

GOVERNMENT

Amid devastation, brands respond to Tropical Storm Harvey victims in need

August 30, 2017



Houston's skyline

By JEN KING

Hurricane Harvey, now downgraded to a tropical storm, was the first major storm system to make landfall in the United States since 2005 and has left behind unprecedented and catastrophic flooding in southeastern Texas.

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Tropical Storm Harvey, classified as such on Aug. 29, has caused at least 15 deaths - a number expected to grow - and has resulted in massive flooding in the Greater Houston area. Brock Long, director of the Federal Emergency Management Agency (FEMA), has called the Category 4 storm the "worst disaster in Texas history," which will impact the U.S.' second-largest economy for years to come.

"Business' day-to-day operations for basic things, as we know it, will stop for a while," said Reggie Gray, president of the **Houston Intercontinental Chamber of Commerce** (HICC), Houston. "But what will happen is that since everything needs to be replaced, there will be a surge in spending from insurance money.

"Consumers will get funds to replace goods that were lost, luxury things will be sought after and replaced, especially cars," he said. "Luxury items such as new and used cars, the prices here will rise, as people try to find what they need.

"You will see a surge in insurance dollars to replace goods, items such as boats, household goods. It will provide a spike to the Houston economy. It will take a period of time, at least 30 days or more, for day-to-day operations to recovery.

"Everything from the dry cleaners to the grocery store will have to recover first. Houston will need to be rebuilt. There will be an economic boom for the area, but there will also be situations where people will take advantage of it, such as price hikes.

"[The situation is] similar to what we saw during Tropical Storm Allison, but worse."

Economic power meets storm power

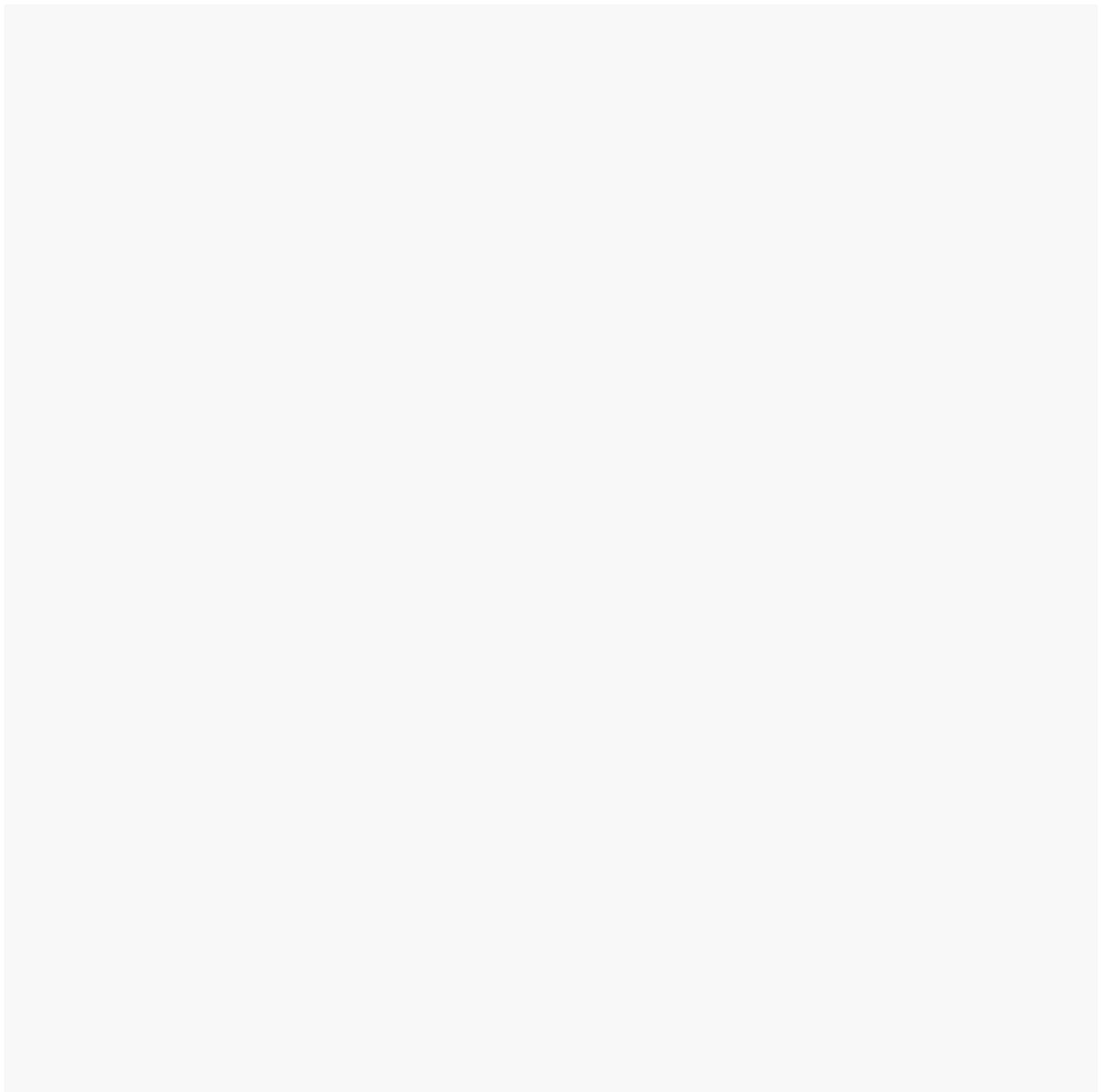
More than 4.5 million people call the Houston metropolitan area home and it is Texas' most populated city.

Houston is the fourth-most populated city in the country, and its economy is one of the U.S.' most productive in terms of healthcare, shipping and oil. The region contributes about \$600 billion in goods and services per year.

Located on the Gulf Coast, Houston also finds itself vulnerable to hurricanes. Coastal properties in the area are the third-most valuable to insure behind New York and Florida.

Damages caused by Tropical Storm Harvey are estimated to cost upwards of \$60 billion, with recovery taking years.

Economically, the Houston area will be plagued by insured property loss, with estimates already close to \$2 billion, as well as loss wages and work.



Our thoughts are with all those affected by Hurricane Harvey. We're proud to see our community coming together.
#HoustonStrong

A post shared by Houston Rockets (@houstonrockets) on Aug 28, 2017 at 9:08am PDT

For example, the Port of Houston has been closed for four days and is likely to remain closed on Wednesday, Aug. 30.

Major oil refineries will also remain closed. With about 22 percent of U.S. Gulf of Mexico oil production offline, millions of barrels of oil will be taken away from the U.S. market and temporarily put close to 1 million employees out of work. As a result, gas prices are likely to rise.

FEMA's current estimates predict that 450,000 people will be displaced by Tropical Storm Harvey. To compare, Hurricane Katrina displaced more than 400,000 in 2005.

Many of these individuals will also likely find themselves out of work as the Houston area begins the recovery process.

In Houston, some 9,000 residents are taking shelter in the George R. Brown Convention Center. Others have been relocated to smaller shelters around the city.

Thinking of Houston

Local businesses in the Houston metropolitan area will also suffer greatly due to lost profits, damages and recovery costs.

For example, shopping mall giant Simon's The Galleria in Houston has been closed since Aug. 27. The day prior, the high-end shopping center was opened, but shared that individual store hours varied.

While the mall has not disclosed details about damages, Twitter users have shared pictures of flooding near The Galleria. Although the images are not taken directly, it is highly likely that the shopping destination has suffered extensive flooding and damages.

The Galleria in Houston recently underwent a \$250 million transformation. The renovation included the construction of a luxury wing, which counts Saks Fifth Avenue and Neiman Marcus as anchor stores on opposite sides ([see story](#)).

Amid its closure posts, The Galleria is encouraging its Twitter followers to donate \$10 to the American Red Cross to aid Hurricane Harvey victims via SMS messaging.

Help those affected by [#HurricaneHarvey](#). Visit <https://t.co/o7oaK6gOqI>, call 1-800-RED CROSS or text HARVEY to 90999 to make a \$10 donation. pic.twitter.com/0XaziYOQjv

The Galleria (@HoustonGalleria) [August 28, 2017](#)

Fellow Texan, Dallas-based retailer Neiman Marcus, responded directly to its store associates who work at The Galleria location and may have been affected by Tropical Storm Harvey. In a Aug.28 letter share with store associates, Neiman Marcus CEO Karen Katz wrote:

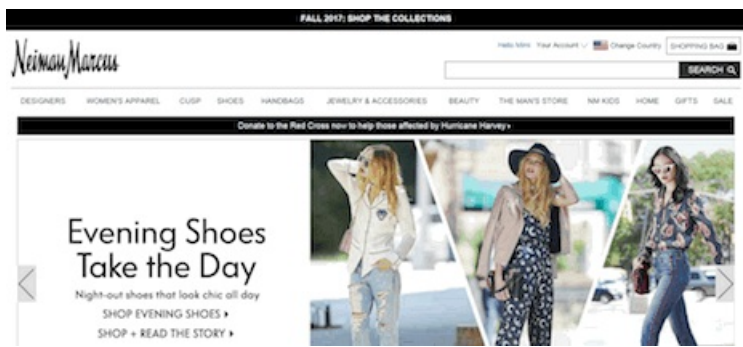
"The news about the impact of Hurricane Harvey is devastating. Whether it's the disastrous flooding in Houston or the destruction along the Texas coast, it is a true catastrophe and we can only be saddened by the dire situation of so many.

"We have closed our stores in the Houston area, and we continue to monitor the situation as the flooding continues. We are extremely concerned about our NM associates and their families."

Neiman Marcus' Galleria location as been closed since Aug. 25, and is currently focused on the safety of its employees. In 2013, the retailer launched the internal NMG Associate Hardship Assistance Fund, where employees can assist and support one another during unexpected hardships, such as natural disasters.

To help those in need, Neiman Marcus, a National Disaster Partner with the American Red Cross, has also activated a [giving site](#) where donations can be made via its homepage. Both the Associate Hardship Assistance Fund and the National Disaster Partner are supported by Neiman Marcus' Annual Giving Campaign with donations being matched by the retailer.

As of press time, Neiman Marcus has also made an additional \$50,000 donation to the Greater Houston Community Foundation. The donation will benefit the newly established Hurricane Harvey Disaster Fund, established Aug. 28 by Sylvester Turner, mayor of Houston.



Neiman Marcus features a ticker on its homepage for consumers to help Tropical Storm Harvey victims. Image courtesy of Neiman Marcus

Department store chain Nordstrom also operates a location at The Galleria, and has alerted consumers using its local social media accounts that it will remain closed until further notice and to be safe.

Similarly to The Galleria, River Oaks District, a curated collection of high-end boutiques and eateries, remains closed until further notice.

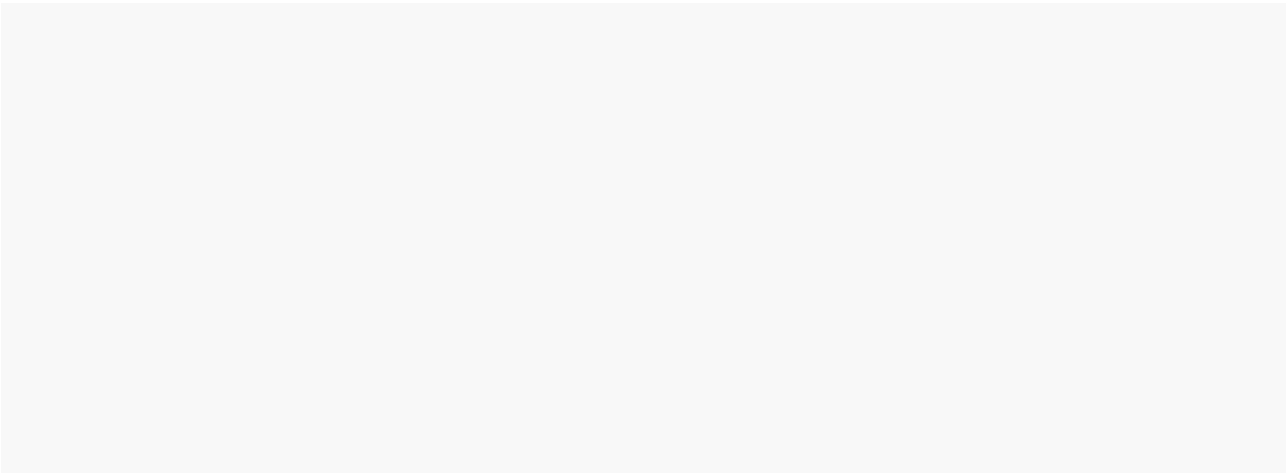
Putting consumers safety first and foremost, River Oaks District has tweeted the contact details for the Red Cross, FEMA and other local offices to assist those who may be in need of help.

To show solidarity with its community, River Oaks District also said, "Our hearts, thoughts and prayers and strength are with our ROD family and our city. We will get through this. #HoustonStrong #Community #HurricaneHarvey."

"Our thoughts are with our fellow Houstonians who have experienced the loss of their homes or loved ones in this unmitigated natural disaster," said Jennifer Rivera, marketing manager for **River Oaks District**, Houston. "We're very fortunate that River Oaks District has not incurred significant damage besides minor water damage.

"River Oaks District will remain closed until Thursday, Aug. 31 as we monitor the situation closely to ensure the safety of our tenants and customers," she said. "As of this time, River Oaks District will be open for business at 10 a.m. Friday, Sept. 1.

"In the meantime, Baanou is accepting donations such as blankets, clothing, toiletries, pet food, baby supplies and first-aid items to help with victims of Harvey."



River Oaks District will remain closed until further notice. Our hearts, thoughts, prayers and strength are with our ROD family and our city. We will get through this. #HoustonStrong #Community #HurricaneHarvey Image: @poppyandpinecone

A post shared by River Oaks District | Houston (@rodistrict) on Aug 28, 2017 at 9:26am PDT

Also, The Luxury Collection's The St. Anthony Hotel in San Antonio, TX used its social media accounts to inform displaced people that its property is offering a special rate of \$125 per night. With a large number of pets also displaced, The St. Anthony's offer for friends also includes "the furry ones."

On the mass brand front, beer producers Anheuser-Busch and MillerCo have canned water to ensure that victims have access to safe drinking water. Outdoor sports retailer Bass Pro Shop has donated boats to help navigate flood waters.

In the coming days, it is likely that more social media efforts to raise donations for the victims will be shared across channels as FEMA, the federal and local government and first responders assess the damage.

Singer Beyonce, originally from Houston, told the Houston Chronicle that she has pledged to "help as many as we can" through her charity organization BEYGood. The Rock, Kevin Hart and other celebrities have also pledged to help victims through a social media-ready "Hurricane Harvey challenge."

"Luxury brands and retailers should respond to natural disasters with a show of support and a sense of community building," said Kristie McGowan, director of the global luxury and management program at [North Carolina State University](#), Raleigh, NC. "During times of need, they have a social responsibility to use their brand prominence to the benefit of others.

"When disaster strikes, humanitarianism is an essential component of healing and rebuilding," she said. "Luxury companies, regardless of locality, have the brand power needed to drive philanthropic efforts.

"During natural disasters, it is important for luxury brands and retailers to communicate with their consumers by any means possible. Social media provides an immediate connection, sense of reassurance and involvement between the brand and their consumers. Most importantly, those directly affected are reminded they are not forgotten."