Panel Discussion:

Post-COVID Retail Trends and Opportunities

Topics

- COVID's Impact on Retail
- Post-COVID Retail Trends and Retail Outlook
- Proactive Retail Recruitment Strategies in a Post-Covid World
- Real Examples of Peer Cities Surviving & Thriving

Moderator

Austin Farmer

Project Director
The Retail Coach

TheRetailCoach®

- **20+ Years** of Experience
- **650+ Client Communities** in 40 States
- **5 Million + SF of New Retail Recruited** In the last Five Years

Panelists

Chenin Dow

Sr. Manager - Economic Development & Real Estate

City of Lancaster

Scott Agajanian

Deputy Director of Economic Development

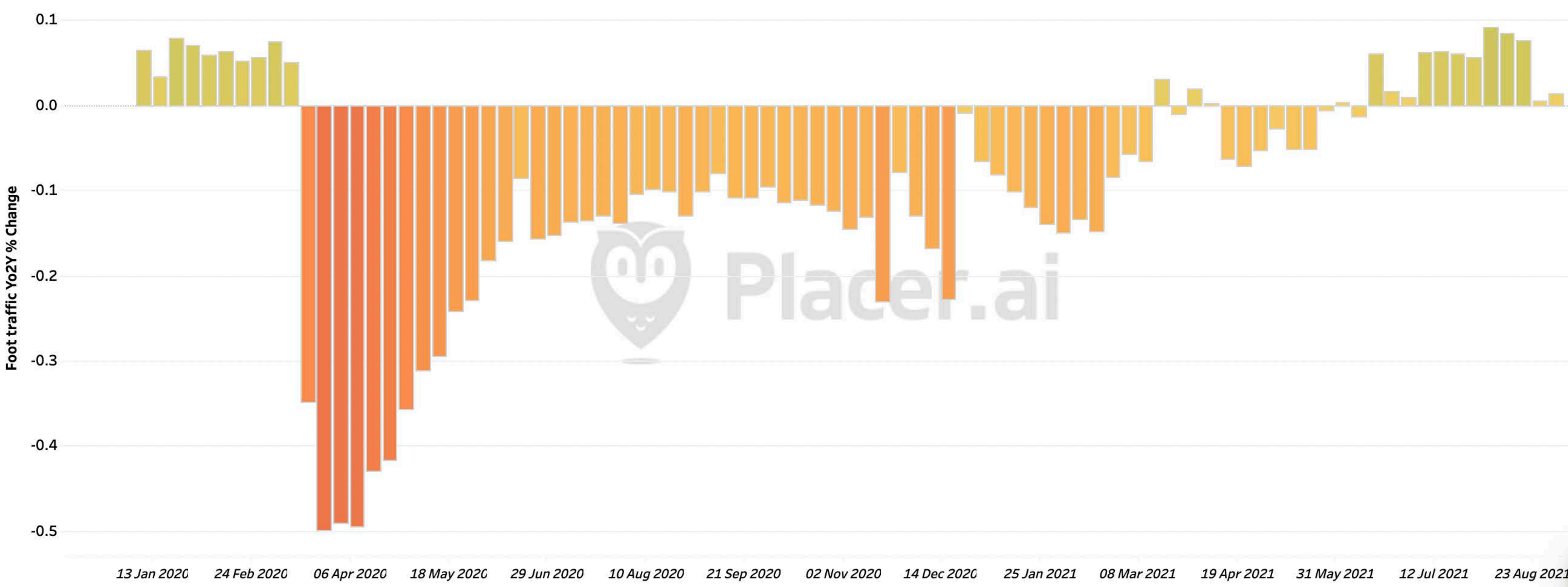
City of Murrieta

Kevin Ingram

City Manager

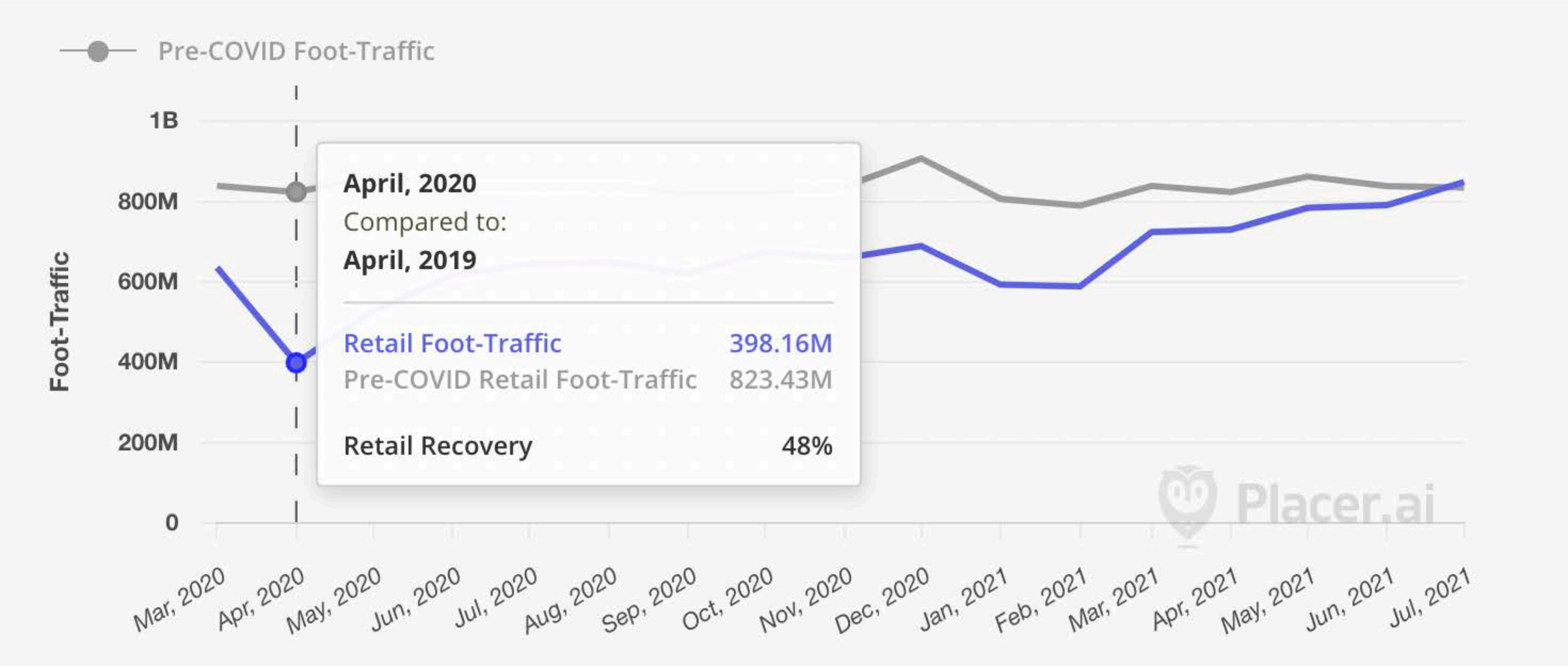
City of Lakeport

COVID's Impact on Retail in California



Retail Foot-Traffic dropped significantly from March 2020 to June 2021

COVID's Impact on Retail in California

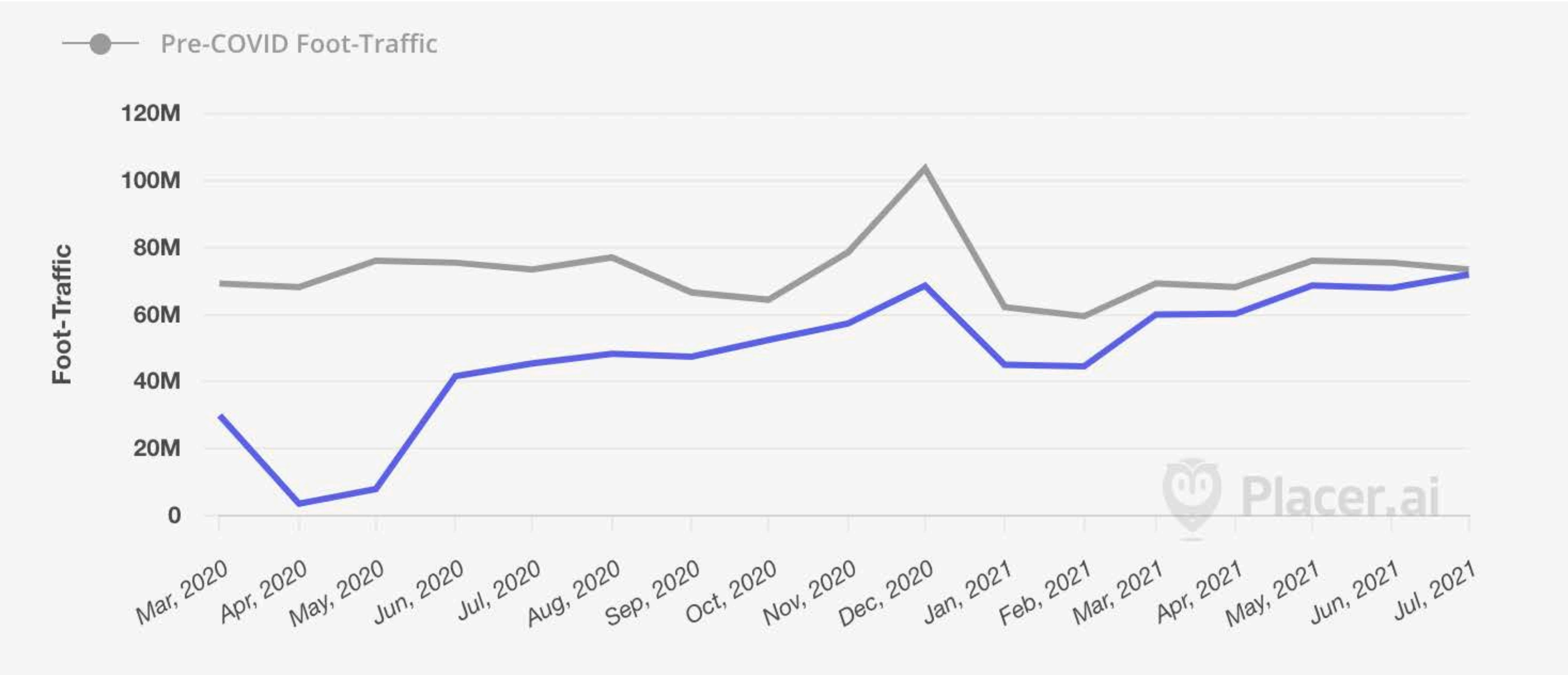


Foot-Traffic across all sectors dropped to 48% of pre-pandemic levels in California

Retail sectors hit the hardest:

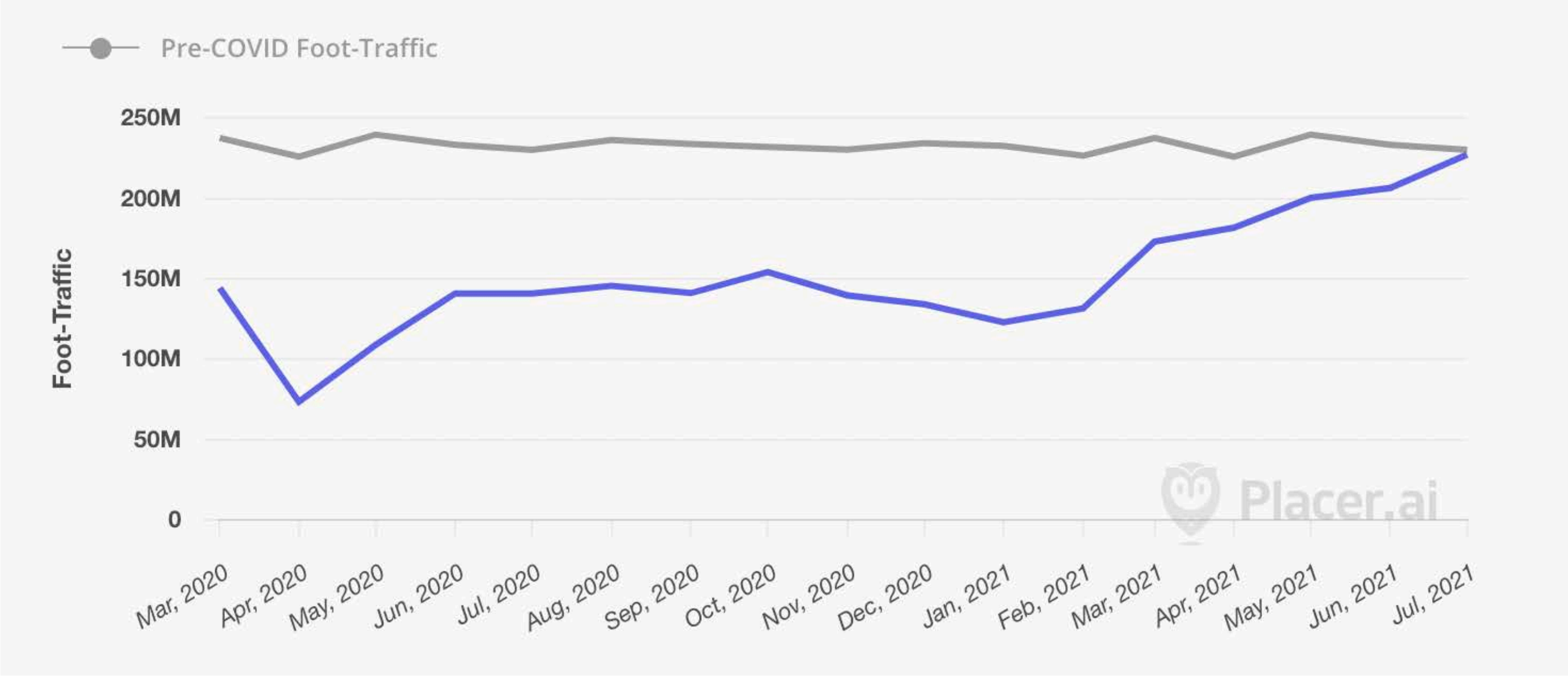
Apparel

Foot-Traffic dropped to 5% of pre-pandemic levels at its worst



Dining

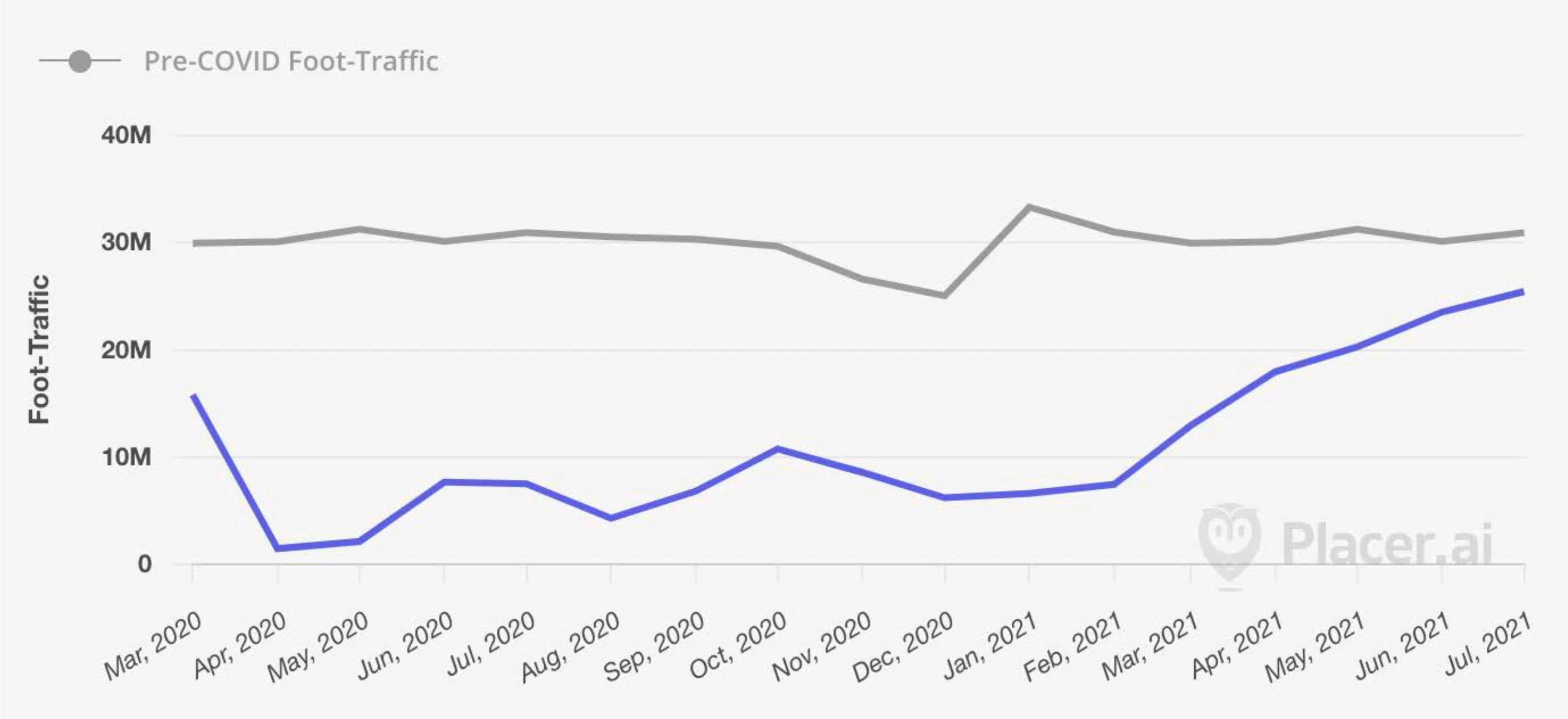
Foot-Traffic dropped to 32% of pre-pandemic levels at its worst



Retail sectors hit the hardest:

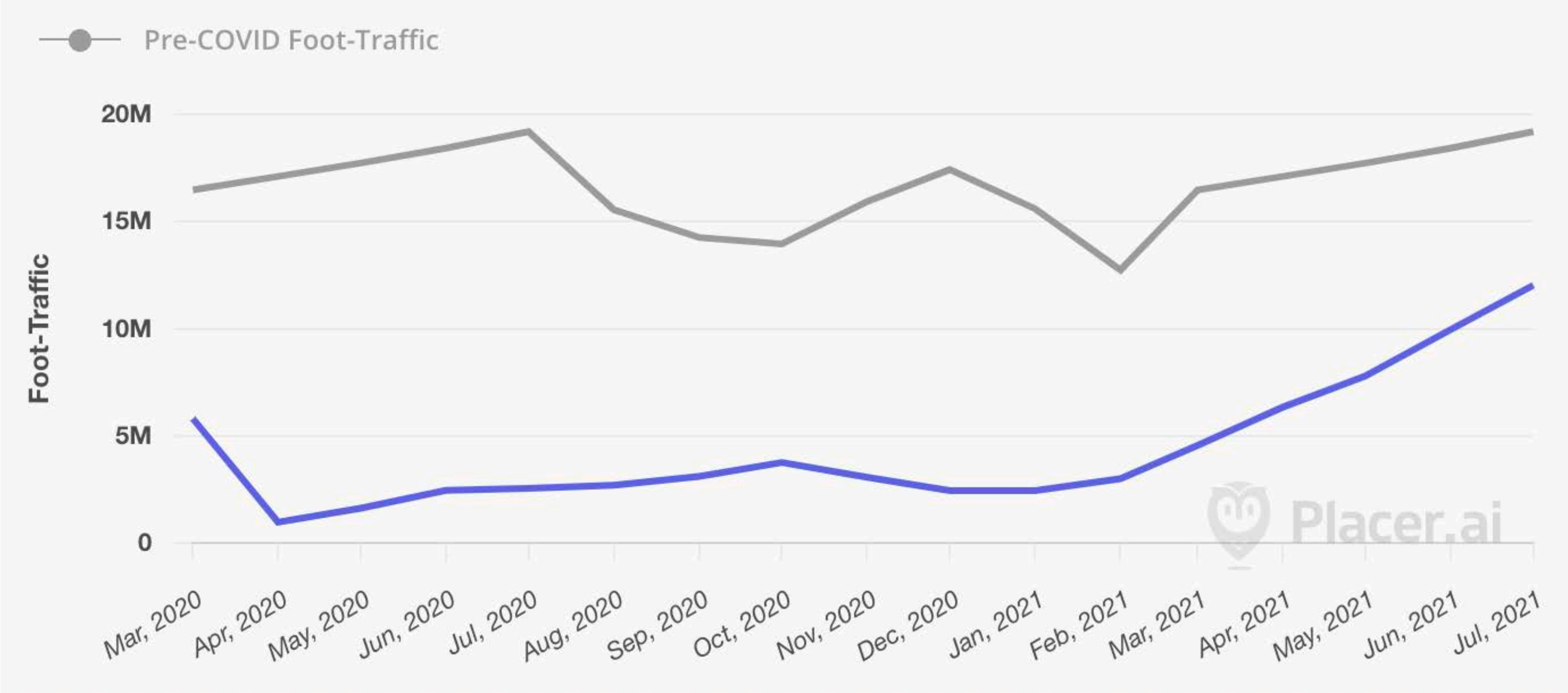
Fitness

Foot-Traffic dropped to **4%** of pre-pandemic levels at its worst



Liesure

Foot-Traffic dropped to **5%** of pre-pandemic levels at its worst



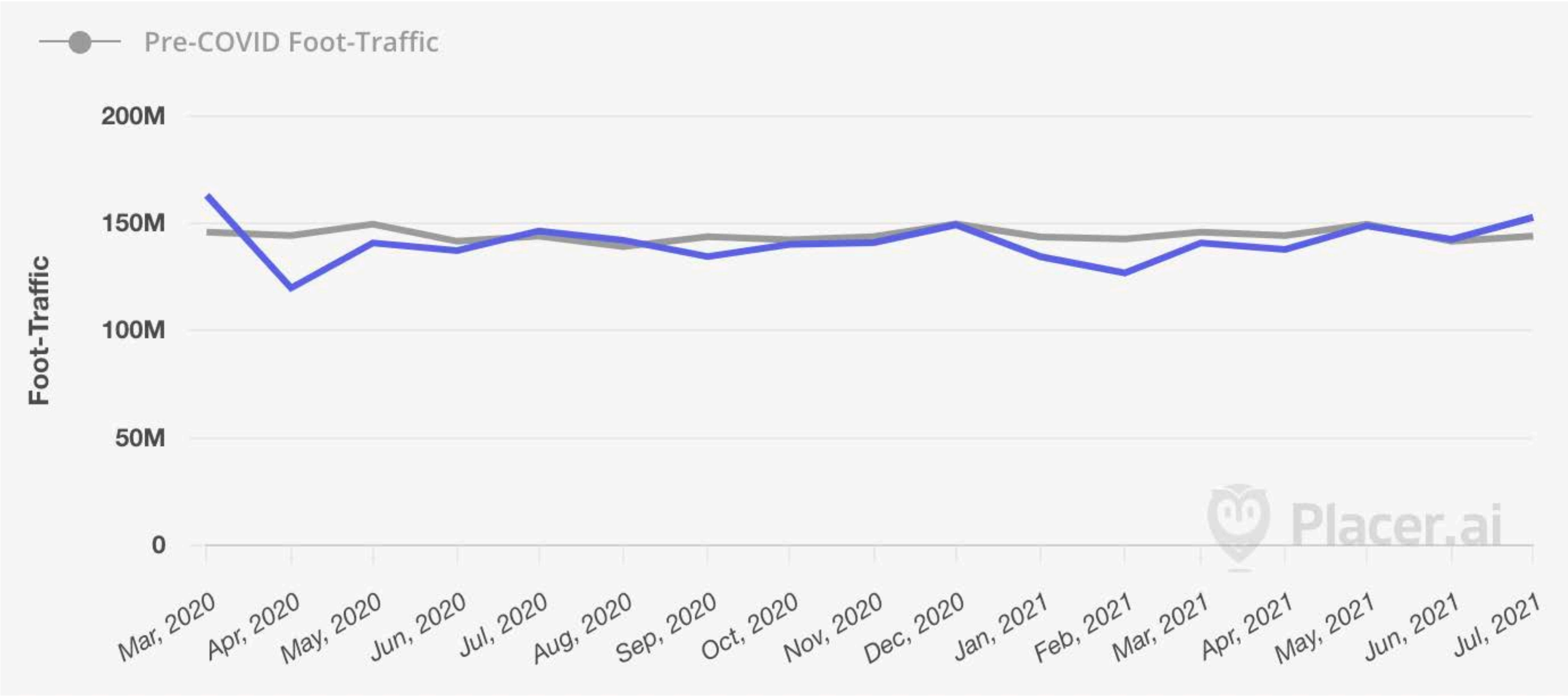
Retail sectors hit the hardest:

Small Businesses and Main Street!

Retail sectors that fared the best:

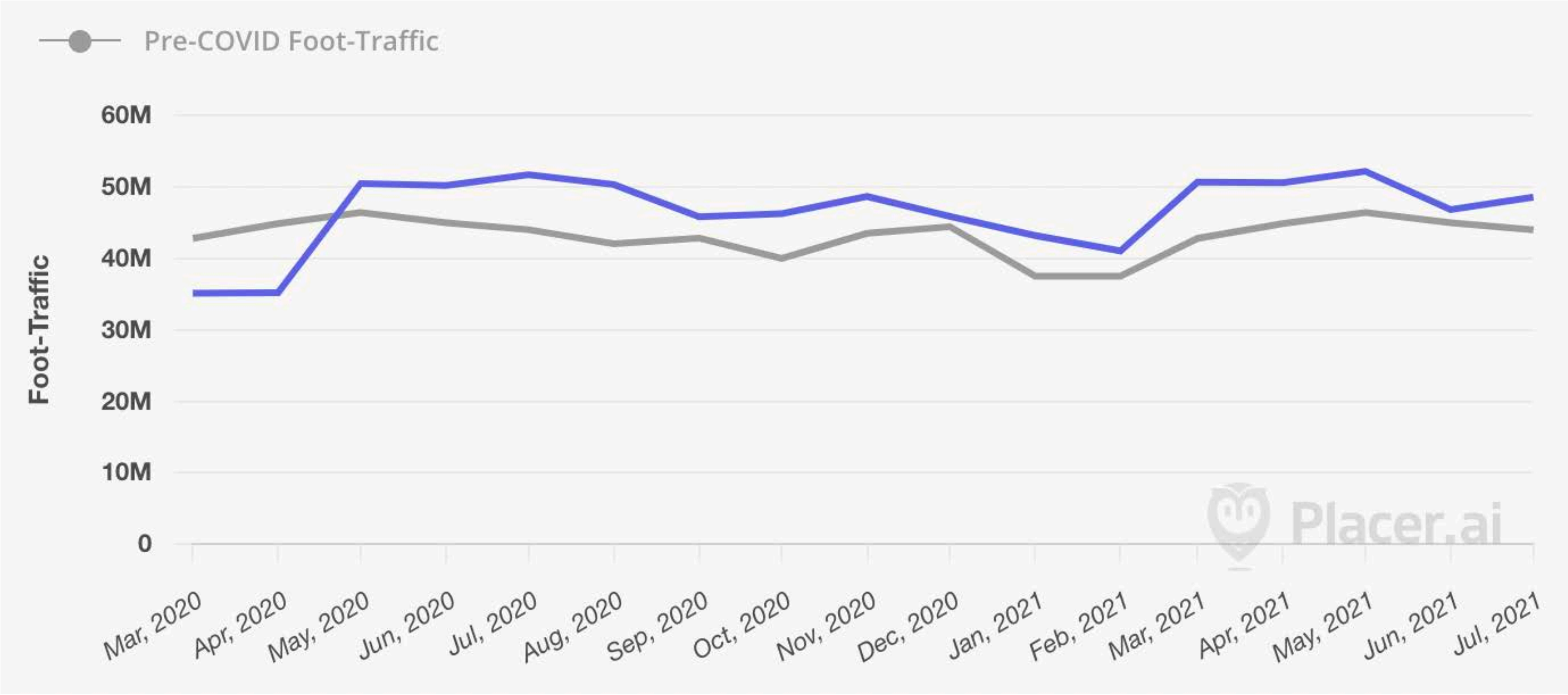
Grocery

Foot-Traffic dropped to **83%** of pre-pandemic levels at its worst



Home Improvement

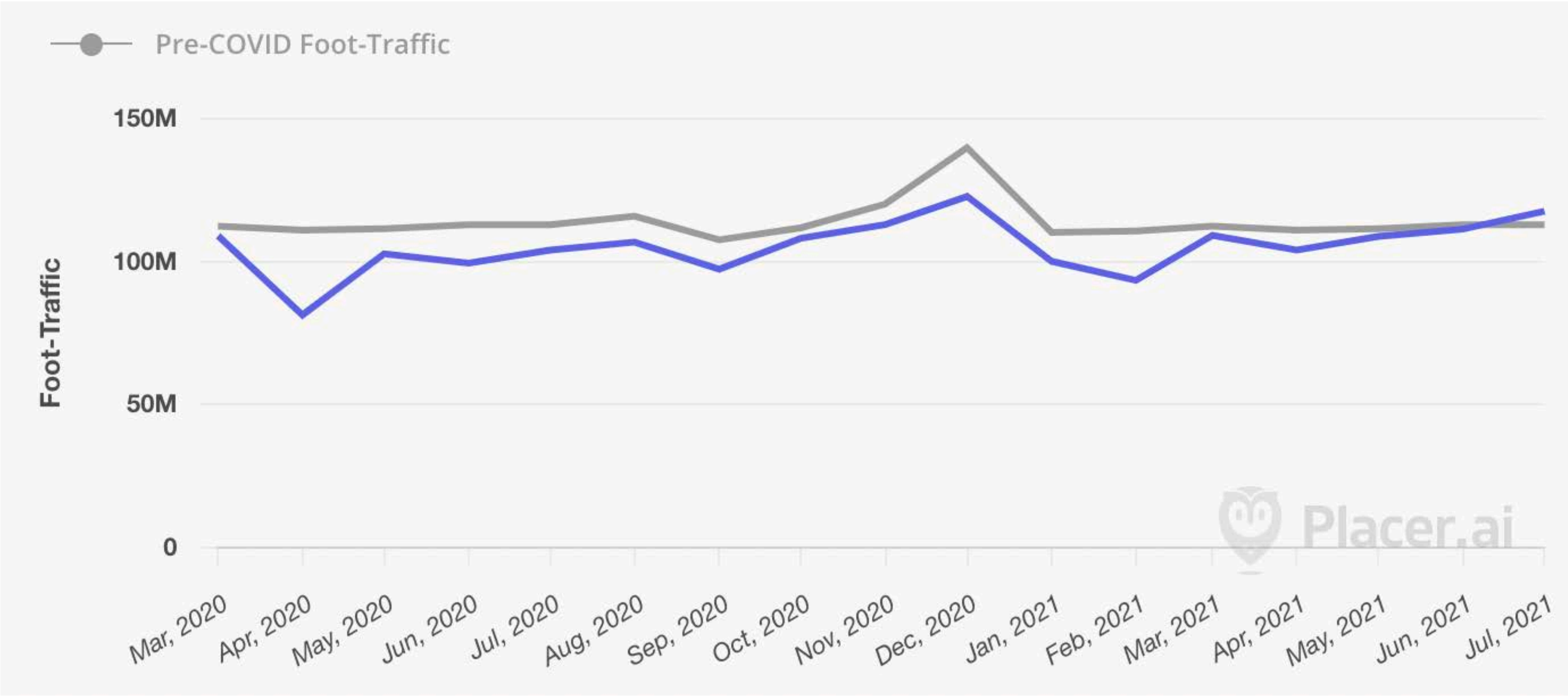
Foot-Traffic dropped to **78%** of pre-pandemic levels at its worst



Retail sectors that fared the best:

Super Stores

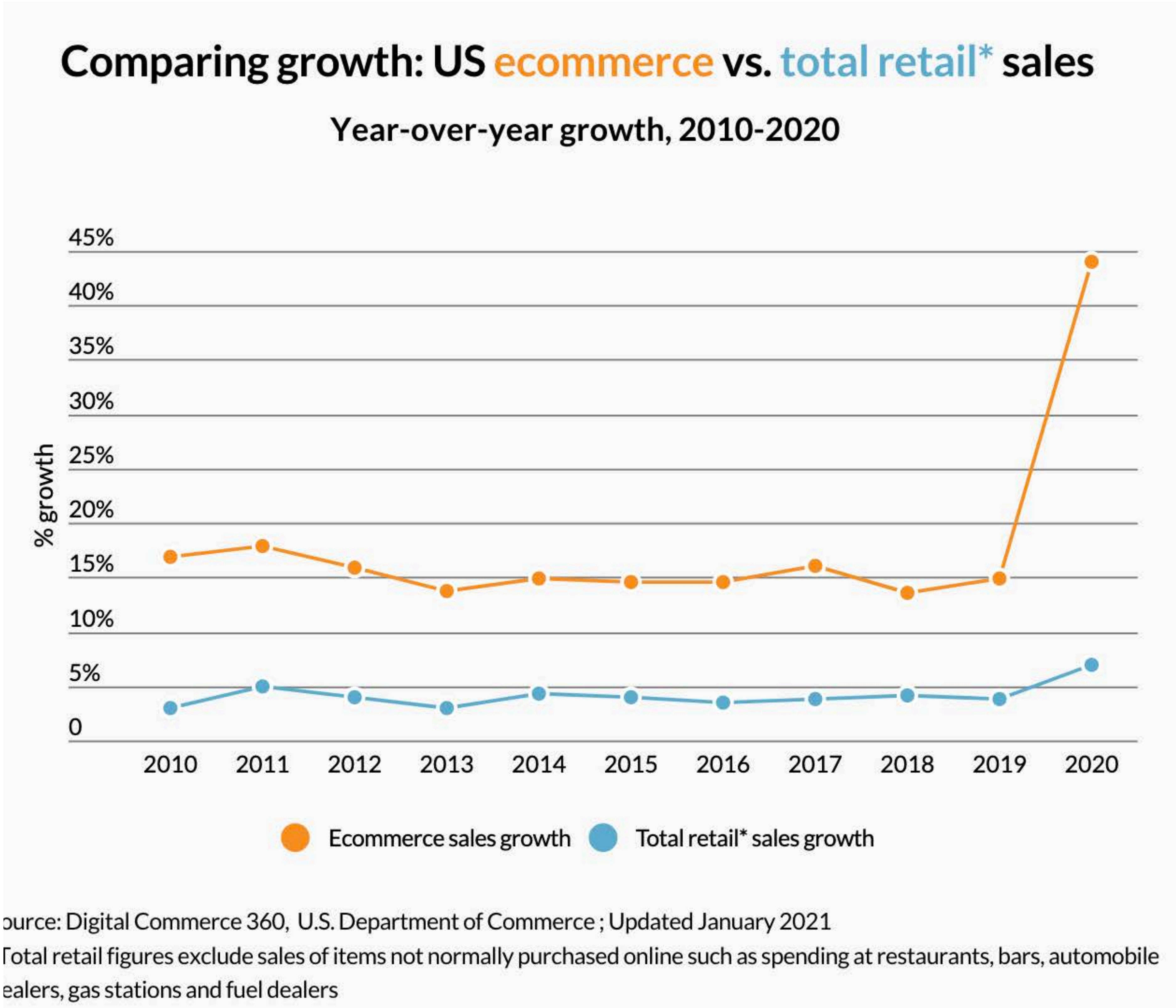
Foot-Traffic dropped to 73% of pre-pandemic levels at its worst



Retail sectors that fared the best:

e-Commerce

Online retail sales took a massive leap forward from 2019-2020



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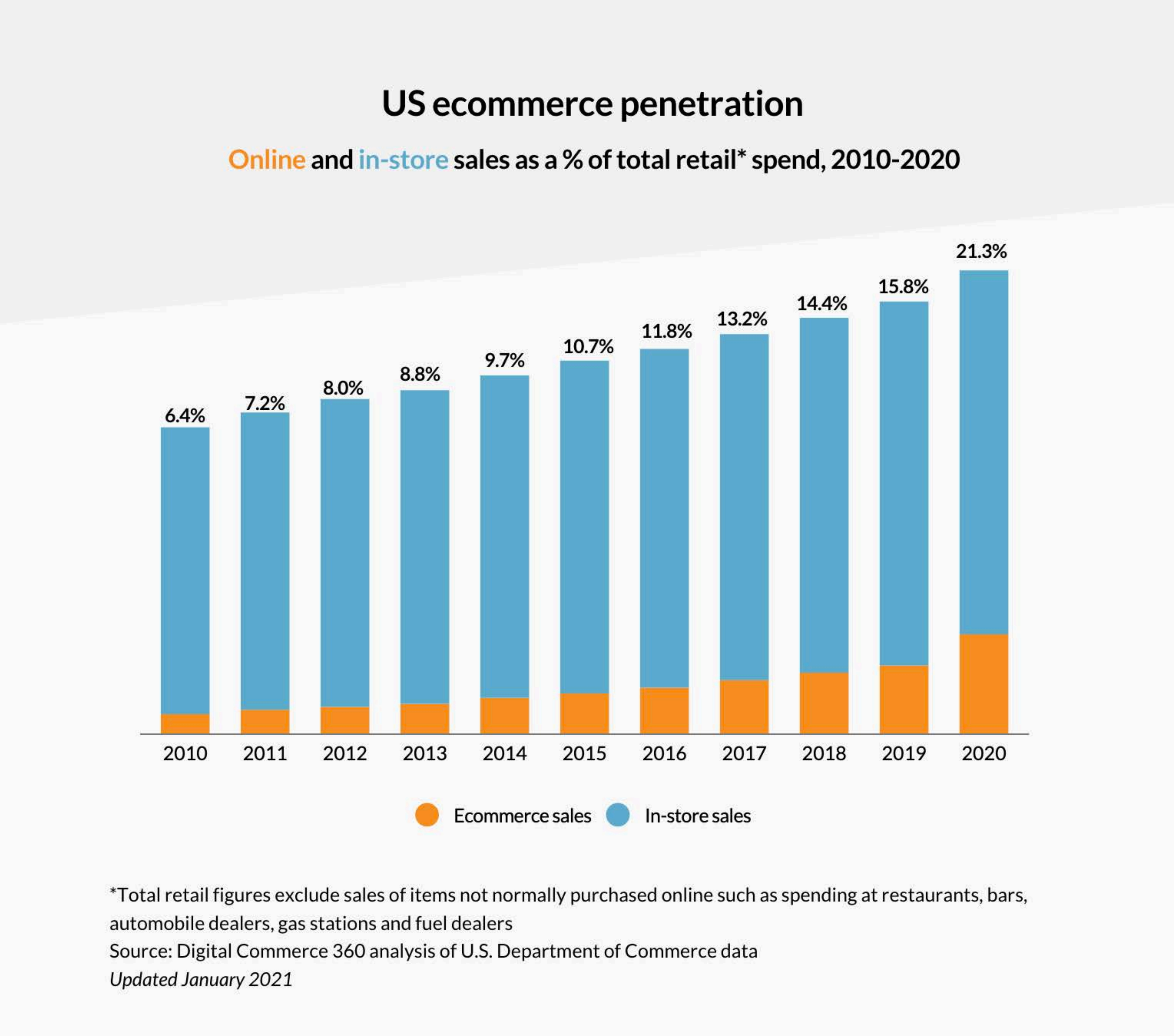


Post-COVID Retail Trends

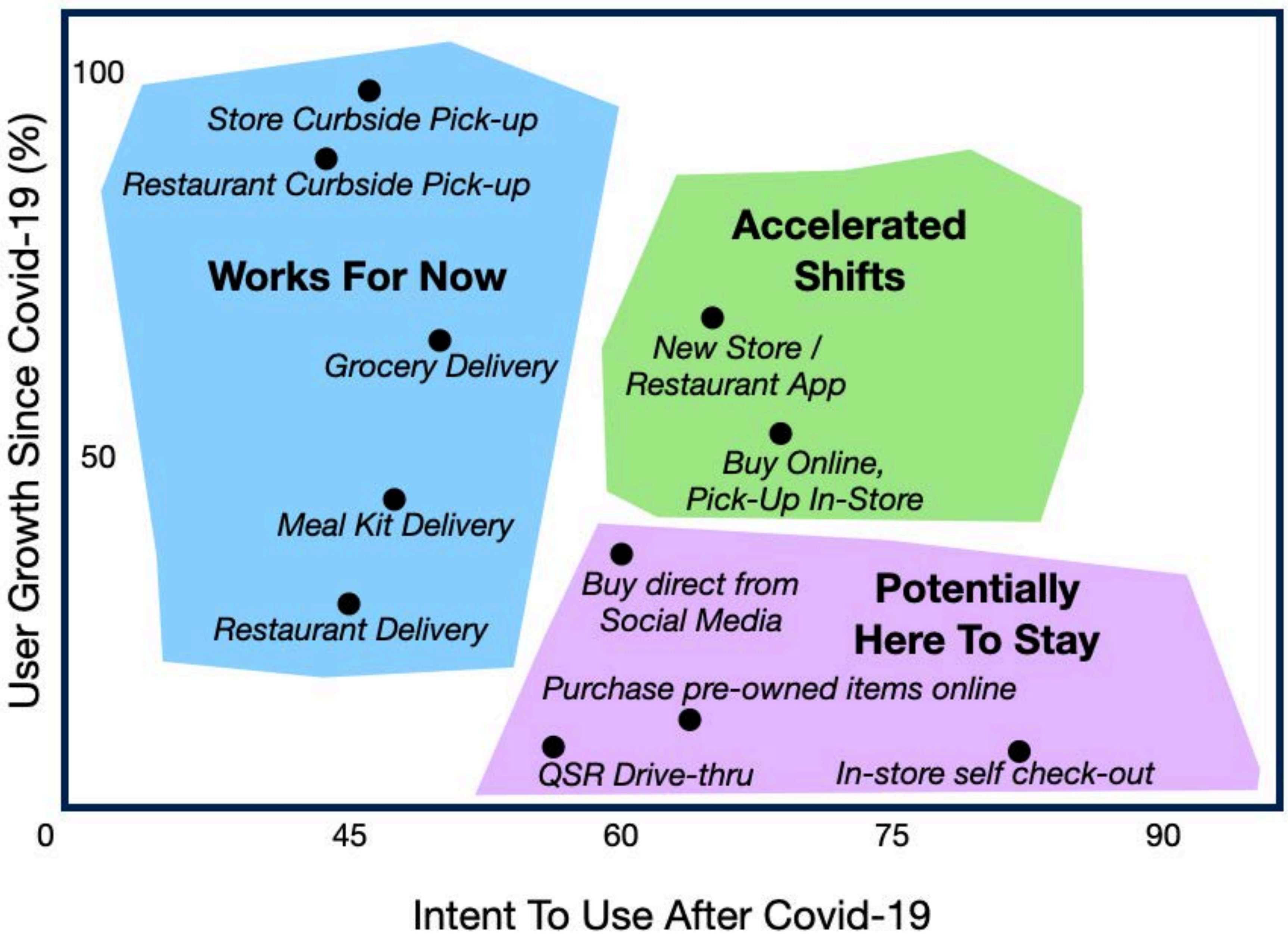
So what does that mean for retail moving forward?

Reality:

COVID has impacted how retailers and restaurants will do business in the future

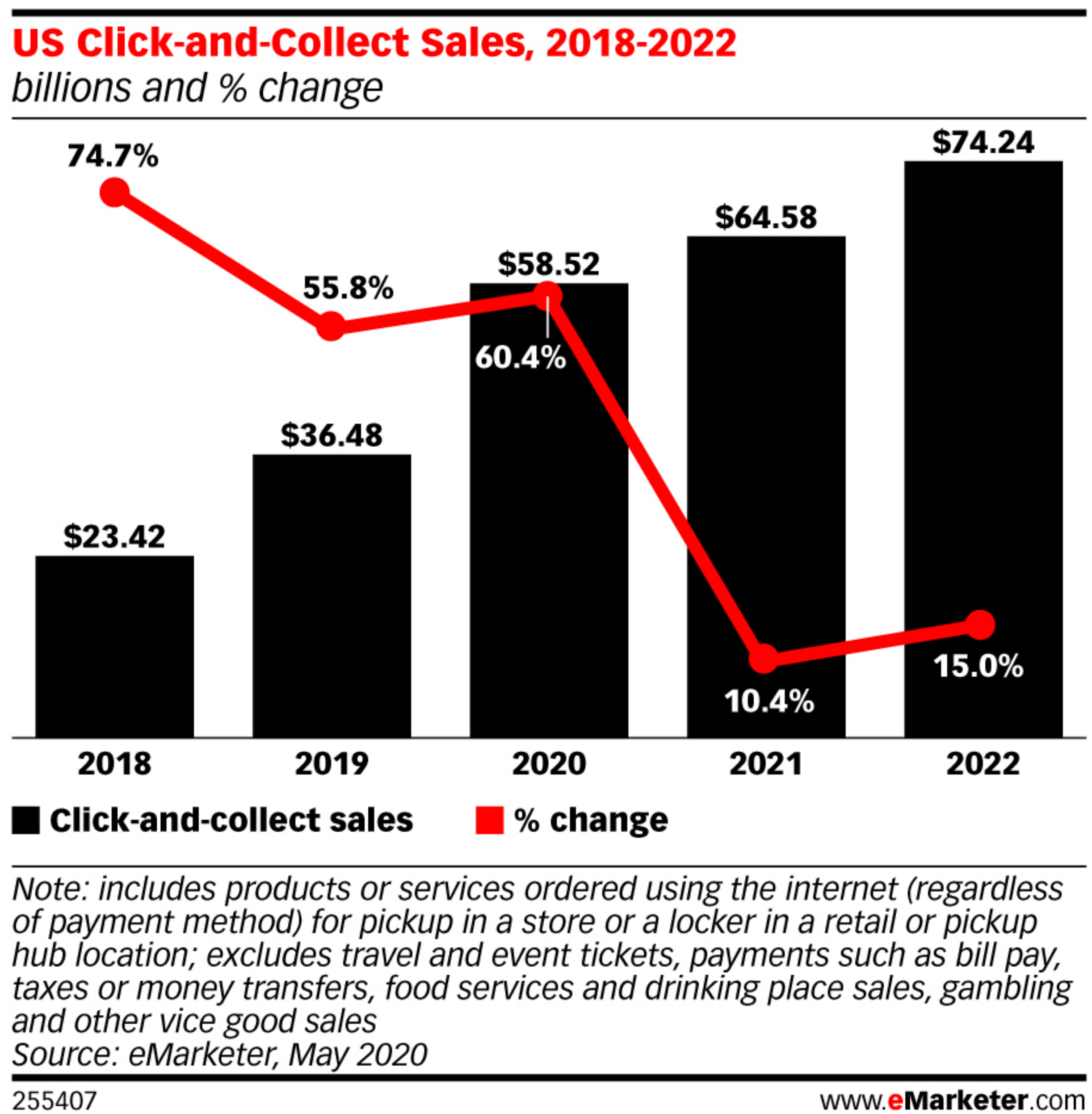
Post-COVID Retail

Retailers and Restaurants will continue to integrate technology into their businesses



Post-COVID Retail

e-Commerce and online ordering will continue to shape the layout of brick & mortar stores



Post-COVID Retail

So much so that stores will become fulfillment-first distribution centers

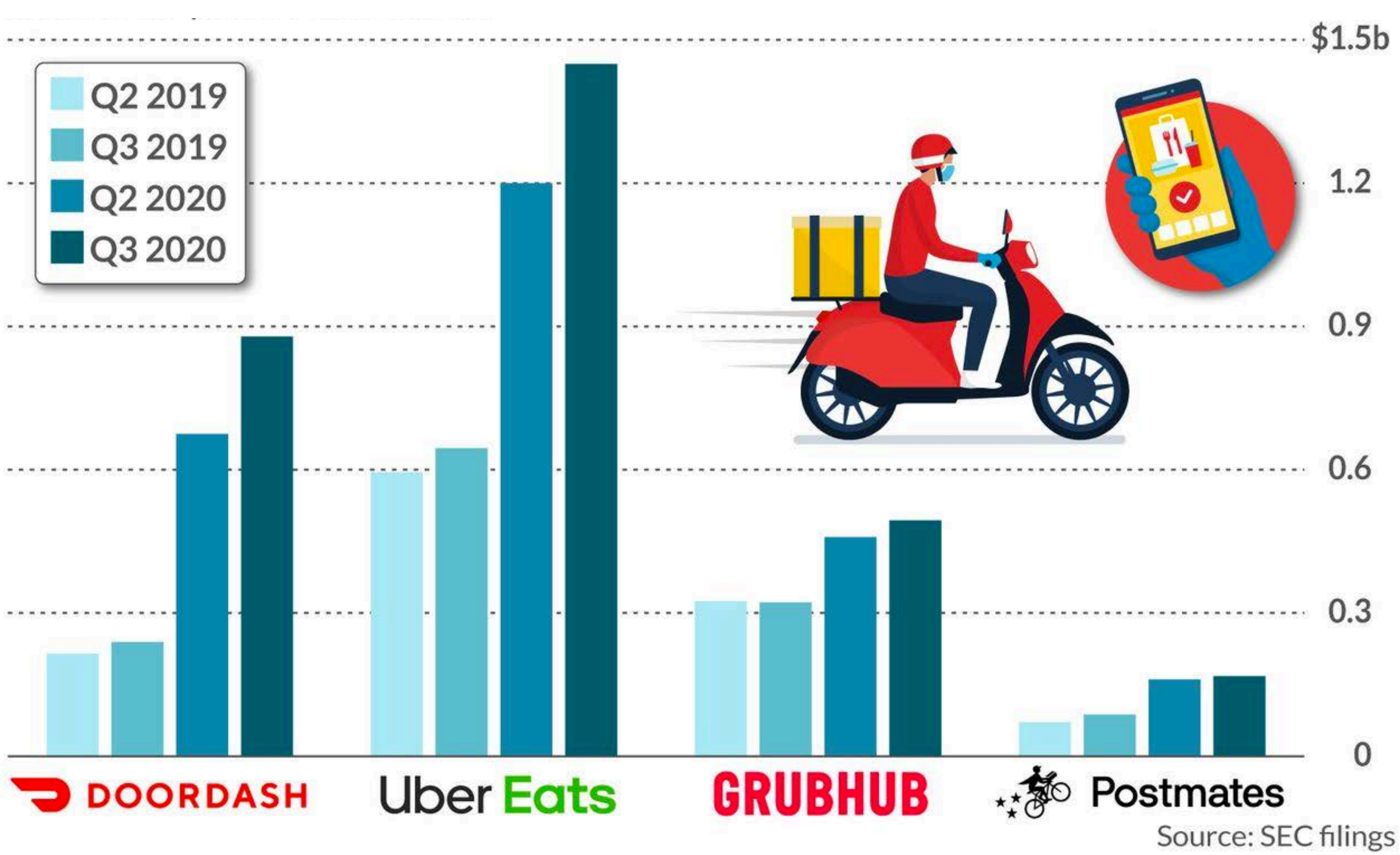
In Q4, 95% of online orders were fulfilled at the store level

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

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

Post-COVID Retail

Delivery services will further fuel the growth of new restaurant and fast-casual concepts



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

Post-COVID Retail

Direct-to-Consumer and online brands will continue to invest in a brick & mortar presence

Online going Offline

Many DTC brands such as Casper, UNTUCKit, Hari Mari, and Warby Parker have shifted to physical location expansions

Post-COVID Retail

There will be an influx of new concepts from established brands built around smaller footprints and future-proofing

New Concepts

Burger King: 60% smaller and focused on customer experience through multiple ordering and delivery means

New Concepts

Shake Shack: New "Shack Track" ordering and pickup system for online and in-person ordering

New Concepts

KFC: Smaller dining room with up to 5 drive-thru lanes

New Concepts

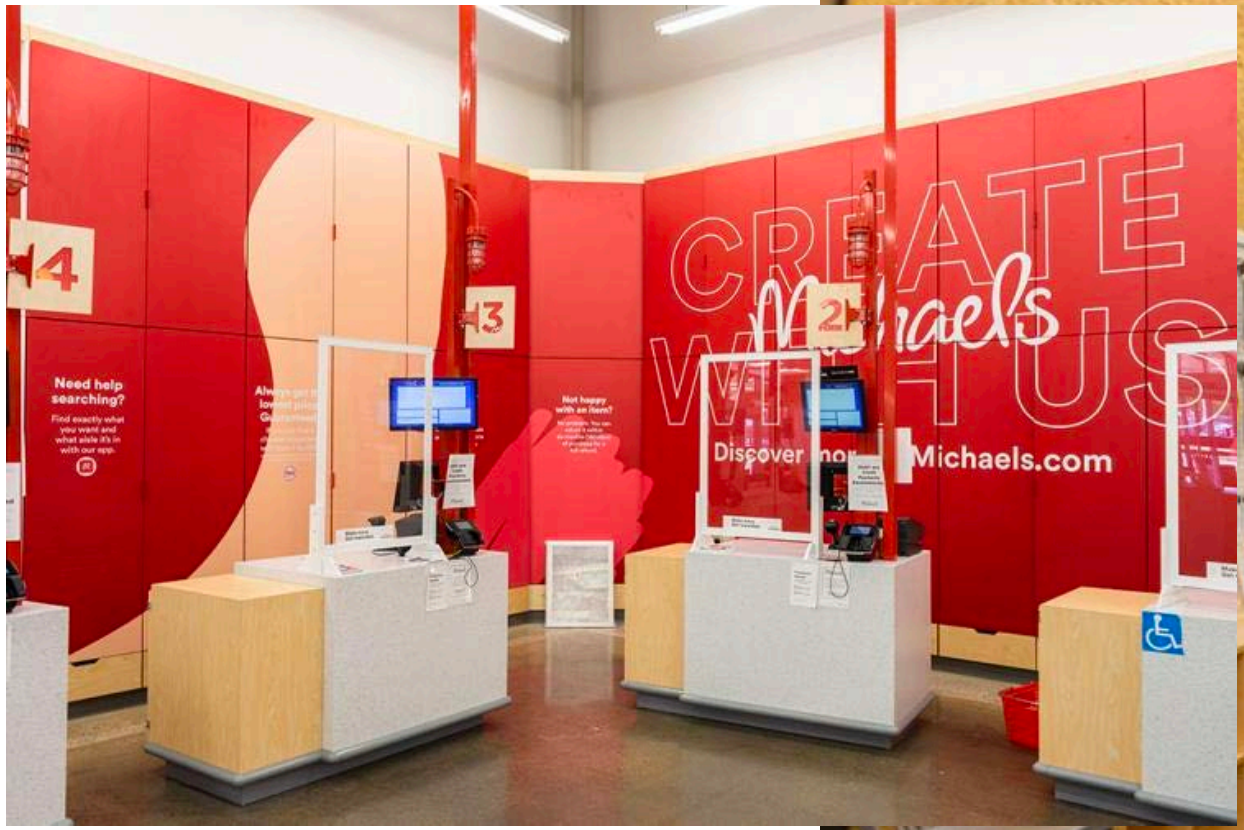
Taco Bell Defy: 4 drive-thru lanes. 3 strictly for mobile ordering and delivery service pick ups

New Concepts

Market by Macy's: 20,000 sf "flexible retail format" offering "community-driven experiences and programming"

New Concepts

Michael's: Reimagined store layouts centered around the customer ('maker') experience



Post-COVID Retail Outlook

So COVID killed brick & mortar retail right?

Post-COVID Retail

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

Retail Brands Expanding 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
- Sonic
- Starbucks

Retail Brands Expanding in 2021-2022

The Wall Street Journal

Amazon plans to open large retail locations akin to department stores

Published: Aug. 19, 2021 at 8:58 a.m. ET

By Sebastian Herrera , Esther Fung , and Suzanne Kapner

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Online shopping pioneer wants a larger retail presence to sell clothing and household items and facilitate exchanges

Slim Chickens signs 30-unit development deal to further develop North Carolina portfolio

Franchising News | 04 May 2021

Actionable Retail Recruitment

How does your community align with trends? What characteristics do new developments need to have?

- Access for multiple drive-thru (codes?)
- Conversations with DOT (curb cuts, future road work, etc…)
- Parking requirements
- Signage
- Land use planning ("protect" key retail sites)

Panel Conversation

What Can Communities Do to Support and Retain Existing Businesses While Recruiting New Businesses in the Post-COVID World?

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