

Outlet mall trying to sell its makeover

The 47-year-old Mississauga mainstay is sprucing itself up to compete in a world of big boxes and power centres

Retail Check

MARINA STRAUSS



It was the first enclosed outlet mall in the country, peddling everything from pots to plants at cut-rate prices. But the Dixie Outlet Mall, as it is now known, fell on hard times, gaining a reputation as a dumping ground for difficult-to-sell, undesirable goods.

The 47-year-old mall has gone through a number of reincarnations and worked hard since the mid-1990s to freshen its image. Now it's putting the finishing touches to its latest attempt to draw more business: an \$8-million renovation that features 10 spacious, contemporary new stores — outlets that don't look simply like end-of-line clearance centres.

At the same time, the 130-store mall is cranking up its marketing machine under a new general manager and marketing director. Its advertising this fall will pitch high-profile brands carried at its stores, sprinkled with names such as Rockport and Levi's.

It will emphasize one of its clear selling points: It's an indoor outlet mall while most of its minimally decorated counterparts are open-air. And it is introducing a new tag line: "You need an outlet."

Equally important: It is hooking up with tourism operators to lure more out-of-towners on their way to a show in Toronto or a winery in Niagara-on-the-Lake.

"We really wanted to become

more aggressive," says Claire Santamaria, the new marketing director at Dixie, which is situated at a conspicuous hub off of a busy highway in Mississauga, just west of Toronto. "We have great brands at great prices. We just needed to get the word out."

It's no surprise that the mall would want to spread the word. After all, competition has heated up since it launched as Dixie Value Mall in 1989. Wal-Mart moved in nearby, and soon Sam's Club — its warehouse-style sister store — will be there also.

By the mid-1990s, outdoor power centres had sprouted up with their own outlet stores, stealing away customers with more appealing products at similar off prices.

Dixie "was a pretty downtrodden mall," says retailing consultant Rick Pennycooke, president of market research **Lakeshore Group in Toronto**.

In 1996, the mall changed its name to the current one and got a major facelift. Management brightened the public spaces with bolder colours, raised the ceilings and added skylights. New retailers were added, and sales productivity has since improved "several points," says Kathleen Matchett, the mall's general manager.

Although Dixie has come a long way, it still faces some challenges.

It could do with more high-profile off-price banners. Mr. Pennycooke says, Nike Factory, Roots Outlet and Tommy Hilfiger are a few of his suggestions. Among strong existing tenants are Winners, Bombay Co. and the newly arrived Sport Chek and Urban Planet.

The mall has too much space devoted to independent retailers,



DARBYL JAMES/THE GLOBE AND MAIL

Claire Santamaria, the marketing director of the Dixie Outlet, says the mall is refurbishing in an attempt to get more attention from shoppers: 'We really wanted to become more aggressive.'

he adds, and their floor space should be cut in half to make way for larger, everyday low-price draws.

"An overabundance of independent retailers relative to the national chains is an indication that the mall is suffering because independents cannot pay the rents that can be paid by the nationals," he says. "And independents cannot draw consistently from wide geographic areas."

He also criticizes the exterior of the mall, which he calls tired, dated and in need of a makeover.

Some shoppers, meanwhile, say they have to work hard to hit on a

great find in the seeming mounds of merchandise at some of the stores.

Jennifer Ayden, a Carleton University student who is back home this summer in the surrounding area, was passing through the mall the other day. She's not a big shopper, but sometimes checks out Dixie for bargains.

"It's better than it was when I was a kid," Ms. Ayden, 20, says. But when she wants to shop at Old Navy, she has to head for a nearby traditional mall because Dixie doesn't have one.

In its latest incarnation, the mall is wholly owned by **Ivanhoe Cam-**

bridge, the real estate arm of the Caisse de dépôt et placement du Québec. It's an interesting fit, because Ivanhoe is also co-developing a controversial off-price mega-mall north of Toronto, called Vaughan Mills. It is touted its own brand of big retail banners, no doubt a bit more competition for Dixie (although many industry insiders have questioned just how many big names Vaughan Mills will attract).

Despite the knocks against Dixie, Ms. Matchett says that, with about 30 per cent of its stores run by independents, consumers like the change from the standard na-

'I wish we would have come here earlier. . . . The prices are good.'

tional chains.

Merchants are also making an effort to carry more current products rather than just clearance goods, she says.

A strong suit is that they sell a lot of recognizable labels; Dixie's research shows that consumers are looking for those brands at good prices.

Ms. Matchett recently bought a pair of stylish Ray Bans at the Sun-glass Hut outlet store for \$110 that normally would cost \$200. The black wool blend pant suit she is wearing comes from Femme de Carriere and cost \$150. The regular price: \$400.

As she walks through the mall, she points out other deals. Laura Secord offers a box of 24 truffles for \$5.99. The chain normally sells one truffle for \$1.25.

The Mendocino outlet store carries new jeans for the fall by the hot Paracuso for \$48, regular \$95, although much of the other merchandise isn't of the latest styles.

Certainly some of the mall's marketing is already paying off. Nalio Ruz, 26, a Brazilian on holiday in Canada for two weeks, found out about Dixie Mall through a pamphlet he got when he picked up his rental car.

At the mall this week, he spent about \$140 on casual and athletic clothes from Sport Chek and the edgy Urban Planet, items he says he could never find in Brazil.

"I wish we would have come here earlier," he says with a laugh, his girlfriend by his side. "The prices are good."

Dixie is shopping for more people like Mr. Ruz to spread the word.

mstrauss@globeandmail.ca