

2019 Market Forum



601 W. Main Avenue, Suite 400
Spokane, WA 99201
(509) 838-6541

Colin Conway
509-755-7595 (direct)
509-263-0009 (cell)
colin.conway@kiemlehagood.com

A photograph of a modern shopping mall interior. The scene is dominated by a series of escalators with glass railings, leading up and down between different levels. The architecture features curved, light-colored walls and a high ceiling. In the background, a sign for "MOVENPICK" is visible. The overall atmosphere is spacious and modern.

RETAIL IS DEAD

LONG LIVE RETAIL

The Retail Apocalypse

Retailers Who Have Filed For Bankruptcy Since 2008



rue21.



sears® claire's

DAVID'S™
BRIDAL

AÉROPOSTALE

Hancock Fabrics

SHOPKO®

wet seal

Payless
SHOESOURCE

American
Apparel®

SPORTS
AUTHORITY®

MATTRESSFIRM®
COMMERCIAL SALES

R RadioShack®

charming charlie

P A C S U N

The Retail Apocalypse

Retailers On the Ropes



THE CHILDREN'S
PLACE

GUESS

VS
VICTORIA'S
SECRET



★macys

dressbarn

Abercrombie & Fitch



MICHAEL KORS



Foot Locker

ANN TAYLOR



Sam's Club

LOFT

BANANA REPUBLIC

JCPenney

crocs™

J. CREW

Location, Location, Location

Retail used to be a function of geography, curb appeal and store design.



Traffic Flow

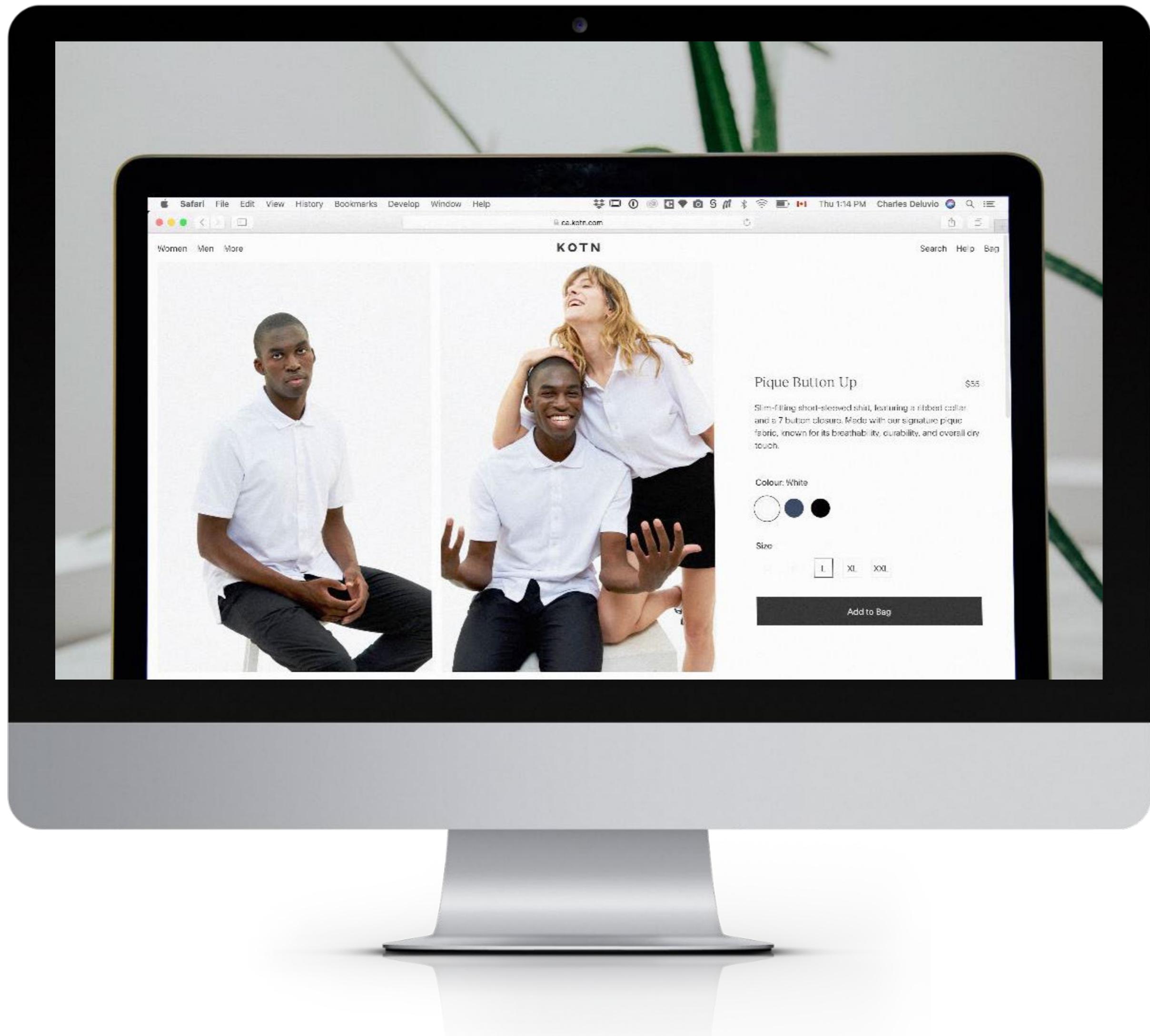


Side of Street



Co-Tenancy

Where is the internet located?



Consumer Expectation Changed Due to The Internet

Increased Information

+

Availability of Goods

=

New Levels of Convenience

Increased Market Knowledge

Rising Expectations

How are retailers competing and succeeding in this environment?



Convenience



Experience



Omni Channel
Approach



Social Media
Engagement



Big Data

AT&T 7:33 PM 23%

Tweet

Carter Wilkerson @carterjwm · 1m
Yo @Wendys how many retweets for a year of free chicken nuggets?

1 1 1 1

Wendy's @Wendys

Replying to @carterjwm
18 Million

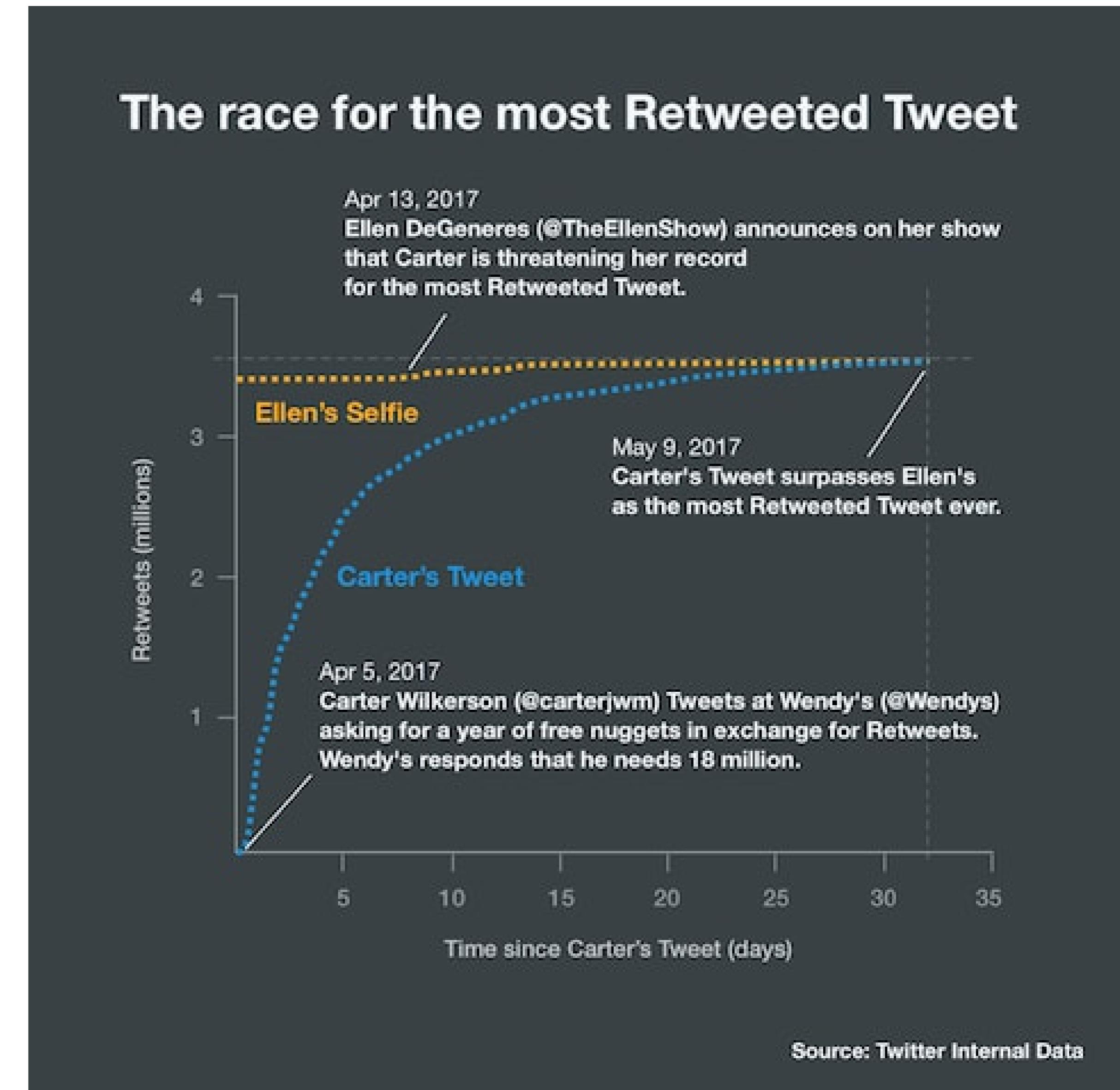
4/5/17, 7:32 PM

1 LIKE

Carter Wilkerson @carterjwm
HELP ME PLEASE. A MAN NEEDS HIS NUGGS

988K 6:38 PM - Apr 5, 2017

3.57M people are talking about this >





Donald J. Trump

@realDonaldTrump

Great being with the National Champion Clemson Tigers last night at the White House. Because of the Shutdown I served them massive amounts of Fast Food (I paid), over 1000 hamberders etc. Within one hour, it was all gone. Great guys and big eaters!

7:58am · 15 Jan 2019 · Twitter for iPhone



Burger King

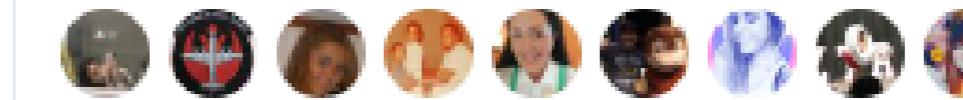
@BurgerKing

Follow

due to a large order placed yesterday, we're all out of hamberders.
just serving hamburgers today.

8:33 AM - 15 Jan 2019

95,768 Retweets 426,025 Likes



14K



96K



426K





Denny's

@DennysDiner

[Follow](#)



while it's trendy to implement new 420 menus, denny's has stayed ahead of the game by simply having...our menu

10:31 AM - 20 Apr 2018

1,489 Retweets 8,677 Likes



40

1.5K

8.7K



Denny's

@DennysDiner

[Follow](#)



if you close your eyes while holding a warm pancake it's almost like holding hands with a real human

2:58 PM - 12 Jan 2018

4,520 Retweets 13,723 Likes



182

4.5K

14K

The Secret Sauce

Big Data

1 Cup	Improved Customer Service
½ Cup	Boost Customer Retention
1 Tbsp	Personalized Marketing
10 oz	Supply Chain Management
Pinch	Better Business Decisions



“Frictionless” transactions

UBER
eats



uber

CARVANA

instacart



amazon go

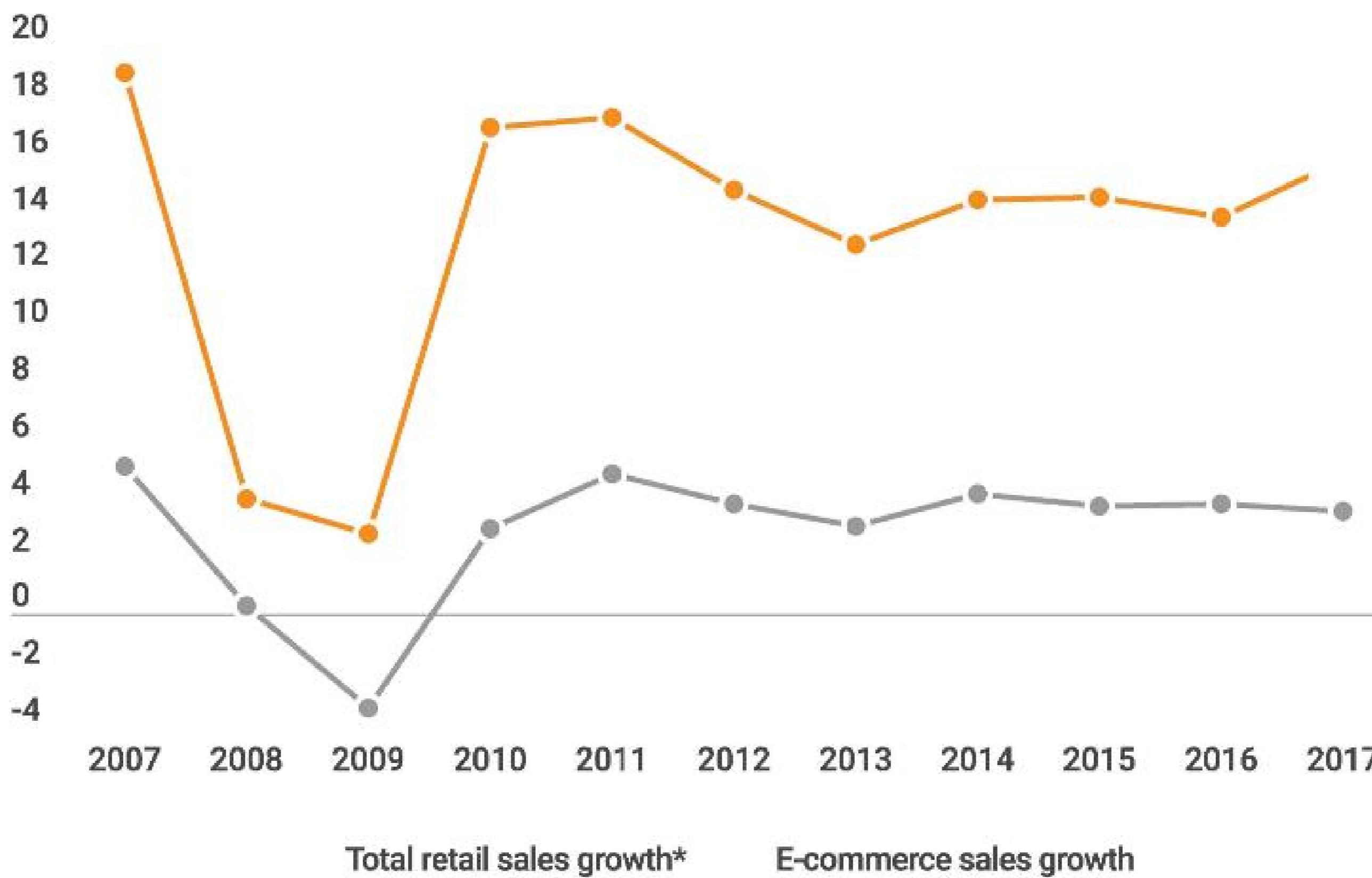
Carvana Promo Video



US E-Commerce vs. Total Retail Sales

14

Comparing growth: U.S. retail sales* vs. e-commerce



Source: Internet Retailer, US Commerce Department

US E-Commerce vs. Total Retail Sales

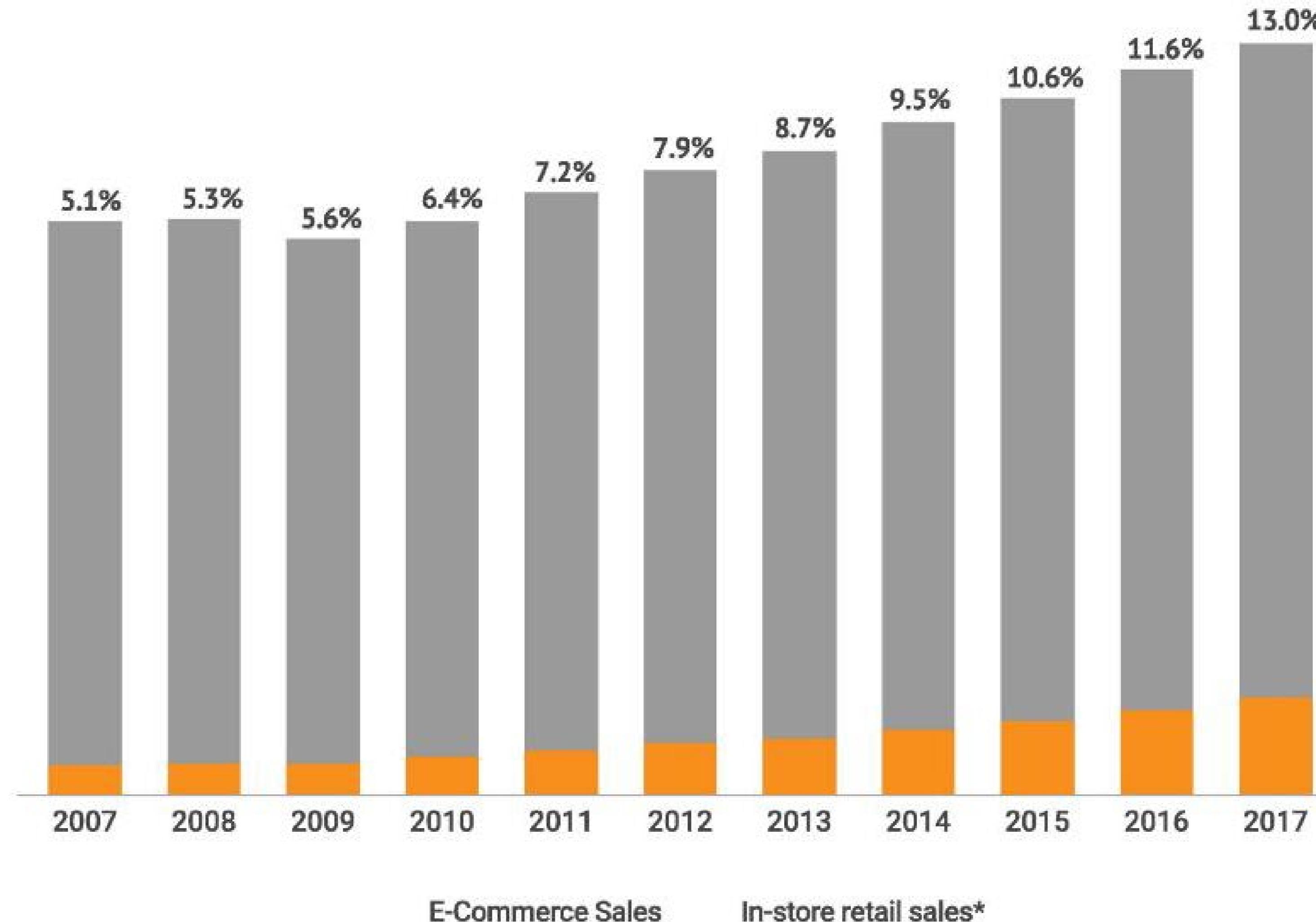
15



Source: Internet Retailer, US Commerce Department

US E-Commerce vs. Total Retail Sales

16



Source: Internet Retailer, US Commerce Department



\$3.496
TRILLION

Total retail sales in
the US in 2017.

13%

\$4.53 BILLION

Of total retail sales was from
e-commerce.

Factoring out the sale of items not normally purchased online such as fuel, automobiles and sales in bars and restaurants.



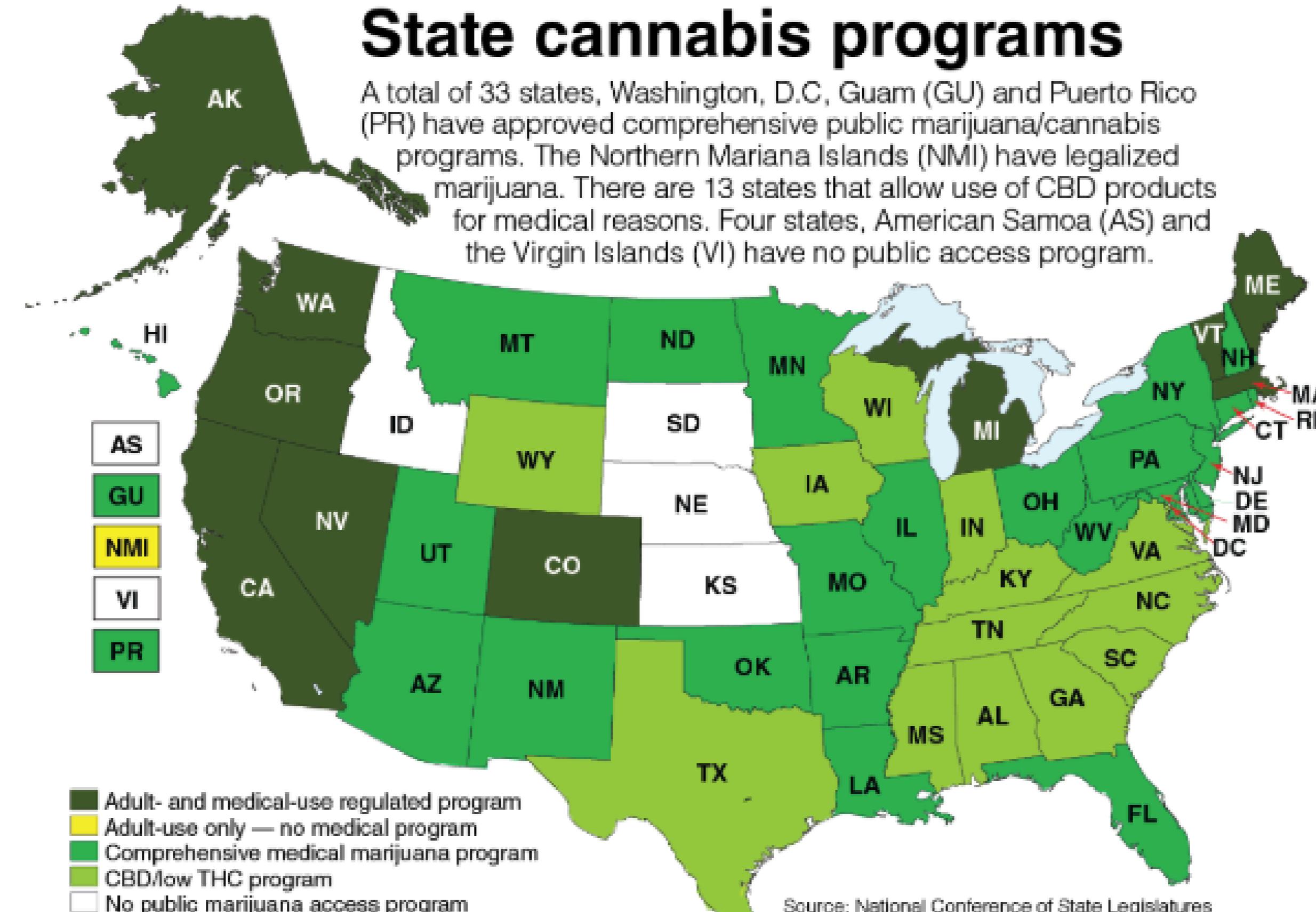
Now seeing 13% do you still think there is a retail apocalypse or is it...

HYPE

SENSATIONALISM

FAKE NEWS

Update



Simon Property Group plans for up to **108 cannabis-product kiosks in major malls** by end of 2019.
- *CoStar News 2/13/2019*

Concerns

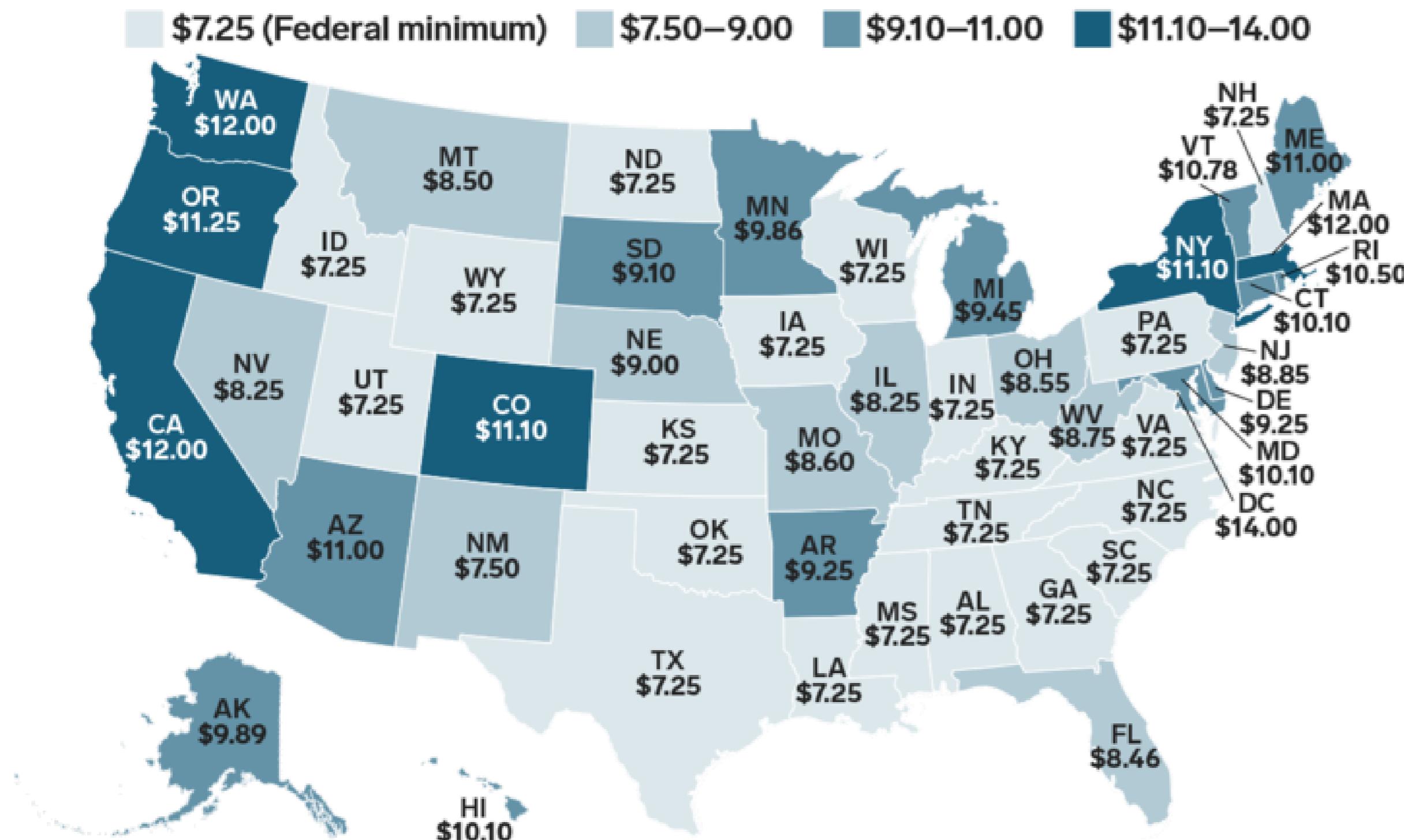
RISING CONSTRUCTION COSTS
(MATERIALS/LABOR)

OPERATIONAL
(MINIMUM WAGE)

POLITICAL CLIMATE:
CONGRESSIONAL/WHITE HOUSE IN-FIGHTING
TARIFFS

Concerns

2019 minimum wage



Source: Economic Policy Institute and Wolters Kluwer

Insider Inc.

ID: \$7.25/hr

WA: \$12.00/hr in 2019

WA: \$13.50/hr in 2020

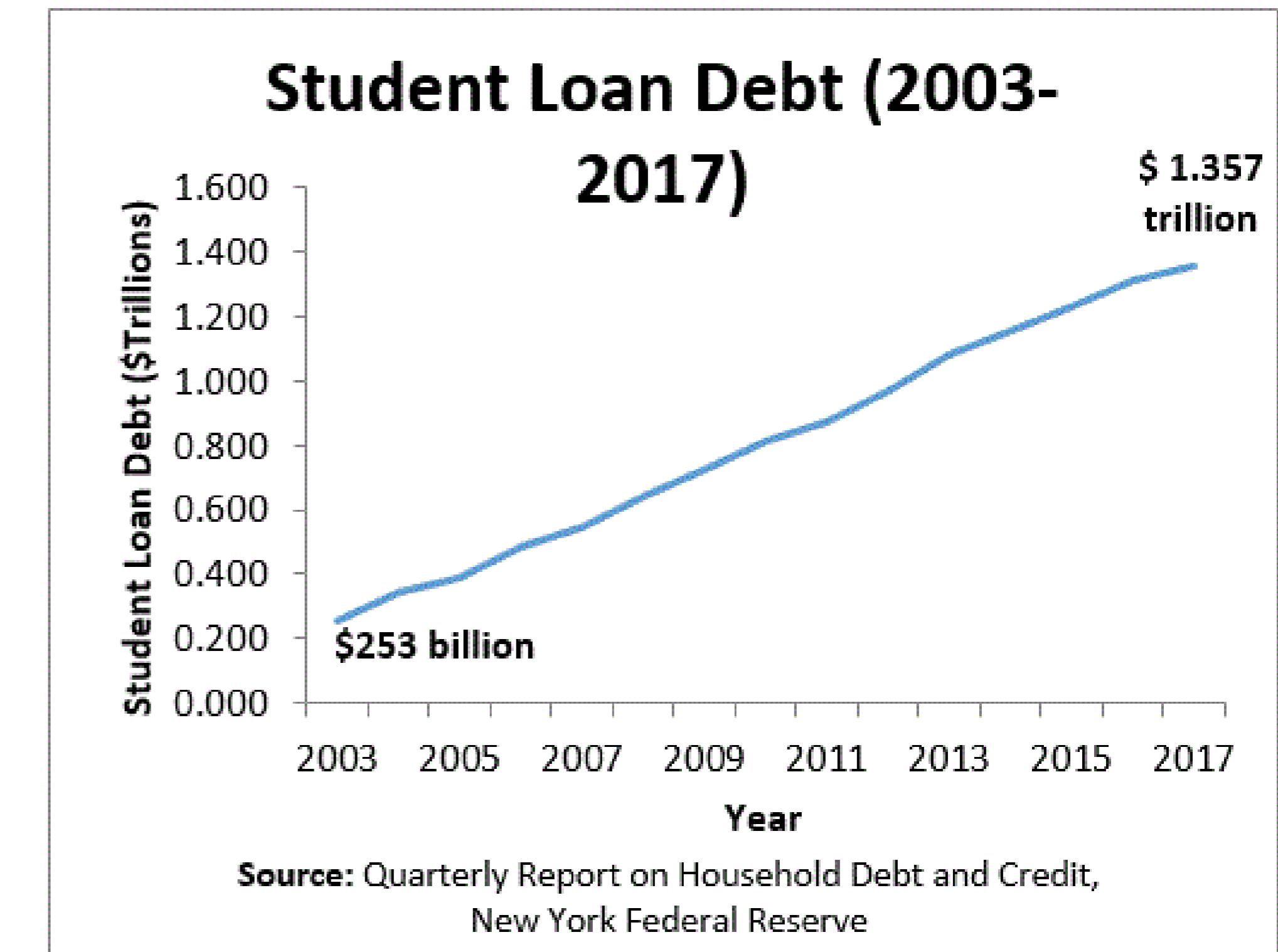
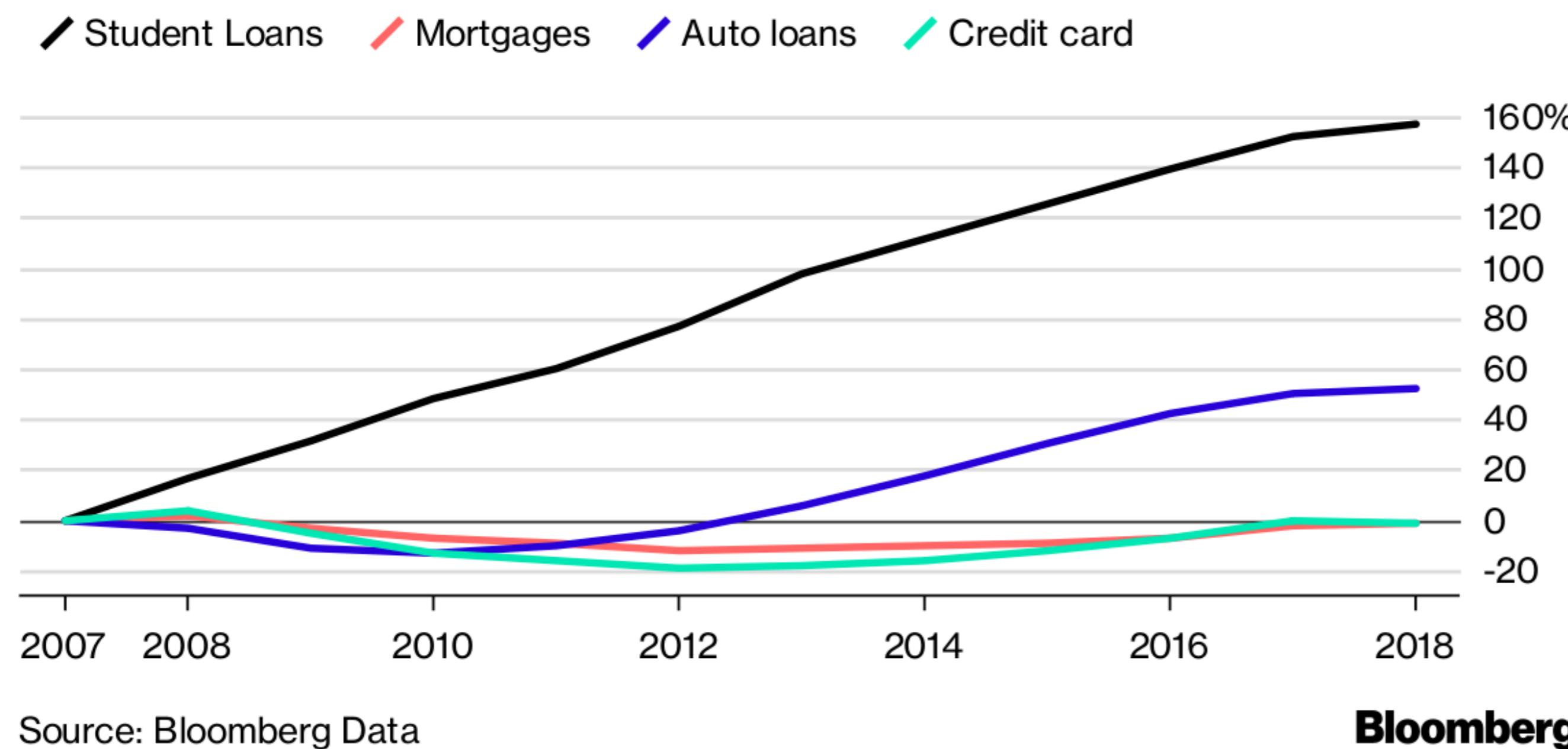
DC: \$14.00/hr

Concerns

Student Loan Bubble

Student Debt Just Keeps Growing

Student loans are the fastest growing segment of U.S. household debt, seeing almost 157 percent growth since the Great Recession.



2018 Retailers of Note

Valley



Tuesday Morning



Downtown



*Walt Worthy's
Purchase of Red Lion
Inn at the Park*

*Ruby Suites Purchase of
Red Lion River Inn*

North



The repurposing of “big box” space
Trampoline parks/entertainment users

West Plains



2019 Retailers of Note

North



Downtown

*Spokane Central Market
(food hall)*

Airway Heights



Contact Us



601 W. Main Avenue, Suite 400
Spokane, WA 99201
(509) 838-6541

Follow Us:

