

EMERGING TRENDS UPDATE

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THE GROCERY LIST

- AHOLD DELHAIZE has gone miniature with their new portable "NanoStore" in Amsterdam's Schiphol Airport. The store allows customers to shop for a select assortment of basic grocery goods and utilizes cashierless technology.

- Grocery is getting glamourous at Texas grocer H-E-B. The retailer has launched Beauty by H-E-B in San Antonio which will include a curated department of beauty and personal care items. The section of the store will also include Beauty Advisors to provide advice on products and beauty rituals.

- KROGER is getting into the farming business! The major grocery chain is opening miniature hydroponic produce farms in two of its stores in November. The mini-farms will allow the grocer to grow produce on-site, removing the need for storage and transportation for many of their green goods.



THE AGE OF AMAZON

POP-UP & GO, PLEASE

Amazon Go, the cashierless convenience store operated by the major e-tailer, is exploring locations for pop-up kiosks. They are also testing a 10,000 square foot version of the concept in Seattle's Capitol Hill neighborhood and could roll out the format nationally in 2020.

CONSTRUCTION JUNCTION, WHAT'S YOUR FUNCTION?

Our National Accounts team had the opportunity to check out the first Amazon grocery store's construction progress in the Los Angeles neighborhood of Woodland Hills. In a former Toys R Us box, and surrounded by major national retailers, the location was highly discreet. The windows were covered, and a security guard was seated outside. See the photos below!



HUBBA HUB-BA

In November, Amazon announced plans to invest \$40 million in a 350,000-square-foot robotics innovation hub in Westborough, Massachusetts, slated to open in 2021. The site will include offices, labs and manufacturing space, allowing the online retail giant to design, build, program, and ship robots, all under the same roof.

RETAILER REMARKS

Fitness has been permeating retail centers lately, with boutique and class-based gyms taking an especially “strong” hold! Our National Accounts team recently connected with Barry’s Bootcamp’s Real Estate Director, Jared Smith, to discuss the concept and opportunities that Phillips Edison might have for the brand. With the popularity of Barry’s Bootcamp and their strategic expansion plans, Jared and the real estate team have some heavy lifting to do!

WHAT IS THE CONCEPT BEHIND BARRY'S BOOTCAMP?

We are a bootcamp style gym that uses intervals of cardio and weight training, all in what we call our “Red Room.” We use red lights and high energy music to motivate the group to move their hardest.

HOW MANY LOCATIONS DO YOU HAVE AND WHAT IS YOUR EXPANSION STRATEGY?

We’re an international brand with over 45 open locations. We will have an additional 6 open by the end of this year. Our current goal for 2020 is to open 20 new stores domestically.

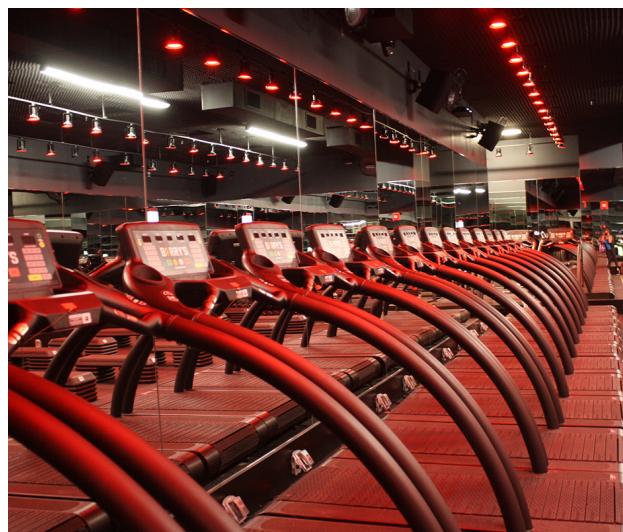
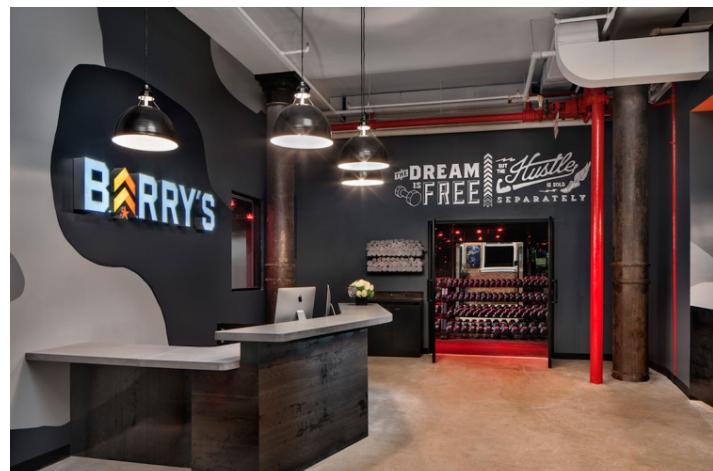
WHAT IS YOUR IDEAL SITE IN YOUR SEARCH FOR REAL ESTATE?

Currently we are looking to expand and saturate urban markets. Our ideal site is street retail centers and mixed-use developments. We have a 12’ minimum ceiling height requirement and typically prefer a rectangular layout. Ideally, we would love to go freestanding to avoid noise concerns, but many of our gyms are inline.

WHO IS THE TYPICAL BARRY'S CUSTOMER?

We are currently working on generating a customer data tracking system, but we are aware that our typical customer includes higher than average income men and women. They are generally members of other gyms including Barry’s. Our customers are usually young professionals with an interest in physical fitness.

*Interview has been condensed



INNOVATION IN RESTAURANTS

COFFEE ON THE GO

Starbucks mobile pickup stations have been a popular addition to many of the coffee shop locations, so the chain has opened their first mobile only pick-up café in New York City. Customers use their Starbucks app to order and pay, then quickly pop into the shop and grab their order labeled with their name.

KIOSKS & SALSA

Popular Tex-Mex fast food restaurant, Moe's Southwest Grill, will open all-digital, kiosk-only locations in the first quarter of 2020 in Pittsburgh and Charlottesville, Virginia. Both locations will have one point-of-sale register and seating.

G'DAY CHICKEN

Why did the chicken cross the road? To get to the ultra-convenient drive thru-only KFC location in Australia! The fast food chicken joint has opened a store that only offers drive through purchases where customers can either order ahead online or order at a drive up window.



POP-UPS POPPING UP

TRY GIVING BACK

DSW doesn't want you to shop at their store — at least their latest pop-up in New York City. The temporary store, which will run for three days in December, will have no merchandise and instead focus on their giving-back initiatives. Visitors will be encouraged to bring shoes for donation, contribute finds and get involved in the company's philanthropic arm, DSWGives.

QUICK FIX

Fashion and gossip blog, Popsugar, is popping up in the Big Apple. Dubbed Sugar Chalet, the store will feature brands such as e.l.f. Cosmetics, Athleta and Nature's Way. In true experiential fashion, the store will also offer a meditation den, yoga, culinary kiosks, and a holiday market.



TUPPER-WHERE? TUPPER-HERE!

There won't be time for leftovers here! Tupperware, classic kitchenware company, opened a holiday pop-up in downtown Manhattan—their first venture into the brick and mortar realm. The space is described as "immersive" with interactive food and product demonstrations.

BIRCH IN THE BOX

Beauty subscription service, Birchbox, has expanded its brick and mortar partnership with Walgreens by integrating 500 pop-up shops in the drugstores for the holidays. Grab and go gift items will be available, as well as travel size beauty essentials and subscription gift cards.



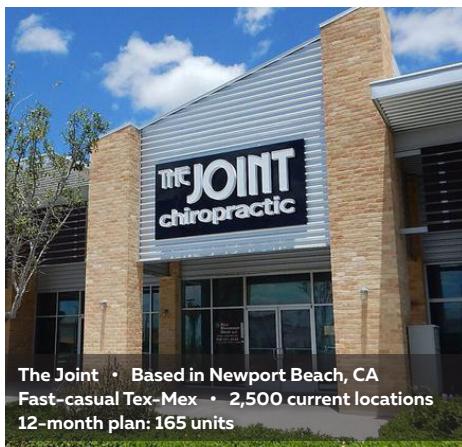
RETAILERS ON THE RISE



RIBCRIB • Based in Tulsa, OK
Fast-casual BBQ restaurant • 60 current locations • 12-month plan: 6 units



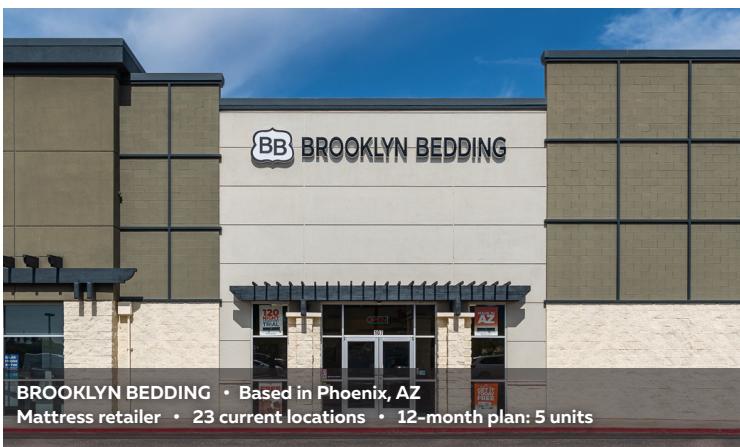
GOLDEN CHICK • Based in Richardson, TX
Quick-service chicken restaurant
185 current locations • 12-month plan: 26 units



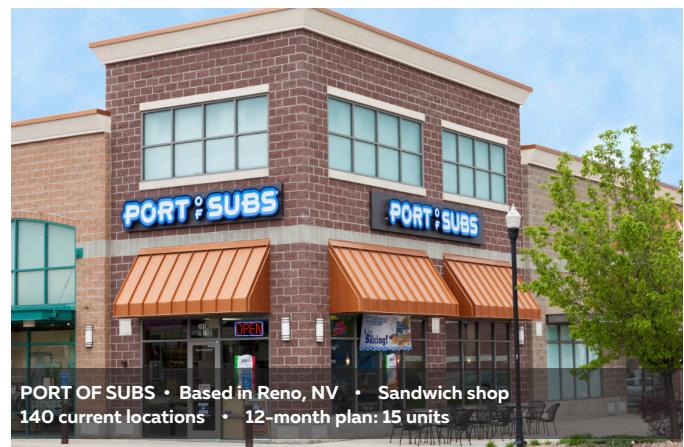
THE JOINT
chiropractic • Based in Newport Beach, CA
Fast-casual Tex-Mex • 2,500 current locations
12-month plan: 165 units



WAXING THE CITY
Based in Denver, CO • Waxing studio
185 current locations • 12-month plan: 40 units



BROOKLYN BEDDING • Based in Phoenix, AZ
Mattress retailer • 23 current locations • 12-month plan: 5 units



PORT o' SUBS • Based in Reno, NV • Sandwich shop
140 current locations • 12-month plan: 15 units



BARGAIN HUNT
Based in La Vergne, TN • Discount superstore
810 current locations • 12-month plan: 20 units



GAMES WORKSHOP • Based in Memphis, TN
Hobby/gaming • 300 current locations
12-month plan: 20 units



UNCLE MADDIO'S PIZZA JOINT
Based in Atlanta, GA • Fast-casual pizza
29 current locations • 12-month plan: 40 units