

EMERGING TRENDS UPDATE

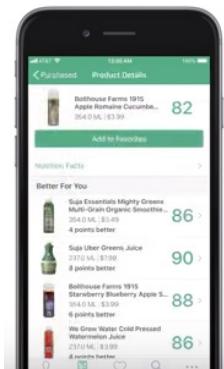
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THE GROCERY LIST

• The health and wellness trend continues to grow in the grocery sector. **KROGER** recently updated their app with healthy food guidance and staffed markets with nutrition technicians. The new app implementation, OptUp, will rank your virtual shopping cart with an overall health score, which the nutrition techs can help to improve.



OptUp



• Out with the old! In a former JC Penney space at Natick Mall in Massachusetts, **WEGMANS** has opened a unique 146,000 square foot store. It's a 2-story space filled with a huge selection of grocery goods and 3 restaurants (including a tequila bar!).

• Hopping on the mealkit bandwagon, **AHOLD DELHAIZE** grocery stores have begun selling HelloFresh mealkits in almost 600 stores. This isn't an exclusive relationship, and the store is in talks with other meal kit brands to sell their products as well.

THE AGE OF AMAZON

IT COMES WITH PERKS

Amazon unveiled new Prime perks at all 466 Whole Foods stores, including a 10% discount off many items. The company is also expanding delivery at US stores.

JUST FOR KIDS

The ecommerce giant has launched a new subscription just for kids, dubbed the Prime Book Box. The box includes books based on the child's age and is only available to Prime members in the US.



[MORE] POP UPS ARE POPPING UP

• Startup **NEIGHBORHOOD GOODS** is opening a 13,000 square foot spot in Plano this fall that will house about 15 brands on a rotating basis. Most of the brands will be e-tailers seeking a physical presence and will range from housewares to apparel. The big box will also include a bar and grill, as well as an event space.

• **L.L. BEAN** is setting up camp with their new popup program! Called "Be an Outsider at Work," the spots are outdoor co-working spaces in various cities that include work areas with wifi. Purely a marketing play, no merchandise will be sold in the spaces, and all are welcome, L.L. Bean customer or not.



• **MACY'S** has invested in the retail tech concept, b8ta, to power their latest popup concept, The Market @ Macy's. Macy's intends to bring new product categories, more excitement and fresh experiences into stores as a result of this partnership.

TEST SHOPPING

Previously an invitation-only service, Amazon Prime members can now "try before they buy" with the Prime Wardrobe system. Customers can choose among a large array of apparel, order and try between three and eight items with no upfront charge. Unwanted items can be returned at no extra charge, and customers will only pay for what they keep.

CATERING TO CONVENIENCE

Amazon's Hub delivery lockers have now reached over 500,000 apartment residents in New York City and San Francisco. Challenging other shipping services like UPS, FedEx and the USPS — The Hub even accepts packages from any other sender, not just Amazon.



RETAILER REMARKS

This month's hot concept is Teriyaki Madness, a Japanese-inspired rice bowl concept that has 62 active units in 36 states. Check out our interview* with Real Estate Director, Hank Janik. Let's get into the madness!

WHAT IS YOUR ROLE WITH TERIYAKI MADNESS?

I handle all real estate matters with Teriyaki Madness. I was formerly with Moe's and started my role with Teriyaki Madness at the beginning of 2018. Although the company is based in Denver, I work from Dallas.

PLEASE EXPLAIN THE TERIYAKI MADNESS CONCEPT TO US.

Teriyaki Madness first opened in 2003. It's a franchise-driven fast-casual Asian bowl concept where you order at

the counter. We use all-natural meats that are marinated and grilled and served with noodles or rice and fresh steamed vegetables, topped with a variety of made-in-house sauces. Our entrée prices range from \$8 to \$11 and our average unit volume is over \$1 million.

WHAT IS THE IDEAL REAL ESTATE FOR THE TERIYAKI MADNESS?

Our footprint can be flexible depending on the market. Our stores range from 1200 square feet to 2600 square feet for

the right price. The perfect spot would be an endcap with patio seating on the "going-home" side of the road with a high daytime population. We will also go inline and outdoor seating is not crucial. We work best in mid-level income areas.

SO YOU WILL CONSIDER SUBURBAN AREAS?

Yes-in fact we prefer secondary markets.

WHAT ARE THE GROWTH PLANS FOR THE GROUP? ASIAN-INSPIRED

RESTAURANT CONCEPTS SEEM TO BE TRENDING RIGHT NOW!

We're in growth mode! We have active franchisees throughout the country, but our biggest focuses on are in the secondary areas surrounding Denver, Salt Lake City, Kansas City, Nashville, Miami, Chicago, and Minneapolis. We plan to open more than 100 locations across the US by the end of 2020. We're even international-opening locations in Mexico.

*Interview has been condensed



EXPERIENTIAL RETAIL

These concepts are blurring the lines between experiences and traditional retail by implementing interactive elements in their stores.



Cirque du Soleil, the iconic and bizarre entertainment brand will be launching a chain of retail locations dubbed Creactive which will include training and playing in acrobatics, trampolines, juggling, mask painting and bungee jumping.

Comcast is revamping its Xfinity retail stores to be more interactive, maximizing their spaces for product and services demonstrations as well as customer service. There will also be ample space and comfortable seating areas, where customers can interact with connected home devices and entertainment.



Target and New York's Museum of Ice Cream are partnering to open The Pint Shop in Manhattan, an Instagram-worthy mini-museum of ice cream. Further, pints of the museum's creations will be sold in Target stores this year, along with the children's apparel featured in the Pint Shop.

IT'S A WALMART WORLD

- Being wine-y! Walmart has introduced Winemakers Selection, a new private label wine collection, in about 1,100 stores at a price point around \$11. The wine release aligns with Walmart's focus on private label groceries to boost store loyalty, improve quality and lift profits.



- Walmart-owned vintage-inspired women's clothing retailer, ModCloth, will expand its "Fitshop" stores. These are inventory-free shops where customers try on samples, receive styling advice and then order selections to their doors. Three new locations will be added this year in Los Angeles, New York and Washington D.C.

- Goodbyes and cutting ties! Walmart has ended its partnership with Uber and Lyft. It will use other delivery services in the markets previously utilizing the rideshare services. The retail giant is also reportedly pulling the plug on their self-checkout app in approximately 150 stores.
- Getting smart, the big box has opened its first small-format "smart" store in China, designed to deliver an integrated online and offline experience with an emphasis on fresh food, fast delivery and value.



RETAILERS ON THE RISE



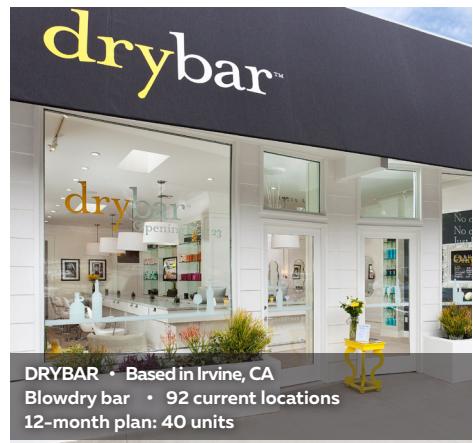
CODE NINJAS • Based in Pearland, TX
Technology education • 230 current locations • 12-month plan: 30 units



POPBAR • Based in New York, NY
Gelato bar • 32 current locations
12-month plan: 55 units



PET FOOD EXPRESS • Based in Oakland, CA
Pet supplies • 63 current locations
12-month plan: 8 units



DRYBAR • Based in Irvine, CA
Blowdry bar • 92 current locations
12-month plan: 40 units



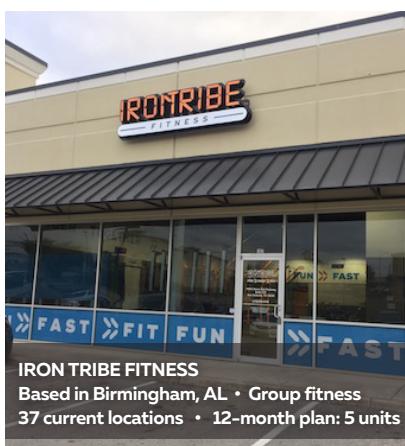
BURGER LOUNGE • Based in La Jolla, CA
Handcrafted burgers • 24 current locations • 12-month plan: 12 units



BLUE BOTTLE COFFEE • Based in Oakland, CA
Coffee Bar • 36 current locations • 12-month plan: 25 units



PUNCH BOWL SOCIAL • Based in Denver, CO
Entertainment & full-service restaurant
12 current locations • 12-month plan: 12 units



IRON TRIBE FITNESS
Based in Birmingham, AL • Group fitness
37 current locations • 12-month plan: 5 units



MUSCLE MAKER GRILL • Based in Houston, TX
Healthy fast casual • 57 current locations
12-month plan: 30 units