

2019 Market Forum



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A photograph of a modern shopping mall interior. The scene is dominated by two large, parallel escalators that lead to upper levels. The escalators have glass railings and metal handrails. Above the escalators, there are curved walkways with glass railings. The lighting is warm and ambient, with some storefronts visible on the lower level, including one with a 'MÖVENPICK' sign. The overall atmosphere is one of a large, open retail space.

RETAIL IS DEAD

LONG LIVE RETAIL

The Retail Apocalypse

Retailers Who Have Filed For Bankruptcy Since 2008

TOYS R US

VITAMIN
WORLD

rue21

VANITY

K
kmart

sears® claire's DAVID'S™
BRIDAL AÉROPOSTALE Hancock Fabrics

SHOPKO® Wet Seal Payless SHOESOURCE American Apparel® SPORTS AUTHORITY®

MATTRESSFIRM®
COMMERCIAL SALES

RadioShack®

charmingcharlie

PAC SUN

The Retail Apocalypse

Retailers On the Ropes



THE CHILDREN'S
PLACE

GUESS

VICTORIA'S
SECRET



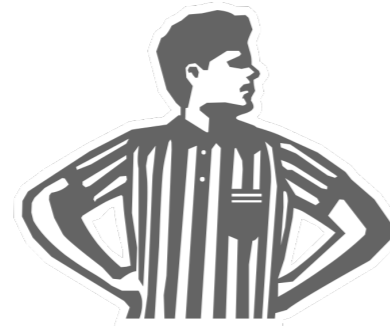
★ macy's

dressbarn

Abercrombie & Fitch



MICHAEL KORS



Foot Locker

ANNTAYLOR



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

+

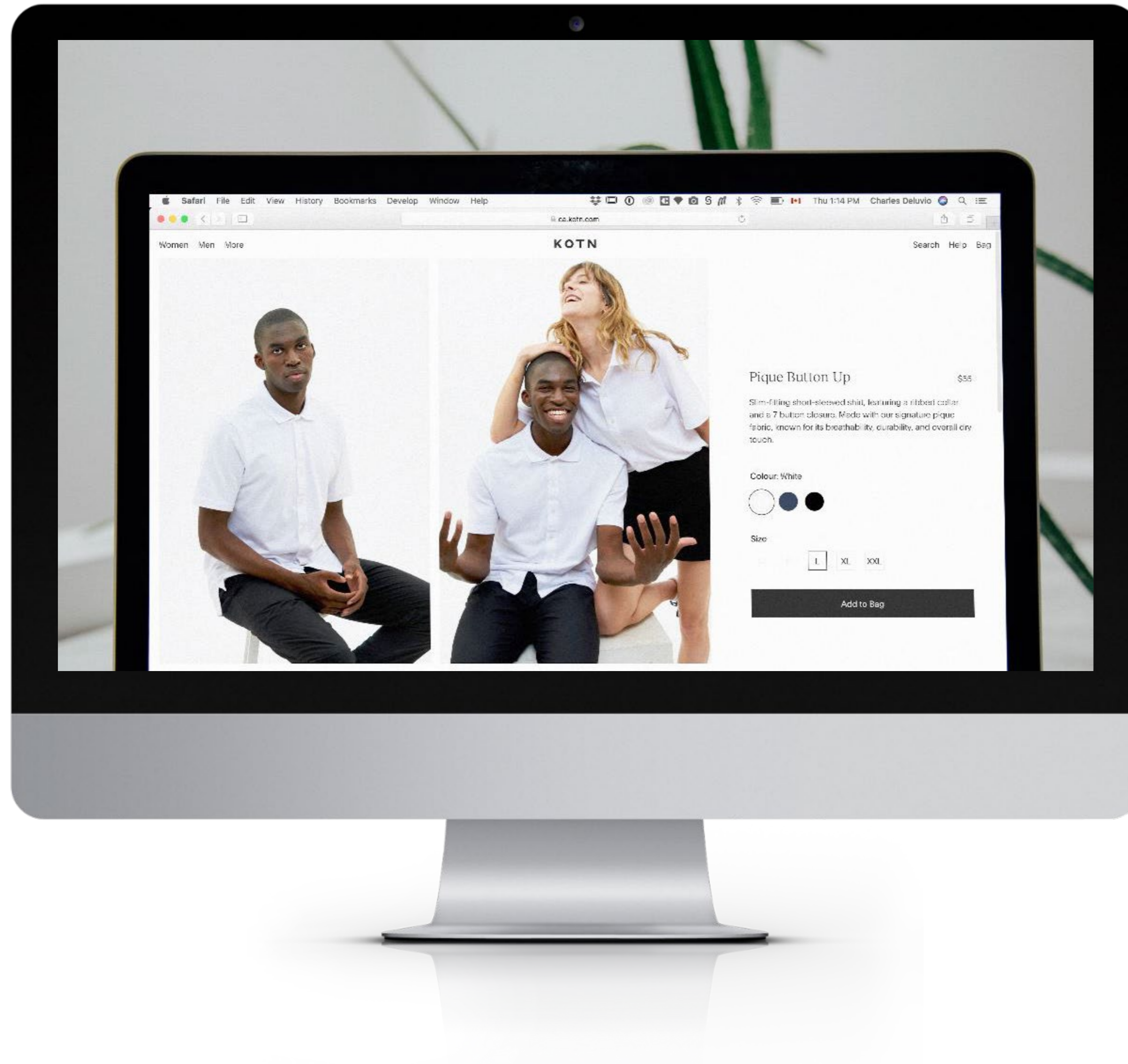
Availability of Goods

=

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



Wendy's @Wendys

Replying to @carterjwm

18 Million

4/5/17, 7:32 PM

1 LIKE



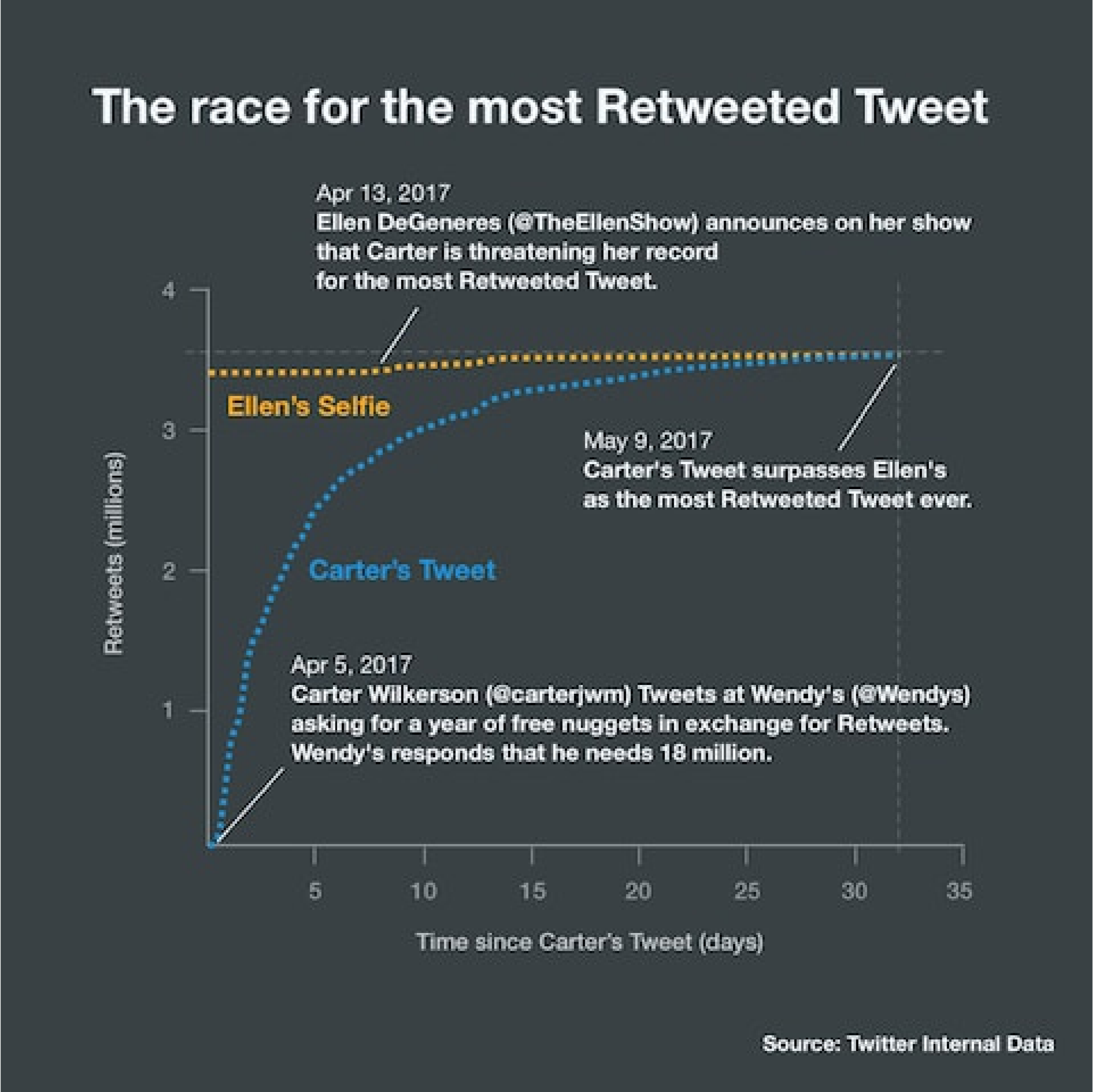
Carter Wilkerson @carterjwm

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



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



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



CARVANA

Uber

 instacart



amazon go

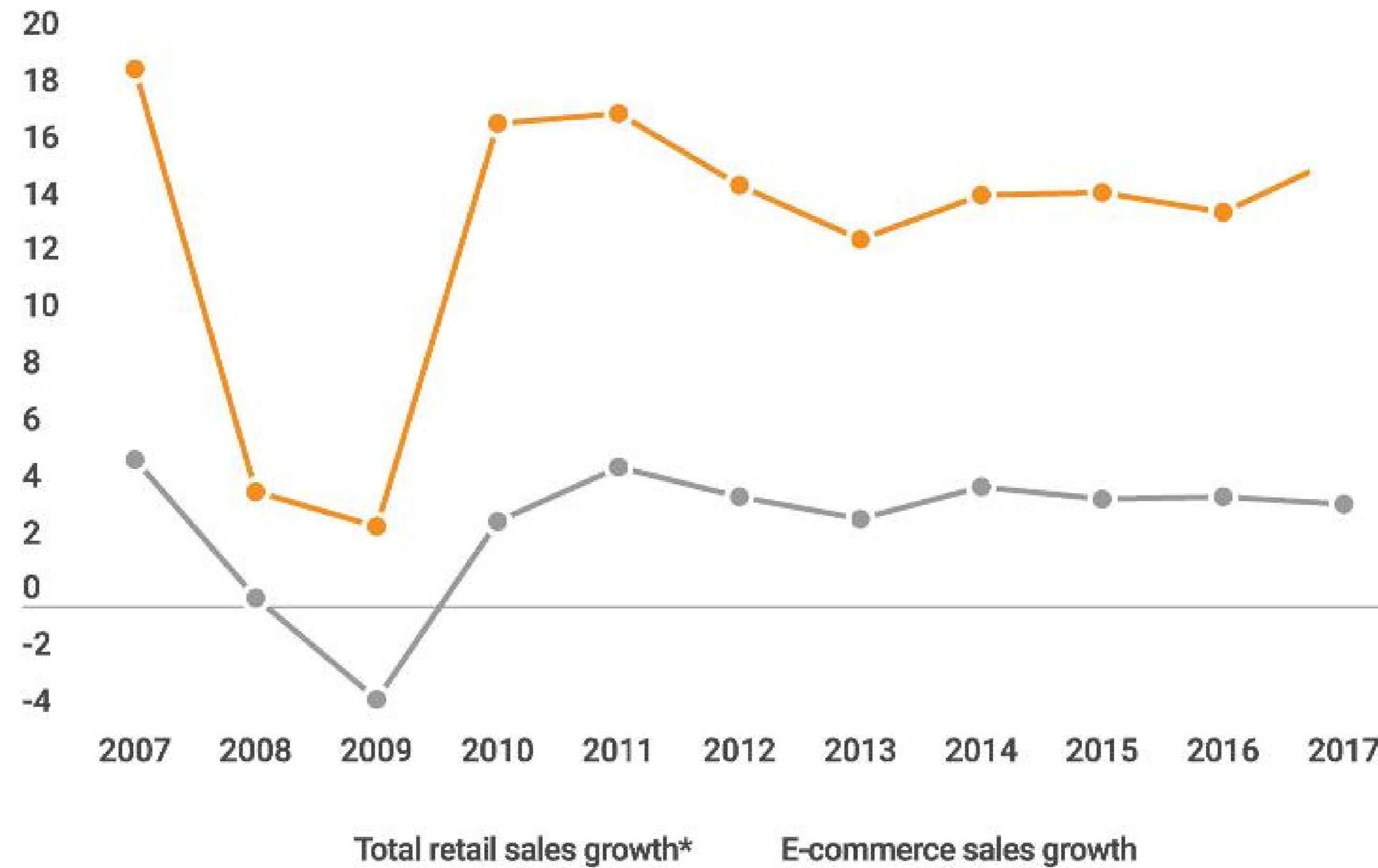
Carvana Promo Video



US **E-Commerce** vs. **Total Retail Sales**

14

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



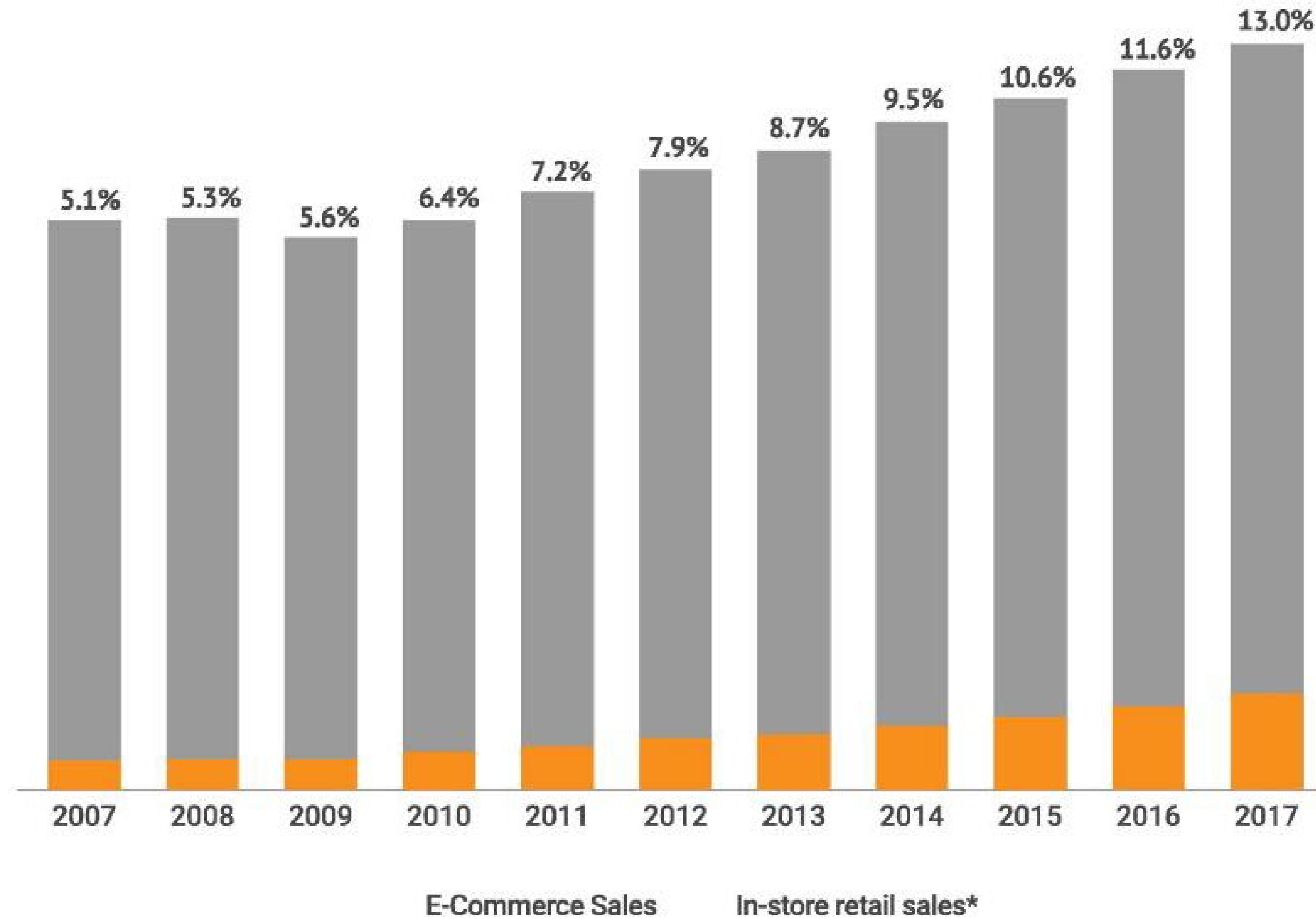
US **E-Commerce** vs. **Total Retail Sales**

15



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.*

A group of people, mostly women, are standing in a line, holding various shopping bags. The image is overlaid with a dark, semi-transparent filter. The text is centered and reads:

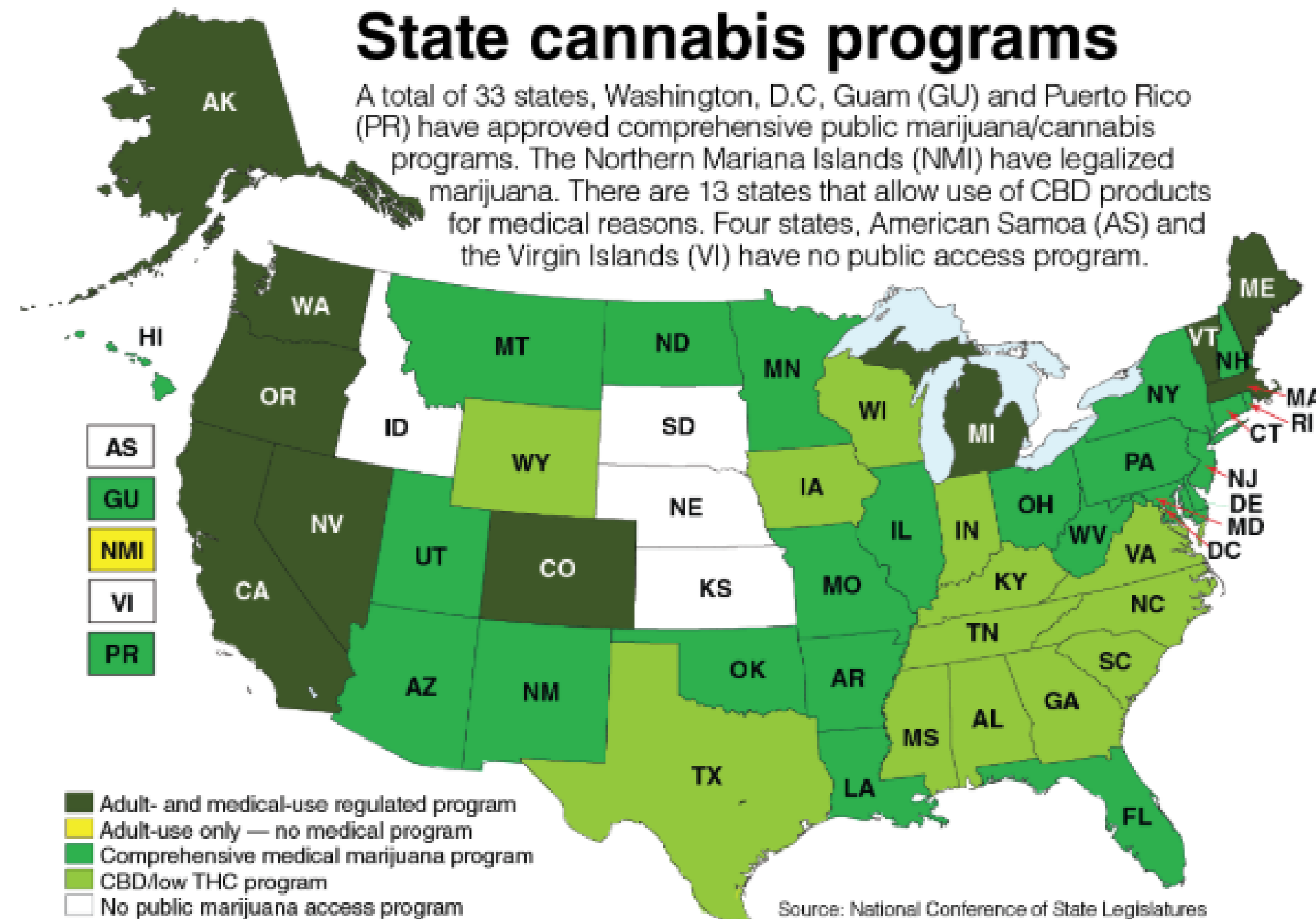
Now seeing 13% do you still think there is a retail apocalypse or is it...

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*

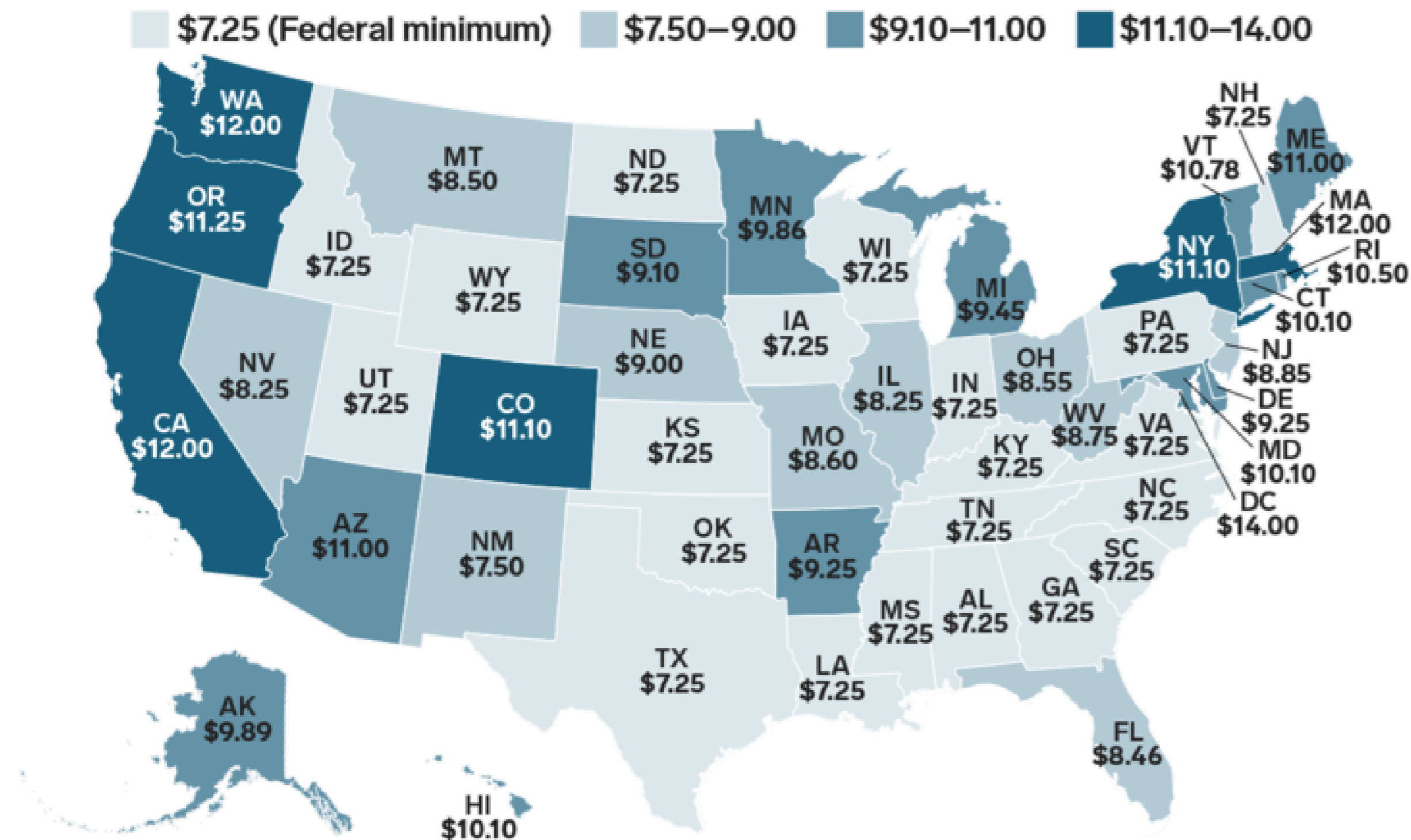
Concerns

RISING CONSTRUCTION COSTS
(MATERIALS/LABOR)

OPERATIONAL
(MINIMUM WAGE)

POLITICAL CLIMATE:
CONGRESSIONAL/WHITE HOUSE IN-FIGHTING
TARIFFS

2019 minimum wage



ID: \$7.25/hr

WA: \$12.00/hr in 2019

WA: \$13.50/hr in 2020

DC: \$14.00/hr

Source: Economic Policy Institute and Wolters Kluwer

Insider Inc.

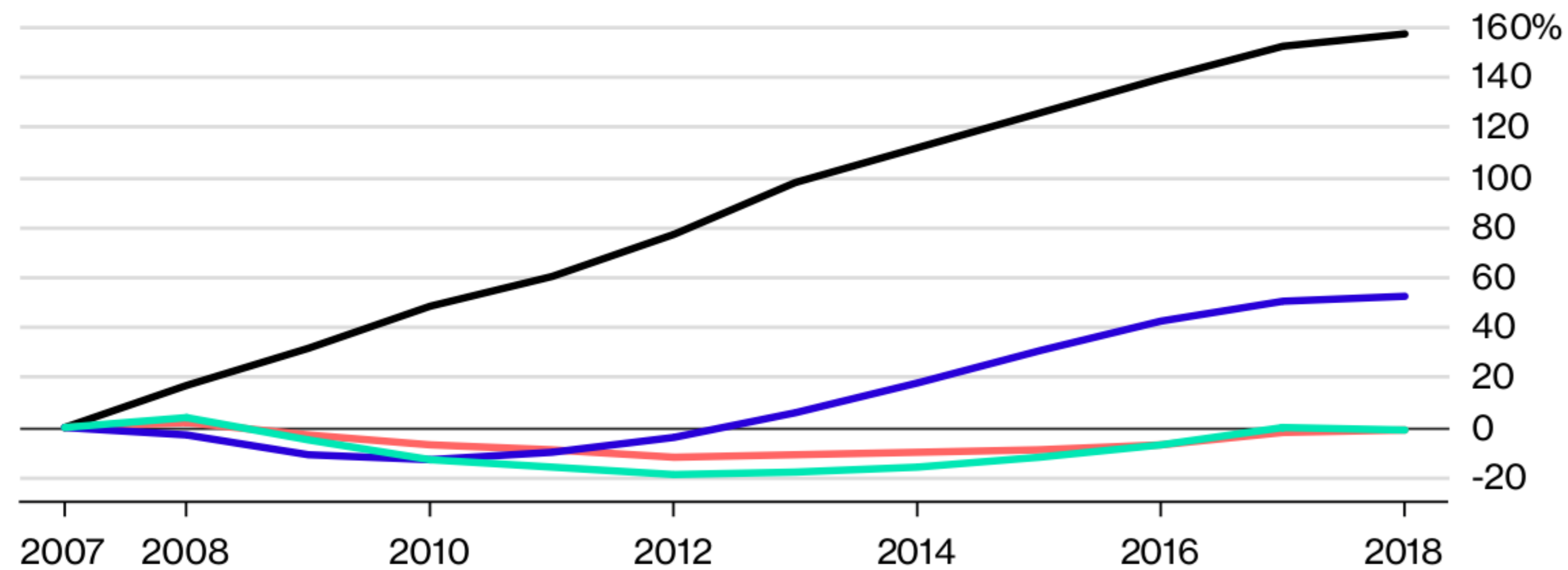
Concerns

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.

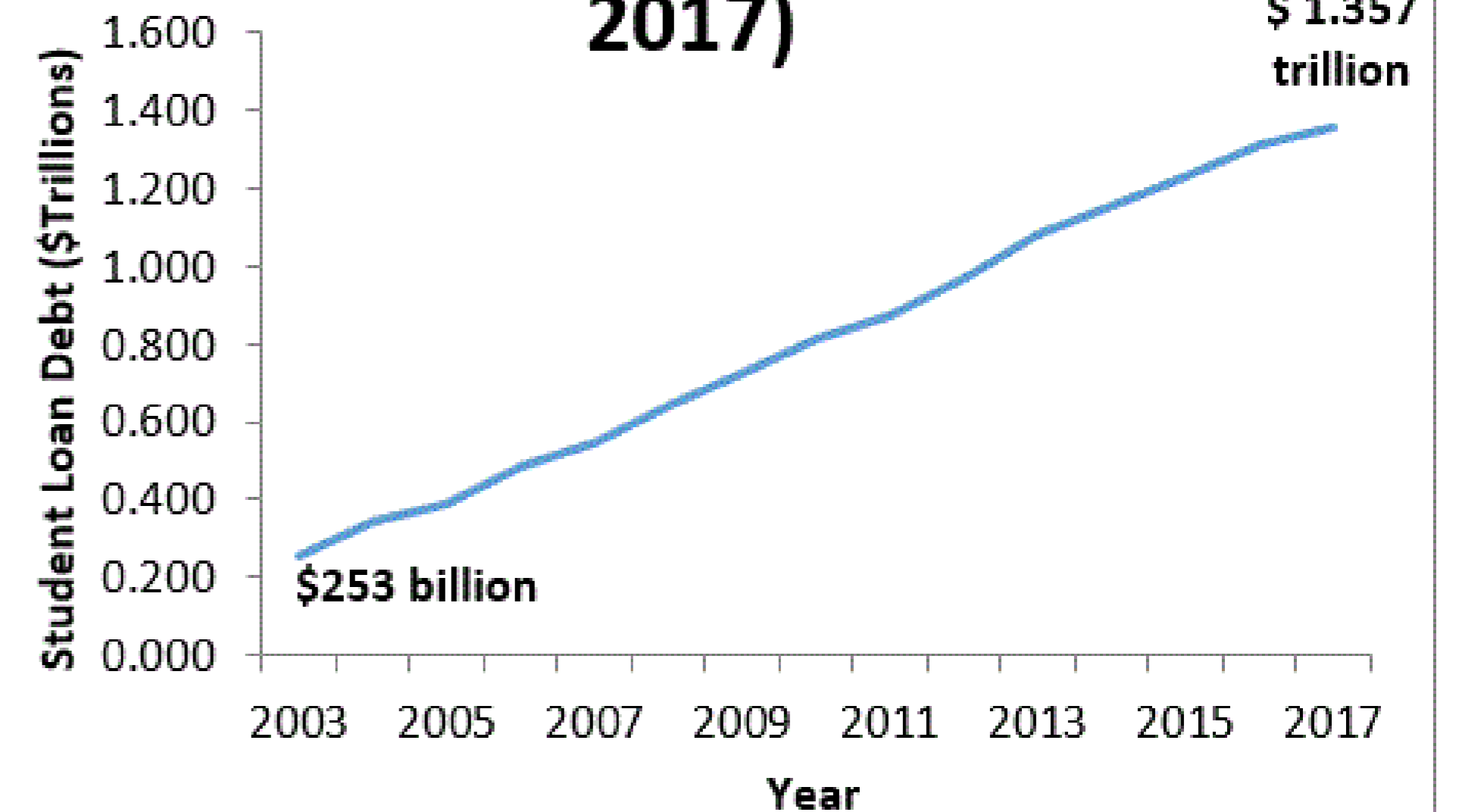
Student Loans Mortgages Auto loans Credit card



Source: Bloomberg Data

Bloomberg

Student Loan Debt (2003-2017)



Source: Quarterly Report on Household Debt and Credit, New York Federal Reserve

2018 Retailers of Note

Valley

DULUTH
TRADING
CO

Tuesday Morning

ULTA[®]
BEAUTY

Downtown



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

*Ruby Suites Purchase of
Red Lion River Inn*

North



West Plains



The repurposing of "big box" space
Trampoline parks/entertainment users

2019 Retailers of Note

North



(relocation)



Downtown

*Spokane Central Market
(food hall)*

Airway Heights



Contact Us



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