

Macerich Launches BrandBox To Bridge Digital And Physical Retail

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-New retail concept offers digitally native brands a programmatic approach to open, operate and scale stores to sustain rapid growth-

SANTA MONICA, Calif., Nov. 16, 2018 /PRNewswire/ -- Macerich (NYSE:MAC), one of the nation's leading owners, operators, and developers of major retail properties in top markets, today announces <u>BrandBox</u>, a new turnkey approach for high-growth digitally native brands to open and operate stores, and scale physical retail as a complement to ecommerce.



With a complete package of flexible real estate and services including design, retail analytics, technology and marketing, brands can be up and running in front of hundreds of thousands of shoppers in a matter of weeks. Unlike a pop-up or department store format, BrandBox members configure a fully functioning retail store that is unique to their brand's aesthetic and ethos.

The first BrandBox location will open this weekend at <u>Tysons Corner Center</u> in Tysons, VA, with <u>Winky Lux, Naadam, Interior Define, Nectar Sleep, DKNY</u>, and <u>UrbanStems</u>. Additional locations are expected to open in 2019 at select Macerich properties.

"Our extensive research and direct experience with top digitally native brands has helped us to understand how essential offline retail is to their future growth and success," said Kevin McKenzie, EVP and Chief Digital Officer, Macerich. "With BrandBox, we're excited to formalize our commitment to these smart up-and-coming brands, and be a true partner, every step of the way, as they expand their footprint beyond the digital world."

Macerich recognized that digitally native brands are a key part of the future retail landscape, and require a more flexible approach to traditional real estate. To develop the BrandBox features and operationalize physical retail, Macerich leveraged over 50 years of retail experience and strong relationships with thousands of national, international, micro-local, and digital-first retailers such as Warby Parker, Peloton and UNTUCKit. It's not just about offline; with a focus on data and analytics, BrandBox members will be able to track the positive impact physical stores have on their ecommerce growth.

"While Naadam lived exclusively online for our first few years, we have seen firsthand the importance of physical retail with the opening of two stores this year," said Matt Scanlan, CEO and Co-Founder of Naadam. "Opening and operating stores in multiple cities is challenging, particularly for young brands. Partnering with BrandBox to enter the DC market has really streamlined the laborious process of creating a storefront that truly encapsulates our brand ethos."

Behind the BrandBox Storefront

More than a storefront of cool new brands, BrandBox is a package of flexible real estate plus all of the services needed to set emerging brands up for success with physical retail.

- Flexible space and lease terms: A BrandBox store ranges from 500 to 2,500 square feet and leases run six to 12 months. Spaces have modular walls and tracking systems to be easily re-oriented for a new store configuration, and lighting and fixtures are easily swapped out.
- All the services needed to open: BrandBox offers high-touch support on design and buildout, staffing, and technology
 through partnerships with industry leaders including Bobby Redd, FITCH, Vitra, RetailNext and Boomtown. Each store
 comes prefabricated with plug-and-play technology and utility including WiFi, retail analytics (pre-wired to support all major
 POS systems), security tags and cameras, storage for inventory, and a breakroom.
- Store designs tailored to each brand: BrandBox works closely with each brand and design partners to help brands quickly and cost-effectively navigate the design process. The result is a storefront where consumers can experience a retail environment that mirrors a brand's ethos.
- Social and experiential marketing: BrandBox is a three-pronged approach to retail, with a storefront, social marketing,

and experiential programming to drive foot traffic and additional brand awareness both offline and online. We've partnered with best-in-class agencies to see creative visions to life for each group of brands at BrandBox.

- Offline analytics comparable to online: Brands have access to a proprietary retail analytics dashboard to measure in-store sales and customer engagement as they would in the digital world by analyzing data including anonymized foot traffic, conversion, customer flows, and sales. They can measure a lift in local ecommerce traffic resulting from opening a store with BrandBox.
- Physical retail education: As part of the commitment to be a resource for brands navigating the shift to offline retail, BrandBox offers extensive educational content on BrandBox.com.

Meet the brands at Tysons Corner Center

- Winky Lux Winky Lux is a cosmetics brand that is veering away from the traditional supply chain to offer fashion-driven and beauty obsessed millennials a luxury makeup experience with sustainable, non-toxic ingredients and affordable prices.
- <u>Naadam</u> Naadam is a luxury ready-to-wear brand that specializes in rare cashmere that is sourced responsibly and sustainably from nomadic Mongolian herders and delivered to customers at unexpected prices.
- <u>Interior Define</u> Interior Define is reconceptualizing the furniture shopping experience. The home furnishing company's made-to-order production and digital-first approach allows consumers to design high-quality, custom pieces at competitive prices.
- <u>Nectar Sleep</u> Nectar Sleep is a new online retailer providing the most comfortable memory foam mattress on the market and at the price of your dreams.
- <u>DKNY</u> DKNY is a New York-based fashion house specializing in fashion goods for men and women, founded in 1989 by Donna Karan.
- <u>UrbanStems</u> UrbanStems is a DC-based online flower delivery company that creates a one-of-a-kind gifting experience nationwide.

BrandBox is also a platform for heritage brands to test a new market or concept within the Macerich portfolio, which is why DKNY has joined the first "class" of brands at Tysons. The footprint of the initial BrandBox location at Tysons Corner Center will double by summer 2019.

About BrandBox

BrandBox is a new turnkey approach for high-growth digitally native brands to open and operate stores, and scale physical retail as a complement to ecommerce. Complete with flexible real estate, short-term leases, and services for design, staffing, technology and utility, brands can open their first inline retail store in a matter of weeks. BrandBox goes beyond the retail environment with experiential programming, social marketing and more to engage their customer base, drive foot-traffic and ultimately drive sales. For more information visit https://brandbox.com.

About Macerich

Macerich, an S&P 500 company, is a fully integrated self-managed and self-administered real estate investment trust, which focuses on the acquisition, leasing, management, development and redevelopment of regional malls throughout the United States.

Macerich currently owns 52 million square feet of real estate consisting primarily of interests in 48 regional shopping centers. Macerich specializes in successful retail properties in many of the country's most attractive, densely populated markets with significant presence in the Pacific Rim, Arizona, Chicago and the Metro New York to Washington, DC corridor.

A recognized leader in sustainability, Macerich has earned Nareit's prestigious "Leader in the Light" award every year from 2014-2017. For the third straight year in 2017 Macerich achieved the #1 GRESB ranking in the North American Retail Sector, among many other environmental accomplishments. Additional information about Macerich can be obtained from the Company's website at www.macerich.com.

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