

EMERGING TRENDS UPDATE

ISSUE 35 • MARCH 2021

THE GROCERY LIST

• Here's a "sweet" reason to smile! **SHOPRITE** has brought on a new robot, Smiley, to sell candy throughout the store. In addition to providing treats, Smiley can also display alert messages such as COVID precautions. The bot is currently only on board at ShopRite, which operates 363 stores throughout the Northeast.



• **HY-VEE** has rolled out a virtual dietitian service called Healthie, in which customers can access free programs like virtual store tours, dietitian sessions, and the option to pay for meal-planning services and nutrition counseling.

• **COSTCO** is bringing bulk goods curbside! For a \$10 service fee, members can have their online orders fulfilled and brought to their vehicles in the test market of Albuquerque, NM. The service also carries a \$10 minimum purchase. Orders are fulfilled via Instacart and collected by Costco employees.

• **JEWEL OSCO** has piloted a temperature controlled automated kiosk at one of their Chicago stores. Customers can pick up their online grocery orders during their allotted two-hour time slot. The kiosks are contactless, providing the convenience and safety that today's customer seeks.



WALMART WORLD

• Walmart is feeling "cool" with their new home delivery efforts which will deliver products to customers' homes with a "smart cooler." The service will go head-to-head with Amazon Key's smart entry services, in which Amazon employees can enter customers' homes to deliver products. In Walmart's service, the cooler is placed outside the customer's door and the delivery driver can open the box to deliver refrigerated, frozen and pantry goods.



• In late January, Walmart announced plans to integrate automated micro-fulfillment centers into dozens of stores throughout the country. The fulfillment centers will use robotic systems to store and retrieve products. The innovation will also bring drive-up pickup spots at certain locations which allow customers to scan a barcode and pickup their online orders via a drive-up.



THE AGE OF AMAZON

BYE, PANTRY

Amazon is parting with Prime Pantry. The online subscription service was intended to boost sales of packaged goods and groceries. With the shutdown, Amazon emphasized their focus will be on core grocery platforms such as Whole Foods, Amazon Fresh, and the Go Grocery brand.

FULL-SERVICE EXPANDING

We reported in the last Emerging Trends newsletter that Amazon opened a new full-service grocery store neighboring Phillips Edison's shopping center in Naperville, Illinois. The retail giant is now rumored to be targeting the Minneapolis area for at least one new Amazon Fresh store. According to reports, construction on the first site could begin as soon as April 2021.

GROCERY RETURNS

Whole Foods, a branch of Amazon, has announced that it will accept Amazon returns across its entire store base. The hope is that increased in-store return points will help customers feel a greater sense of return ease, while also boosting foot traffic for the grocer.



COOL CONCEPTS QUICK BITES

Ease of access and convenience has become more important to customers than ever before. Many consumers have become accustomed to staying in their cars for picking up retail purchases, and even more so for their food orders. We're taking a look at four restaurants elevating their convenience factor, truly making for a "quick bite"!



APPLEBEE'S

Adding a drive through to their menu, ordering from Applebee's has become easier at one restaurant in Texarkana, Texas. Customers can order by phone or the app and pick up their orders at the drive up window. The store design change will serve as a test to determine if a drive through option will be included in future store design options. Their sister brand, IHOP, has also announced plans to move beyond their traditional dine-in restaurant.



FIVE GUYS

In efforts to provide expediency to customers while maintaining food freshness of their burgers and fries, Five Guys has launched a curbside and in-store pick up solution throughout its restaurant fleet. The restaurant can now track the arrival of customers and delivery drivers to minimize wait times.



POKEWORKS

Pick up your poke bowl FAST! The California-based quick service poke restaurant, Pokeworks, will launch their first "Cruise Through" lane in Knoxville, Tennessee this year. The lane allows customers to skip the line by ordering their food online and picking it up at the window. Pokeworks has approximately 60 locations nationally.



TACO BELL

Taco-bout innovation! Taco Bell is bringing their fast food to a two-story model in Brooklyn Park, Minnesota. The operator and franchisee of the upcoming unit is planning to create a model with no dine-in, but four drive through lanes. Three lanes will be dedicated to standard size vehicles and the fourth will be for oversized vehicles. Groundbreaking could begin as early as May 16.



Searching for a new podcast? Look no further than our very own **RETAIL INTEL**. Listen to it now on SoundCloud!



EYES ON EXPERIENCE

The retail world is seeing pent-up demand for interaction in retail. Experiential retail has been a hot topic for the past few years but took a hiatus when the pandemic took the country by storm in 2020. Retailers are looking into the future and committing to opening new interactive concepts that go beyond traditional retail and provide an experience beyond an online order. Let's check out a few new stores popping up!

OH HEY THERE

Skincare is having its "heyday" with primarily online retailer, Heyday. The brand is betting big on brick and mortar expansion with plans to open "hundreds of stores" in the next five years via franchising. The stores are intended to provide a strong element of interaction between customers and stylists, with skincare professionals who will give advice while performing procedures.

MMMMMMM&M'S

What's round and great and lives in Central Florida? It's not just the sun, it's M&Ms! The brand has opened a new store at Disney Springs near the popular amusement park. In addition to the in-real-life store, customers can also log online to check out their interactive virtual store. In both "stores," customers can design their own M&Ms, take advantage of Instagram-worthy backdrops, and purchase candy, apparel and décor, among other themed items.

SMELLIN' GOOD, OHIO

This is not your regular neighborhood barbershop. Old Spice is opening its first barbershop in Columbus, Ohio. The brand's shop will include a haircare studio along with stylists who are set to provide styling tips and products. The Cincinnati-based company will use its new shop to test upcoming products and will even have a coffee shop in-store!



SPOTTED: Fetch Park ATL

The pet industry has been booming throughout the past year due to more flexible work schedules and people seeking companionship to offset isolating conditions brought on by the pandemic. In Atlanta, we recently checked out a new dog park and bar hybrid, Fetch Park. Dog owners, their furry friends, and guests are welcome into the park with up to date canine vaccination proofs. Fetch Park features outdoor TVs, wifi throughout the park, cooling stations, a dog bath area, as well as attendants (Bark Rangers) making sure all the dogs are playing nicely. This unique spot allows pets and people alike to socialize and play!



SPOTTED

Send the cool concepts you come across to Ashley Casey to be featured in the Emerging Trends Newsletter or on Phillips Edison's Instagram page @phillips.edison

RETAILERS ON THE RISE



ALDI • Based in Batavia, IL
Grocery • 1,980 current locations • 1-Year Growth: 100 units



RUSH CYCLE • Based in Irvine, CA
Cycling studio • 26 current locations
1-Year Growth: 30 units



MIXT • Based in San Francisco, CA
Salad and wraps QSR • 16 current locations
1-Year Growth: 12 units



VITALITY BOWLS • Based in Danville, CA
Acai bowls • 90 current locations
1-Year Growth: 20 units



FIVE BELOW • Based in Philadelphia, PA • Discount apparel store
1,018 current locations • 1-Year Growth: 180 units



ALLBIRDS • Based in San Francisco, CA
Shoe store • 23 current locations • 1-Year Growth: 20 units



7 LEAVES CAFE
Based in Garden Grove, CA • Coffee and tea
30 current locations • 1-Year Growth: 30 units



POPSHELF • Based in Goodlettsville, TN
Discount general merchandise
5 current locations • 1-Year Growth: 30 units



CRAVE HOT DOGS & BARBECUE
Based in Roslyn Heights, NY • Hot dogs and BBQ QSR
12 current locations • 1-Year Growth: 15 units