



Urban Outfitters to cluster its brands at King of Prussia Mall

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In what will be its largest brand clustering anywhere, Philadelphia-based Urban Outfitters Inc. will offer four of its brands next to each other on the same level at the King of Prussia Mall.

Its newly leased 40,000-square-foot space is in the mall's Pavilion just across from the namesake Urban Outfitters, and will soon be home to Free People and Anthropologie stores.

Meanwhile, a wall inside Urban Outfitters will be knocked down to make room for the company's fourth and newest brand: Pizzeria Vetri, which it acquired in November.

"The unique opportunity . . . allows us to create a one-of-a-kind shopping experience for our local customer," Dave Ziel, chief development officer for Urban Outfitters Inc., said Tuesday. It "enables us to activate the common area between the store locations for a bar and lounge so customers can gather in an environment that has our aesthetic."

Retail analysts say the company is making a gamble.

"Although Wall Street views the different concepts as belonging to one entity, shoppers do not," said Simeon Siegel of Nomura Securities International Inc. "Typically, retailers want to be located near similar retailers with overlapping shoppers.

"One has to wonder if a shopper would naturally walk from an Urban Outfitters into Anthropologie. That is, essentially, the bet being made when clustering," he said.

While Simon Property Group owns and manages the majority of King of Prussia Mall, Kravco Co. owns the space on the second level that is being leased by Urban Outfitters Inc.

"These highly coveted brands will drive the continuing re-merchandising activity and further enhance the property's appeal," said Steven Powell, a Kravco representative.

Ziel said the company has placed two of its brands next to each other, such as on the 1600 block of Walnut Street in Center City, where an Urban Outfitters is beside a Free People. But it has never clustered four brands in one confined space. There is a Free People store at King of Prussia Mall on the other side of the Court.

Ziel said construction will begin in the coming weeks, and that the grand opening for the clustered offerings will be in late October.

The Urban Outfitters store measures 14,000 square feet; as part of the project, it will undergo an expansion to take it closer to 20,000 square feet.

The apparel and home-goods retailer generated \$3.4 billion in revenues for the year ended Jan. 31, a 4 percent gain over the prior year. It also had \$224 million in net income, down about 3 percent. Same-store comparable retail net sales rose 2 percent. "The company has been driving improvement in full price selling," said Siegel.

Urban's brands are mostly known for selling '80s- and '90s-inspired clothing and shoes, as well as furniture, light fixtures, and retro trinkets. In addition to Urban Outfitters, Anthropologie, and Free People, it has brands BHLDN and Terrain.

In mid-November it announced it had bought the Vetri Family group of restaurants, which includes Pizzeria Vetri.

Oona McCullough, director of investor relations for Urban Outfitters Inc., said the pizza restaurants won't be inside Urban Outfitters, but adjacent to them - as will be the case at the King of Prussia Mall.

She said the idea behind acquiring Vetri was to extend the shopping experience and attract a bigger share of the consumer's wallet. "She may choose not to shop, but she might eat," McCullough said.

McCullough said that having all four Urban brands in one spot was not the new corporate strategy. "This is a very unique opportunity in one of the top-producing malls in the country," she said.

The concept was a hit with Kirby Bittner, 23, of Williamsport, Pa., who has been a loyal Urban brand shopper for the last five years. She said she is into "boho chic."

She had just walked from the Free People store at the mall Tuesday and was told it would soon move across from Urban Outfitters, where she was headed. Coincidentally, Bittner had shopped at Anthropologie in Wayne with her mother before driving to the mall.

"I love it," she said of the clustering concept. "It will be 10 times better than now where I have to walk from one end of the mall to the other, or drive to different locations. They will all be here."