

EMERGING TRENDS UPDATE

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THE GROCERY LIST

• **KROGER** and meal-kit leader Home Chef have joined forces to bring easy-to-make meals accessible to consumers. The grocery giant purchased Home Chef in May for \$200 million and will fold its own Prep + Pared meal kit line into Home Chef's operations.



• **SPROUTS** says "You're out!" to Amazon. The natural foods grocer has broken ties with Amazon Prime Now delivery service and moved to Instacart as its primary delivery partner. They have also announced continued expansion to many of their major markets nationwide by 2019.

• **ALBERTSONS** Grocery will begin testing Amazon Go-like technology for select products in their stores, as well as a similar technology dubbed "One Touch" at their gas pumps which will allow customers to pull up, pump gas, and leave without a sales transaction.



CLICKS TO BRICKS

• Asian online eyewear retailer Eyebobs opened its first retail store in May at the Mall of America and will open a second store in Florida at the end of summer. Employees will provide customers with personal styling assistance and find the frame that best suits their personality.



• Online to popup to permanent. Women's apparel-in-a-box e-tailer MM.Lafleur turned a temporary showroom into a permanent location in NYC. The space will be used for styling, events, makeovers and manicures. The reception area will even double as a bar!



• Ecommerce software company Shopify announced a plan to open a brick and mortar store that would sell equipment and other products. It will be dubbed "Shopify Space" and appears to be designed with a showrooming mentality, allowing customers to try and touch items before purchase.

THE AGE OF AMAZON

NEW MARKETS

Amazon Go is "going" full force by entering two new markets in May. The cashier-less concept will open soon in San Francisco and Chicago!

SEARS GETS SMART

Sears and Amazon have an extended partnership that allows Amazon to sell and install tires. Customers will be able to purchase the tires online and ship them to a nearby Sears store for installation. Sears will also launch a new line of Kenmore smart products on Amazon and through Alexa.

EXPERIENCE THE AMAZON

The online giant announced it is partnering with select home builders to open "Amazon Experience Centers" in model homes to showcase Alexa. Customers will have voice control over the television, lights, thermostat, shades and more, and can add these offerings into their new homes.

#FRENEMIES

Amazon's unlikely friendship with Kohl's paid off! Select Kohl's stores have been accepting Amazon returns and those stores have seen an 8.5% bump in traffic. More than half of those customers were new Kohl's patrons. More than 70 Kohl's stores will take Amazon returns by 2019.



Over 70 Phillips Edison employees attended the RECon show in May and hosted over 1,000 successful meetings. Find interviews with industry experts from the conference on our Retail Intel podcast. See you next year, Vegas!

HOT MARKET ROAD TRIP

Our Emerging Trends team recently took a quick trip to Dallas for corporate visits with Cowboy Chicken, Dental One and Mooyah Burgers. While in the city, we visited several established and up-and-coming retail developments including a food hall and a football foodie's dream shopping center. Read below to ride along!



SHOPS AT LEGACY

A true urban lifestyle center, the Shops at Legacy is adjacent to Legacy Hall in Plano. Visitors and residences of the adjoining upscale apartments have blocks of fabulous retail and restaurant offerings such as bellagreen restaurant (eight units), coffee and brunch spot Café Intermezzo, Lash Lounge, spas and boutique fitness studios.



UPTOWN DISTRICT

Uptown Dallas is a one-square-acre district that was once dilapidated but has been revitalized. It is now home to many emerging and established retail concepts and restaurants. Dallas visitors and the 19,000+ local residents have walkable access to weekly events and emerging concepts like Hopdoddy, Shake Shack, Barry's Bootcamp (Texas' first!) and trendy, upscale Del Frisco's Steakhouse.



LEGACY FOOD HALL

Newly opened Legacy Food Hall offers 22 food stalls, 4 full bars, a brewery, and a huge entertainment venue dubbed the "Box Garden," which includes even more food stalls made from shipping containers. At this multi-level European style destination, you can find gourmet donuts, a creperie, Asian street food, and even a tiki bar.



THE STAR AT FRISCO

The Star is a 91-acre retail, restaurant and office complex that also hosts the Dallas Cowboys World Headquarters. Guests can explore many emerging concepts including Liberty Burger (10 units), Tupelo Honey Café, fast-growing Freshii, and a collaborative retail experience from Nike and the Cowboys which features exclusive Cowboys merchandise.

THE DEAL WITH MEAL KITS

Blue Apron is also heating up in another retail category—pop up shops! The meal kit maker launched “UnBoxed” which features cooking classes, panel discussions with well-known chefs, wine and cheese nights, and the opportunity to purchase cooking utensils and a monogrammed blue apron.



Meal kit provider Chef'd has expanded its in-store offerings to several additional retailers including Costco, Harris Teeter, Hy-Vee and Weis Markets. Chef'd is now cooking in 27 states!

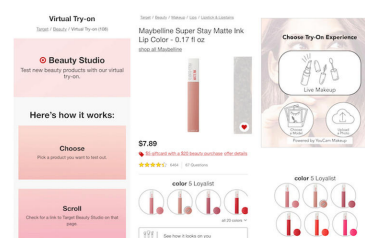


What's cooking at Costco? Blue Apron has announced a partnership with Costco to sell their meal kits in select stores. Meals offerings will rotate monthly and avoid the need for a subscription.



BIG BOX BULLETIN

- Target is boosting their beauty department with “Target Beauty Studio.” The concept incorporates a digital screen in their cosmetic departments to allow customers to try on shades before buying. They've rolled the technology out in 10 stores.
- The retail giant is also bringing something for baby! They are launching a subscription box filled with items from their successful children's line, Cat & Jack. Each box is \$40 and can be ordered on their website.



- Feeling futuristic! Walmart recently released several patent filings revealing their shopping experience of the future. They include smart shopping carts with navigation capabilities, wearable tracking devices, and in-store drone assistance.



- Macy's has been making big moves! The department store has recently acquired Story, which changes the store design and merchandise every 4 to 8 weeks. Story's founder has been named Macy's brand experience officer, focusing on in-store experience. Macy's has also expanded their mobile checkout services and product displays that use VR technology, with plans to expand these features to 60 additional stores in 2018.



RETAILERS ON THE RISE



FRESHII • Based in Chicago, IL
Healthy fast casual • 370 current locations • 12-month plan: 175 units



UBREAKIFIX • Based in Orlando, FL
Tech repair • 400 current locations
12-month plan: 100 units



INDOCHINO • Based in Vancouver, BC
Made to measure apparel • 24 current locations
12-month plan: 16 units



BIGGBY COFFEE • Based in East Lansing, MI
Coffee shop • 260 current locations
12-month plan: 30 units



CORELIFE EATERY • Based in Vestal, NY
Greens & grain bowls • 39 current locations • 12-month plan: 35 units



BRIDGES GENERAL STORE • Based in Manhattan, NY
Cashless convenience store • 8 current locations • 12-month plan: 50 units



BULLRITOS • Based in La Porte, TX
Tex-mex fast casual • 21 current locations
12-month plan: 10 units



BURN CIGAR LOUNGE
Based in Pittsburgh, PA • Upscale cigar lounge
2 current locations • 12-month plan: 3 units



FARMER BOYS HAMBURGERS • Based in Riverside, CA
Gourmet burgers • 72 current locations
12-month plan: 7 units