

EMERGING TRENDS UPDATE

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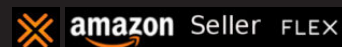
THE GROCERY LIST

- **JET.COM**, the e-commerce arm of Wal-Mart, is launching a private label aimed at millennials named Uniquely J. The new brand is rumored to include specialty grocery and household items with goals to gain customers from Trader Joe's, Costco, and Whole Foods.
- Grocer **HY-VEE** is planning to open 10,000 square foot Fast & Fresh convenience stores in the Des Moines area that will sell grocery items, prepared foods, and house a coffee shop, fuel stations and a small sit-down restaurant.
- **TARGET** plans to open 130 smaller-format stores by 2019, with their latest tiny Target opening in a former New York City Footlocker. The new stores have improved food and beverage offerings with an increased focus on grab-and-go options. The new stores also have more self-checkouts than standard checkouts, as well as same-day delivery.



DELIVERY IS KEY

- **COSTCO** members now have the option of same and two-day deliveries from the wholesale store. The retailer has partnered with Instacart at 376 locations, with more store additions in the pipeline.
- **AMAZON** has a new delivery platform called Seller Flex in which they will lead the majority of their pickups and deliveries, rather than utilizing FedEx or UPS. The new model will also make more products available for 2-day delivery. Official expansion of the service is scheduled for 2018.
- **WAL-MART** announced their acquisition of Parcel, a same-day, last-mile delivery service which will initially be offered to New York customers. The service delivers perishables and non-perishables alike 24/7 and within a 2-hour scheduled window.



THE AGE OF AMAZON

ALCOHOL BY AMAZON

The e-tailer opened a physical pop-up bar on October 20th in Japan to market their alcoholic products. At the store, customers will receive drink suggestions via an online system and in-person wine advice from a sommeliers.

HASHTAG FOR HARDEES

#AmazonBuyUs is the hashtag being used by Carl's Jr. to "generate a conversation around a partnership," according to Hardee's Chief Marketing Officer Jeff Jenkins. The fast-food

company has even offered the ideas of placing Hardee's inside Whole Foods, implementing burger drone deliveries and a self-driving restaurant.

TAKING IT TO 3D

The online giant has acquired a 3D body-scanning program called Body Labs which creates accurately proportioned avatars of their users to allow customers to virtually "try-on" apparel before purchase. The acquisition will ideally create fewer returns and allow for a more interactive and exciting shopping experience.



PHILLIPS EDISON & COMPANY

HOT MARKET ROAD TRIP

The Emerging Trends team's latest destinations for retailer corporate portfolio reviews were surrounding the Detroit area in Michigan. While metro-Detroit has seen years of population decline, the surrounding areas such as Ann Arbor are thriving. The team met with Pet Supplies Plus, Happy's Pizza and Hungry Howie's, among others. They also had the opportunity to visit some major retail developments in each area that are critical players in shaping the community and grocery-buying landscape. See below for the recap!

Before our first meeting, we stopped into Kerrytown Market, a food hall and unique retail destination in Ann Arbor (7 & 8). The downstairs area offers several restaurants, a fishmonger, a coffee shop and an old-world style grocery store. Climb one flight of stairs, and you'll find an array of distinctive shops such as an upscale apparel retailer, a tea shop, and toy store. Our favorite store was called "found: an unexpected collection" with a combination of new funky products and antiques.

We then made our way to Livonia, Michigan for the Pet Supplies Plus visit. We learned

that the group plans to open over 40 corporate locations this year, and their projection for franchised locations is unlimited, though they hope to keep the ratio of franchised to corporate store around 4 to 1. The company is staying internet-resistant by implementing wellness clinics and grooming stations in their stores. After the meeting, we were even able to meet their resident macaw (3)!

Lunch was nearby in downtown Plymouth, where we found a gourmet grocery shop called Westborn Market (4 & 5). The Market has four locations, but this one is

housed in an old post office. They had sampling stations throughout the store (we had sample cookies for dessert) and huge dedicated wine and beer section in the basement offering an eclectic collection of adult beverages.

Our afternoon meeting was at Happy's Pizza in Farmington Hills (6). We learned that they plan to open 10 new locations this year, with ultimate plans to open along the entire East Coast. We were able to tour their fabulous test kitchen, though they had wrapped up serving for the day.

The following day, we made our final stop of the trip at the

Hungry Howie's HQ (1 & 2). We conveniently arrived just in time for lunch in the test kitchen where we tried their attempts at a Korean BBQ pizza and a macaroni and cheese pizza! We learned that this group is one of the fastest-growing pizza chains in the country, with strong plans for growth nationwide, especially in the areas of Charlotte, Nashville, Tacoma, Las Vegas and Houston.

Although we had a productive tour of Pizza Paradise, we were glad that PECO's Wellness Week started the following Monday...



(1)



(2)



(3)



(4)



(5)



(6)



(7)



(8)

POPPING UP THE POP-UP

Major mall owner, Simon Property Group, is unveiling a new platform for popups in partnerships with a former Emerging Trends Newsletter featured company, AppearHere. The Edit @ Roosevelt Field will allow small businesses to open 20 to 200 square foot shops in a dedicated portion of the Long Island property.



SIMON **appear [here]**

Google is now opening and operating popup Donut Shops throughout major metro cities in the US to market their new Google Home Mini, a \$49 donut-sized version of their home assistant. The stores house conveyor belts carrying small boxes that, when opened, will either reveal a donut or a Home Mini. Sweet surprise!



EXPERIENTIAL RETAIL

You can look but you can't buy! Nordstrom has just opened a store with no purchasable inventory dubbed Nordstrom Local. The store serves as showroom where customers can test products and then have them shipped to their homes. Local also includes personal stylists, a bar, a salon, and tailoring studio.



Starbucks has officially shut down...their online store. The coffee giant announced that they will only sell merchandise and products at their physical locations in efforts to focus on the in-store experience and simplify their sales channel.

Tech-retailing brick-and-mortar start up b8ta is selling tech products from retailers without an offline presence, and encouraging customers to test their products in-store. At one of their 11 locations, customers can try gadgets like smart locks, high-tech skateboards and interactive stove monitors.

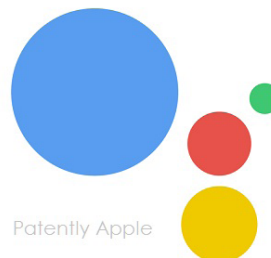


GOOGLE WANTS YOU TO SPEAK UP!

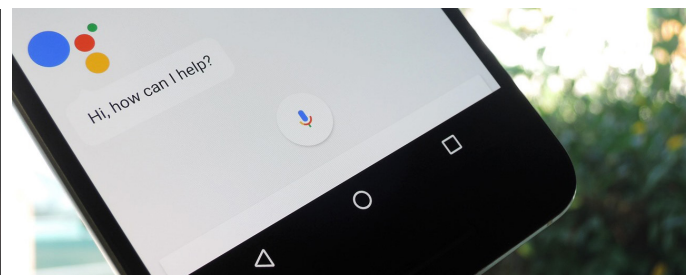
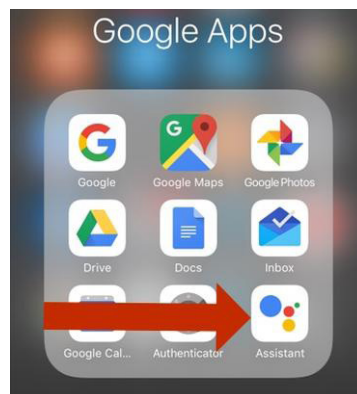
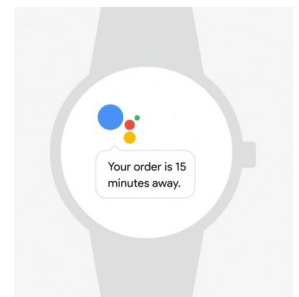
- Walmart officially announced their partnership with the Google Home system in early October. Walmart customers can shop through voice with Google Assistant. Customers who purchase their Google Home or Google Home Mini from Walmart will receive \$25 off a Walmart order now through January 15.

- Now get your sheetrock and shingles just by speaking! Home Depot has partnered with Google to add voice-activated shopping to their home improvement experience.

- Also joining the Google voice-activated shopping trend, gifting retailer 1-800-Flowers is launching a program to allow consumers to order via Android or iPhone with voice or text.



Google Assistant



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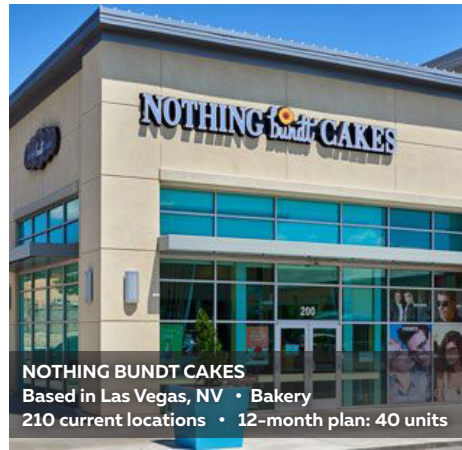
RETAILERS ON THE RISE



THE PIZZA PRESS • Based in Anaheim, CA
Pizza QSR • 16 current locations; 12-month plan: 65 units



THE MELT SHOP • Based in New York, NY
Sandwich Shop • 8 current locations
12-month plan: 23 units



NOTHING BUNDT CAKES
Based in Las Vegas, NV • Bakery
210 current locations • 12-month plan: 40 units



BIGGBY COFFEE • Based in East Lansing, MI
Coffee Shop • 233 current locations
12-month plan: 40 units



IKEA • Based in Conshohocken, PA
Furniture and home decor • 403 current locations • 12-month plan: 22 units



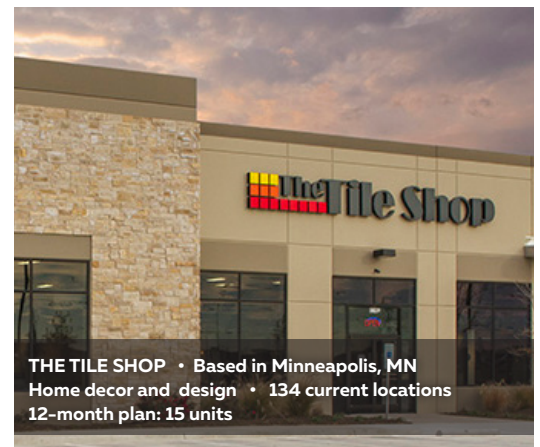
LUMBER LIQUIDATORS • Based in Toana, VA
Hardwood Flooring • 385 current locations • 12-month plan: 35 units



THE HALAL GUYS • Based in New York, NY
Middle Eastern Fare • 40 current locations
12-month plan: 30 units



AMERICA'S BEST/EYEGLASS WORLD
Based in Duluth, GA • Optician Clinic
1,000 current locations
12-month plan: 70 units



THE TILE SHOP • Based in Minneapolis, MN
Home decor and design • 134 current locations
12-month plan: 15 units