

EMERGING TRENDS UPDATE

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THE GROCERY LIST

- **ALBERTSON'S** is going remote (controlled) with remote-controlled carts for deliveries. The grocer has partnered with a technology company named Tortoise to implement two human-operated remote-controlled grocery carts that can carry up to 120 pounds of groceries in a California location. The carts move at a maximum speed of three miles per hour and can travel a distance up to three miles.
- Getting glamorous, **HY-VEE** is opening nail salons inside select stores, beginning at an Iowa location. The nail studios will offer manicures, pedicures, nail art, waxing and other services. All the shops will be branded The W Nail Bar, and their products will also be sold in the Hy-Vee stores.
- **SCHNUCK'S** is feeling "Fresh" with their updated format store design coming to Jasper, Indiana. The store will have a smaller footprint than standard stores and a major focus on fresh goods. Analysts say the smaller format is a way for big box grocers to compete with stores like Aldi and Lidl, with the competitive advantage of offering more produce, meat, seafood and bakery items.
- Major Asian supermarket, **H-MART**, is integrating micro-fulfillment technology to maximize their grocery operations. The micro-fulfillment center will open just miles away from their Lyndhurst, New Jersey headquarters and is expected to be fully operational by October 2021.



WALMART WORLD

- It may be a while before we see in-store samples again, but Walmart is trying to keep the sample strategy alive. The big box will offer free samples to customers who sign up for their Walmart+ subscription service. The samples will be included in customers' curbside pickup orders.
- Va-va-vaccinations! Retail giant, Walmart, announced in early April that they will be offering COVID-19 vaccinations in over 3,800 stores, as well as via a mobile wellness fleet. The mobile clinics are intended to reach rural and under-served communities.



THE AGE OF AMAZON

DAZZLING DOZEN

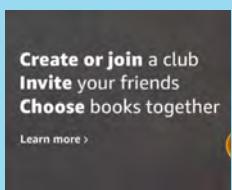
The e-tailer turned bricks and mortar retailer is now up to 12 Amazon Fresh Stores as of April 14. Amazon recently announced they will be opening their first grocery stores in the East within the areas of Washington, D.C., northern Virginia, Pennsylvania and Maryland.

BIG BUSINESS

Amazon has gotten into the mall business (kind of). With recent acquisitions including Knoxville Center Mall in Tennessee, the online retailer has converted 25 malls into large distribution warehouses. These properties, in excess of 200,000 square feet, will serve as last-mile delivery stations and warehouses for shipping and containment for the online seller.

BOOK CLUBS ARE BACK

Going back to their roots as an online bookseller, Amazon has launched Book Clubs for Prime members. Currently available to select members only, participants can create, join and manage clubs that allow for a virtual social experience.



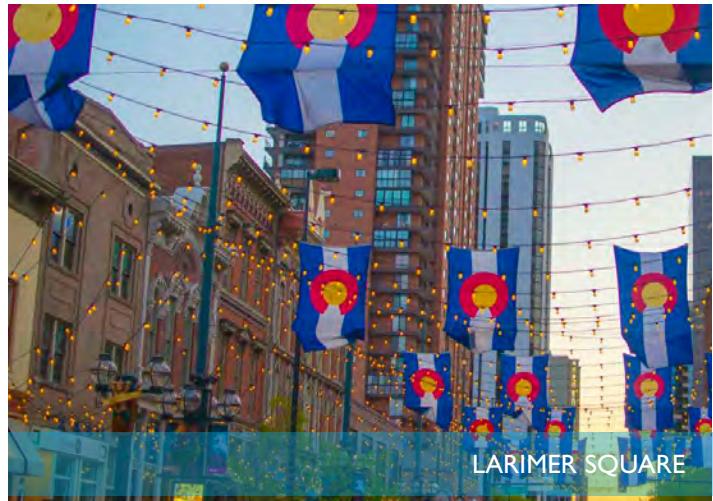
HOT MARKET ROAD TRIP

In March, our National Accounts team made their first in-real-life trip for nationwide portfolio reviews in over a year to Denver. While there, the team met with Snooze Eatery, Carbon Health, Sola Salons, and GolfTEC. Between networking and meetings, the group was able to explore a few of Denver's most exciting and interesting retail developments.

If you've been missing travel like many of us, let's explore a few of the stops the team was able to make:



DAIRY BLOCK



LARIMER SQUARE

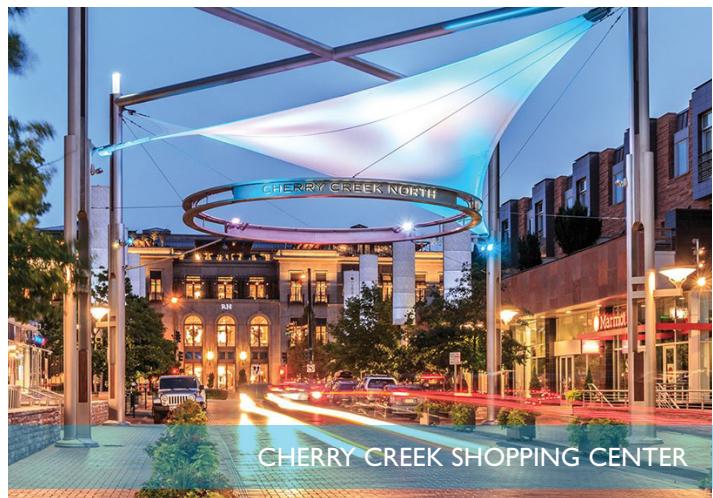
In the LoDo District, Dairy Block is another retail destination full of rich history. Established as a dairy in 1920, the block is now home to a large and well curated mixed-use development including food and beverage, niche retail, office space, and even a hotel. The market also includes a "retail incubator" that can be reserved rent-free by emerging retailers to showcase and sell their products.



16TH STREET MALL

Recent visitors to this once-thriving retail center may be surprised to see 16th Street Mall on our list, but the outdoor shopping center has a facelift on the horizon. Built in the 1980s, this center still offers 42 outdoor cafes, over 20 retailers, movie theaters, and a free shuttle that takes visitors from block to block. Denver City Council approved a \$150 million renovation and revitalization to the center. Construction is expected to begin late this year and wrap up in 2024.

Known as Denver's most historic block, Larimer Square is on Larimer Street, named after the owner of Denver's first residence. The retail district of Larimer Square was brought to life in 1965 and is now home to many local and national restaurants and retailers. Artfully decorated with flags and string lights, visitors here can find Starbucks, Ted's Montana Grill and Capital Grille, along with locally owned boutiques and service providers.



CHERRY CREEK SHOPPING CENTER

Owned and leased by Taubman Centers, Cherry Creek is the premiere shopping center in Denver. The center is home to over 160 stores and over 15 dining options. The mall also offers curbside pickup for customers craving convenience. The center is located on a major retail corridor, across from a Whole Foods and West Elm, and adjacent to Cherry Creek park.



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ODD COUPLES: Unexpected Retail Partnerships

SPOOKY SNACKS

Amidst news that McDonalds is pulling out of hundreds of Walmart stores, the big box has partnered with Ghost Kitchen Brands to roll out its hybrid virtual brand/ghost kitchen concept in dozens of Walmart stores in the U.S. and Canada. Described as a “virtual food court,” the service will allow shoppers to select items from the menus of about 15 national and regional restaurants including Quiznos, Saladworks and others, combined in a single order.

CALL THIS COLOR, "BEANS"

Beauty and burritos go hand-in-hand with Chipotle's new partnership with e.l.f. cosmetics. Described as an effort to connect with Gen Z, the beauty line will have makeup palettes that include colors reminiscent of black beans and guacamole. Craving the taco-inspired products already? They became available in March, so customers have access now, but only on the respective brands' websites!

APPLE A DAY...

Target is taking a bite of Apple with their new store-in-stores in at least 17 Target locations. Although the big box retailer already sells Apple products, this move will double the footprint and product range of the technology brand, along with making Target shopping more experiential. Target has also tried this strategy with Ulta and Disney.

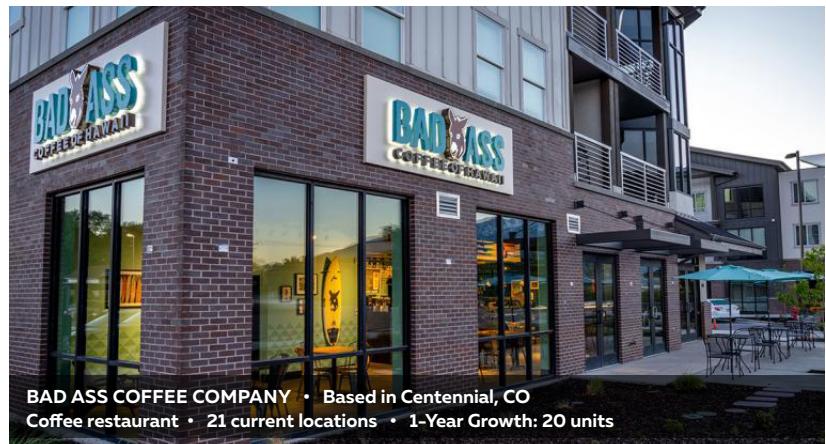


SPOTTED: Otherworld

Columbus, Ohio has a 32,000 square foot “other world” for you to explore! The Otherworld concept is an immersive artistic experience in which visitors are encouraged to roam freely and interact with the exhibits. Think of this concept as a museum meets escape room meets innovation. Over 40 creative professionals and artists are involved in this experience. Otherworld is located in a mostly vacant retail plaza, but don't let the façade fool you — you'll step into a brand new reality on entry.



RETAILERS ON THE RISE



BAD ASS COFFEE COMPANY • Based in Centennial, CO
Coffee restaurant • 21 current locations • 1-Year Growth: 20 units



SCENTHOUNDS • Based in Jupiter, FL
Pet supplies • 12 current locations
1-Year Growth: 8 units



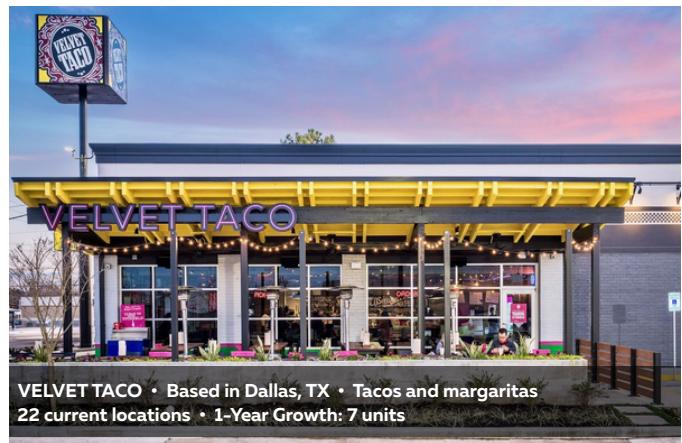
RUSH BOWLS • Based in Boulder, CO
Acai bowls • 34 current locations
1-Year Growth: 20 units



SCOTCH & SODA
Based in Amsterdam, Netherlands • Men's apparel
225 current locations • 1-Year Growth: 30 units



ATHLETA • Based in San Francisco, CA • Athleisure-wear
190 current locations • 1-Year Growth: 30 units



VELVET TACO • Based in Dallas, TX • Tacos and margaritas
22 current locations • 1-Year Growth: 7 units



TERIYAKI MADNESS
Based in Denver, CO • Fast casual Asian fare
100 current locations • 1-Year Growth: 45 units



JABZ BOXING • Based in Scottsdale, AZ
Female-focused boxing boutique
20 current locations • 1-Year Growth: 10 units



WING ZONE
Based in Las Vegas, NV • Burgers & chicken wings
32 current locations • 1-Year Growth: 30 units