

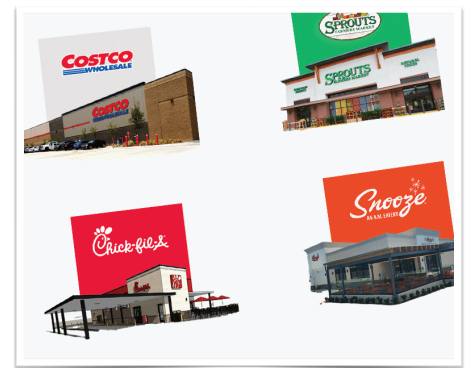
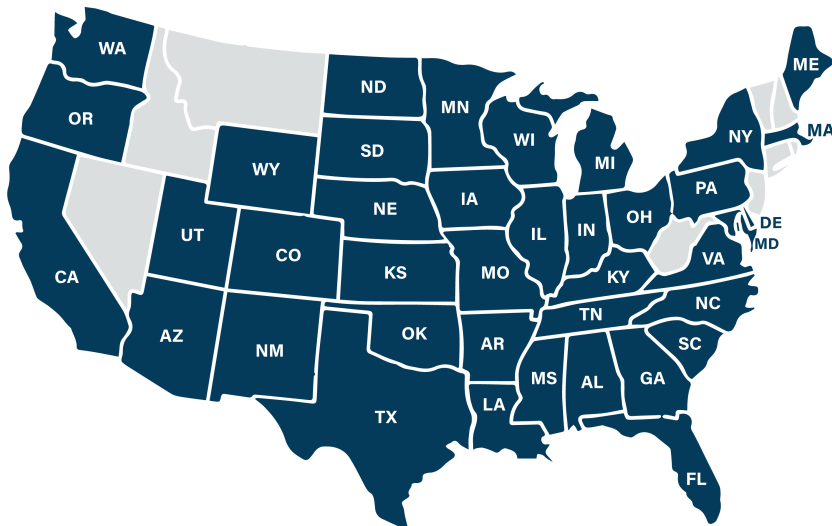
Bricks and Clicks:

Building a Successful Retail Strategy for your Community



About The Retail Coach

Recognized Experts Throughout the U.S.



650+ Clients
ACROSS 40 STATES

90%
REPEAT CLIENT RATE

\$600 Million
IN SALES TAX GENERATION

6 Million +
SF OF NEW RETAIL

Agenda

- Texas Retail Trends
- Building a Successful Retail Recruitment Strategy

Texas Retail Trends

Retail Trends

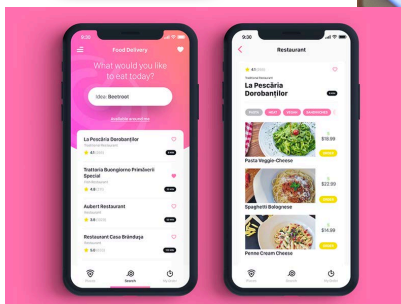
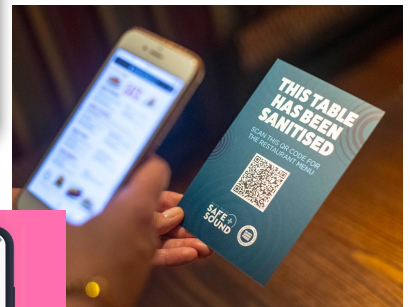
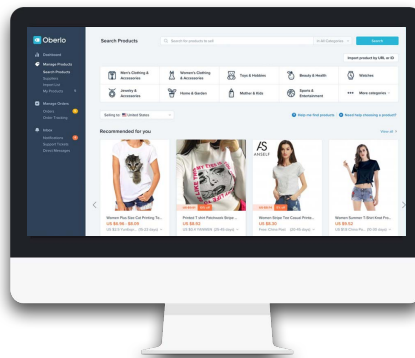
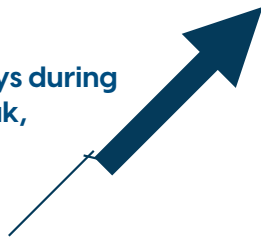


Retail Trends

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

10 years

in consumer and business digital adoption.



Retail Trends

E-Commerce

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

During Pandemic 95% of online orders were fulfilled at the store level. Now, more than 25% of locations have full online fulfillment capability

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

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



Retail Trends

Restaurants, Fast Casual, QSRs

Retail Trends

Restaurant formats are shrinking

- Allows for more potential locations; flexibility
- Lesser Initial Investment
- Requires fewer workers
- Limited or no outdoor seating
- Emphasizes walk-up, drive-thru's, patio seating, and take out platforms

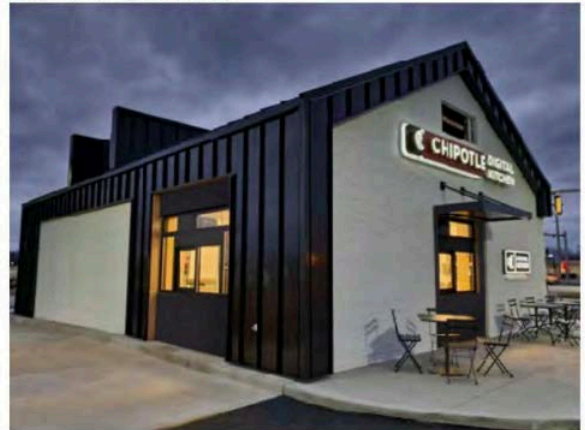


Retail Trends

Digital ordering is here to stay

- As much as 60% total restaurant sales (Chipotle) come from the company's website, their app, third party apps
- Walk-up window, patio seating, and drive thru lane
- Location flexibility
- Smaller footprint
- Smaller investment

Chipotle Digital Kitchen



Retail Trends



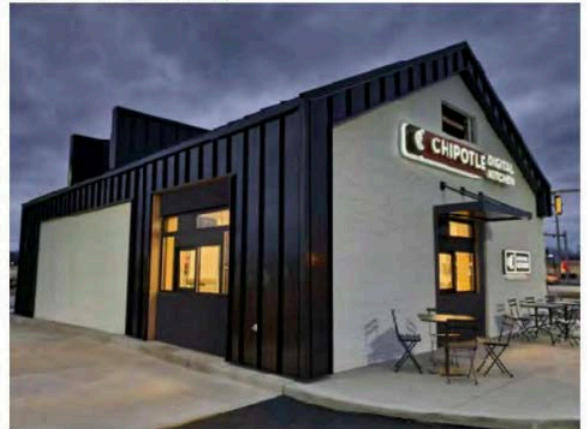
Retail Trends

Drive -Thru's spur growth & competitive advantage

- Applebee's wants to be more like McDonald's than Olive Garden
- The lines between casual dining and QSRs are continuing to blur
- "We are competing directly with quick serve restaurants and fast casual"

• John Cywinaki, Applebee's Brand President

Chipotle Digital Kitchen



Jamie Grill-Goodman Editor in Chief | RIS/Retail Info Systems 12/21

Retail Trends



Retail Trends

A majority of restaurants say they plan to expand in 2023/2024

Regardless of economic conditions, consumers will continue to frequent restaurants

According to a recent R365 State of the Industry Customer Survey (Restaurant 365) of more than 10,000 quick serve, fast casual, and fine dining restaurants across the US:

- Approx. 60% have plans for growth in 2023/2024
- 75% expect labor costs to increase
- 2022 brought an increase in sales across all concepts with return to in-store dining
- Many struggled with profitability due to increases in labor and food costs - labor up 9% and food 10% on average
- 92% increased menu prices in 2022 and 73% anticipate increases in 2023 - many are passing through credit card costs to the consumer.

Retailtainment

Retailtainment:

Retailtainment is the combination of retail and entertainment. It implies different methods and techniques that provide customers with a unique experience without focusing on receiving payments. Brands evoke emotions and senses in customers to drive their interest.

Retail Trends



Grapevine, Texas

Retail Trends



Aledo, Texas

Retail Trends



Retail Trends



Retail Trends

Malls and Lifestyle Developments

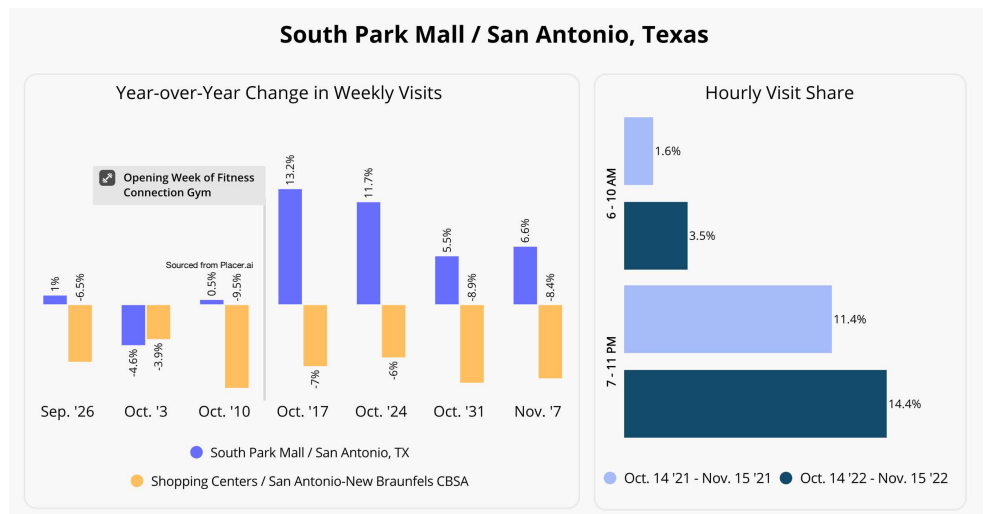
Retail Trends

Tenant Diversity

Non-traditional retailers are moving into mall spaces such as gyms, co-working spaces, and medical centers.



- ✔ Generates new traffic at off-peak hours
- ✔ Creates a holistic experience leading to extended visits and more reasons to frequent a center.



Sourced from Placer.ai

How Remote Workforce Impacts Retail

Retail Trends

Useful Statistics On Remote Workers

A [survey by Owl labs](#) found the following:

- Remote employees save an average of 40 minutes daily from commuting.
- Since 2020 people have been meeting by video calls 50% more since COVID-19.
- During COVID-19 close to 70% of full-time workers are working from home.
- After COVID-19 92% of people surveyed expect to work from home at least 1 day per week and 80% expected to work at least 3 days from home per week.
- 23% of those surveyed would take a 10% pay cut to work from home permanently.
- People are saving on average close to 500 dollars per month being at home during COVID-19. Resulting in savings close to \$6000 per year.
- A mere 20-25% of companies are paying some of the cost for home office equipment and furnishings.
- 81% of those surveyed believe their employer will continue to support remote work after COVID-19.
- 59% of respondents said they would be more likely to choose an employer who offered remote work compared to those who didn't.

Retail Trends

Work From Home Implications

Places need need on community amenities, since there will be less of commuting and “pick up on the way home”

High Speed Internet Access

Parks, Walking Trails

Food / Entertainment Options

QUALITY OF LIFE

After COVID-19, What's Next for Landscape Architecture?

The urban crisis brings many challenges, but also presents opportunities for landscape architects to help build more equitable green spaces and cities.

by Rebecca Greenwald
June 9, 2020

In the midst of this pandemic, public space is decidedly having a moment.



Buffalo Bayou Park in Houston, by SWA

Courtesy Jonnu Singleton

Retail Trends

Is your community positioning itself to take advantage of these retail trends?

- Stance on drive-thru concepts
- Conversations with DOT (curb cuts, future road work, etc...)
- Land use planning (“protect” key retail sites); Overlays
- Downtown development / redevelopment / placemaking (EXPERIENCE!)
- Community Development efforts

Retail Trends

These brands have plans to add additional brick-and-mortar locations post-pandemic.

- 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

Building a Successful Retail Recruitment Strategy



RETAIL ISECONOMIC DEVELOPMENT

and must be a component of your community's comprehensive economic development strategy.

Your success will bring increased sales and property tax revenue; new jobs; more shopping and eating options; an enhanced quality of life; and reduced outflow of important dollars to other communities.



Retailer expansion plans will wax and wane during periods of economic uncertainty.

But, remember,
**RETAILERS MUST
OPEN NEW STORES**
to survive.

LOOK AT YOUR COMMUNITY THROUGH THE EYES OF A RETAILER, DEVELOPER AND INVESTOR.

First impressions are important: retailers always seek to minimize risk and maximize profits.

What kind of first impression does your community exhibit?

What can you improve?

Pay close attention to:

- Community appearance
- Pride of ownership (residential and commercial)
- Functional infrastructure
- Evidence of crime
- Codes and code enforcement
- Downtown vitality

Retailers look for opportunities – not just sites. To be successful, a retail site must have each of these essential location factors:

- Visibility
- Accessibility
- Regional exposure
- Population density
- Population growth
- Operational convenience
- Safety and security
- Adequate parking
- Adequate signage

KNOW YOUR COMPETITION.

What advantages do communities that are competing with you for retail offer?

What are their disadvantages?

What are your competitors (competing communities) doing to recruit retail?

What incentives are they offering retailers and developers?

Perform a SWOT analysis of your community from a retailer's perspective.

What are your strengths?

What are your weaknesses?

What are your opportunities?

What are your threats?

KNOW YOUR RETAIL TRADE AREA.

A Retail Trade Area is the largest distance consumers are willing to travel to purchase retail goods and services.

Its size depends upon the variety of goods and services offered in your community and proximity to retail in nearby competing communities.

An accurate Retail Trade Area is the **foundational tool** for a retail recruitment strategy.

KNOW YOUR DEMOGRAPHICS.

This should include your **daytime population**: the people who are employed in your community.

Restaurants must have a healthy daytime population to ensure a robust lunch business. Restaurants cannot survive on dinner business alone.

KNOW YOUR PSYCHOGRAPHICS.

As retailers seek to perfect the **site selection** process, their use of Psychographics is becoming more important. Psychographic variables are any attributes relating to personality, values, attitudes, interests or lifestyles.

Do you have college students in your community?

Student spending has a **positive impact** and can be quantified for retailers through a spending survey that identifies:

- Primary source of income
- Purchasing habits/frequency
- Percent of purchases in/near campus
- Retailer-type preferences
- Specific retailer preferences
- Monthly retail expenditures

KNOW HOW MUCH RETAIL OPPORTUNITY EXISTS.

Conduct a Retail Gap/Opportunity Analysis to discover which retail segments are leaking sales to surrounding communities. This information is meaningful to retailers looking for **unmet consumer demands** in your community.

Which types of stores and restaurants do you think are missing in your community?

Determine whether **existing properties** and developments in your community are meeting their highest and best use.

Are there opportunities for re-zoning/re-development to make the sites more appealing for retail development?

TARGET RETAILERS THAT ARE A GOOD MATCH FOR YOUR COMMUNITY.

Develop marketing and feasibility packages that are **customized** to the Retail Trade Area and site selection criteria of specific retailers.

Upload all retail information to your website and make certain it is accurate, current and easy to find. This is becoming more and more important. Retailers and developers may **visit your community** without your knowledge.

Are there improvements that can be made to enhance the availability of retail information on your website?

Best Practices

Participate at Industry Events and Networking Opportunities



RETAIL LIVE!



TAKE A LONG TERM APPROACH

Retail Recruitment is a *process*, not an event!

 The**Retail**Coach.



Aaron Farmer

AFarmer@TheRetailCoach.net

662-231-0608

www.theretailcoach.net