



RESEARCH RESULTS

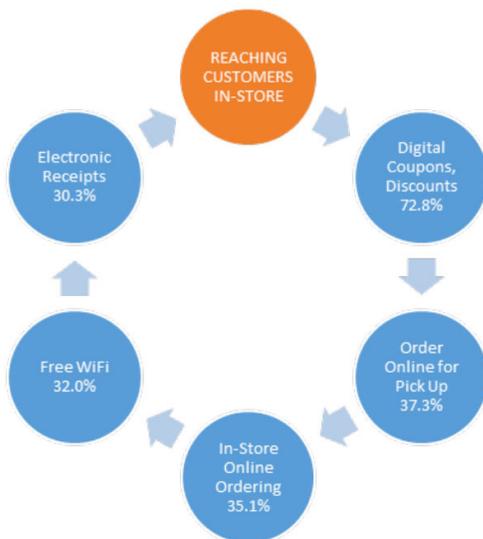
Stepped-Up Technology Usage Shows Retailers Embracing New Ways to Reach and Service Customers

Nearly half (47.3 percent) of tenants participating in Levin Management Corporation's (LMC's) Mid-Year Retail Sentiment Survey have stepped-up their technology-centered marketing in 2017. And more than a quarter (26.8 percent) plan to adopt new tech-based marketing tools this year.

POPULAR TOOLS

Among the most popular technologies being incorporated in-store by LMC respondents who use tech-centered marketing tools to provide incentives and conveniences for shoppers:

- ➔ 72.8 percent offer digital coupons, discounts and/or loyalty points.
- ➔ 37.3 percent offer the option to pre-order items online/pick up in store.
- ➔ 35.1 percent provide the ability for in-store, online ordering (with free shipping) for out-of-stock items.
- ➔ 32.0 percent have free WiFi.
- ➔ 30.3 percent use e-receipts.



Levin Management's Retail Store Manager Sentiment Survey gauges the strength of the American economy from a street-level perspective.

Managers of retail stores regularly interact with the consumers who drive the industry.

These managers also are responsible for meeting the sales goals set for their stores. This daily frontline experience gives them a unique outlook on the true state of retail.

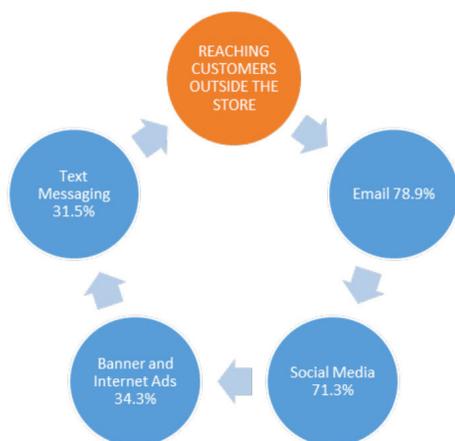
Levin Management, which operates approximately 95 shopping centers across a broad range of markets in six key states, surveys the store managers of its 1,100+ tenants three times annually, gathering information on current sales and traffic numbers, and on manager sentiment about the next half year.

The surveys also ask timely questions about hiring patterns, the evolving impact of ecommerce, key events and other socio-economic factors that may be influencing performance.

RESEARCH RESULTS

Technology is also critical for bricks-and-mortar retailers as they work to reach customers outside their stores. Of LMC respondents who use tech-centered marketing tools:

- ➔ 78.9 percent use email.
- ➔ 71.3 percent use social media/social marketing.
- ➔ 34.3 percent are incorporating banner ads or other Internet advertising.
- ➔ 31.5 percent use text messaging.



POPULAR TOOLS COMMENTARY

In today's changing environment, which is so strongly influenced by e-commerce and socio-economic shifts, the message "adjust or go home" has become clear. The good news is that LMC continues to see its tenants embracing new ways to reach and service their customers, and ultimately draw them into their stores. The percentage of LMC respondents who have increased their tech marketing falls in line with other industry polls. Among them, the National Retail Federation in its State of Retailing Online 2017 survey found 48 percent of respondents have increased their technology budgets.

A FOCUS ON SOCIAL

Which social media platforms are most popular among LMC survey respondents who incorporate social media?

- ➔ 81.3 percent use Facebook.
- ➔ 37.0 percent use Instagram.
- ➔ 35.6 percent use Twitter.



Levin's Portfolio

The company's 95-property, 13 million-square-foot shopping center portfolio includes neighborhood, community, lifestyle and power centers, enclosed malls, downtown stores and mixed-use projects. Properties are located in New Jersey, New York, Pennsylvania, Connecticut, Virginia and North Carolina. Retailers based there include small local retailers to large national chains, personal service providers, as well as restaurants and, at mixed use properties, government and professional offices.

About Levin Management:

Founded by a shopping center pioneer in 1952, Levin Management has evolved into one of America's leading commercial real estate services firms, offering clients the widest possible range of services needed to successfully operate any retail venue. They include Leasing, Property Management, Financial Management and Reporting, Construction and Development, Lease Administration, Marketing Services, and Acquisition and Disposition Consulting Services.

Levin has earned a long list of coveted awards. During the past few years alone, the firm has been included in National Real Estate Investor's Top Retail Managers, Commercial Property Executive's Top Property Managers and Top U.S. Real Estate Companies, Chain Store Age's America's Top Redevelopers, Mid Atlantic Real Estate Journal's "Best of," NJBiz's Top Commercial Real Estate Developers and Top Property Management Companies, and New Jersey Business' Top 10 Real Estate Developers.

RESEARCH RESULTS

Among social media platforms, Facebook, Instagram and Twitter have led LMC's poll four years in a row.

When it comes to social marketing platforms, Yelp is the most popular for LMC respondents, used by 66.4 percent of those who employ social marketing.

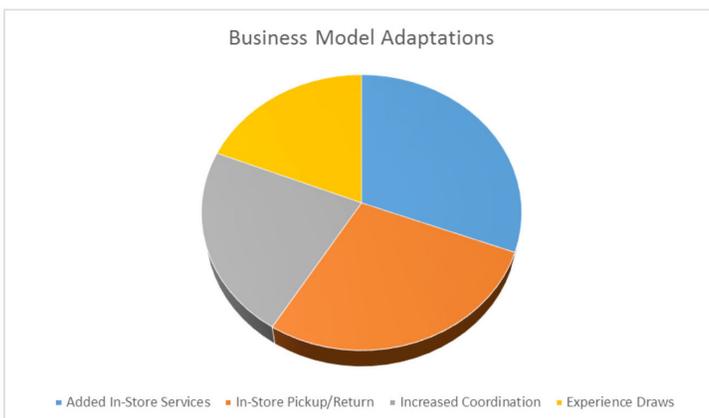
SOCIAL COMMENTARY

Social has become critical in driving purchasing decisions, and it is no surprise that such a sizable percentage of LMC survey respondents are incorporating social media and marketing into their efforts. This year they were asked for the first time whether they are also enhancing their social media presence with paid options, like Facebook sponsored content or ads. More than one-third (36.8 percent) indicated they are.

THE E-COMMERCE INFLUENCE

Half (49.8 percent) of LMC Mid-Year Survey respondents offer an online option for purchasing goods, scheduling appointments for services or placing orders for pick-up. More than one third (36.5 percent) indicate they have adapted their business model in response to the growth of e-commerce. Among the most popular adaptations:

- ➔ 48.5 percent have added in-store services and/or incentives.
- ➔ 44.3 percent have added in-store pickup and returns option for purchases made online.
- ➔ 35.1 percent have increased coordination between online and bricks-and-mortar operations.
- ➔ 29.9 percent have added "experience" draws, such as demonstrations, classes, performances or other in-store events.



A significant percentage (46.6) of those who have adapted reported benefits in terms of sales and in-store traffic.



METHODOLOGY:

Survey questionnaires are distributed electronically and by hand to the store managers at properties operated by Levin Management. Neither the properties nor the stores are identified in any way on the survey forms. The results are tabulated online by Levin's marketing department.

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RESEARCH RESULTS

E-COMMERCE COMMENTARY

While e-commerce has made an undeniable and significant impact on the retail industry, there are so many positive signs that these changing times are bringing new opportunities for the sector. Bricks-and-mortar retailers are using e-commerce as another channel to reach consumers, but also are enhancing efforts to provide unique shopping experiences that cannot be duplicated online. It is clear retailers need to evolve to not only survive but thrive.

LOOKING AHEAD, BRICKS AND MORTAR IS STILL KEY

More than half of Mid-Year Survey participants (56.6 percent) report sales at the same or a higher level than at this point last year, and three quarters (75.1 percent) expect their performance during the second half of the year to continue at its current pace or improve.



Despite news reports of slower retail sales and continued store closings, activity within the LMC portfolio is quite positive, with year-to-date leasing more robust than the past several years. New concepts are coming into the market. The industry also is seeing a growing movement among online retailers toward establishing physical locations. Amazon's acquisition of Whole Foods represents the most high-profile example to date. All of this reflects that bricks and mortar is still key.



SURVEY QUESTIONS & TABULATIONS OF RESPONSES

The survey asked respondents to compare year-to-date sales and traffic to last year at mid-year.

27.5% reported higher sales.

29.1% reported sales at the same level.

43.4% reported lower sales.

26.0% reported higher traffic.

30.2% reported traffic at the same level.

43.8% reported lower traffic.

The survey asked participants how they feel their store/service will perform during the second half of 2017.

51.3% are optimistic that sales will improve.

23.8% anticipate sales will remain the same as the first half.

18.1% are concerned that sales will decrease.

6.8% are not sure.

The survey asked participants (whose companies are using technology-centered marketing tools) which tools they incorporate in-store to provide incentives or conveniences for customers.

72.8% offer digital coupons, discounts and/or loyalty points.

37.3% offer an option to pre-order items online/pick up in store.

35.1% offer in-store, online ordering (with free shipping) for out-of-stock items.

17.5% offer mobile scanners enabling employees to check stock-room inventory and nearby stores for items.

13.2% offer sales floor price-check scanners.

32.0% offer free Wi-Fi.

3.1% offer scan-as-you-shop or other rapid-payment option.

4.4% offer self check-out.

30.3% offer electronic receipts.

The survey asked participants (who use technology-centered marketing tools) which tools they use to reach customers outside their location.

78.9% use email.

31.5% use text messaging.

8.8% use SEO optimization.

15.1% use Google AdWords.

34.3% use banner ads or other Internet advertising.

71.3% use social media/social marketing.

The survey asked respondents (whose companies actively use technology tools in their marketing efforts) how their amount of technology-centered marketing for 2017 compares to last year.

47.3% said the amount is higher.

50.2% said the amount is the same.

2.5% said the amount is lower.

SURVEY QUESTIONS & TABULATIONS OF RESPONSES

The survey asked participants whether they plan to adopt any new technology-based marketing tools this year.

- 26.8% replied "yes."
- 21.3% replied "no."
- 52.0% replied "I'm not sure."

The survey asked participants who use social media in their marketing mix which social media outlets they are using.

- 81.3% use Facebook.
- 4.1% use Foursquare.
- 23.7% use Google+.
- 37.0% use Instagram.
- 14.6% use Pinterest.
- 9.1% use Snapchat.
- 35.6% use Twitter.
- 16.4% use YouTube.

The survey asked participants who use social media in their marketing mix whether they are enhancing their social media presence with paid options (like Facebook sponsored content or ads).

- 36.8% are using paid options.
- 63.2% are not using paid options.

The survey asked participants who use social marketing in their marketing mix which social marketing outlets they are using.

- 18.6% use Groupon/Living Social.
- 8.8% use Waze or other GPS programs.
- 66.4% use Yelp.

The survey asked respondents whether their companies offer an online (e-commerce) option for purchasing goods, scheduling appointments for services or placing orders for pick-up.

- 49.8% do.
- 50.2% do not.

The survey asked respondents whether the growth of e-commerce prompted their companies to adapt their business models.

- 36.5% indicated their companies have made adaptations.
- 26.6% indicated their companies have not made adaptations.
- 36.9% are not sure whether their companies have made adaptations.

SURVEY QUESTIONS & TABULATIONS OF RESPONSES

The survey asked respondents (who have adapted) which adaptations they made.

- 48.5% added in-store services and/or incentives.
- 29.9% added "experience" draws such as demonstrations, classes, performances or other in-store events.
- 9.3% altered store prototype (i.e. smaller store size or increased focus on showrooming).
- 28.9% altered store inventory (i.e. fewer in-stock SKUs, larger quantities of popular items).
- 44.3% added in-store pickup and returns option for purchases made online.
- 35.1% increased coordination between online and bricks-and-mortar operations.

The survey asked whether those that have adapted have seen benefits in terms of increased sales and/or in-store traffic.

- 46.6% replied "yes."
- 23.3% replied "no."
- 30.2% replied "not sure."

PLEASE NOTE: Not all survey participants answered every question.