Leaders in Retail Real Estate

Kenne Shepherd
Principal
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AJAX 2.0

- Unmanned grocery pick up location on commuter route with easy access and open 24-hrs

- Testing customer acceptance of unmanned pickup and value of 24 hour access and inducting box direct from the store

- ± 1,400 SF Refrigerated box adjacent to the Walmart Supercenter

- TBD Summer of 2018
Clicks to Bricks – The New Retail
In the 1st quarter 2017, 2,880 stores closed.

**NUMBER OF RETAIL STORES CLOSING IN EARLY 2017**

- RadioShack: 552
- Payless: 400
- The Limited: 250
- Family Christian: 240
- hhgregg: 220
- Wet Seal: 171
- *Bebe: 170
- Crocs: 160
- Gamestop: 150
- JCPenney: 138
- BCBG: 120
- American Apparel: 110
- Kmart: 108
- Staples: 70
- CVS: 70
- Macy's: 68
- Abercrombie & Fitch: 60
- Guess: 60
- Sears: 42
- Gander Mountain: 30
- EMS: 27
- Bob's Stores: 21

*Estimated based on news reports

**SOURCE:** Company data
Is this the only story?

What and where are the signs of growth in the retail landscape?
As of the 2\textsuperscript{nd} quarter of 2017, brick & mortar retail accounted for 91.1\% of retail sales.
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- Retail is the \textbf{second} largest industry in the United States in terms of the number of businesses it encompasses.

- And ranks \textbf{third} as far as the number of individuals employed, with nearly 10\% of the country's workforce working in retail.
Six retailers redefining the retail landscape.

• Athleta
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- Warby Parker
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- Amazon
Online: 1999
1st Store: 2011
Stores: 133 Locations

Website
Online: 1999
1st Store: 2011
Stores: 133 Locations
ATHLETA

Online: 1999
1st Store: 2011
Stores: 133 Locations
WARBY PARKER eyewear

Online: 2010
1st Store: 2013
Stores: 64 Locations
Online: 2010
1st Store: 2013
Stores: 64 Locations
BONOBOS

Online: 2007
1st Store: 2012
Stores: 47 Locations

Website
BONOBOS

Online: 2007
1st Store: 2012
Stores: 47 Locations
BONOBOS

Online: 2007
1st Store: 2012
Stores: 47 Locations
Rent The Runway

Online: 2009
1st Store: 2014
Stores: 5 Locations
Rent The Runway

Online: 2009
1st Store: 2014
Stores: 5 Locations
BIRCHBOX

We do the work. You find products that work for you.

Shop full-size products. Save $.

Beauty on Your Own Terms

Online: 2010
1st Store: 2014
Stores: 2 Locations
Product that Changed My Life: Supergoop City Serum

A story of bravery, regret, and compassion redemption.

Recommended For You
Benefit BADgal Lash Mascara

App

Website

facebook

Online: 2010
1st Store: 2014
Stores: 2 Locations
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1st Store: 2014
Stores: 2 Locations
Online: 1995
1st Store: 2016
Stores: 12 Locations
3 Planned
Why Internet Retailers Open Brick & Mortar Stores.
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• Physical stores attract new customers.
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- Can make targeted decisions on store locations and merchandise mix.
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• Burberry
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- Omni-channel retailing is the future of retailing providing a seamless customer experience on all channels.
Leaders in Retail Real Estate

JP Suarez
Executive Vice President
Walmart Realty
Pickup and New Formats

Attract new customers

Better engage existing customers

Drive brand perception
Why do customers shop for groceries online?

- **89%** To save **TIME**
- **83%** Being able to shop in the comfort of my **HOME**
- **81%** To avoid the **STRESS** of stores
- **79%** Being able to shop at **ANY TIME**
- **72%** Shopping in store is **TIRING**
  (loading cart, loading/unloading at checkout, loading car)
Integrated Pickup Solutions
**Customer Check-in** | Move Pickup to the front in an effort to improve customer awareness, perceived wait times, and efficiencies
Pickup Tower

- Goal to reduce Pickup transaction time, streamline the process for Pickup associates and customers, and to increase the efficiency of floor space in the store
- Tower holds around 64% of the products we sell online. That number improves to over ±80% with the locker units
- Majority of the tower transactions are completed within 30 seconds of customer check-in
- 105 Towers will be installed by EOY 2017 with more planned for next year
### Standalone Pickup

- To offer an easy and quick shopping experience by providing full assortment of online grocery items and S2S through pickup at Walmart low prices
- Testing ability to drive traffic to pickup access point by offering broad grocery assortment and providing S2S services
- Takeover existing space (i.e. Bank or QSR)
- Low CapEx & Speed to Market
- 3 locations total (2x in Salt Lake City and 1x in Metarie, LA)
AJAX 1.0

- Unmanned grocery pick up location on commuter route with easy access and open 24-hrs
- Testing customer acceptance of unmanned pickup and value of 24 hour access; if the offering is compelling as an alternative access point for grocery pickup
- 45 seconds per crane to hatch delivery
- ± 1,400 SF Refrigerated box remote in Walmart parking lot
- Warr Acres, OK March 2017
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