



What's Next For Retail?

The Retail Coach

20+
Years of
Experience

500 Million+
SF of New
Retail Recruited

650+
Communities
Served

\$600 Million+
in New Sales
Tax Generated



The Retail Coach is a national retail recruitment and development firm that combines strategy, technology and retail expertise to develop and execute high-impact retail recruitment and development plans.

Agenda

- **Trends Impacting The Retail Industry Due to COVID-19**
- **Developing a Pandemic Proof Retail Strategy for Your Community**

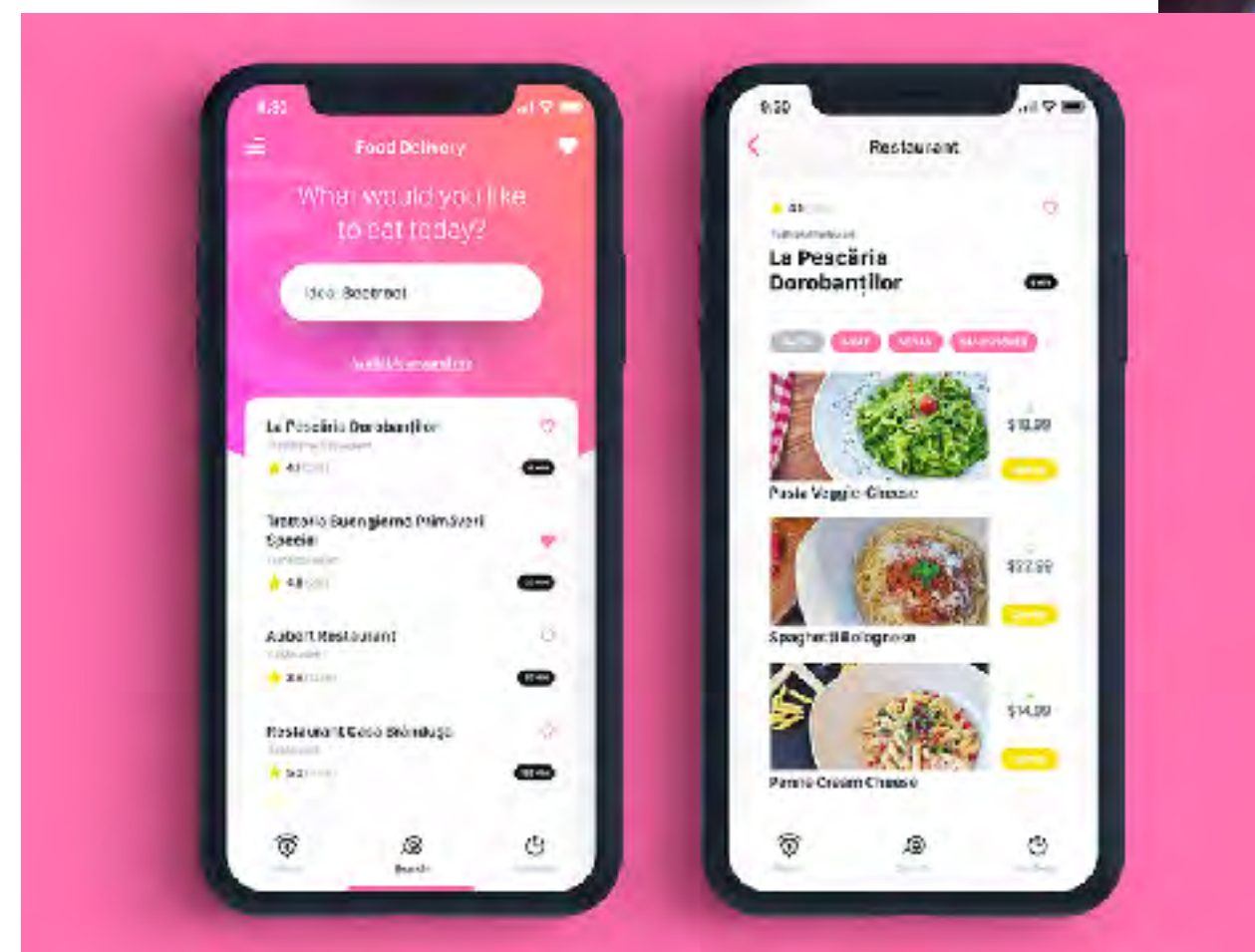
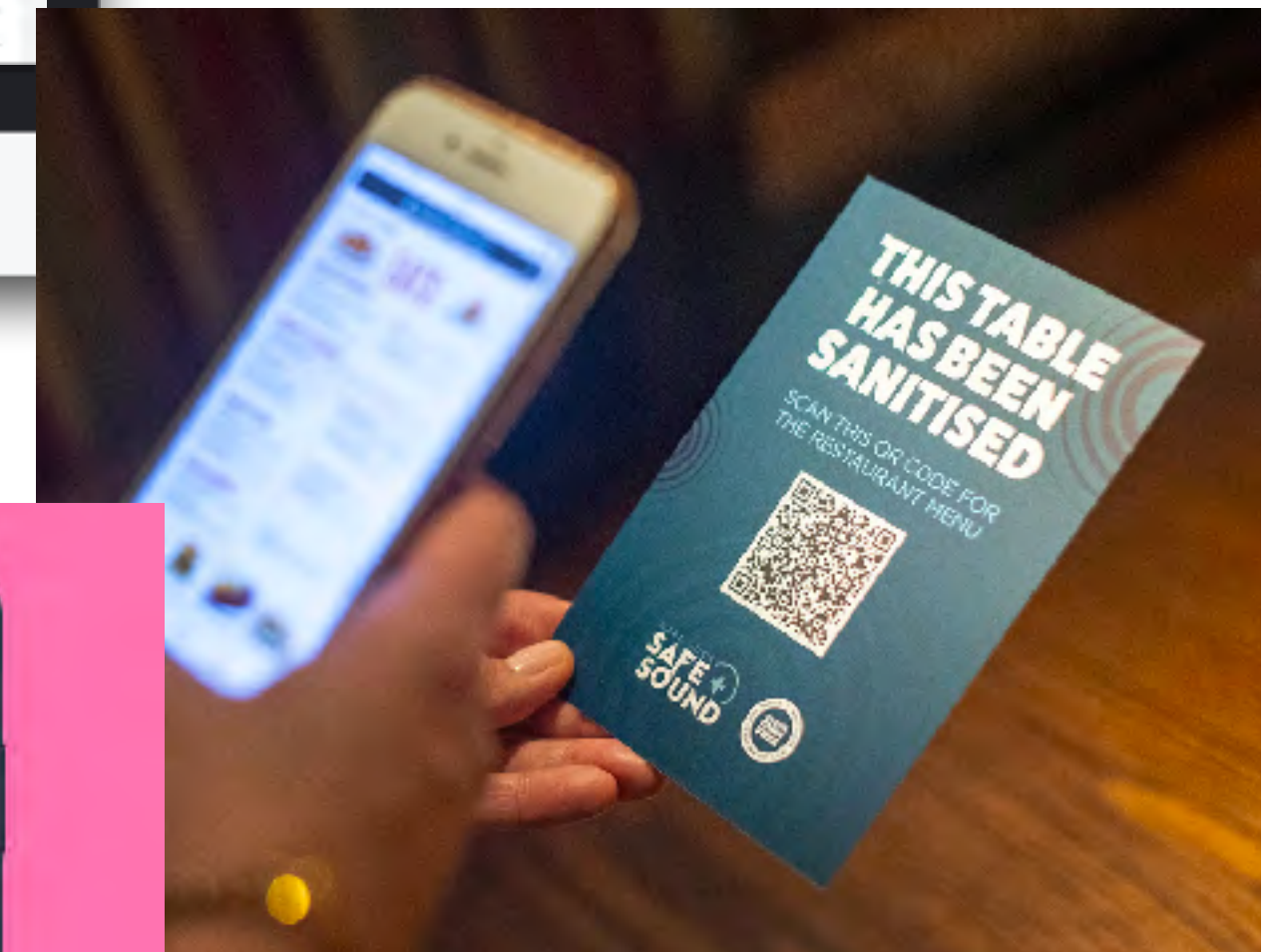
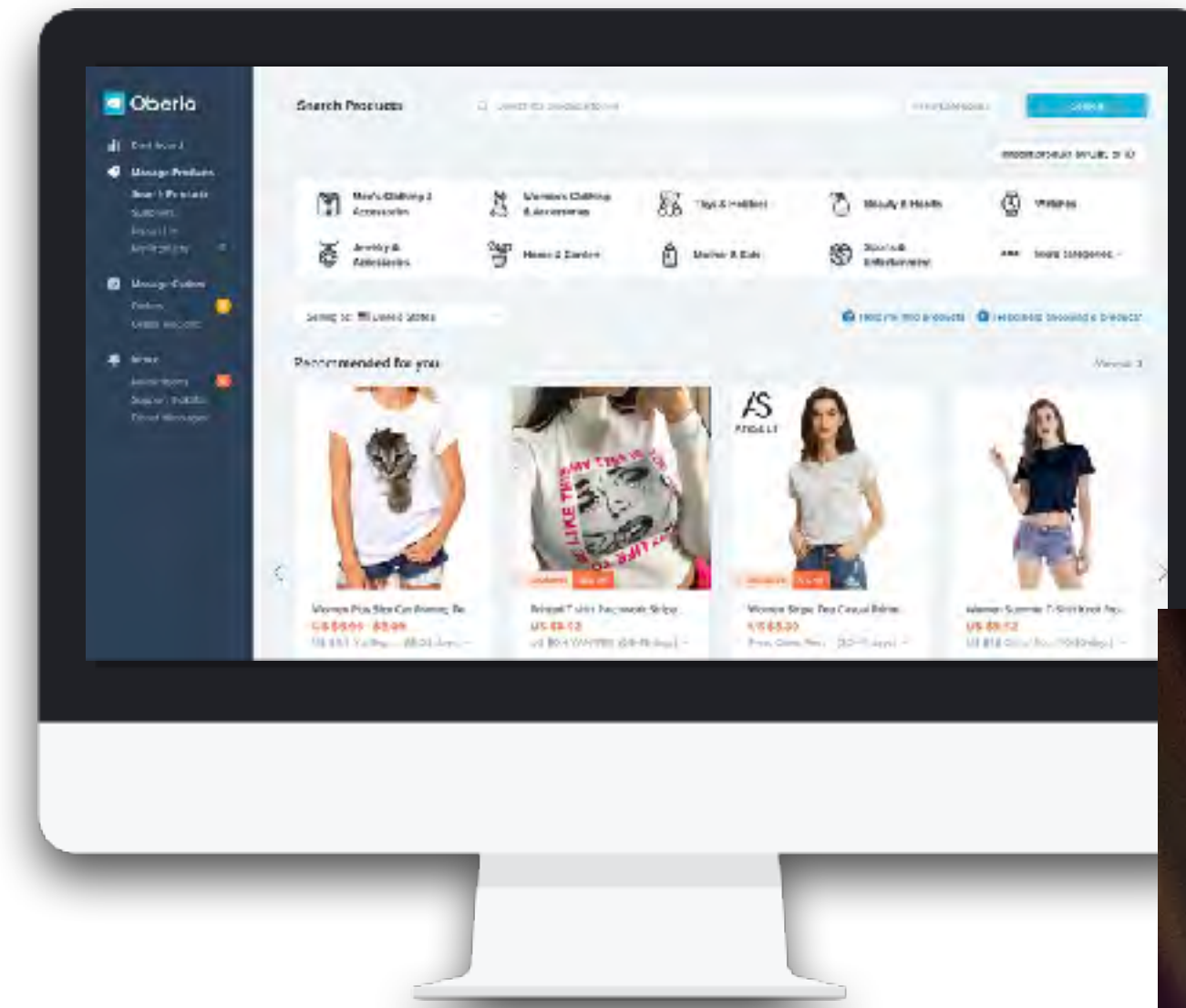
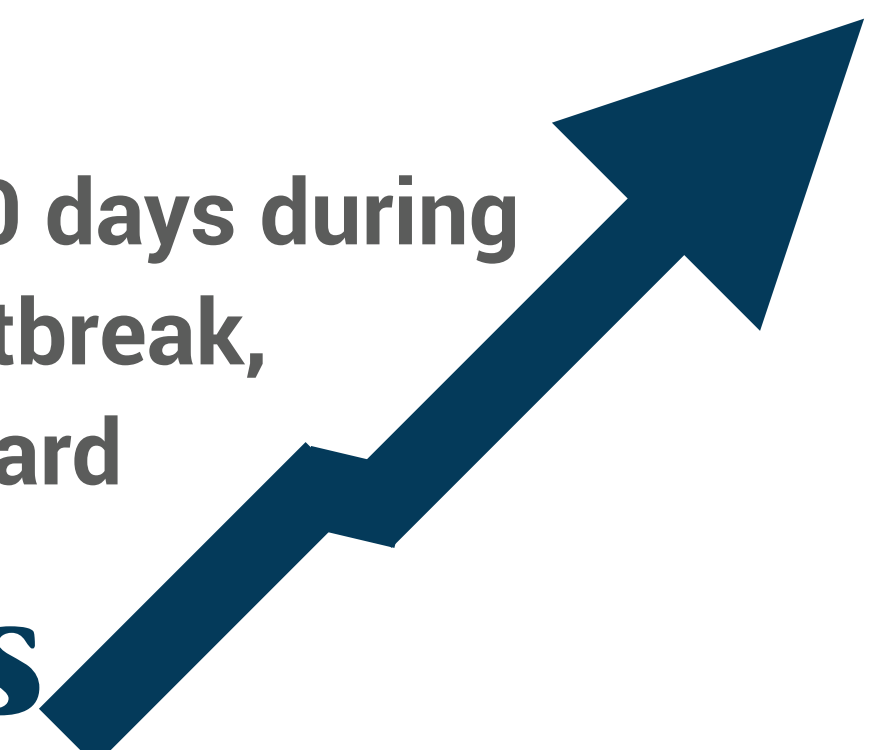
Trends Impacting The Retail Industry Due to COVID-19

Retail Trends

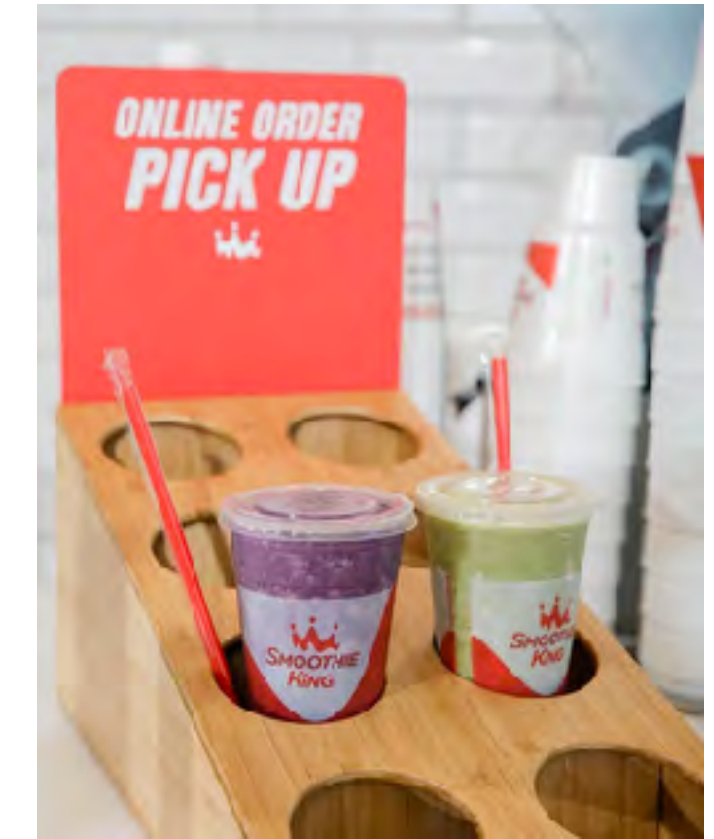
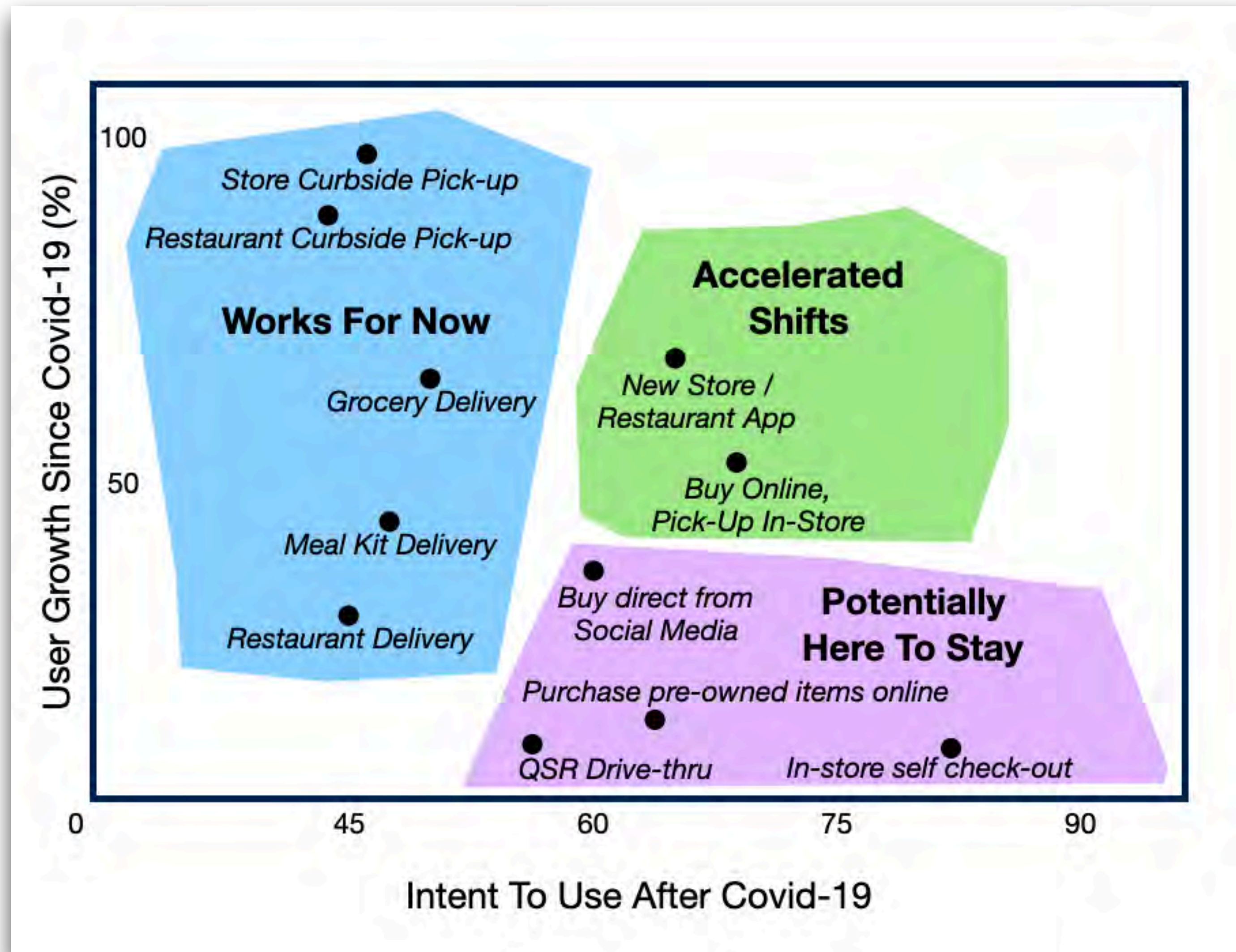
In a matter of 90 days during the covid-19 outbreak, we vaulted forward

10 years

in consumer and business digital adoption.



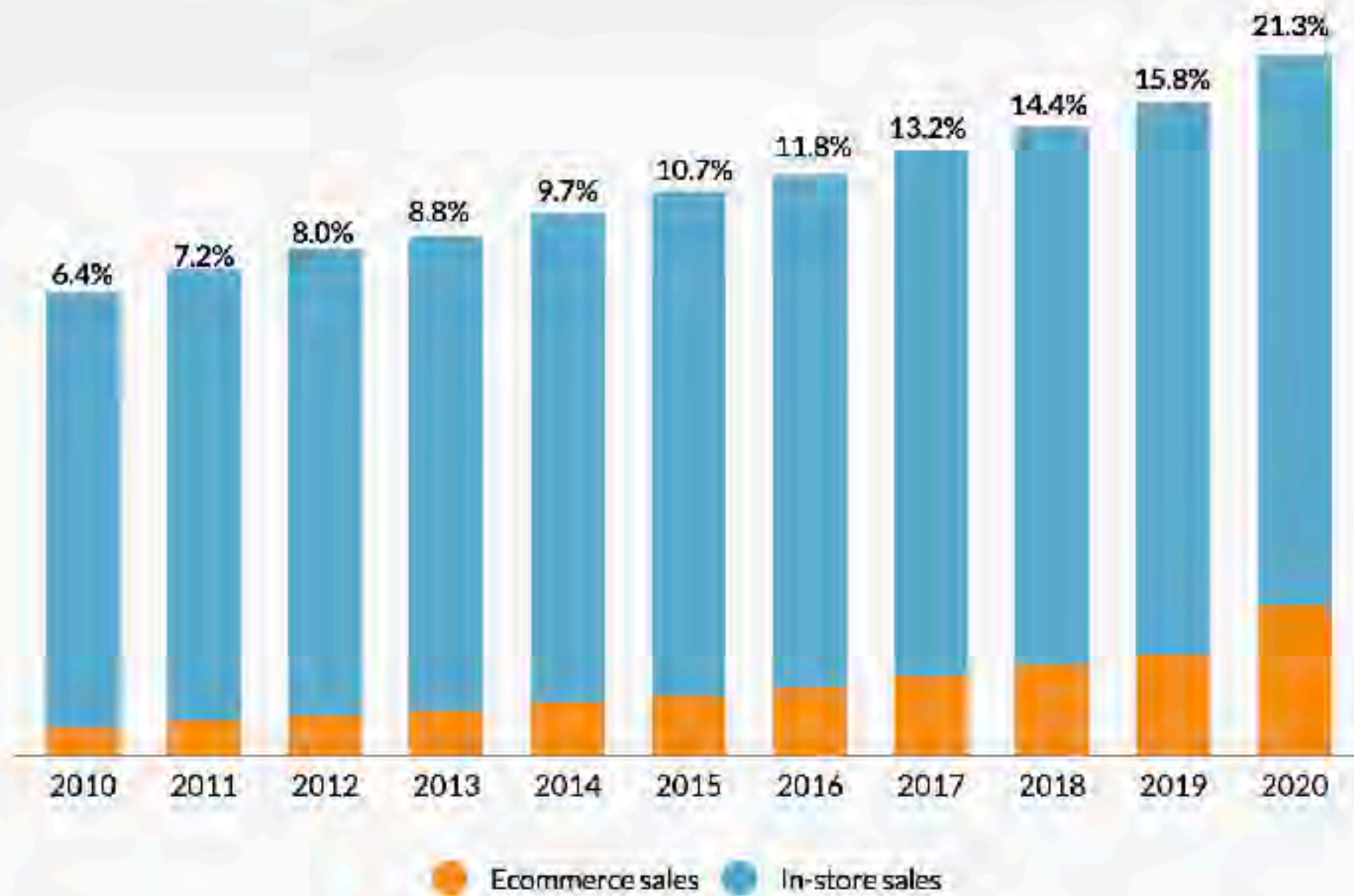
Retail Trends



Retail Trends

US ecommerce penetration

Online and in-store sales as a % of total retail* spend, 2010-2020



*Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers.
 Source: Digital Commerce 360 analysis of U.S. Department of Commerce data
 Updated January 2021

Comparing growth: US ecommerce vs. total retail* sales

Year-over-year growth, 2010-2020



Source: Digital Commerce 360, U.S. Department of Commerce; Updated January 2021

*Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

Retail Trends

Total Ecommerce Sales

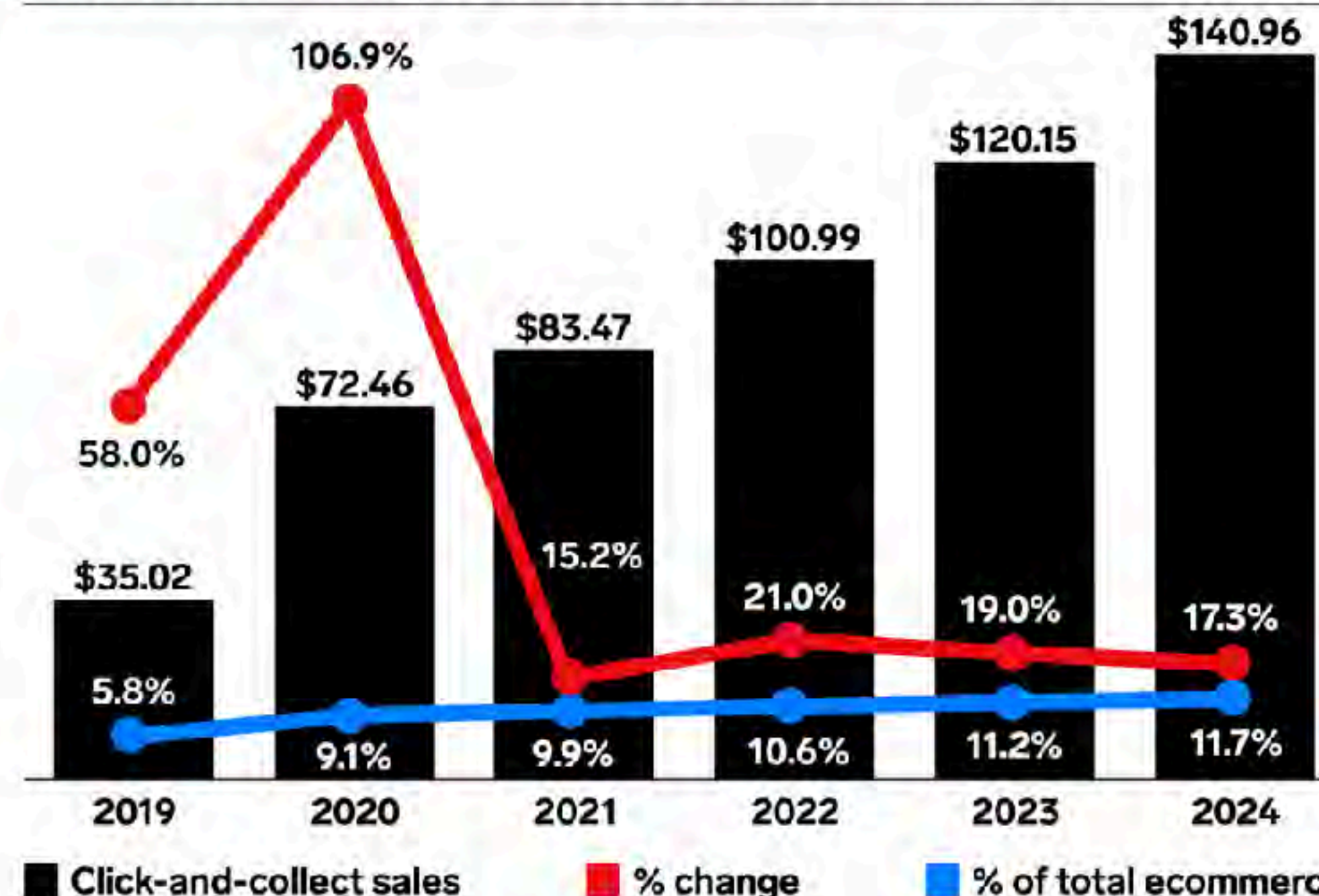
Ecommerce does not mean loss for brick-and mortar.

Ecommerce sales have been driven by a surge in click-and-collect, specifically curbside pickup (Buy-Online, Pick-Up).

Click-and-Collect ecommerce exploded with over 106% growth, up from initial forecast of 38.6%.

These transactions still require customers to travel to Brick-and-Mortar, but are attributed to ecommerce.

US Click-and-Collect Sales, 2019-2024
billions, % change, and % of total ecommerce



Note: includes products or services ordered using the internet (regardless of payment method) for pickup in a store or a locker in a retail or pickup hub location; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales

Source: eMarketer, Jan 2021

Retail Trends

E-Commerce penetration does not mean end of Brick-and-Mortar stores!

95% of online orders were fulfilled at the store level



Fulfills 70% of orders from stores, cut delivery time 10%



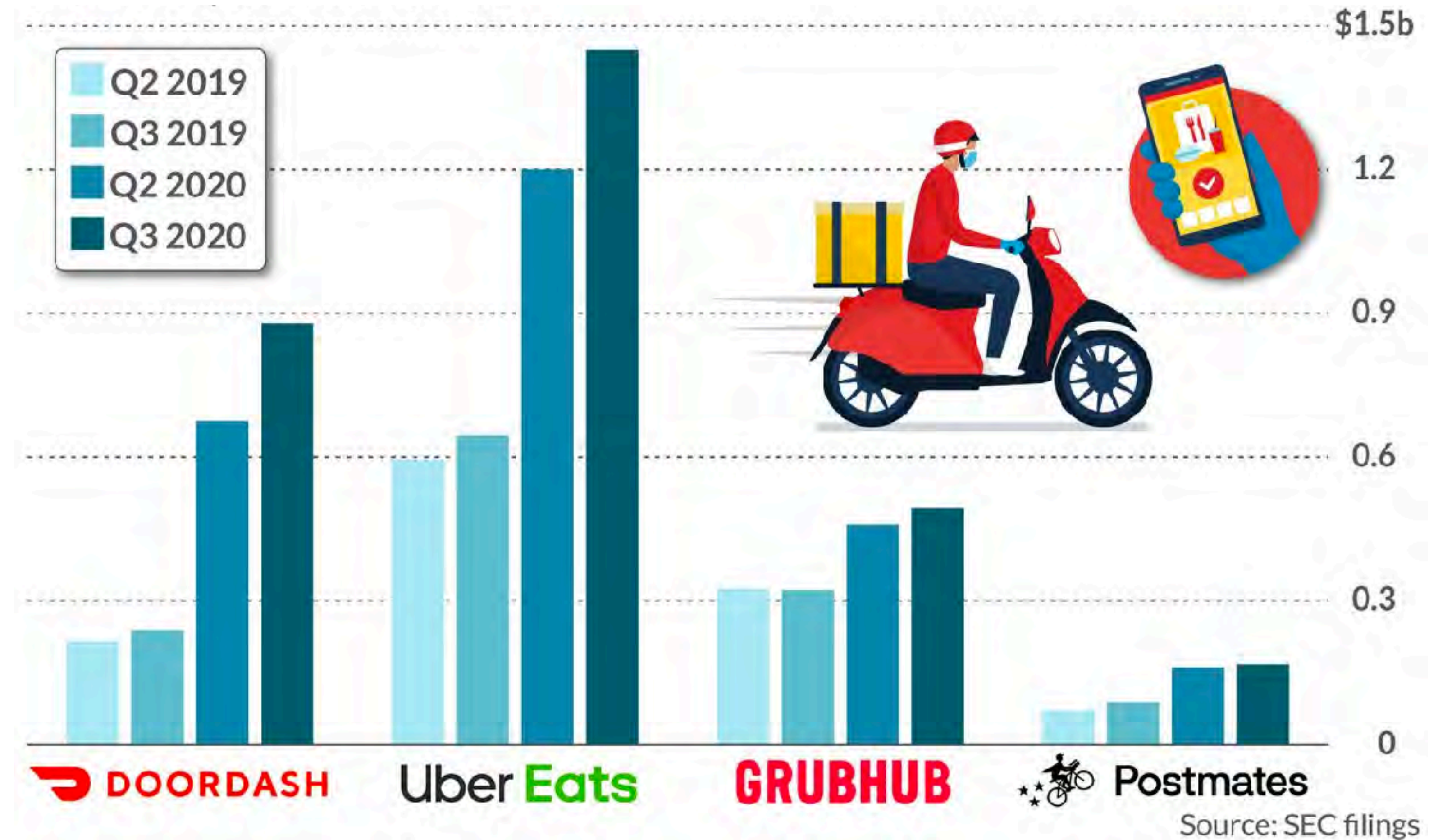
In 2020, the retailer fulfilled 60% of online orders from stores



Retail Trends

The pandemic resulted in food delivery app business double and helped revenues surge by over \$3 billion.

Delivery partners have helped fuel expansion in fast casual restaurant concepts, and provided additional revenues for traditional restaurants in survival mode over the past year



COVID-19 Impact

- **Big Discounts-** Many small, regional and national brands are offering huge discounts that you typically see on Black Friday.
- **Curbside & Delivery Apps-** Consumers are utilizing curbside and delivery options like never before.
- **Retail Space Available-** There will be an influx of available junior/big box space in the market.

<https://www.forbes.com/sites/jasongoldberg/2020/03/29/the-impact-of-covid-19-on-us-brands-and-retailers/#30e1448d1452>

<https://www.mainstreet.org/blogs/national-main-street-center/2020/07/02/covid-19-and-the-impact-of-retail-part-2>

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COVID-19 Impact

- **Websites-** It is imperative that all businesses have a website. This is especially true for small businesses as the adoption of online shopping is expected to continue.
- **Bikes-** Bike sales are still going through the roof and stores are very low on inventory.
- **Home Gyms-** Some consumers have built their own gyms at home and will be less likely to renew their gym memberships.
- **Nutrition Based-** Some consumers have become more health conscious and will not consume what they were pre pandemic.

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COVID-19 Impact

- **Home Office Space-** Pre pandemic, 10-15% of homes had a dedicated home office. Post pandemic, 75% of homes will have some sort of home office.
- **Restaurants-** Many modifications have been made to the restaurant industry to keep up with changes due to Covid-19, such as: expanded outdoor seating, socially distanced environments, limited menus, hands free menus, additional delivery and take out options, providing ingredients to cook meals at home, etc.

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COVID-19 Impact

- **Cleanliness-** Society will be more “germ cautious” than ever before: No touch deliveries and shopping experiences will be expected, and buffets, salad bars, food sampling could be a thing of the past.
- **Brands-** Brand loyalty will be less important post pandemic. Many brands were unavailable during the pandemic, forcing consumers to branch out.

<https://www.forbes.com/sites/jasongoldberg/2020/03/29/the-impact-of-covid-19-on-us-brands-and-retailers/#30e1448d1452>

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Retail Trends

Traditional “box” retailers have benefitted from “essential” designation and provide a one-stop-shop option for consumers paying more attention to social interactions.

Off-price stores are expected to continue to grow, as they provide wide selection of goods while also being in tune with consumer experience demands.



Retail Trends - New Store Layouts



COVID-19 Impact

New Retail Concepts

MACY'S

Macy's has opened what it calls a "flexible retail store format".



COVID-19 Impact

New Retail Concepts

MACY'S

The 20,000-foot store is known as "Market by Macy's." The new store's space hosts "community-driven programming from cooking tutorials and book signings to crafting and fitness classes," for example.



COVID-19 Impact

New Retail Concepts

MICHAELS

Michaels has debuted an enhanced shopping experience complete with a new layout, “inspiration hubs” and an innovative checkout design.

The nation’s largest arts and crafts retailer has remodeled two Texas stores, in McKinney and Plano, giving them a new look and feel, as part of a larger strategy to re-imagine the customer (or “maker” in Michaels-speak) shopping experience.



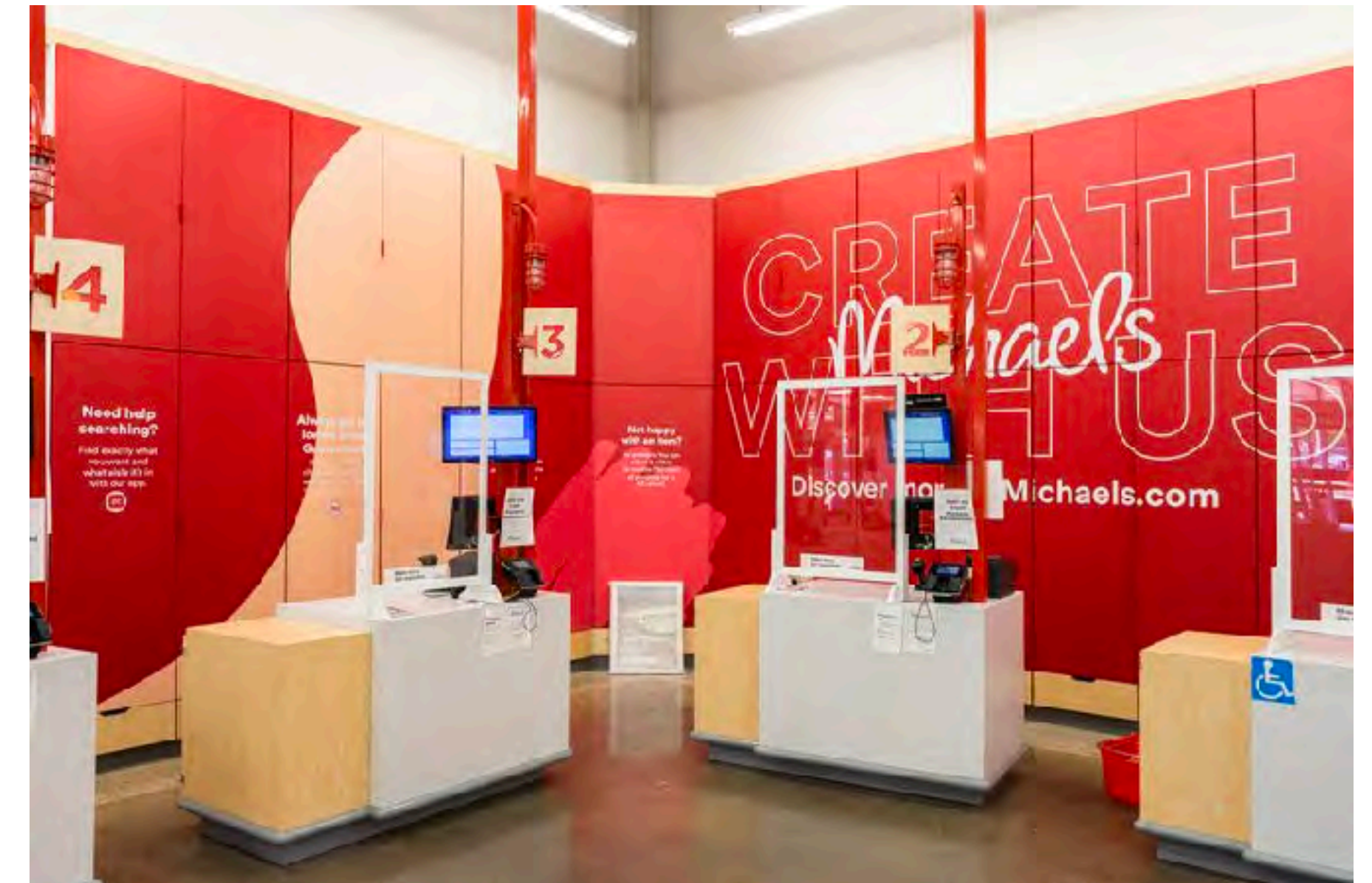
COVID-19 Impact

New Retail Concepts

MICHAELS

The new design includes concrete floors, updated signage and lower fixturing that allow customers to easily view and navigate the store's full assortment. The updated checkout system leverages advanced technology to facilitate shop-and-scan capabilities and is designed to serve as additional storage for curbside, delivery, and buy online pick up in store orders.

Michael's
Made by you™



COVID-19 Impact

New Retail Concepts

MICHAELS

In addition, the stores include dedicated square footage (called “maker space”) where customers can take classes, watch an instructor-led project on display screens in the space, or simply use the space and supplies-all free of charge.



COVID-19 Impact

New Retail Concepts

BURGER KING

Burger King Unveils New Restaurant Design Shaped By The Age Of Covid-19.

The restaurants are 60% smaller than traditional BKs and are aimed at improving the guest experience by offering multiple ordering and delivery modes.



COVID-19 Impact

New Retail Concepts

BURGER KING

What that means specifically is... a drive-in area that allows guests to place their orders through the BK app and have their food delivered to the car; dedicated parking spots for curbside delivery; pickup lockers for mobile and delivery orders; multi-lane drive-thrus that provide a view into the kitchen; and an external walk-up window.



COVID-19 Impact

New Retail Concepts

TACO BELL

Taco Bell unveiled its new “Go Mobile” concept, which will make its debut in Q1 2021.

The Go Mobile locations are about half of the size of a traditional Taco Bell restaurant and they include a dual drive-thru, curbside pickup and “bellhops” who facilitate orders at the drive-thru and curbside.



COVID-19 Impact

New Retail Concepts

SHAKE SHACK

Shake Shack is rolling out a digital ordering experience called "Shack Track," an enhanced digital order and pick-up solution that allows customers to order and pay via app or web and pick up by way of drive-up window, curbside, walk-up window or in-Shack pick-up shelves.

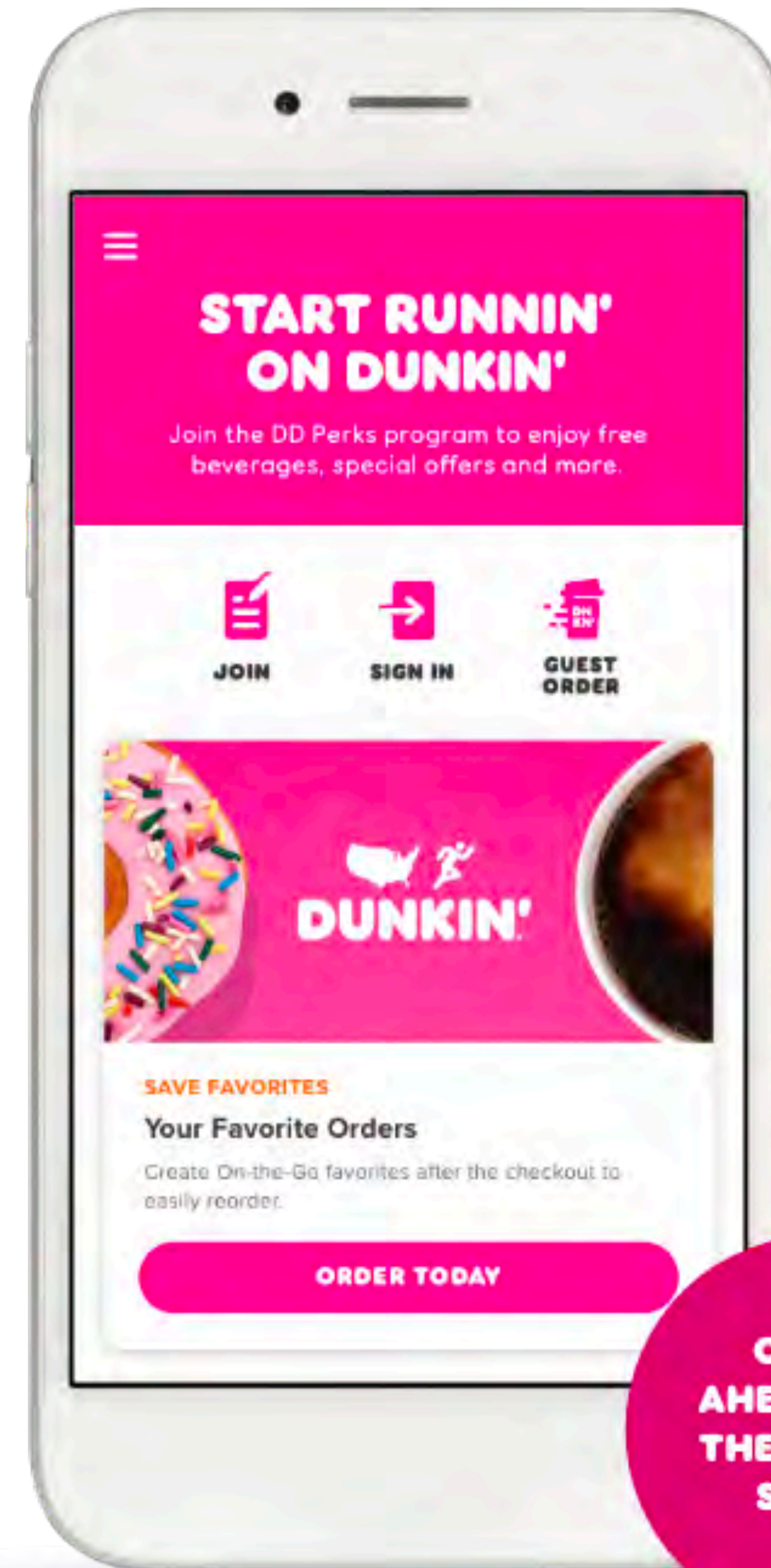


COVID-19 Impact

New Retail Concepts

DUNKIN

Guests can now use the order ahead feature on the Dunkin' App for pick-up at the drive-thru, in-store for carry-out, or curbside, where available.



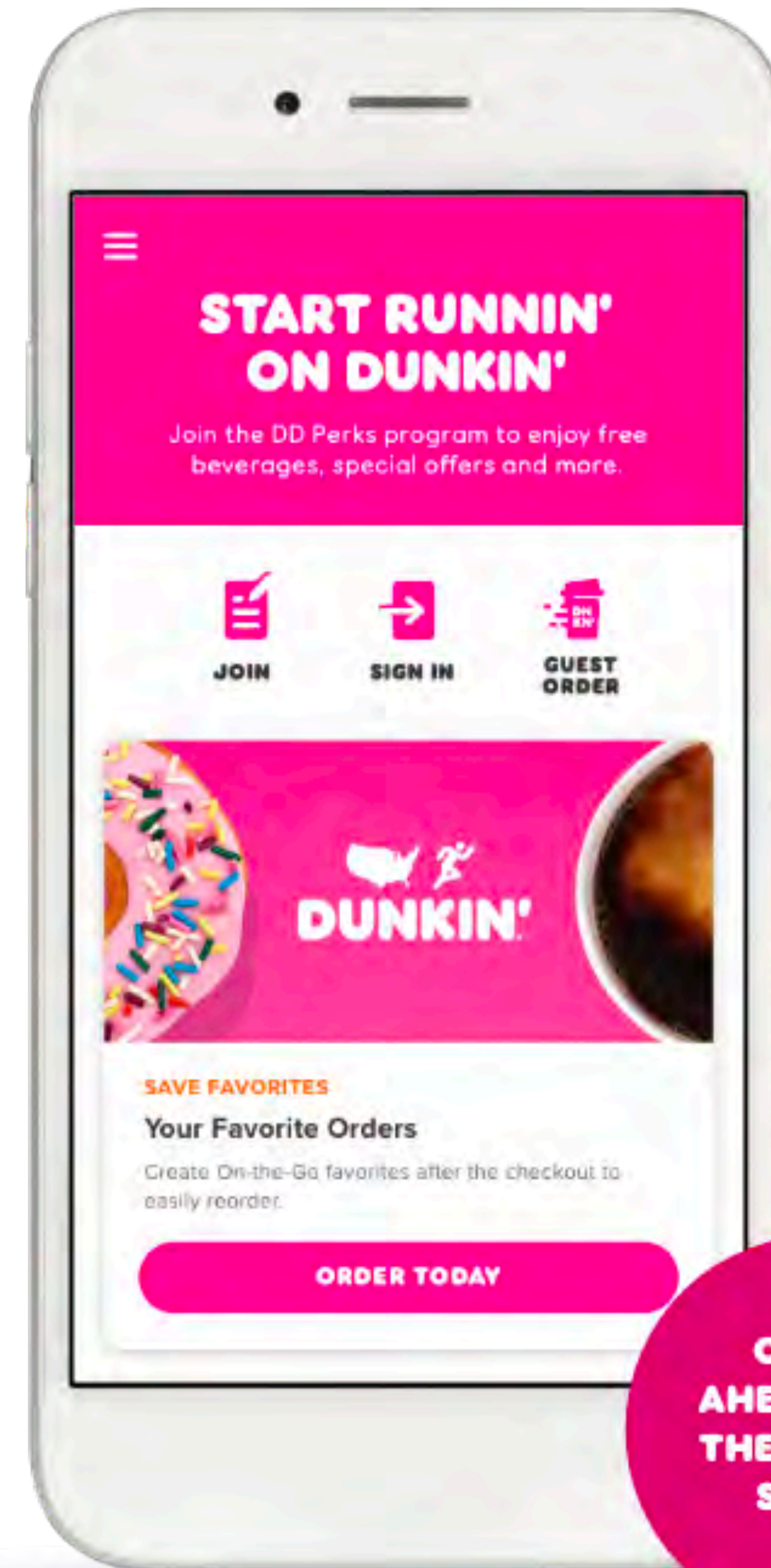
**ORDER
AHEAD, SKIP
THE WAIT IN
STORE**

COVID-19 Impact

New Retail Concepts

DUNKIN'

Across the country, morning commutes are largely on hold, and it's shifted guest routines from early morning to mid-day, particularly the 11 a.m. to 2 p.m. window.



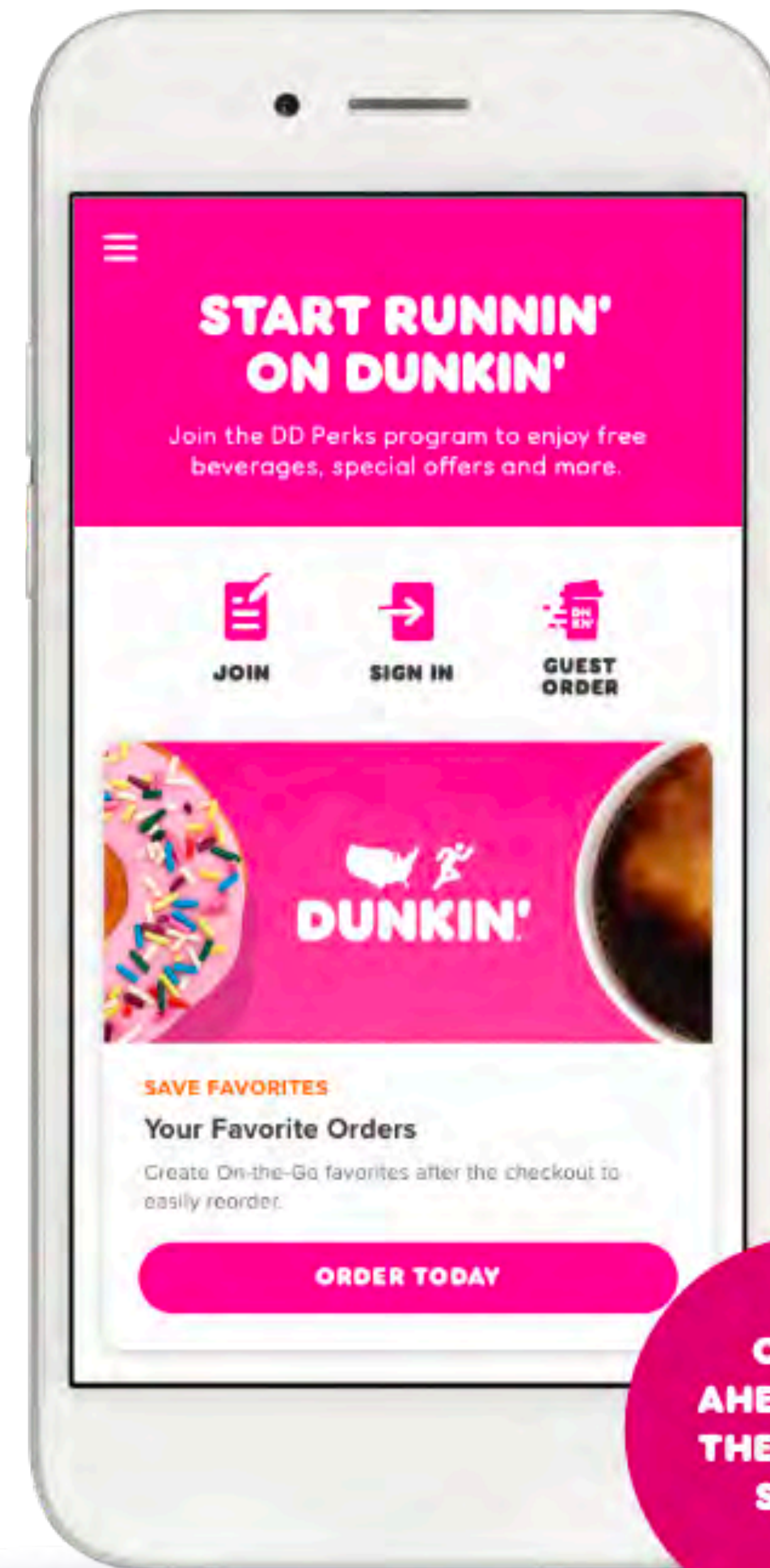
**ORDER
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COVID-19 Impact

New Retail Concepts

DUNKIN

According to mobile location analytics platform [Placer.ai](#), in May and June of 2019, Dunkin' saw 7.6 percent of its visits flow from 6 to 8 a.m. Fast forward to pandemic times, and the number fell to 5.7 percent.



**ORDER
AHEAD, SKIP
THE WAIT IN
STORE**

COVID-19 Impact

Online Stores in Offline Spaces

Many direct to consumer brands, such as Bonobos, Casper, UNTUCKit, and Warby Parker started as online only brands, but are shifting to brick and mortar stores.



Retail Trends

Despite the pandemic and (misconceived) notions of the market, many brands have plans to add attentional brick-and-mortar locations in 2021/2022.

- At Home
- Burlington
- DSW
- Marshalls
- TJ Maxx
- Ross
- Old Navy
- Dd Discounts
- AutoZone
- O'Reilly's Auto Parts
- Take 5 Oil Change
- Hobby Lobby
- Michaels
- Costco
- Dollar General
- Dollar Tree
- Family Dollar
- Five Below
- Target
- Best Buy
- Aldi
- Save A Lot
- Trader Joe's
- Harbor Freight
- Tractor Supply Company
- Texas Roadhouse
- Shake Shack
- Raising Cane's Chicken
- Sonic
- Starbucks

Retail Trends

“ ...a typical employer can save about \$11,000/year for every person who works remotely half of the time.

Our best estimate is that 25-30% of the workforce will be working-from-home multiple days a week by the end of 2021. ”

— Kate Lister, President of Global Workplace Analytics

Retail Trends

"I feel like we are going to see a huge push with restaurants after this is over though. There is always a big push for franchises after a downturn and lots of layoffs.

People who have lost their jobs but have some money saved up start thinking they should start their own business and franchises look really good to those people."

**Developing A Pandemic Proof
Retail Strategy for Your
Community**

A strong and healthy retail community must have a mix of local, regional, and national retailers and restaurants.

Community Retail Strategies

Each national retailer fully understands:

- Their desired retail trade area population
 - The demographic & psychographic profile of their ideal “target consumer”
 - The real estate sites that afford them the best long-term success
-
- Retailer site criteria can be obtained from their websites or corporate real estate departments.
 - Local retailers typically do not know or understand their target consumer thus they struggle or close.

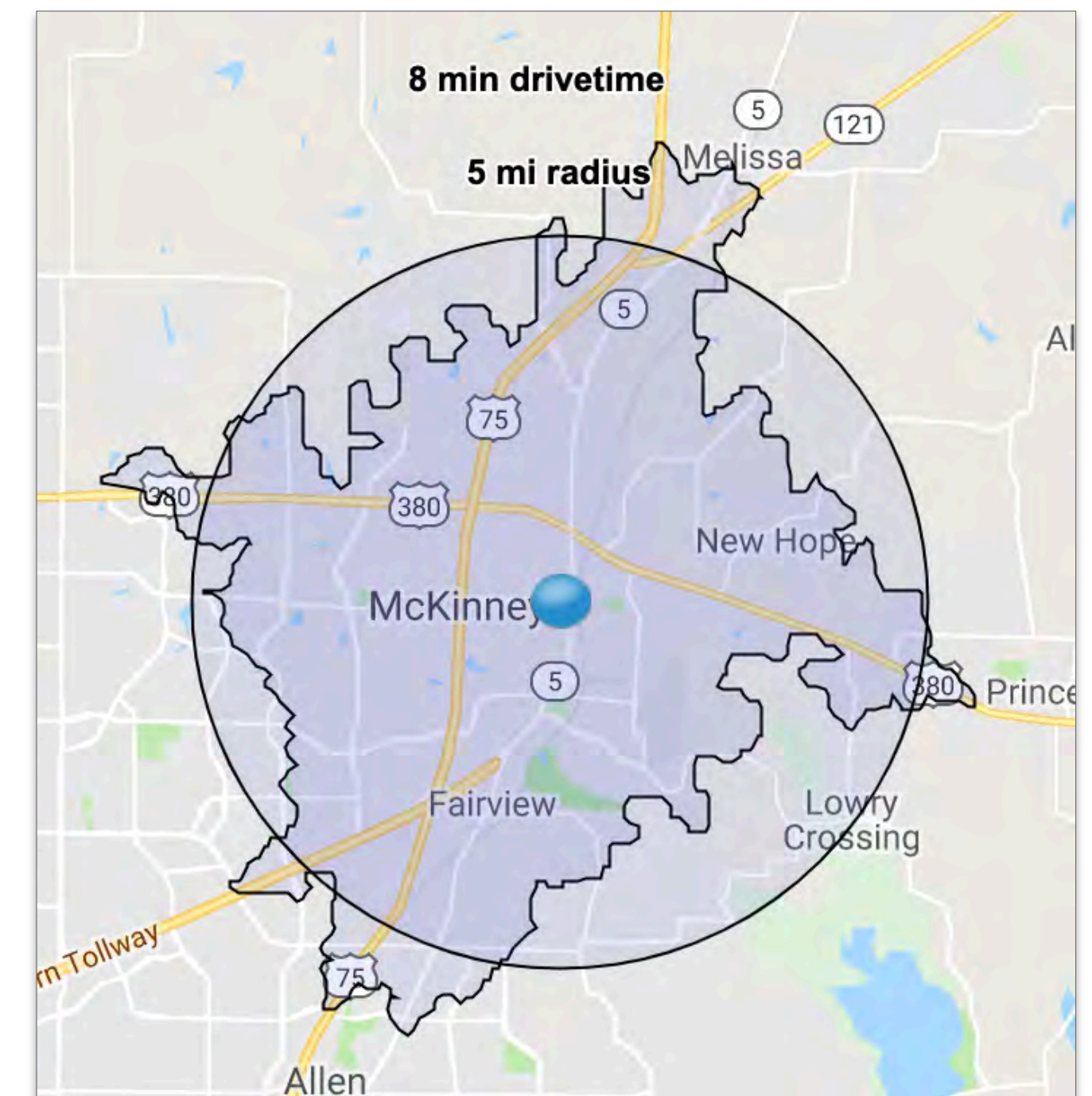
Community Retail Strategies

Accurate Retail Trade Area Determination is the most important thing you can do. It's the foundation of any retail strategy.

- The retail trade area is the longest distance consumers are willing to travel to purchase retail goods and services. Its size depends on the variety of retail goods/services offered in the community and proximity to competing retail in nearby communities.

Traditional trade area determination methodologies:

- Neighborhood/city limits/county boundaries
- Radial
- Drivetime



Community Retail Strategies

Mobile Location Data Retail Trade Area Mapping is a more accurate technology to determine retail trade areas.

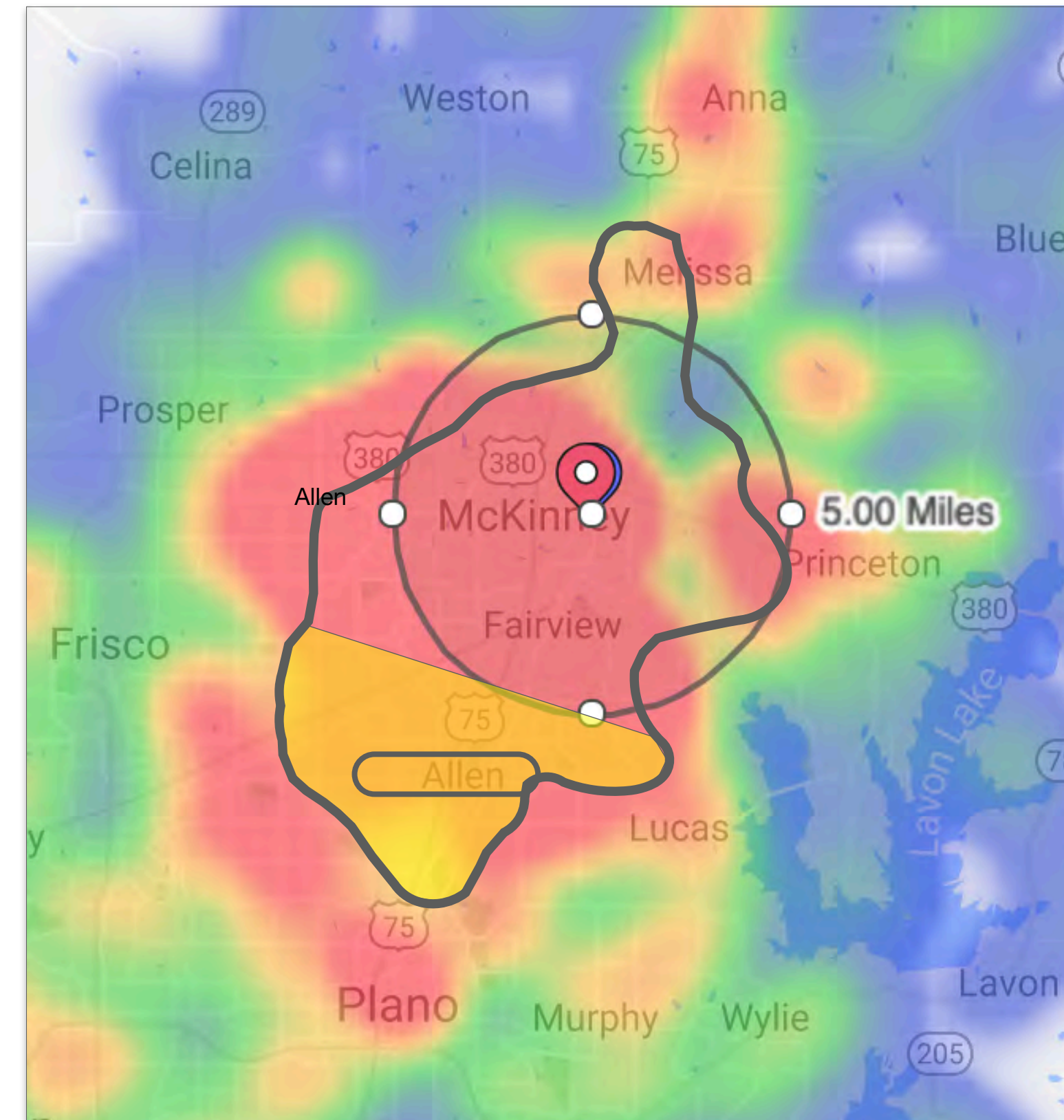
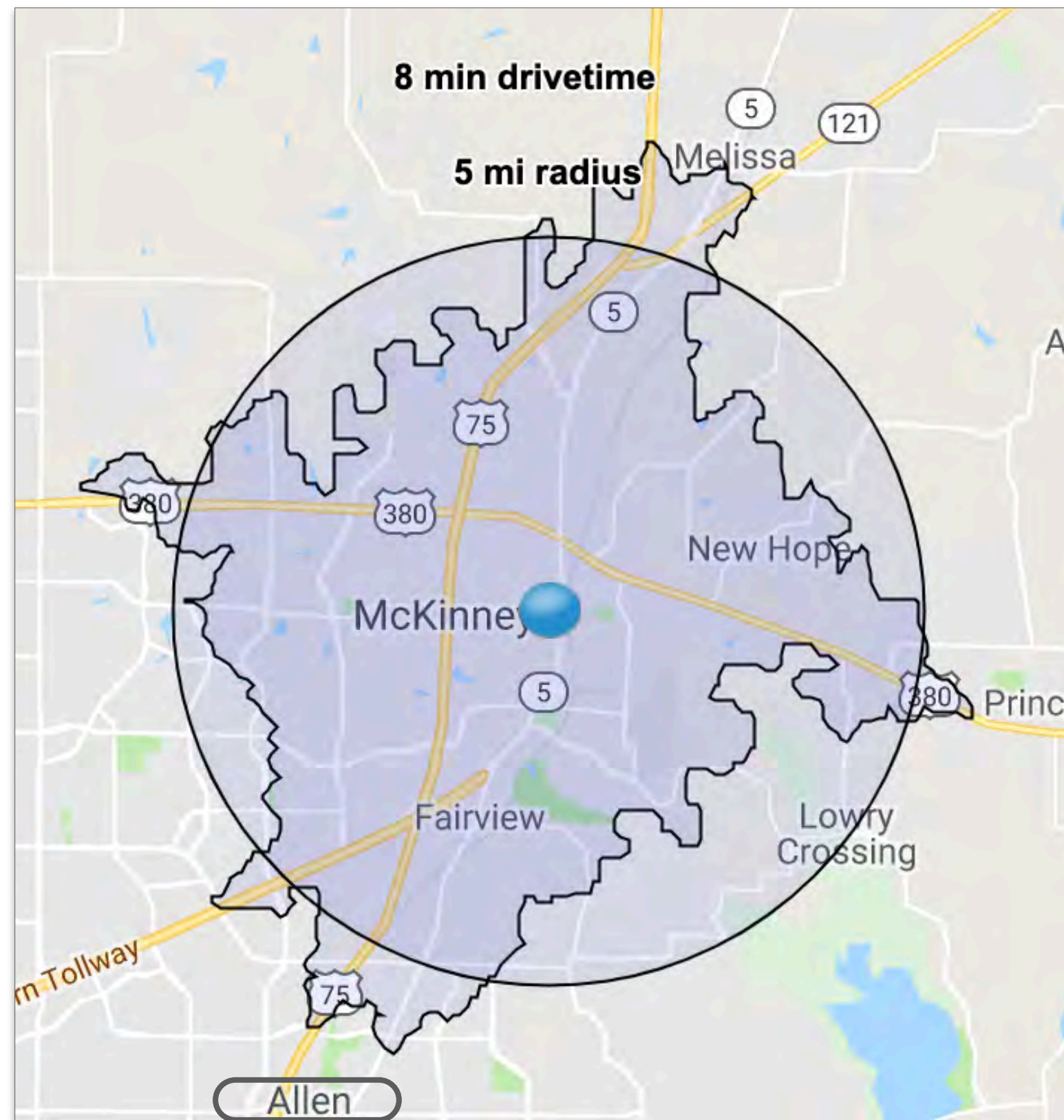
Cell Phone Data Studies:

- Tracks use of cellular devices
- Filters visits by day or time
- Provides measurable for events
- Highlights areas of retail leakage
- Identifies visitors/consumer origin
- Identifies Path-to-Purchase

- **This technology is extremely important to local retail who have no idea where their customers are traveling from or how to market to them.**



Community Retail Strategies



The cell phone study confirmed an additional 100,000+ persons in the retail trade area (yellow highlight area)

Community Retail Strategies

Mobile Location Data

Costco Center

5195 Wadsworth Blvd, Arvada, 80002, CO

Last 12 Months

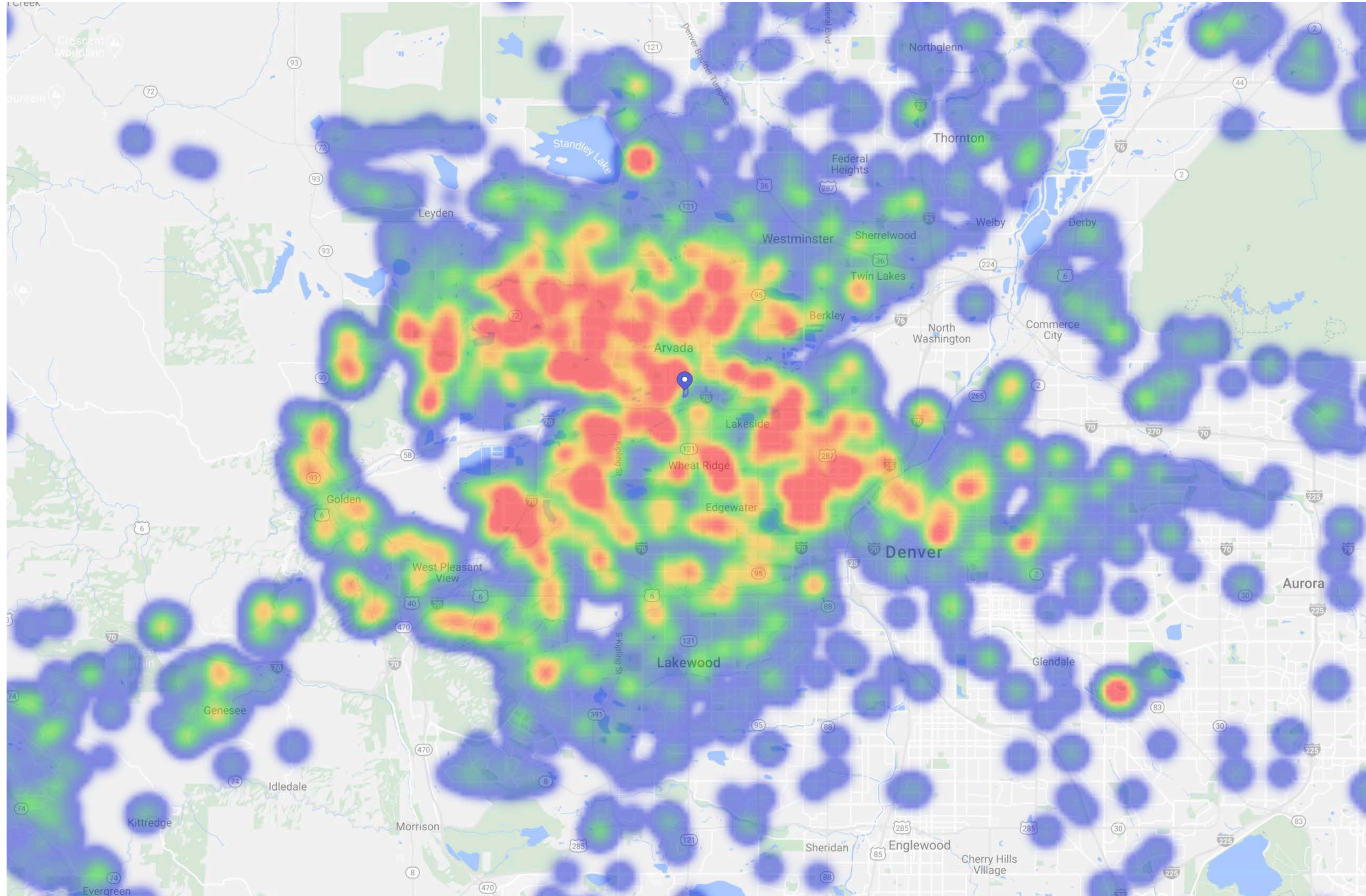
Add Filter

Metrics

	<i>Est. # of Customers</i>	<i>Est. # of Visits</i>	<i>Avg. Visits</i>
Costco Center / Wadsworth Blvd	533.8K	2.18M	4.09

Community Retail Strategies

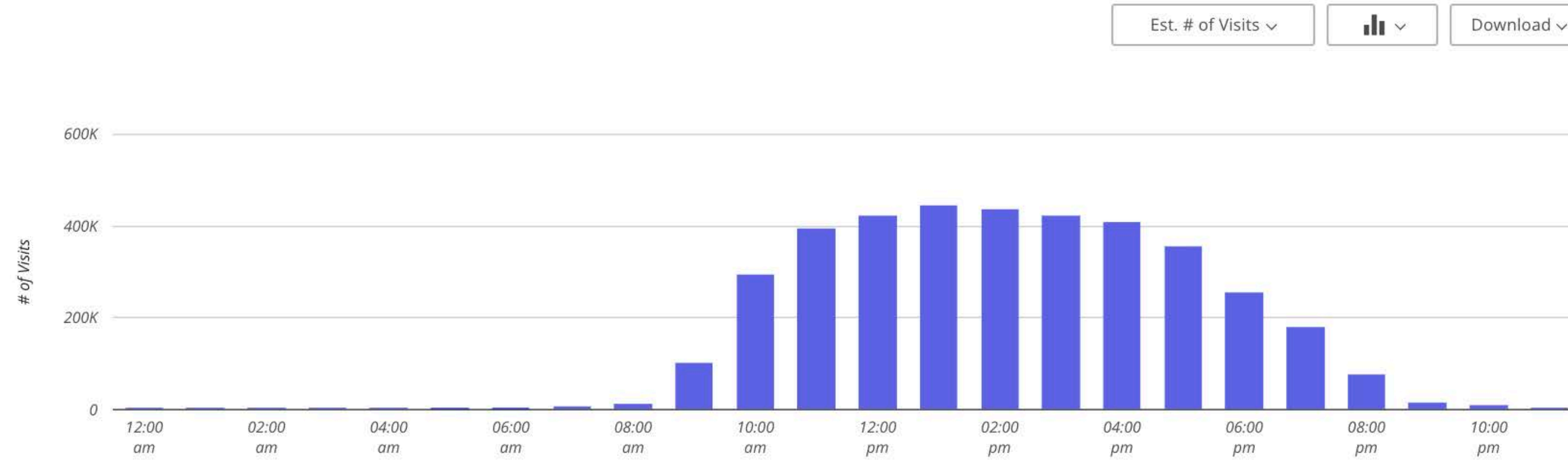
Mobile Location Data - Customer Heat Map



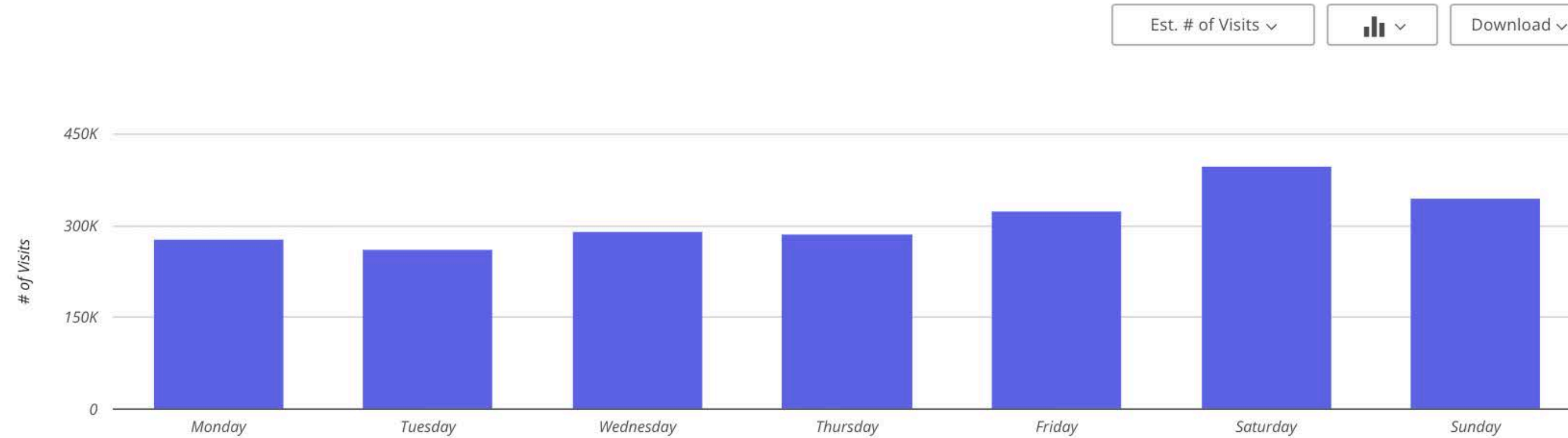
Community Retail Strategies

Mobile Location Data

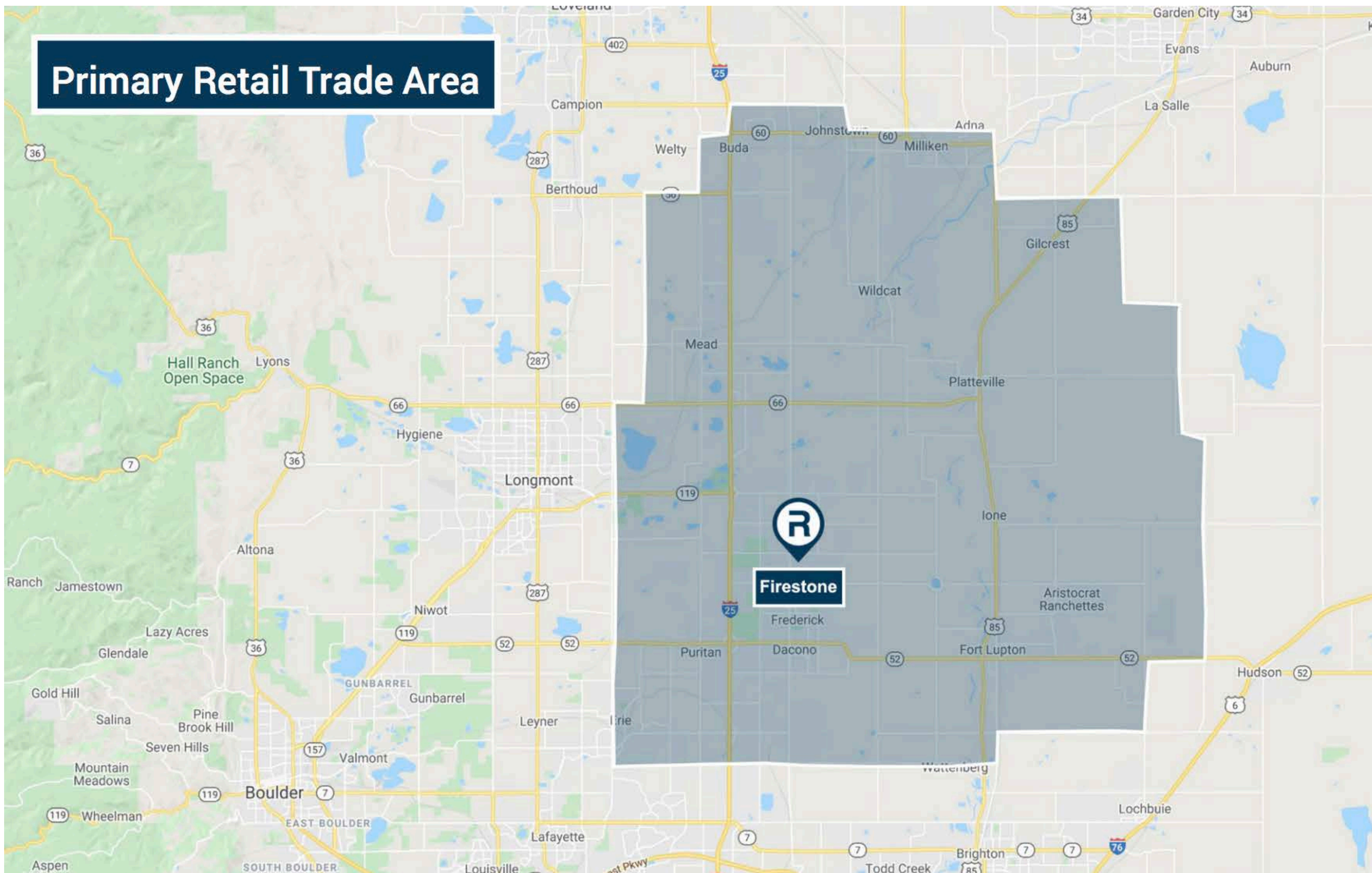
Hourly Visits



Daily Visits



Primary Retail Trade Area



Retail Trade Area Pop: 99,192
Community Pop: 16,381

Community Retail Strategies

The Retail Trade Area Demographic Profile allows you to understand your consumers and their unique attributes:

- Population
 - Population Growth
 - Race Classification
 - Median Age
 - Education Level
 - Incomes
- Sell your community using the retail trade area population and not the community population.
It opens you to more opportunities.
 - Local retailers must **“look between the lines”** to determine if the profiles consumers will support their business.

Community Retail Strategies

Population Growth is important to retailers and developers who may be looking to invest in your community. They are always looking to minimize risk.

Retailers require strict adherence to race percentages. A retailer, like Rainbow, requires a high percentage of African Americans in the market. They would not have an interest in this market.

RETAIL TRADE AREA • COMMUNITY PROFILE Decatur, Texas			
DESCRIPTION	DATA	DESCRIPTION	DATA
Population Summary		Housing Unit Summary	
2000 Total Population	117,405	2000 Housing Units	47,936
2010 Total Population	150,067	Owner Occupied Housing Units	71.9%
2019 Total Population	179,016	Renter Occupied Housing Units	17.0%
2019 Group Quarters	2,449	Vacant Housing Units	11.0%
2024 Total Population	199,078	2019 Housing Units	61,567
2019-2024 Annual Rate	2.15%	Owner Occupied Housing Units	70.5%
		Renter Occupied Housing Units	17.8%
		Vacant Housing Units	11.8%
		2019 Housing Units	71,091
		Owner Occupied Housing Units	71.1%
		Renter Occupied Housing Units	19.9%
		Vacant Housing Units	9.1%
		2024 Housing Units	78,689
		Owner Occupied Housing Units	73.1%
		Renter Occupied Housing Units	18.5%
		Vacant Housing Units	8.6%
		Median Household Income	
		2019	\$67,529
		2024	\$77,287
		Median Home Value	
		2019	\$201,492
		2021	\$261,394
		Per Capita Income	
		2019	\$32,546
		2024	\$27,438

Population Summary	
2000 Total Population	117,405
2010 Total Population	150,067
2019 Total Population	179,016
2019 Group Quarters	2,449
2024 Total Population	199,078
2019-2024 Annual Rate	2.15%

2019 Population by Race/Ethnicity	
Total	179,014
White Alone	97.8%
Black Alone	1.9%
American Indian Alone	0.3%
Asian Alone	0.8%
Pacific Islander Alone	0.1%
Some Other Race Alone	5.8%
Two or More Races	2.6%
Hispanic Origin	15.8%
Diversity Index	0.34

Community Retail Strategies

Psychographic Profiling segments consumers by their values, purchasing behaviors and lifestyles and details their desire to purchase particular retail goods and services.

- Many national retailers use this information to determine the selection and brands of merchandise to carry in their stores.
- Imagine local retailers having, and understanding, this level of data. It would greatly reduce their operational risk.

- Makes \$100k Annually
- Shops at Cabela's, REI
- Eat's at Chick-fil-A, Outback
- Drives F-150
- Goes hunting, fishing, hiking, camping
- Watches FOX News
- College degree

- Makes \$100k Annually
- Shops at Nordstrom, UNTUCKit
- Prefers natural, organic items
- Drives 500 series BMW
- Plays golf, tennis
- Watches CNN
- College degree



Community Retail Strategies

Primary Retail Trade Area • Retail Demand Outlook

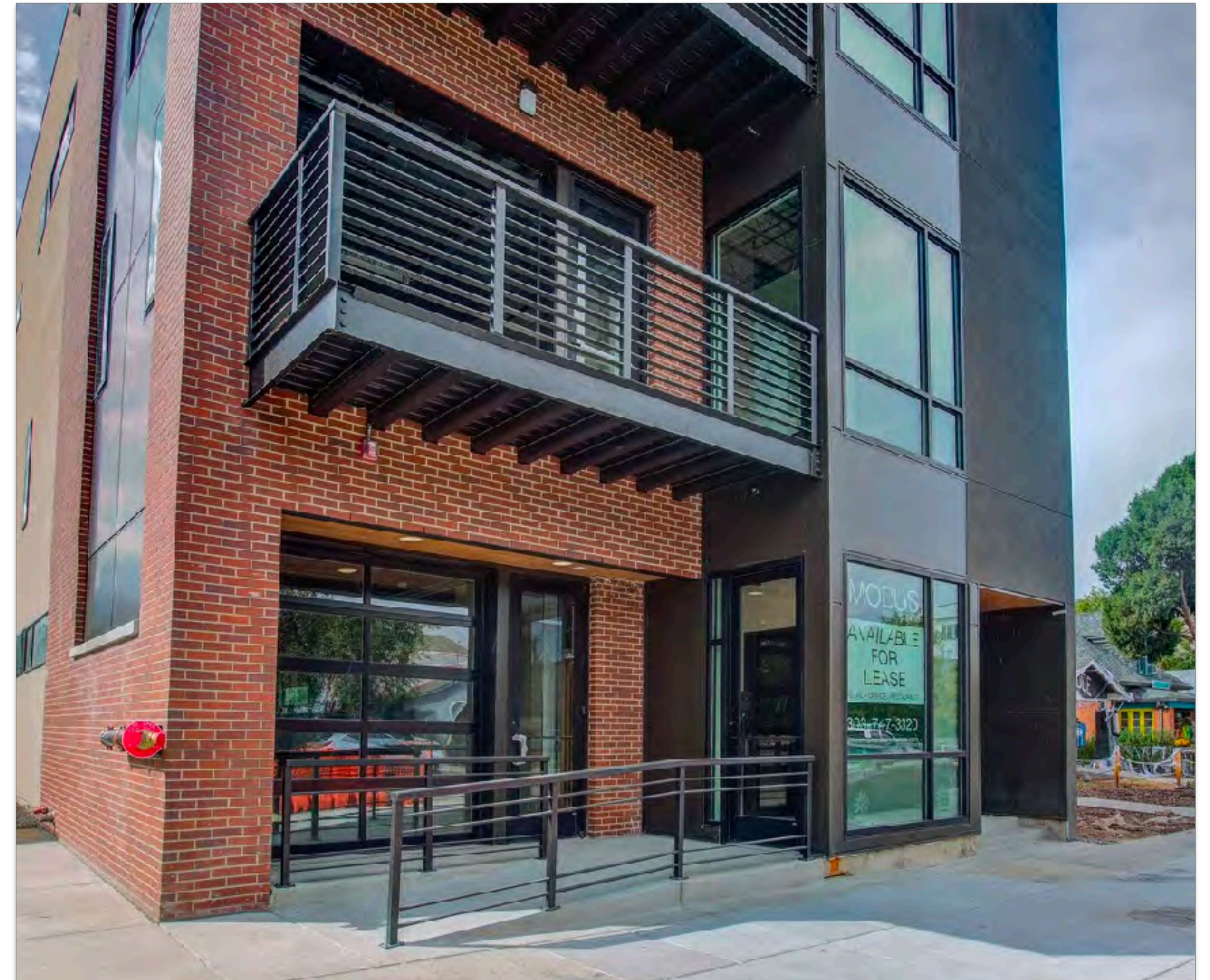
Bennett, Colorado

NAICS	DESCRIPTION	2021 DEMAND	2026 DEMAND	GROWTH	CAGR (%)*
448	Clothing and clothing accessories stores	\$7,329,077	\$8,038,602	\$709,526	1.87%
4481	Clothing stores	\$5,320,223	\$5,754,621	\$434,398	1.58%
44811	Men's clothing stores	\$232,118	\$250,330	\$18,212	1.52%
44812	Women's clothing stores	\$957,834	\$1,031,837	\$74,003	1.50%
44813	Children's and infants' clothing stores	\$265,541	\$286,219	\$20,678	1.51%
44814	Family clothing stores	\$3,288,466	\$3,565,592	\$277,126	1.63%
44815	Clothing accessories stores	\$177,335	\$192,416	\$15,082	1.65%
44819	Other clothing stores	\$398,929	\$428,227	\$29,298	1.43%
4482	Shoe stores	\$1,542,319	\$1,748,976	\$206,657	2.55%
4483	Jewelry, luggage, and leather goods stores	\$466,534	\$535,005	\$68,471	2.78%
44831	Jewelry stores	\$343,137	\$399,495	\$56,358	3.09%
44832	Luggage and leather goods stores	\$123,398	\$135,510	\$12,113	1.89%
451	Sporting goods, hobby, musical instrument, and book stores	\$2,888,233	\$3,483,360	\$595,128	3.82%
4511	Sporting goods, hobby, and musical instrument stores	\$2,264,616	\$2,809,304	\$544,688	4.40%
45111	Sporting goods stores	\$1,443,679	\$1,842,831	\$399,152	5.00%
45112	Hobby, toy, and game stores	\$414,298	\$464,369	\$50,072	2.31%
45113	Sewing, needlework, and piece goods stores	\$82,823	\$92,830	\$10,007	2.31%
45114	Musical instrument and supplies stores	\$323,816	\$409,273	\$85,457	4.80%
4512	Book stores and news dealers	\$623,617	\$674,057	\$50,440	1.57%
452	General merchandise stores	\$29,098,140	\$32,805,447	\$3,707,307	2.43%
4522	Department stores	\$1,890,572	\$2,117,268	\$226,697	2.29%
4523	Other general merchandise stores	\$27,207,568	\$30,688,179	\$3,480,611	2.44%
453	Miscellaneous store retailers	\$4,245,908	\$4,840,674	\$594,765	2.66%
4531	Florists	\$161,225	\$180,989	\$19,763	2.34%
4532	Office supplies, stationery, and gift stores	\$871,591	\$961,770	\$90,179	1.99%
45321	Office supplies and stationery stores	\$326,388	\$360,732	\$34,343	2.02%
45322	Gift, novelty, and souvenir stores	\$545,203	\$601,038	\$55,836	1.97%
4533	Used merchandise stores	\$773,671	\$879,800	\$106,129	2.60%
4539	Other miscellaneous store retailers	\$2,439,421	\$2,818,115	\$378,694	2.93%
45391	Pet and pet supplies stores	\$974,834	\$1,201,319	\$226,484	4.27%
45399	All other miscellaneous store retailers	\$1,464,587	\$1,616,796	\$152,210	2.00%
454	Non-store retailers	\$28,164,494	\$32,318,280	\$4,153,786	2.79%
722	Food services and drinking places	\$30,531,824	\$37,820,349	\$7,288,525	4.37%
7223	Special food services	\$2,128,077	\$2,638,421	\$510,344	4.39%
7224	Drinking places (alcoholic beverages)	\$829,912	\$993,028	\$163,116	3.65%
7225	Restaurants and other eating places	\$27,573,835	\$34,188,900	\$6,615,065	4.39%
722511	Full-service restaurants	\$13,150,074	\$16,259,889	\$3,109,815	4.34%
722513	Limited-service restaurants	\$12,233,543	\$15,214,196	\$2,980,653	4.46%
722514	Cafeterias, grill buffets, and buffets	\$311,474	\$387,439	\$75,965	4.46%
722515	Snack and nonalcoholic beverage bars	\$1,878,745	\$2,327,376	\$448,631	4.38%

Community Retail Strategies

Know all primary available Retail Sites & Properties for lease, sale, development and redevelopment.

- The first questions an interested retailers asks is **“do you have available sites for us to look at?”** and/or “send me available sites that fit my needs.”
- Be able to send the information out instantaneously. Time kills deals.



Community Retail Strategies

Conduct a Land Use Analysis of the major commercial corridors in your community.

- Analyze sites and identify those not serving their **“highest and best use.”**
- Consider land/lot assemblage when considering higher uses.



Community Retail Strategies

Identify and target appropriate Retailers for Recruitment.

- **Manage the goals and expectations** of your leadership and community.



Community Retail Strategies

Research and target appropriate Retailers for Recruitment.

- **Target retailers that “fit”** your community based on the retailers preferred new site location needs.
- Take the time and do your research first. Don’t waste your time or the retailers time by being unrealistic.
- **Retailers are looking for “the sure thing.”**



Traffic - 20,000+ AADT

Trade Area - 30,000 +

Min. Average HH Income - \$45,000

Lot Size - .80 - 1.25 Acres

Building Footprint - 2,400 - 3,900 SF

Seating Capacity - 50 - 90 seats

Parking Required - 40+ spaces

Preferred Sites - Corner lots, shopping center pads, & interstate

Zoning - freestanding with drive-thru window and allowance of adequate signage



Traffic - 20,000+ AADT

11 Mile Population - 70,000

Median HH Income - \$55,000-\$70,000

Building Footprint - 1,500 - 1,800 SF

Seating Capacity - 18+ seats

Preferred Sites - Free standing, end cap, and inline. Must be on AM side of the road with strong visibility

Zoning - Easy ingress and egress with no obstruction to signage that may impact customer reaction time



3 Mile Total Population - 25,000

3 Mile Workforce - 12,000

3 Mile Median Income - \$35,000

Building Footprint - 1,400+ SF

Frontage Minimum - 20 FT

Parking Required - 35 spaces

Preferred Sites - Street Exposure, end cap preferred

Desired Co-Tenants - Grocery/ Supermarket, Fast Casual, Movies, Hospitals

Community Retail Strategies

Market your Community everyday and everywhere you go.

- Maintain accurate current information on your website. Retail site selectors are in/out of your community without your knowing it and tend to do their research in hotel rooms and airports.



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International Council
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