

Business

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Northland, Eastland malls to sell naming rights

Jennifer Youssef / The Detroit News

Would a mall by any other name be as sweet?

Northland Center in Southfield and Eastland Center in Harper Woods are about to find out. The shopping centers are selling their naming rights.

Owner Ashkenazy Acquisitions Corp., based in Brooklyn, N.Y., hired Profit Increase Funding Inc., a Detroit naming rights company, three weeks ago to find a buyer.



The sale will reap "millions of dollars" for the malls, said Brian Strugs, president and CEO of Profit Increase Funding.

Whoever buys the naming rights can affix their name to the malls' exteriors, increasing their exposure in the market. They also can set up displays and have a representative on site to talk to customers about their products.

The buyer can purchase the rights to one or both malls and can renew the rights for as long as they want. Details of the sale offering are still in the works, but a buyer likely would have to sign a three-year contract.

Money from the sale would be used to make capital improvements to the centers, said Pam Lightbody, marketing manager for the malls. Since Ashkenazy Acquisitions purchased Eastland in 2008, it has invested more than \$2 million in the property, including renovating more than 10,000 square feet for a Family Dollar store and a 72,000-square-foot addition for the Burlington Coat Factory that opened last year.

"It's an alternative income (for the malls)," Lightbody said of selling the rights. "As far as cash flow, all is well. It is something that assists with development of the center to help make them more attractive."

It's also a good way for companies to get their name out in the community. Advertisers feel like they are getting lost in the clutter of newspapers, television ads, the Internet and other venues, Lightbody said.

Selling the naming rights to a business is a "very positive development" -- especially for malls, many of which are losing tenants -- said Ken Dalto, a Farmington Hills-based retail analyst.

"It's a creative way to create income (for the sellers)," he said.

It won't hurt Eastland or Northland if they change their names because shoppers don't go there for the name: They go for the stores and the atmosphere, Dalto said.

Eastland gets 10 million shoppers annually while Northland has 6 million visitors each year.

Eastland was developed in 1957 as an open air mall by J.L. Hudson Corp., a Detroit-based department store chain that's been closed for years. The 1.4 million-square-foot mall on Eight Mile and Vernier Road was enclosed in 1975.

The 1.7 million-square-foot Northland Center, once the world's largest shopping center and Metro Detroit's oldest, opened in 1954 and was hailed as the future of shopping in post-war America.

This is the first time the centers have tried to sell their naming rights.

For buyers, having their company's name on a mall won't directly generate more income, Dalto said. But it will be seen by many passers-by and subliminally provide valuable name recognition, keeping the sponsor's name at the forefront of the consumer's mind.

"The name is on everyone's lips," Dalto said

Besides Comerica Park in Detroit, there aren't many local examples of companies buying naming rights, he noted. But businesses could start to seek more corporate sponsorships in the future, he said.

There are "pluses and minuses" for naming rights for buyers and sellers, said Susan Yashinsky, a macro trend forecaster at Waterford-based Sphere Trending, a consulting and forecasting firm that specializes in retail and marketing trends.

While there's no research that clearly says a company will increase its exposure and profits by affixing their name to a shopping center, sports arena or other building, it could be a good way to advertise if the right sponsor partners up with the right seller in the right market, she said.

For example, if one of the banks that got a federal bailout attaches its name to a mall, consumers who are unhappy with the bank may stop shopping there, she said. Similarly, if the name of a high-tech company such as Apple was on a shopping center whose customer base is mainly older people, the sponsor wouldn't benefit, she said.

"You can't just take (the sponsors) for the money," Yashinsky said.