

EMERGING TRENDS UPDATE

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THE GROCERY LIST

- **HY-VEE = HEALTHY!** The grocer recently opened a freestanding HealthMarket in Des Moines, IA. The store offers fresh produce, high quality meats, a full-service pharmacy and a sports nutrition section. An OrangeTheory-center sits adjacent to the market thanks to Hy-Vee's recent partnership with the fitness chain. This comes alongside news that Hy-Vee has enlisted retail dieticians to offer free nutritional tours at all 190 stores.



- **KROGER** is delivering the competition to delivery services like Instacart and Shipt with their own in-house delivery service. Dubbed Kroger Ship, the service will begin in Cincinnati, Houston, Louisville and Nashville and will be free for orders exceeding \$35.
- From cashierless checkouts to innovative apps, grocery is getting high-tech, and **ALBERTSONS** is banking on it. The grocery brand has launched an incubator to grow and connect with emerging companies and technologies in the grocery sector. The investment includes a fund expected to raise \$50 million!

WHAT'S UP WITH WEWORK?

- WeWork is expanding into full-service office brokerage through their latest initiative dubbed WeWork Space Service. They plan to assist small and medium sized businesses in finding office space via exclusive access to inventory.



- The coworking conglomerate is also testing the waters with retail, integrating a "WeMRKT" into their New York City space, with plans to roll out the market to all of their WeWork locations. WeMRKT carries a highly edited selection of apparel, office supplies, flowers and food from the companies that utilize their space. Many of these businesses sell products strictly online and are using the MRKTs to test the physical sales arena.

THE AGE OF AMAZON

JUST SAY THE WORD!

In August, Amazon announced that Echo smart speakers can now record and complete Prime Now orders. After adding shopping lists to your virtual cart, simply command Alexa to "Checkout" and your order will be shipped to your door within two days.



GOGGLES FOR THE GANG

The online behemoth has filed an application for AR goggles designed specifically for warehouse staff, with the title Augmented Reality User Interface Facilitating Fulfillment. The AR goggles are designed to assist in the navigation of the vast warehouses where Amazon stores its expansive product range, showing on-screen directions to the next product to pull off the shelves which will expedite the shipping process.



HOT MARKET ROAD TRIP

In July, our Emerging Trends team traveled to Denver to oversee portfolio reviews with several growing retailers including Bad Daddy's Burger Bar, Illegal Burger, Snooze and Elements Massage. Between meetings, the team was able to explore a few exciting retail developments around town. Well known for its breweries and food, this was definitely one road trip we were excited to take!

CORPORATE PORTFOLIO REVIEWS

BAD DADDY'S BURGER BAR

- 3,000-SF better burger concept
- 29 current stores
- 8-10 new stores 2019

ILLEGAL BURGER

- 2,400-SF fast casual burgers & drinks
- 9 current stores
- 3 new stores 2019

SNOOZE, AN A.M. EATERY

- 3,500-SF brunch concept
- 24 current stores
- 9 new stores 2019

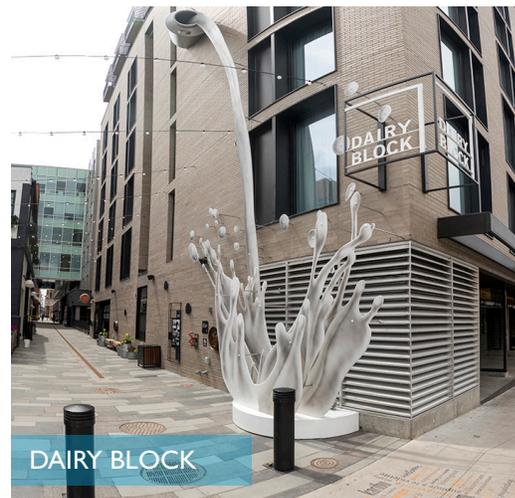
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Located in iconic Lower Downtown Denver, or LoDo as the locals call it, Union Station is a 100-year-old train station that is still fully operational and has implemented retail, dining and even a luxury hotel. The transformation into a mixed-use development was completed in 2014 and now includes options including Snooze Eatery, Milkbox Ice Creamery, Tattered Cover Bookstore and Pigtrain Coffee Company.



Across town in the LoHi (Lower Highlands) neighborhood, we found a modern day food hall made out of shipping containers! The market encompasses influences from European markets and food trucks. It features seven restaurants including a pizzeria and a Venezuelan concept, as well as a common beer and cocktail menu. With a huge outdoor patio, the food hall also hosts events like a late night movie series and cookoffs!



Also in LoDo, the Dairy Block is a recent food hall addition to the district. In a renovated dairy farm, the modern market includes five restaurants, office space, retail shops and a 172-room hotel. We visited a couple months too early — there's word that a funky underground "cocktail lair" will open soon!



Talk about a view! We also stumbled upon a retail market disguised as a 100-room hotel in the Arts District. It includes a rooftop bar with panoramic views of the Rocky Mountains, a bakery, taqueria, modern wood-fired restaurant, barber, art gallery, kitchen goods store, apparel shop, florist, brewery, and barbecue. "The Source" may be the source of the reason we can't wait to take our next trip to Denver!

BIG BOX BULLETIN

- Walmart has a new hire named Alphabot! The big box giant has developed a one-of-a-kind innovative process for automation, helping pickers speed up fulfillment of online grocery orders. Alphabot automated mobile carts work by picking products from the storage area and delivering them to the picking station, resulting in time savings.



- Popping into the pop-up trend, Hudson's Bay department store is utilizing the temporary stores to showcase up-and-coming fashion companies. The store will feature budding fashion brands in their stores during Toronto's Fashion Week and sell the merchandise online.



- Home goods store, Ikea, has announced plans to implement with more experiential aspects in their stores including pop-up events and exhibitions. The retailer will also cut back on paper catalogs in response to the growing sustainability trend.



CLICKS TO BRICKS

SIMPLY FABULOUS

Proving that brick-and-mortar is fabulous, digitally native brand Fabletics has recently outlined a plan to open 75 new athleisure stores globally. One of the latest new stores, in Bellevue, WA, features a trendy design, leggings bars and even a selfie wall for the perfect Instagram! #fitness #sporty



HEY THERE, KENTUCKY

Online home décor superstore, Wayfair, has announced plans to open a retail outlet in Florence, KY. The store will be 20,000 square feet of discounted return and closeout merchandise.

EDGY EYES

Eyebobs, an online eyewear brand, has opened their second physical retail post in August. The store at Orlando's Florida Mall will feature an edgy aesthetic and sell prescription lenses and sunglasses. The store's employees will be trained as eyewear stylists to pair frames to customers' personalities and unique styles.

PERMANENT COZINESS

Online mattress retailer, Casper, is getting cozy with brick-and-mortar, announcing the planned opening of over 200 stores. After testing the waters with pop-up locations, the company is going permanent with these openings over the next three years.



RETAILERS ON THE RISE



BELLAGREEN • Based in Houston, TX
Fast-casual healthy fare • 8 current locations • 12-month plan: 2 units



BROKEN YOLK CAFE • Based in San Diego, CA
Breakfast restaurant • 32 current locations
12-month plan: 5 units



WAXING THE CITY • Based in Denver, CO
Waxing studio • 30 current locations
12-month plan: 7 units



DR. G'S WEIGHT LOSS & WELLNESS
Based in Ft. Lauderdale • Diet center
17 current locations • 12-month plan: 5 units



DUTCH BROS COFFEE • Based in Grants Pass, OR
Coffee shop • 302 current locations • 12-month plan: 25 units



PIEOLGY • Based in Rancho Santa Margarita, CA
Pizza fast-casual • 144 current locations • 12-month plan: 50 units



BRIGHTSTAR CARE • Based in Gurnee, IL
Home care • 250 current locations
12-month plan: 25 units



RELAX THE BACK • Based in Long Beach, CA
Wellness studio • 95 current locations
12-month plan: 4 units



DONATOS • Based in Columbus, OH
Casual dining pizza • 159 current locations
12-month plan: 20 units