



EMERGING TRENDS UPDATE

ISSUE 34 · JANUARY 2021

THE GROCERY LIST

- **GIANT EAGLE** is getting smart with new digitally enhanced cooler doors that can display advertisements and collect data from customers. The screens have been piloted at four GetGo convenience stores in Pennsylvania. The data collection component includes foot traffic, inventory, and customer interactions with products.
- At a time when cleanliness is key, **HY-VEE** has become the first grocery chain to introduce a fully automated sanitation system with their shopping carts. Dubbed "The Sterile Cart," this system uses a hospital-grade disinfectant via a low-pressure system and dry-in-place technology.
- Here to "save" the day, **SAVE MART** grocery store is testing a guest chef program to support struggling restaurants during this time when many restaurants have been forced to close many segments of their businesses. The program will begin inside the Modesto, California Save Mart's The Tipping Point restaurant. Save Mart notes that 100% of sales will go directly to the pop-up restaurant in play.



WALMART WORLD

- 'Twas the season...for drone-driven holiday light shows! During the recent holiday season, Walmart partnered with Intel to light up the nights in select cities. Tickets were free and visitors were encouraged to watch from their cars with a choreographed soundtrack of modern holiday favorites. The holiday light shows were also shown on their social media channels.



- Charley's Philly Steaks is testing their concept inside Walmart stores, beginning in Dublin, Ohio. The Ohio-based cheese steak favorite currently has around 600 stores both in outdoor centers and shopping malls. With big growth plans, the company plans to open about 50 new stores in 2021, excluding their venture into Walmarts.
- Walmart has tested the autonomous vehicle waters in the past, but their latest initiative with self-driving vehicle platform, Cruise, will be entirely powered with 100% renewable electric energy. Walmart has recently pledged to reach zero emissions by 2040, so this plan fits well. The new Cruise cars will deliver orders to customers, contact-free, beginning in Scottsdale, Arizona.

THE AGE OF AMAZON

MAKING A "SMART" MOVE

To assist consumers and small businesses in knowing when to replenish their items, Amazon has released their weight-sensing Dash Smart Shelf. The shelf costs \$19.99, senses the weight of products ordered through Amazon, and sends users a notification when supplies are low. Users can even auto-reorder their goods!

HELLO, NEIGHBOR!

Amazon has opened their first Fresh grocery store outside of California, and it's right next to Phillips Edison's Naperville Crossings in the Chicago area. Their new Naperville store is a Dominick's backfill of 35,000 square feet. It includes their Dash Cart, pick up lockers, just-walk-out technology, and plenty of employees to assist customers.

FAST PHARMACY

The online giant has rolled out Amazon Pharmacy, an online service that will compete with major pharmacy chains like Walgreens and CVS. Pharmacy. Perks for Prime Members will include 2-day free delivery and a discount card for uninsured customers.



COOL CONCEPTS EXPRESS

This year's circumstances have caused many retailers to innovate and switch up their designs in efforts to create convenience and ease for their customers. Restaurants have been on the forefront of this shake-up, with new footprints including maximized outdoor seating, drive-thrus, and technology. Here are a few that have made big headlines with big changes recently!



SWEETGREEN

This healthy, salad-focused concept is making a shift to suburbs via a new drive-thru design they will be testing in Colorado. Accelerated by the pandemic, the new design will require customers to order from their phones and mobile apps. The chain notes that their digital channels have seen growth of more than 70% this year alone. The store will also have some outdoor seating.



EL POLLO LOCO

Their name might include "crazy" but their plans for a new, digitally enabled format are perfectly logical for today's customer. El Pollo Loco, a fast food chicken restaurant, plans to remodel 55 of their current locations to either fully focus on off-premise dining, or allow for both take-out and a smaller indoor dining feature. Another cool feature will be a fully exposed grilling area and kitchen to ensure transparency and safety for customers.



CAPTAIN D'S

"Sea"-ing the needs for consumers' convenience, Captain D's is planning to open an Express concept in the Atlanta market in 2021. The fast food seafood concept's latest design will have a drive thru and walk up windows, but no indoor seating. The company plans to open two to four Express locations per year in dense metropolitan markets.



FLOWER CHILD/FLY BYE

More and more hungry guests are craving grub on the "fly"—and the elevated food and beverage concept, Flower Child, is responding by opening a new takeout-only concept. Flower Child, which has historically focused on healthy fare, will serve up Detroit-style pizza, wings, and fried chicken at their new restaurant. The first Fly Bye will come to Tempe, Arizona in 2021.



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RETAIL: Looking Good

BEAUTY IN THE BOX

Kohl's has some big beauty moves "in store". Sephora and Kohl's have agreed to put approximately 850 beauty store-in-stores inside the big box retailer. The shops will have a prominent position at the front of select Kohl's stores and some shops will even include a separate entrance. In an omni-channel strategic move, Sephora will be Kohl's exclusive beauty partner online in 2021.

TARGETING BEAUTY

Target is making the Ultra-mate beauty play by integrating Ultra Beauty shops in over 100 Target stores by mid-2021. The companies attribute the pandemic and customers' increased one-stop-shopping to the strategy. The retailers report that they plan to add "hundreds" of additional store-in-stores in the future.

ON THEIR OWN

In response to Sephora's partnership with Kohl's, their long-standing big box retail partner J.C. Penney will be releasing a new beauty concept. The JCP team announced that the new concept will include haircare and salon services.



SPOTTED: Cool Concepts

We recently checked out one of The Yard Milkshake Bar's newest locations in Virginia Beach. The Yard was originally featured on Shark Tank and now has 11 locations. They serve up fancy, whimsical, and over-the-top sweet creations for your taste buds and Instagram's pleasure. This location has both indoor and outdoor seating, a minimalistic design, and a Secret Menu — we ordered the "Seaside Sensation" which includes a white chocolate seahorse. You even get to keep the glass jar!



SPOTTED

Send the cool concepts you come across to acasey@phillipsedison.com to be featured in the Emerging Trends Newsletter or on Phillips Edison's Instagram page [@phillips.edison](https://www.instagram.com/phillips.edison)

RETAILERS ON THE RISE



RISE SOUTHERN BISCUITS • Based in Durham, NC
Biscuits and fried chicken • 17 current locations • 1-Year Growth: 6 units



CARBON HEALTH • Based in San Francisco, CA
Urgent care • 28 current locations
1-Year Growth: To be decided



GYROVILLE • Based in Davie, FL
Mediterranean fast casual • 13 current locations
1-Year Growth: 10 units



KURA SUSHI • Based in Irvine, CA
Revolving sushi bar • 26 current locations
1-Year Growth: 30 units



LULULEMON • Based in Vancouver, BC • Athleisure and workout apparel
506 current locations • 1-Year Growth: 16 units



SHIPLEY DONUTS • Based in Houston, TX
Donuts and coffee • 300 current locations • 1-Year Growth: 20 units



VETERINARY EMERGENCY GROUP
Based in Valhalla, NY • Veterinary care
19 current locations • 1-Year Growth: 20 units



ROMEO'S PIZZA
Based in Medina, OH • Fast casual pizza
40 current locations • 1-Year Growth: 20 units



GREEK FROM GREECE
Based in Hoboken, NJ • Greek-inspired bakery and cafe
44 current locations • 1-Year Growth: 10 units