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WE ARE AN  
EXPERIENCE-FOCUSED  
STRATEGY AND DESIGN  
COLLECTIVE





S

re·t@ikro·climates

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access

mobility

visibility

market

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Elmhurst Hospital Center

# Elmhurst Hospital Center



Awarded Magnet Status For Nursing Excellence

79-01

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surgical supplies

drug store

accident lawyer



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DISTANCE (is a state of  
mind)



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180 linear  
feet

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ACCESS (getting to and from)





## path to purchase

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- + mode of travel
- + clarity of access
- + circulation patterns

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# arrival sequence



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# arrival sequence



# arrival sequence





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## Retailers tap software to pick best locations for new stores



KATHERINE TAYLOR/GLOBE ILLUSTRATION

This Woburn Dunkin' Donuts moved to the other end of its complex, installed a drive-through, and watched sales jump.

By Taryn Luna | GLOBE CORRESPONDENT AUGUST 29, 2013

A Dunkin' Donuts store on Woburn's Main Street relocated less than 100 yards — from one end of a tiny strip mall to another — and added a drive-through last year. Sales soared more than 50 percent.

## location

*Relocation of Dunkin Donuts by 100 feet improved sales 50%.*



# accessibility

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*Applying the 8-80 principle*



## parking

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- + utilization rates
- + location
- + convenience
- + employee parking

bike ability



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MOBILITY (getting around while we're there)

# distance decay

begins after as little as 50'  
linear feet



120ft  
(Union St)

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# micro-mobility





VISIBILITY (do you see  
it?)

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## visibility: signage

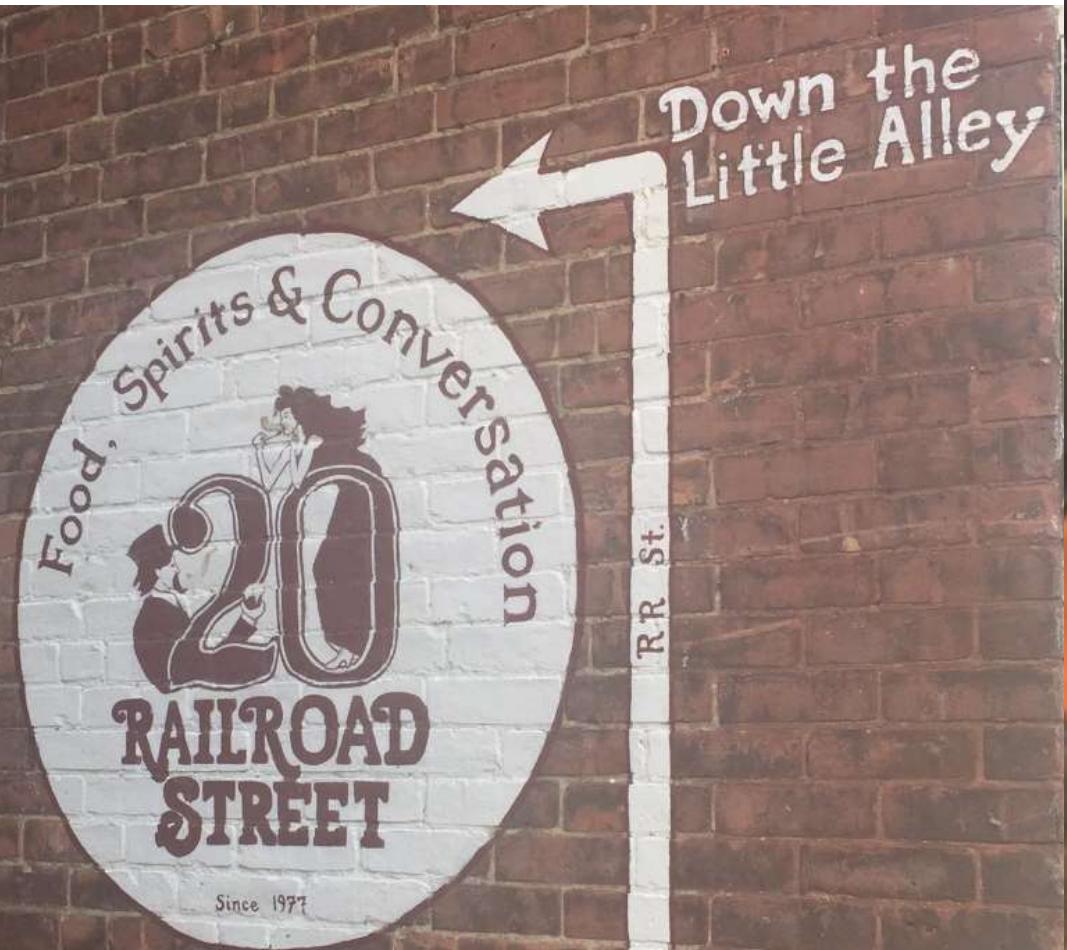
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*In Pittsburgh, blade signs resulted in a 30% increase in pedestrian traffic*

# visibility: curbside marketing



# visibility: wayfinding



# visibility: merchandise displays



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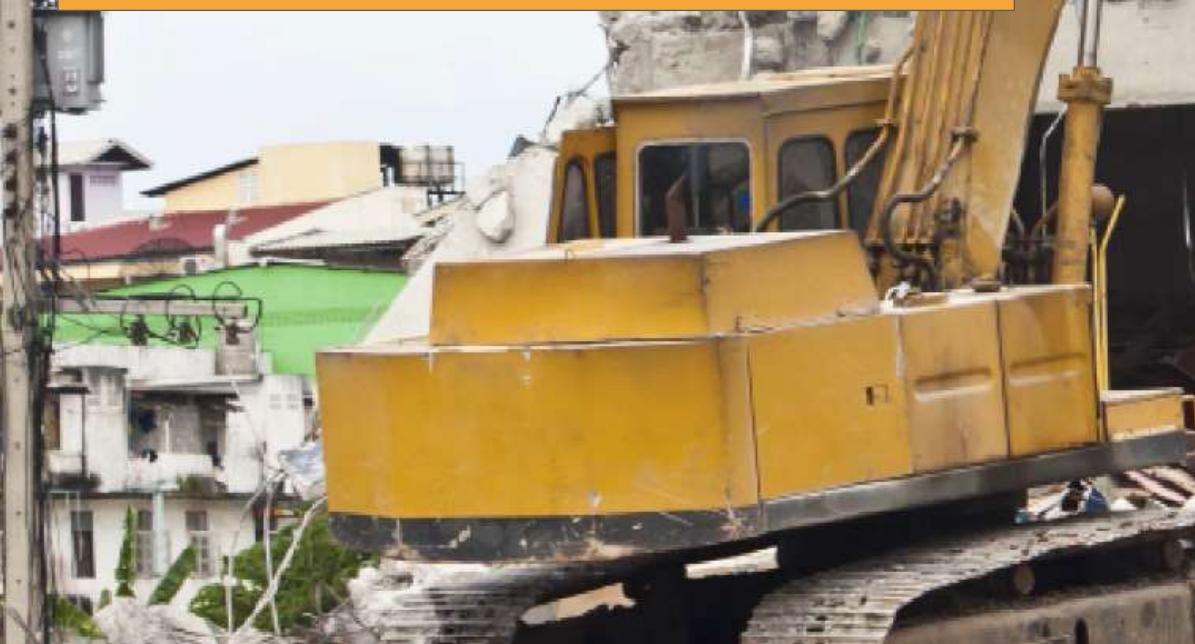
2

seven retail trends impacting  
downtowns

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“We’re not overbuilt;  
we’re under-  
demolished.”

Daniel Hurwitz  
President/CEO of DDR Corp.



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U.S. has over one billion  
sf of oversupply in  
retail

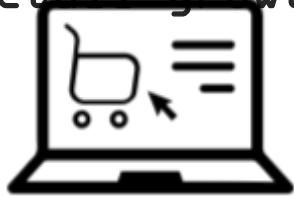
Retailers will need  
reduce their footprints  
by 10% to reach  
equilibrium.



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# Take stock of what is happening...

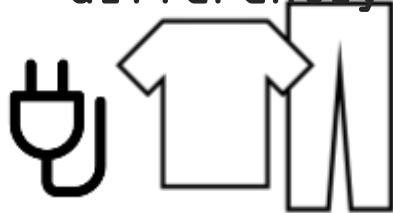
e-commerce growth outstrips retail growth



e-commerce accounts for 14.3% of total retail sales. Total retail sales increased 4.1%.

Source: U.S. Commerce Department, 2018

online sales affect retail categories differently



Computer and Electronics account for 30.2% of ecommerce sales. Apparel accounts for 27%.

Source: DigitalCommerce, Dec 2018.

most retail sales in the US are influenced by digital tools



31% of retail sales influenced by smartphones. By 2023, 58% of retail sales will be influenced by digital tools.

Source: Retail Dive, January 2023



# 1.

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demographic  
trends portend  
significant  
changes in  
shopping  
patterns

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# Boomers and Millennials continue to drive spending.

Baby  
Boomers

73.5  
MILLION  
(and shrinking)

Millennials

71.9  
MILLION

Generation X

65.7  
MILLION

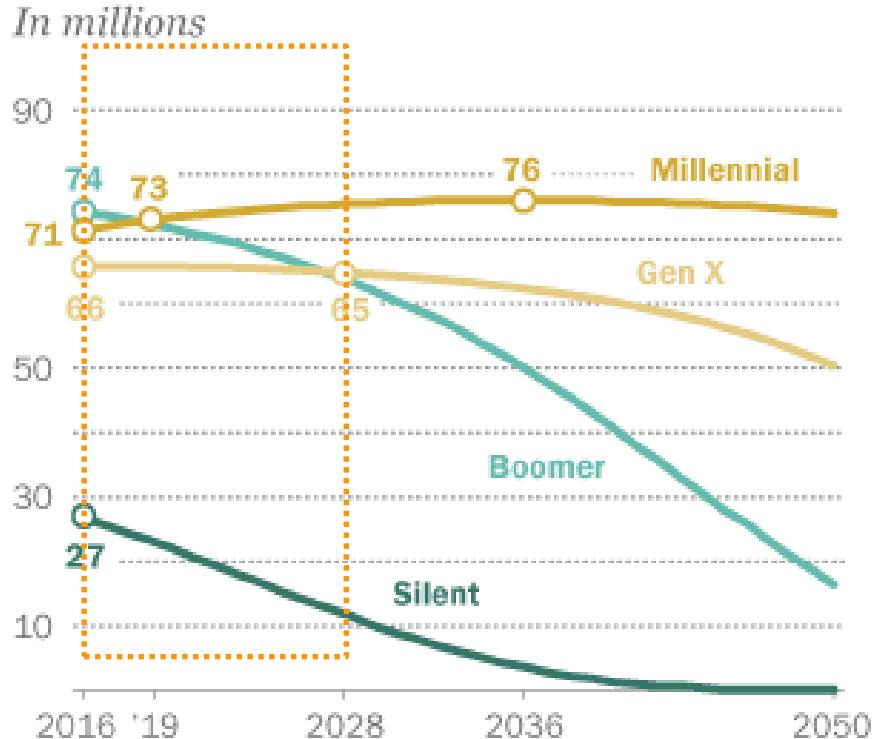
Source: US Census Bureau  
2016

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in the next ten years...

- + millennials will be entering higher income brackets
- + boomers will be retiring with many living off savings

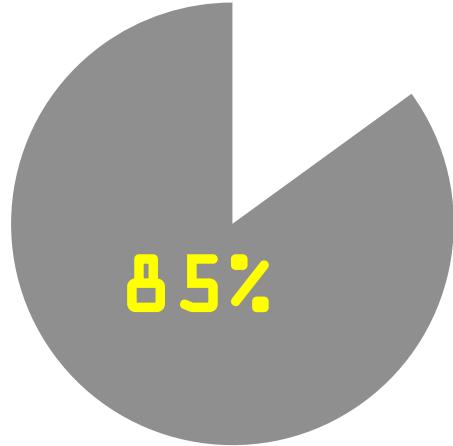
## Projected population by generation



Note: Millennials refer to the population ages 20 to 35 as of 2016.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014 and 2016 population estimates.

## millennial preferences

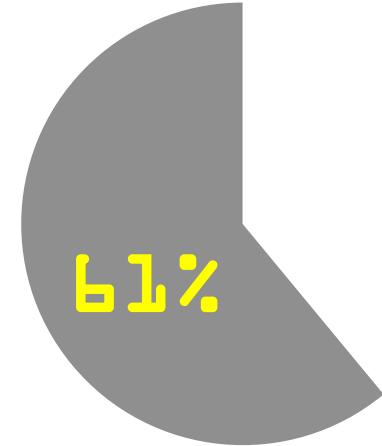


Say sidewalks  
are a positive  
factor when  
purchasing a  
home

Source: National Associate of Realtors, 2015



Want to be  
within easy  
walking  
distance of  
places



Indicate that  
having sidewalks  
with stores and  
restaurants to  
walk to is very  
important

## SHARE

97% of Millennials will post their experiences on social media.

Source: Internet Marketing Inc's "Millennial Travel Trends: A Look at the Largest Generations' Habits"

## SPEND

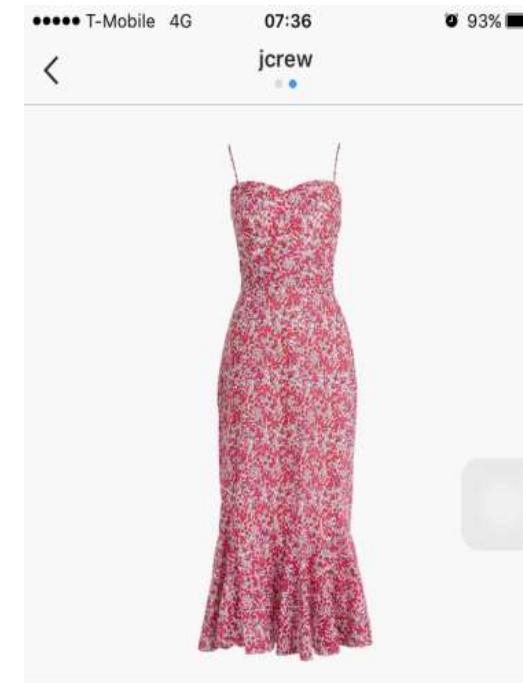
Millennials spend more than any other age group online, \$2,000 annually, despite lower incomes than older adults

Source: Business Insider, 2015

## INFLUENCE

64% indicate that social media influences purchase decisions (up 20% from 2017)

Source: CouponFollow, January 2019



Ruffle-Hem Midi Dress In Liberty Wiltshire Floral  
\$198.00 • Shop Now

This pretty dress with a ruffle hem is the ultimate feminine pick for everything "dressy-ish." Plus, it's made in a vintage pattern from Liberty Art Fabrics, the British print house that's been known for its mood-lifting florals since 1875. This motif in particular was created for the brand over 80 years ago and is one of our personal favorites. Falls below knee, 43" from high point of shoulder (based on size 6). Cotton. Dry clean. Import. Online only.



2.

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mobility changes  
are afoot

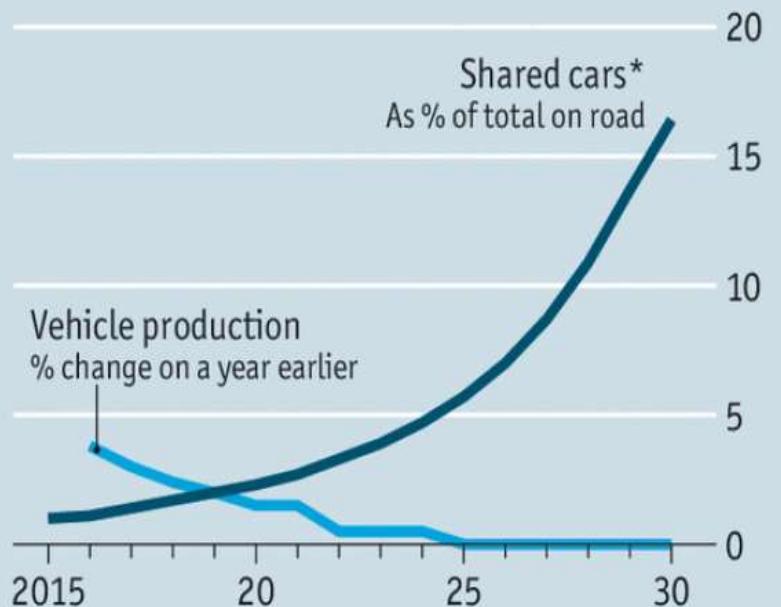
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...and being fueled by technology



## Sharing, not growing

Worldwide forecast



Source: Morgan Stanley

\*Including taxis,  
excluding car rental

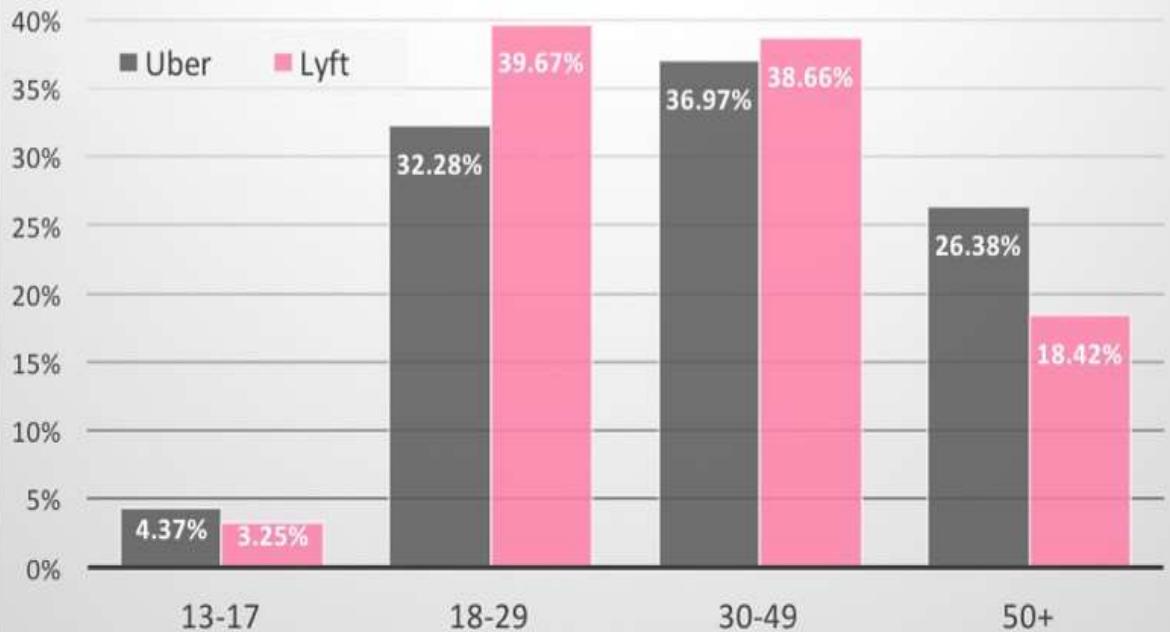


millennials  
are driving  
car share  
usage

*"We have experienced some relief in parking demand based on ride share"*  
- Hotel Operator, Midtown Atlanta

## Uber vs. Lyft: User Age Demographics

Age demographics for July, 2016 in the U.S.



 SurveyMonkey Intelligence

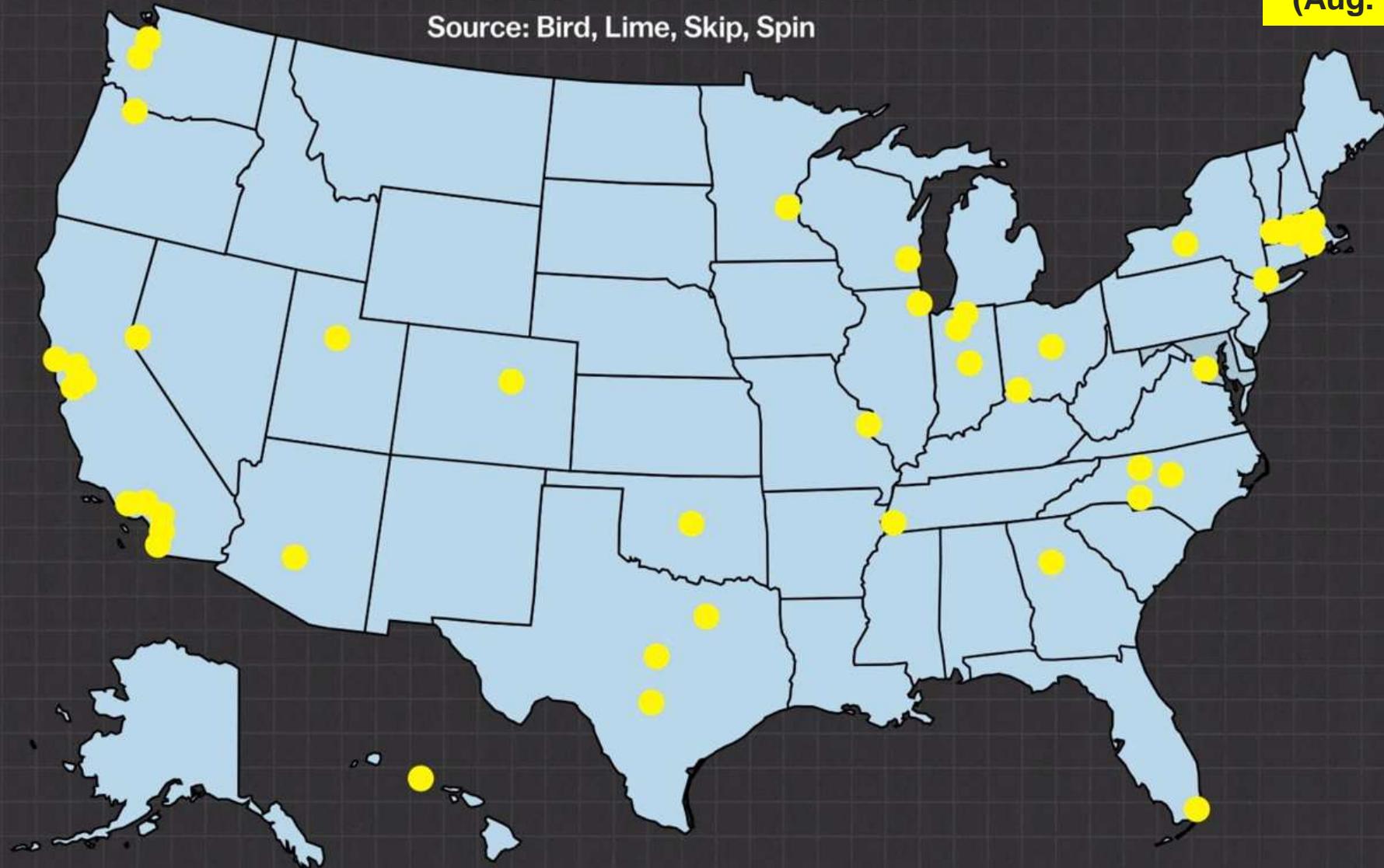
# E-Scooters



# Cities with e-scooters

Source: Bird, Lime, Skip, Spin

80+ cities  
(Aug. 2018)





3.

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retailers  
are right-  
sizing

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# Retailers are right-sizing into smaller footprints.



Physical stores act as fulfillment centers for online purchases and deliveries. Therefore, opening urban-format stores enables retailers to:

- 1) Be in **close proximity to consumers** who choose to pick up items
- 2) **Reduce delivery wait times**

Physical stores act as **show rooms and help build brand awareness** amongst consumers



**Nordstrom Local, West Hollywood, CA**  
3,000 SF (vs. 140,000 sf)  
No dedicated inventory  
Return/pick up  
Emphasis on service (drinks, on site  
tailoring)

Heavy investment  
in mobile tools  
and engaging  
customers on  
their  
smartphones

- + E-commerce sales  
have increased by  
8% YoY
- + On-line sales  
account for 25%  
of full-priced  
sales



4.

food-related micro  
manufacturing is  
moving downtown

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# challenges

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- + *discretionary permits*
- + *light manufacturing use restrictions*
- + *financing*



Honeycomb  
Creamery  
Cambridge, MA



Equilibrium  
Brewery,  
Middletown, CT



Roasting Plant  
in the Lower  
East Side, NYC

Photo: SeriousEats NY

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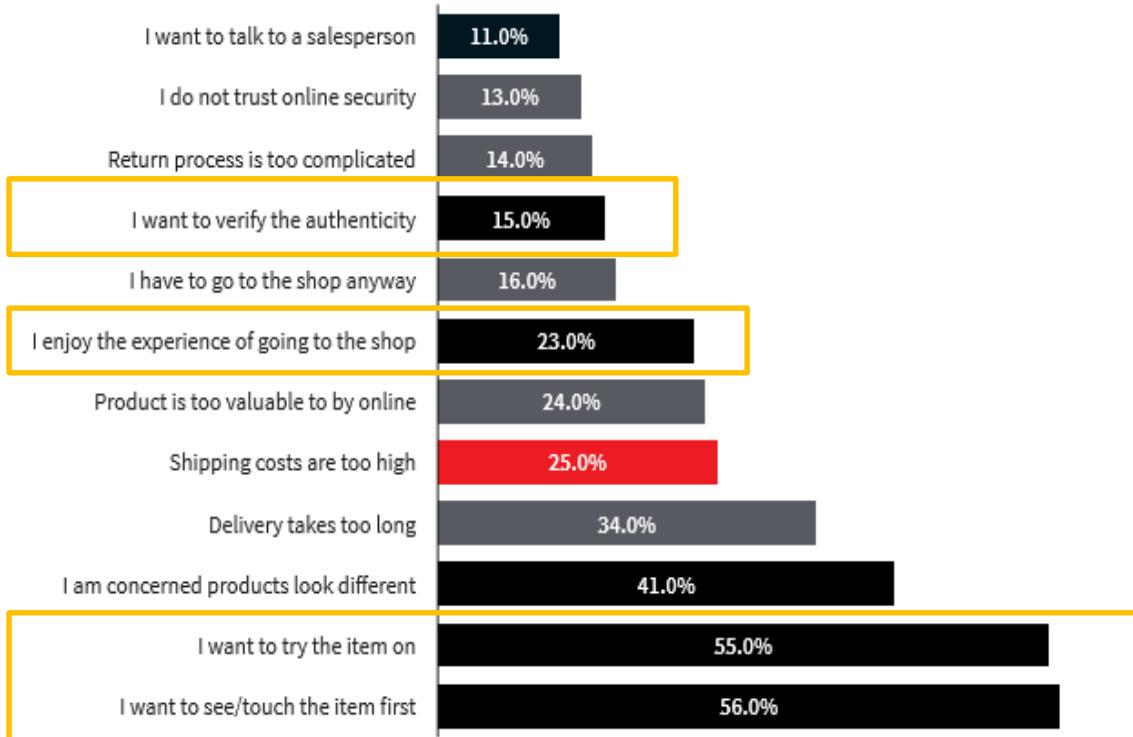
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downtowns  
and  
retailers  
need to  
sell  
experiences



Going to a physical store is still the preferred method of shopping for products as consumers seek unique experiences and services.

Why shoppers go in-store



Source: KPMG International, 2017. Global Online Consumer Report.

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In response, traditional retailers are adapting store formats to include personalized services and more hands-on, memorable activities

Type of Retailer	Retailer	Experience
Home improvement and furnishing stores	Home Depot Sur La Table Williams- Sonoma	DIY home décor classes, cooking classes and demonstrations, model kitchens
Electronics and appliance stores	Google Best Buy	Live games
Sporting goods stores	REI Timberland	Rock climbing walls, equipment testing, yoga classes
Café, restaurants, bars breweries	Starbucks, Starbucks Reserve	Social gatherings, outdoor dining, roasting



Photo by FujifilmGirl

## Jackson Hall Closes After Six Months

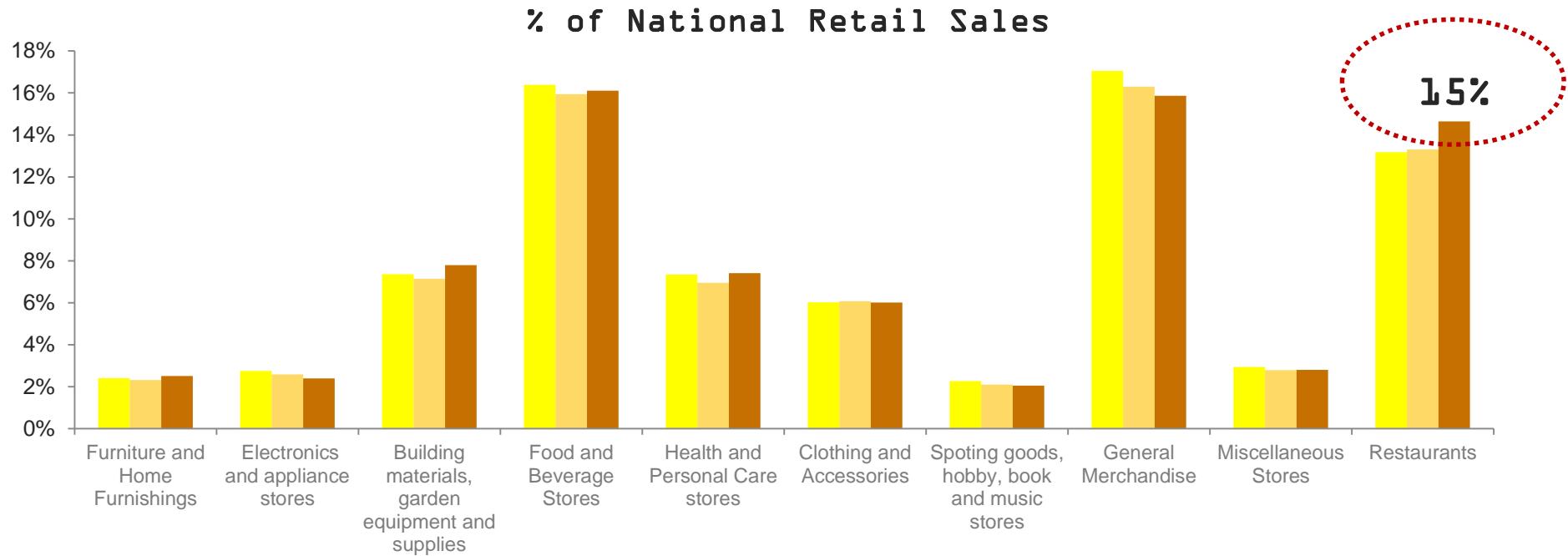
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the rise  
(and  
fall?) of  
the food  
hall

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# Things you can't do on-line...



**Restaurants make up 15% of all retail sales.**

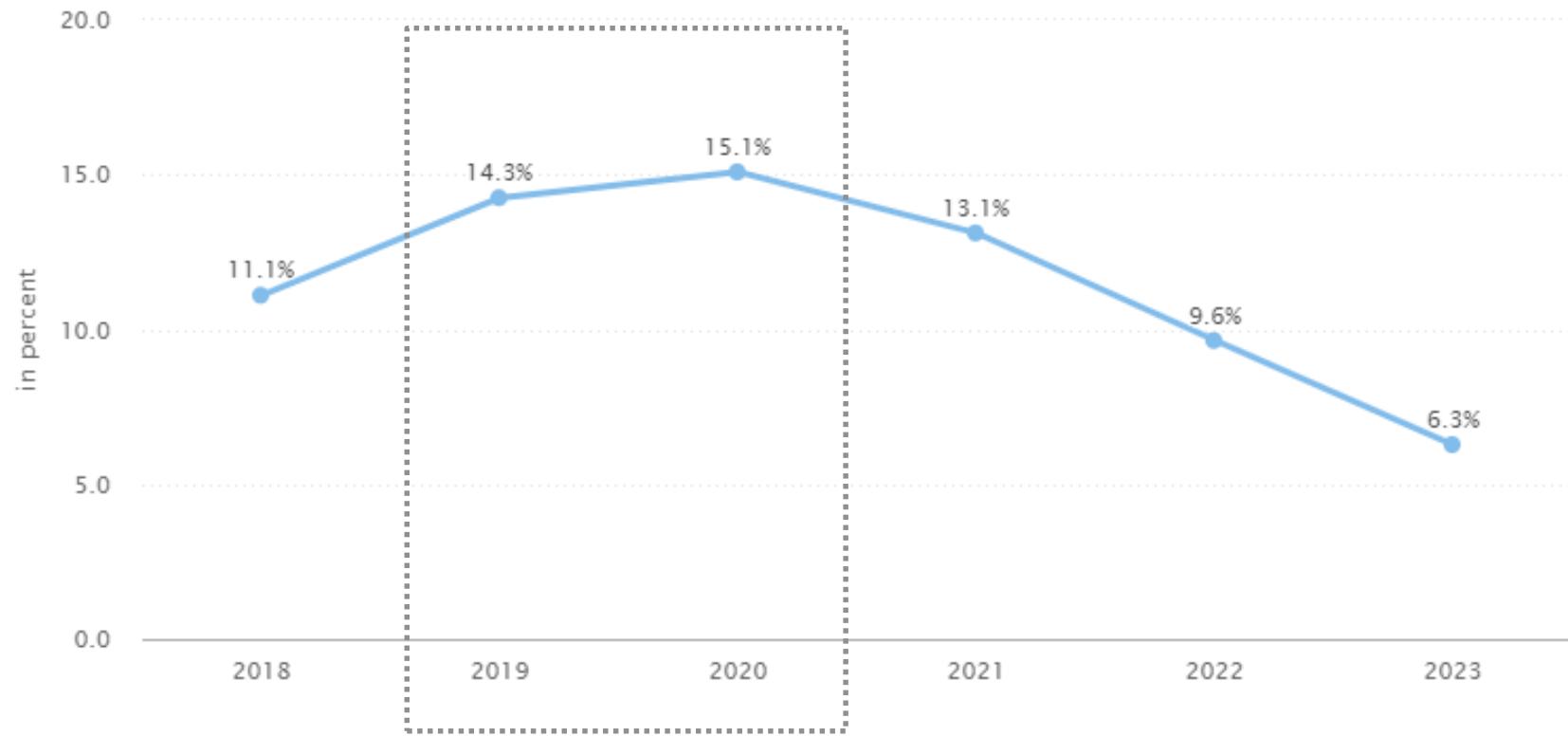
**More than half, 51% of consumer spending on food is allocated to restaurants, compared to 1955 when that was 25%**

\*Source: Bureau of Economic Analysis Q1 2016

\*\*Source NRA

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# Food & Beverage Sector: Growth Through 2020, Followed by Decline



Source: Statista, February 2019

# Key factors leading to the rise in food halls:

1. The rise of 'experience culture': things you can't purchase online
2. The rise in 'foodie' culture amongst younger consumers seeking authentic, quality prepared foods
3. Rising traditional restaurant space rents in major cities

Total SF expected in the U.S. by 2019

4

MILLION

Food halls today provide a variety of culinary experiences

Food halls offer food vendors and restaurateurs **flexible leases and lower rents**

Food halls are destinations that **create high foot traffic downtown**



Photo: StyleBlueprint



Photo: University of Alabama

**Pizitz Food Hall in Birmingham AL**, located in the historic Pizitz department store building, is part of the larger revitalization effort of downtown.

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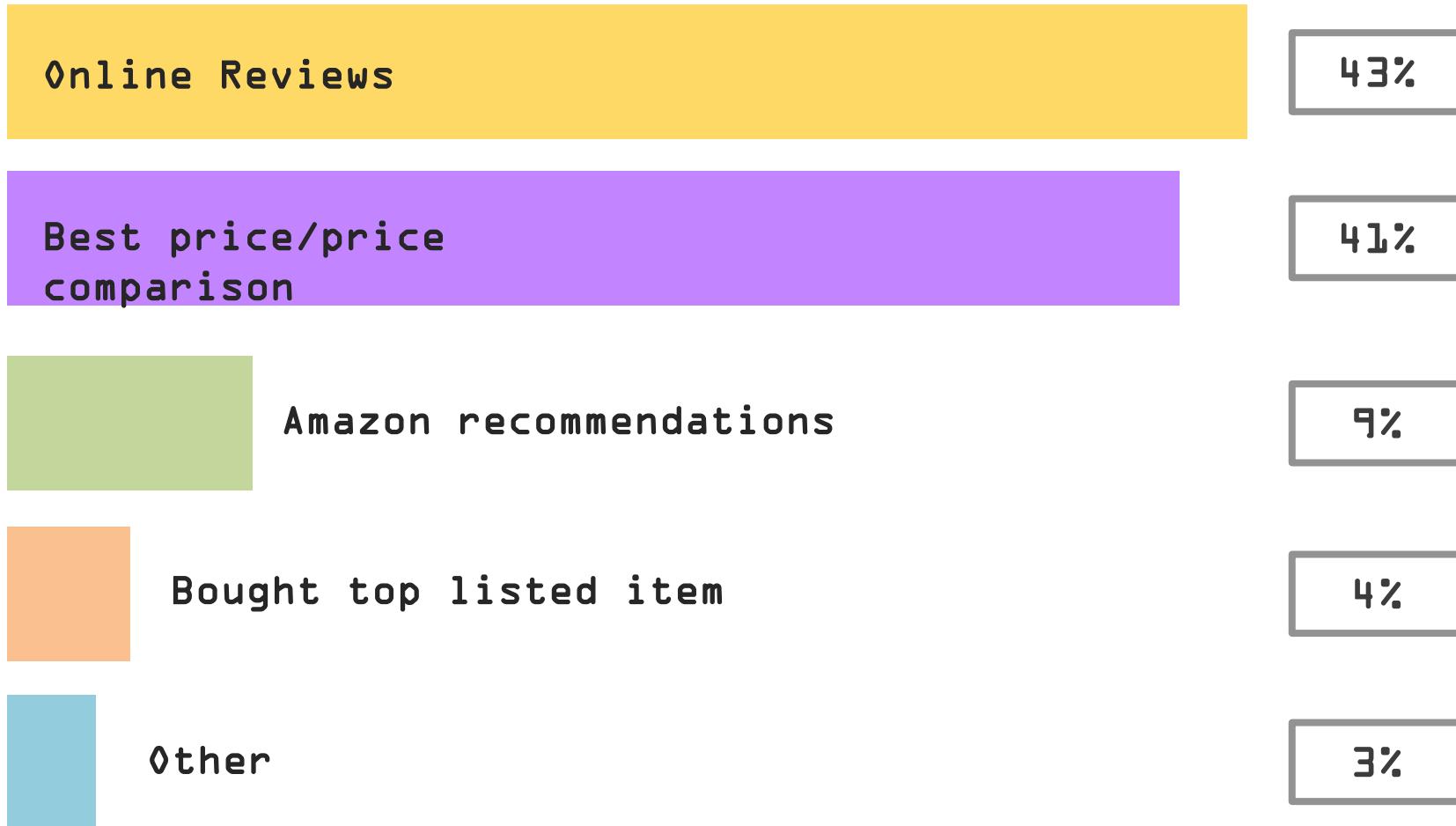
7.

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downtowns and  
retailers need  
to build on-  
line media  
marketing  
strategies

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# Reasons for Buying On Amazon



Perfect  
5-Star Rating!



*Please*  
**REVIEW US!**



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# THANK YOU!

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