

EMERGING TRENDS UPDATE

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THE GROCERY LIST

- The rumors are true! KOHL'S and ALDI plan to partner with store-in-store grocery. Aldi will open several stores in Kohl's locations to help "right-size" the big box retailer. Grocery, gadgets, and gifts under one roof!



- Florida-based grocer PUBLIX will open three GreenWise Market locations in 2018. The smaller-format banner will sell natural and organic goods, taking aim at fresh format hot shots like Whole Foods, Trader Joe's and Sprouts.



- Wave goodbye to WINN-DIXIE of Southeastern Grocers. The parent company of Bi-Lo and Winn-Dixie grocery stores, announced in March it is restructuring to save \$500 million, but will be forced to file bankruptcy and close 94 stores.



THE AGE OF AMAZON

BANK ON THIS ONE

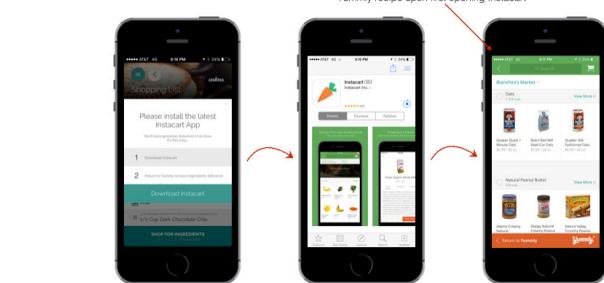
The online giant may be banking on checking accounts! Amazon is in discussions with JP Morgan Chase about launching an Amazon-branded checking account.

Welcome to the Amazon.com Rewards Visa Card.



INSTACART LOWDOWN

- Instacart, a network of grocery shoppers that bring goods to customers' doors, has filed a patent which may allow their hired shoppers to use a mobile app at partner stores and skip the checkout, making their trips quicker and more efficient.



WE LOVE SAMPLES!

Available exclusively for Amazon Prime members, "Prime Samples" was launched in early March which allows consumers to purchase low-priced samples across various merchandise categories, and subsequently launched a subscription "Sample Box" ranging from \$6 to \$20.



DING DONG

Knock, knock - it's Amazon! The online giant acquired video doorbell company, Ring, last month, followed by a large investment in smart thermostat manufacturer, Ecobee.



HOT MARKET ROAD TRIP

In March, our Emerging Trends team held five meetings with national retailers in their Los Angeles-based corporate offices. While in SoCal, we also had the opportunity to visit several hot retail developments. Let's take a trip to the West Coast!

CORPORATE VISITS

ROBEKS

- Current Stores: 95
- 12-Month Opening Projection: 12
- PECO Portfolio: 0



4TH STREET MARKET • Santa Ana, CA

4th Street Market offers a vibrant, 30,000 SF culinary complex of revolutionary small business enterprises and food entrepreneurs. The food hall and kitchen incubator serves as home to professional chefs, artisans, start-ups, and a neighborhood meeting place.

BURGERIM

- Current Stores: 148
- 12-Month Opening Projection: 60
- PECO Portfolio: 2

FIT BODY BOOT CAMP

- Current Stores: 400
- 12-Month Opening Projection: 100
- PECO Portfolio: 4

NEKTER

- Current Stores: 100
- 12-Month Projection: 60
- PECO Portfolio: 0

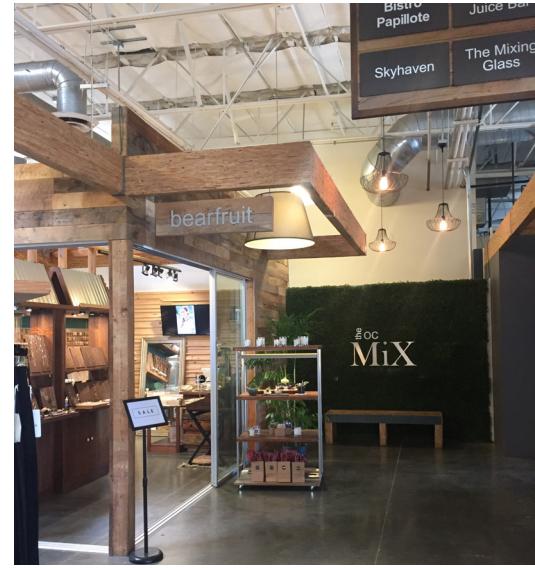
CLUB PILATES

- Current Stores: 260
- 12-Month Opening Projection: 200
- PECO Portfolio: 4



THE LAB ANTI-MALL • Costa Mesa, CA

Part of the SoBeCa District (South on Bristol Entertainment, Culture and Arts), The LAB is a renovated goggle-making factory with a unique blend of boutique shops, one-of-a-kind eateries and artistic happenings from art showings, poetry readings, musical offerings and seasonal festivals.



SOCO & THE OCMIX • Orange County, CA

This vibrant, unique development offers over 300,000 SF of showrooms, restaurants, artisan food purveyors, boutiques and creative studios. It is also home to Orange County's largest Farmers Market, which acts as an eclectic anchor to the "Mix" of local and regional retailers.



THE CAMP • Costa Mesa, CA

A self-proclaimed "eco-friendly" shopping center, The CAMP in Costa Mesa provides a nontraditional retail community in a casual and lively atmosphere. All tenants here are health conscious or fitness related, with a strong emphasis on an active lifestyle.



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THE DEAL WITH MEAL KITS



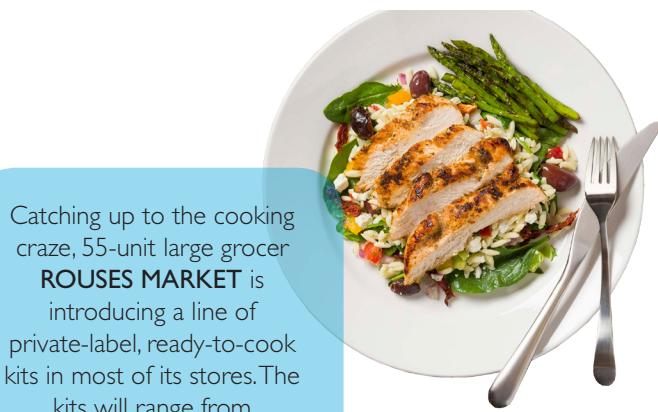
Popular healthy lifestyle brand **WEIGHT WATCHERS** is set to launch a line of quick prep meal kits at grocery stores, making waistline-conscious meals more convenient and accessible to consumers.



H-E-B is launching kits for kids beginning in the San Antonio market. With offerings like spaghetti and quesadillas, each kit will run for \$6.99 and serve two.



In response to many grocers launching private-label meal kits available for immediate purchase and pickup, **BLUE APRON** has announced plans to sell their kits in stores. The specific retailers have not yet been named.



Catching up to the cooking craze, 55-unit large grocer **ROUSES MARKET** is introducing a line of private-label, ready-to-cook kits in most of its stores. The kits will range from \$14 to \$20 and will serve two adults.

IT'S A WALMART WORLD

- Walmart has unveiled a private label home brand, Allswell, to be sold exclusively online. Following in the footsteps of Target's Casper sales, Allswell will even be delivering mattresses in a box!



- Walmart has escalated the competition with Amazon and plans to expand its online grocery delivery service to 100 metro areas by the end of the year. Orders will be shuttled to shoppers by drivers contracted through Uber, Deliv and other delivery platforms.



- In true one-stop-shops efforts, the retail giant will add FedEx shipping shops to 500 store locations over the next two years. The initiative has proven successful in testing, with most FedEx users making additional purchases within the Walmart stores.



RETAILERS ON THE RISE

