amazonfresh
Hello FRESH

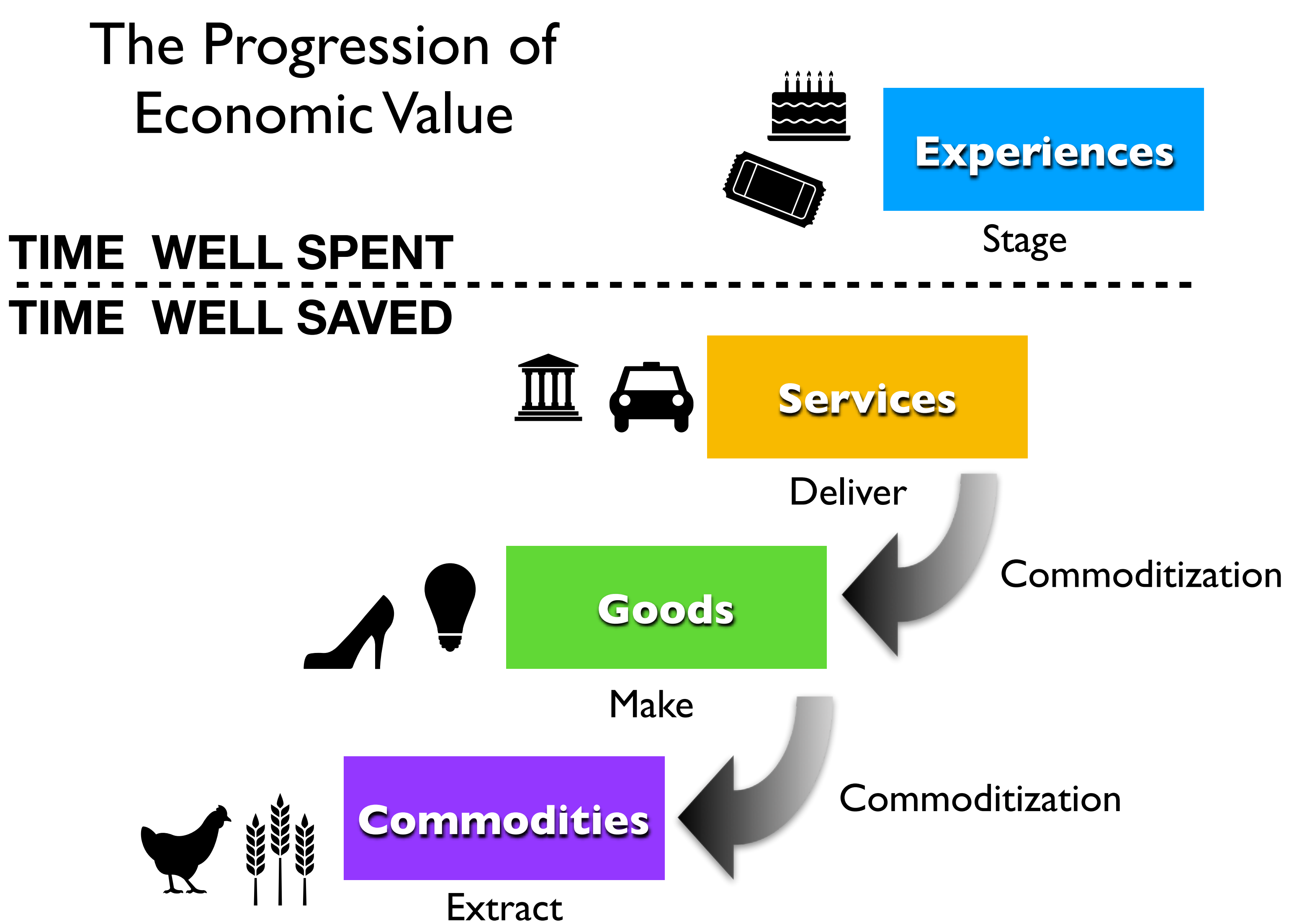
68% of Americans skipped a recreational activity during last year - sports, zoo, amusement park, music concert, etc.

Biggest reason for missing out (50%) was "activity is expensive and not worth paying for."

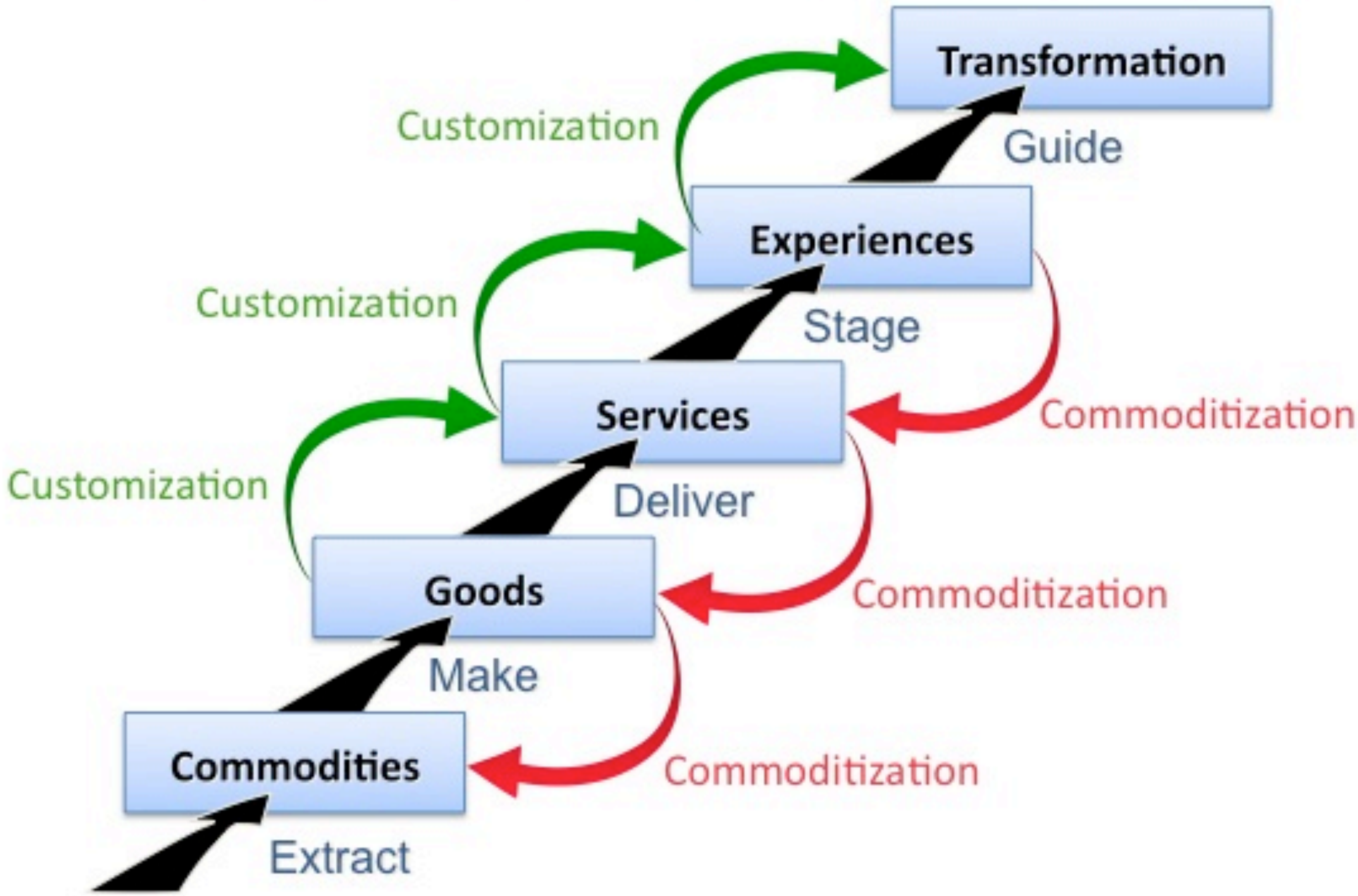
Source: YouGov Plc, July 17-19, 2019, n = 2,504 age 18+

For today's higher socioeconomic customer, value means much more than price.

Disposable leisure time typically has greater value than disposable income. It's about time well spent.

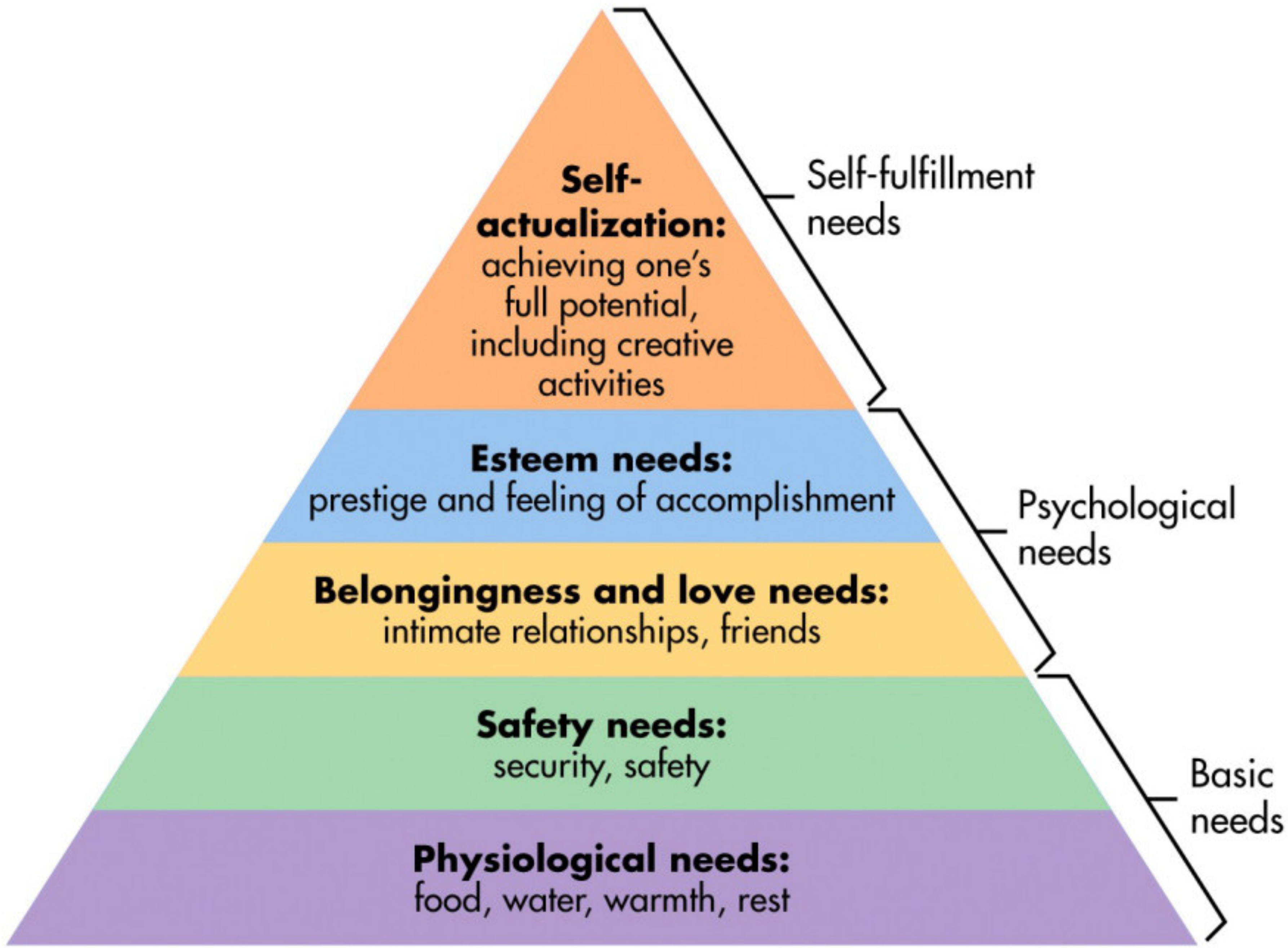


The Progression of Economic Value



Source: B. Joseph Pine II and James H. Gilmore, The Experience Economy: Work Is Theatre & Every Business a Stage, (Boston: Harvard Business School Press, 1999), p. 22.

Maslow's Hierarchy of Needs

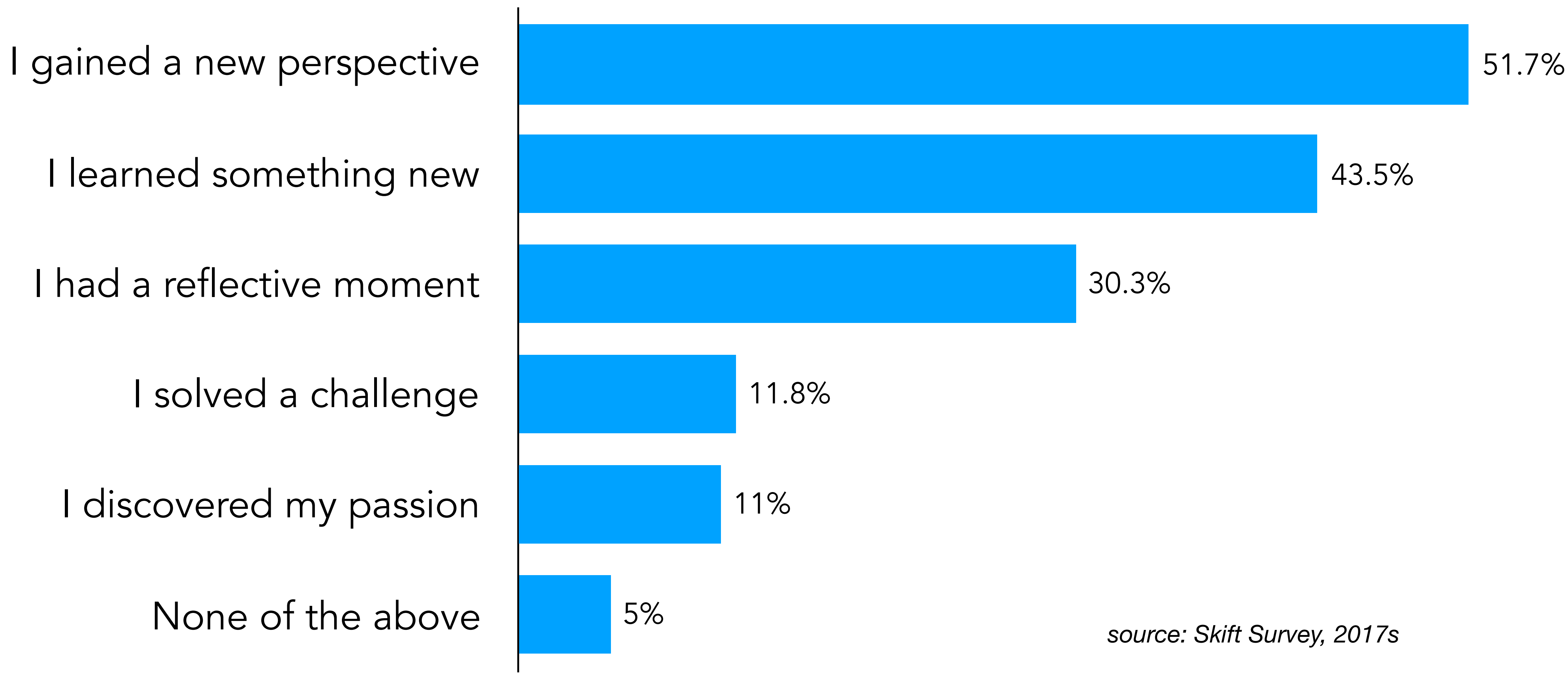


Transformational experiences

Permanently change people in some way, offering them more than just the memory of an experience that may fade in time

- ☑ Self-actualization
- ☑ Personal transformation & growth
- ☑ New knowledge
- ☑ Self-improvement
- ☑ Improved well-being
- ☑ Personal fulfillment
- ☑ Empowers people to make meaningful, lasting changes in their lives

Why was the experience transformational?



Future-proof OOH entertainment business model

- ☑ Out-of-home only
- ☑ Unique
- ☑ Focused on target market
- ☑ Designed for adults
- ☑ Higher-socioeconomic
- ☑ IRL social
- ☑ Destination-worthy food & beverage
- ☑ Interactive social games
- ☑ Group/gathering spaces
- ☑ One- & limited-time events & LTOs
- ☑ Some transformational experiences
- ☑ High fidelity

Chicken N Pickle

Can Entertainment Help Save Shopping Centers and Malls?

It's NOT about the ENTERTAINMENT!

It's back to the future by offering great social gathering spaces and changing experiences for the higher socioeconomic

The food & beverage and social gathering spaces are the anchor attractions, often more so than the interactive entertainment for adults

The best way to generate demand for any offering . . . is with an experience so engaging that people can’t help but spend their time with you and give you their attention and then spend their money as a result.

Joe Pine

People crave connection and authentic, shared human experiences. Technology has expanded virtual access, but has not supplanted this innate human desire.

Piers Fawkes, PSFK

Developers have recognized a need to migrate from being landlords to being ‘placemakers’.

Paco Underhill

Shopping center & mall developers/managers as PRODUCERS of entertainment experiences

Thank you

Q&A

Randy White, CEO

White Hutchinson Leisure & Learning Group

randy@whitehutchinson.com

View presentation → www.whitehutchinson.com/MSCA2019

The White Hutchinson Leisure & Learning Group is a 30-year-old, Kansas City-based, multi-disciplinary firm that specializes in feasibility, concept and brand development, design, production and consulting for leisure, entertainment, eatertainment and edutainment venues. Over the past 30 years the company has worked for over 550 clients in 36 countries and won 17 first-place design awards. Randy White, CEO, was previously a mall/shopping center developer, owner and manager with hands-on experience with over 3.0 million square feet of both suburban retail and urban redevelopment centers. The company is currently working with a number of shopping centers to assist them with developing entertainment projects. The company publishes an occasional Leisure eNewsletter and Tweets and Randy blogs and posts on LinkedIn. Randy can be reached at 816.931-1040, ext. 100, or at randy@whitehutchinson.com.

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