

# COVID-19: WHAT'S NEXT FOR RETAIL?



TEXAS ECONOMIC DEVELOPMENT COUNCIL

FEATURING:

KELLY COFER, CCIM - FOUNDER & CEO - THE RETAIL COACH

AARON FARMER - PRESIDENT - THE RETAIL COACH

## WHO WE ARE

THE RETAIL COACH IS A NATIONAL RETAIL RECRUITMENT AND DEVELOPMENT FIRM THAT COMBINES STRATEGY, TECHNOLOGY AND RETAIL EXPERTISE TO DEVELOP AND EXECUTE HIGH-IMPACT RETAIL RECRUITMENT AND DEVELOPMENT PLANS.



## NATIONAL CLIENT STATES

- 20 YEARS
- 600+ CLIENTS
- 37 STATES SERVED



# MEET OUR TEAM



KELLY COFER, CCIM  
Founder & CEO



AARON FARMER  
President



NANCY DEES  
Director of Finance



AUSTIN FARMER  
Project Director



CHARLES PARKER  
Project Director



MATTHEW LAUTENSACK  
Director of Research  
& Development



KYLE COFER  
Project Manager



CAROLINE  
HEARNSBERGER  
Retail Recruitment  
Specialist



CARY EVERITT  
Retail Recruitment  
Specialist



KATIE ZUNIGA  
Marketing &  
Communications  
Manager

# AGENDA

**1. COVID-19 IMPACT**

**2. SMALL BUSINESS STRATEGIES**

**3. RETAIL RECRUITMENT: NOW & IN THE FUTURE**





# COVID-19 IMPACT



# COVID-19 IMPACT

- RETAIL SALES ARE DOWN IN ALL MUNICIPALITIES - THE NATIONAL RETAIL FEDERATION IS EXPECTING A 20% (OR MORE) DROP IN RETAIL SALES OVER A PERIOD OF THREE MONTHS - SIMILAR TO WHAT CHINA HAS EXPERIENCED
- CONSUMER TRAFFIC TO BRICK AND MORTAR RETAILERS IS DOWN OR NON-EXISTENT
- SMALL BUSINESSES ARE TAKING THE HARDEST HIT
- SEVERAL RETAIL SECTORS ARE PERFORMING BETTER NOW THAN THEY WERE PRE COVID-19
- MANY RETAILERS/RESTAURANTS HAVE FURLOUGHED OR LAID OFF STAFF WHILE OTHERS ARE HIRING



# COVID-19 IMPACT

## THE RETAIL SECTORS TAKING THE HARDEST HIT INCLUDE:

- DEPARTMENT STORES
- CASUAL/SIT DOWN RESTAURANTS (OLIVE GARDEN, CHILI'S, ETC.)
- QUICK CASUAL RESTAURANTS (PANERA BREAD, CHIPOTLE, ETC.)
- APPAREL RETAILERS
- FURNITURE/HOME FURNISHING STORES



HAVERTYS®

# COVID-19 IMPACT

## THE RETAIL SECTORS CURRENTLY EXPERIENCING GROWTH:

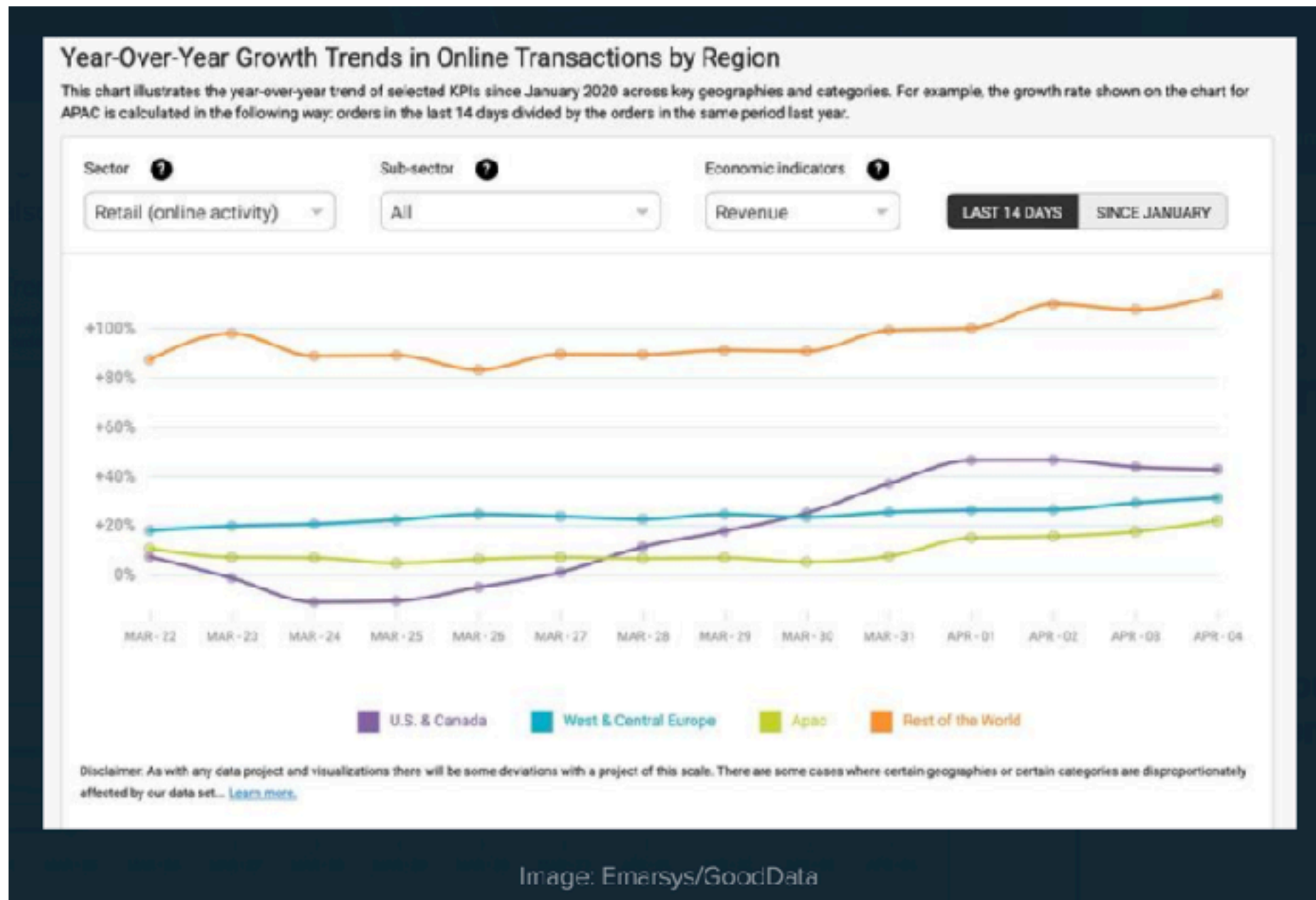
- GROCERY STORES (HEB, KROGER, ETC.)
- HOME IMPROVEMENT/HARDWARE STORES (HOME DEPOT, LOWES, ETC.)
- DOLLAR STORES (DOLLAR GENERAL, FAMILY DOLLAR, ETC.)
- FARM AND RANCH STORES (TRACTOR SUPPLY CO., LOCAL FEED STORES, ETC.)
- GAMING (GAMESTOP)





# COVID-19 IMPACT

- MANY RETAILERS ARE USING E-COMMERCE SALES TO OFFSET LOSSES AT BRICK AND MORTAR LOCATIONS



# COVID-19 IMPACT

IF A RETAIL BRAND WAS STRONG COMING INTO THE COVID-19 ERA, THEY WILL LIKELY CONTINUE TO BE STRONG AS WE MOVE AWAY FROM COVID-19.

FOR WEAKER BRANDS SUCH AS PIER 1, BED BATH & BEYOND, JCPENNY, NEIMAN MARCUS, ETC., COVID-19 COULD BE THEIR LAST STAND.

Pier1 imports®

JCPenny

BED BATH &  
**BEYOND®**



# COVID-19 IMPACT

## CASH IS KING!

THOSE RETAILERS WITH LARGE CASH RESERVES WILL COME OUT OF THE COVID-19 ERA WITH CONTINUED GROWTH.

LULULEMON ENDED 2019 WITH \$1.1 BILLION IN CASH AND NO LONG TERM DEBT - BECAUSE OF THIS, LULULEMON PLANS TO CONTINUE THEIR AGGRESSIVE EXPANSION POST COVID-19.



# COVID-19 IMPACT

## Who's hiring?

Some companies need to hire more people to keep up with demand, despite millions of people losing their jobs elsewhere



Source: MarketWatch reporting



# COVID-19 IMPACT

## FURLOUGHED/LAID OFF:

THESE BRANDS HAVE FURLOUGHED OR LAID OFF MOST OF THEIR STAFF:

- MACY'S
- GAP
- OLD NAVY
- BANANA REPUBLIC
- VICTORIA'S SECRET
- BATH AND BODY WORKS
- ANN TAYLOR
- LANE BRYANT
- KOHL'S



LANE BRYANT

ANNTAYLOR

BANANA  
REPUBLIC

VICTORIA'S  
SECRET

OLD NAVY

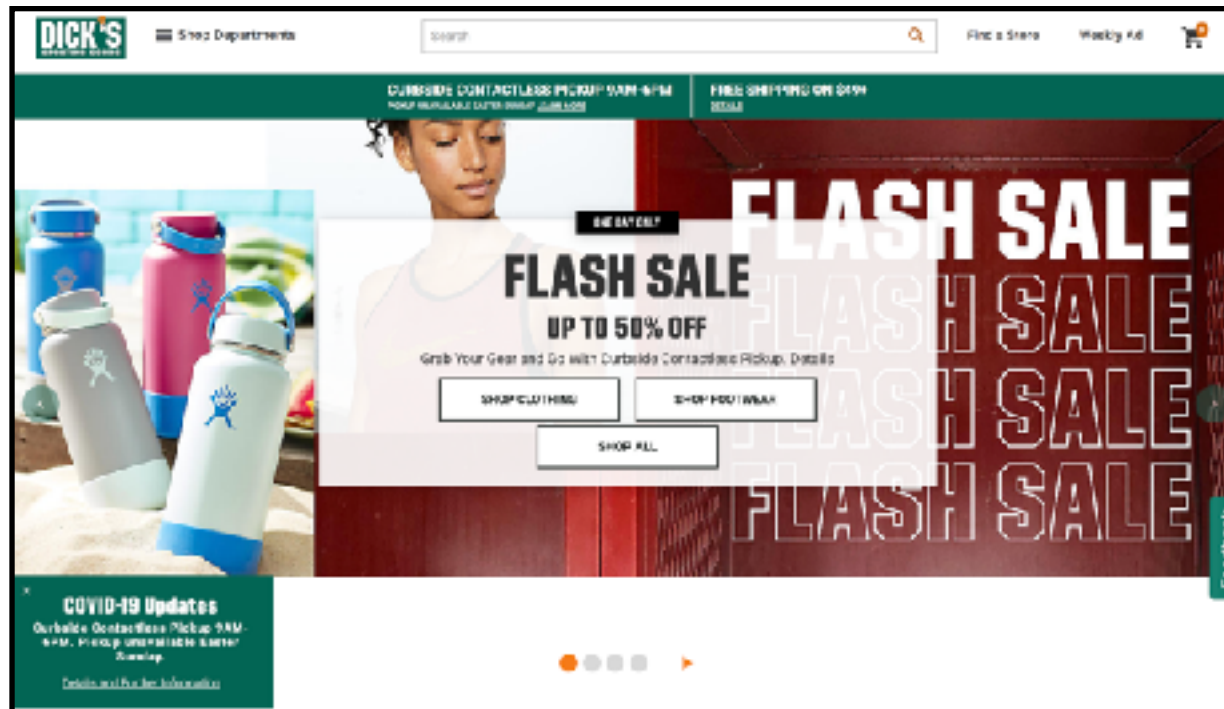
KOHL'S

GAP

# COVID-19 IMPACT

## BIG DISCOUNTS

MANY SMALL, REGIONAL, AND NATIONAL BRANDS ARE OFFERING BIG DISCOUNTS





# COVID-19 IMPACT

PUBLIX SUPER MARKETS IS OFFERING TWO MONTHS OF RENT RELIEF TO BUSINESSES THAT OPERATE WITHIN PUBLIX-OWNED SHOPPING CENTERS THAT HAVE CLOSED DUE TO THE CORONAVIRUS OUTBREAK.







# SMALL BUSINESS STRATEGIES



# SMALL BUSINESS STRATEGIES

## SMALL BUSINESS DATA:

- 24% OF SMALL BUSINESSES REPORT HAVING TEMPORARILY CLOSED THEIR BUSINESS IN THE LAST TWO WEEKS. AMONG THOSE WHO HAVEN'T TEMPORARILY SHUT DOWN YET, 40% REPORT IT IS LIKELY THEY WILL DO SO WITHIN THE NEXT TWO WEEKS.
- 54% OF ALL SMALL BUSINESSES ARE REPORTING THEY HAVE CLOSED OR COULD CLOSE WITHIN THE COMING WEEKS.
- 43% OF SMALL BUSINESSES SAY THEY ARE 3-6 MONTHS AWAY FROM PERMANENTLY SHUTTING DOWN.
- 24% SAY THEY ARE TWO MONTHS OR LESS FROM CLOSING PERMANENTLY AND 1 IN 10 THAT SAY THEY ARE LESS THAN ONE MONTH AWAY FROM PERMANENTLY SHUTTING DOWN.
- THE MOST COMMON BUSINESS RESPONSES TO THE COVID-19 DISRUPTION ARE SHORTENING HOURS OF OPERATION (30%), TEMPORARILY CLOSING (24%), AND ADJUSTING EMPLOYEE SALARIES OR HOURS (17%).



# SMALL BUSINESS STRATEGIES

## LONGER TERM OPTIMISM:

- LOOKING TOWARD THE FUTURE, SMALL BUSINESSES SEE GROUNDS FOR OPTIMISM
- ALMOST ONE IN FOUR (23%) SMALL BUSINESS OWNERS EXPECT TO HIRE IN THE NEXT YEAR AND 57% FEEL POSITIVE ABOUT THEIR OVERALL BUSINESS HEALTH

# SMALL BUSINESS STRATEGIES

## TAKE THE HELP!

FEDERAL, STATE, AND LOCAL GOVERNMENTS ARE OFFERING NO OR LOW COST LOANS AND GRANT PROGRAMS TO HELP SMALL BUSINESSES.

### CARES ACT THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

\$380 BILLION IN ECONOMIC  
SUPPORT FOR SMALL BUSINESSES

LOANS	
EIDLs Economic Injury Disaster Loans \$10B Available	PPP Paycheck Protection Program \$349B Available
ABOUT	
EIDLs are administered and approved by the U.S. Small Business Administration (SBA).	In the PPP, loans are backed by the SBA through local lenders.
ELIGIBILITY	
<ul style="list-style-type: none"><li>• Small businesses (&lt;500 employees)</li><li>• Sole-proprietors</li><li>• Independent contractors</li><li>• 501(c)6 organizations &amp; more!</li></ul>	<ul style="list-style-type: none"><li>• Small businesses and non-profits (&lt;500 employees)</li><li>• Sole proprietors</li><li>• Self-employed &amp; freelance workers</li></ul>
FINANCING	
<ul style="list-style-type: none"><li>• Maximum Granted: \$2M</li><li>• Interest: 3.75% (2.75% for non-profits)</li><li>• Duration: Up to 30 years</li><li>• Deferral options available</li></ul>	<ul style="list-style-type: none"><li>• Maximum Granted: Lesser between 2.5X Payroll or \$10M</li><li>• Interest: 4%</li><li>• Duration: Up to 10 years</li><li>• Defer for 6-12 mo.</li></ul>
KEEP IN MIND	
EIDLs offer a bridge loan program of \$10,000 to cover immediate costs & is forgivable if certain criteria are met.	<ul style="list-style-type: none"><li>• No personal or collateral guarantee is required.</li><li>• Forgiveness granted if funds are used on operating expenses within 8 weeks of receiving.</li></ul>
APPLY	
<b>HOW</b> Apply at <a href="http://www.sba.gov/disaster">www.sba.gov/disaster</a>	<b>HOW</b> Apply with an SBA-approved lending institution.
<b>WHEN</b> Available now!	<b>WHEN</b> Available Soon! See local lender for details.



# SMALL BUSINESS STRATEGIES

## CARES ACT THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

- **An expansion of unemployment insurance for retail workers** to 39 weeks instead of the usual 26; recipients will receive an extra \$600 per week in addition to the standard amount in their states, payable immediately.
- **Relief for retail workers and consumers** including one-time checks of \$1,200 per adult and \$500 per child.
- **Tax relief**, including an estimated \$15 billion from **fixing the “retail glitch”** in the 2017 tax reform law, the ability to “carry back” this year’s losses to profitable years and obtain a refund, an Employee Retention Tax Credit to encourage retail businesses to keep employees on the payroll, and expanded deduction of interest paid on retail business loans.

# SMALL BUSINESS STRATEGIES

## LOCAL GOVERNMENT EXAMPLE - MARBLE FALLS, TEXAS:

- \$5,000 - \$10,000 ZERO INTEREST LOANS TO LOCAL BUSINESSES
- THE BUSINESS MUST BE LOCATED WITHIN THE MARBLE FALLS CITY LIMITS
- THE PROGRAM IS MEANT TO BRIDGE THE GAP IN TIME WHILE THE FEDERAL GOVERNMENT DEVELOPS THEIR PROGRAM



# SMALL BUSINESS STRATEGIES

## LOCAL GOVERNMENT EXAMPLE - COLLEGE STATION, TEXAS:

- \$10,000 - \$40,000 GRANTS FUNDED BY CDBG ECONOMIC DEVELOPMENT FUNDS
- THE BUSINESS MUST BE LOCATED WITHIN THE COLLEGE STATION CITY LIMITS
- THE AMOUNT OF THE GRANT IS DETERMINED BY THE NUMBER OF EMPLOYEES IN THE BUSINESS:

Employees	Maximum Grant
1-5	\$10,000
6-10	\$20,000
11-20	\$30,000
21-Up	\$40,000





# SMALL BUSINESS STRATEGIES

## TIPS FOR SMALL BUSINESSES DURING COVID-19:

- STAY POSITIVE
- STAY RELEVANT
- BE FLEXIBLE
- FOCUS ON CUSTOMER SERVICE
- WORK ON BACK BURNER PROJECTS
- CONTINUE MARKETING
- OPTIMIZE YOUR DIGITAL SPACES
- JOIN FORCES

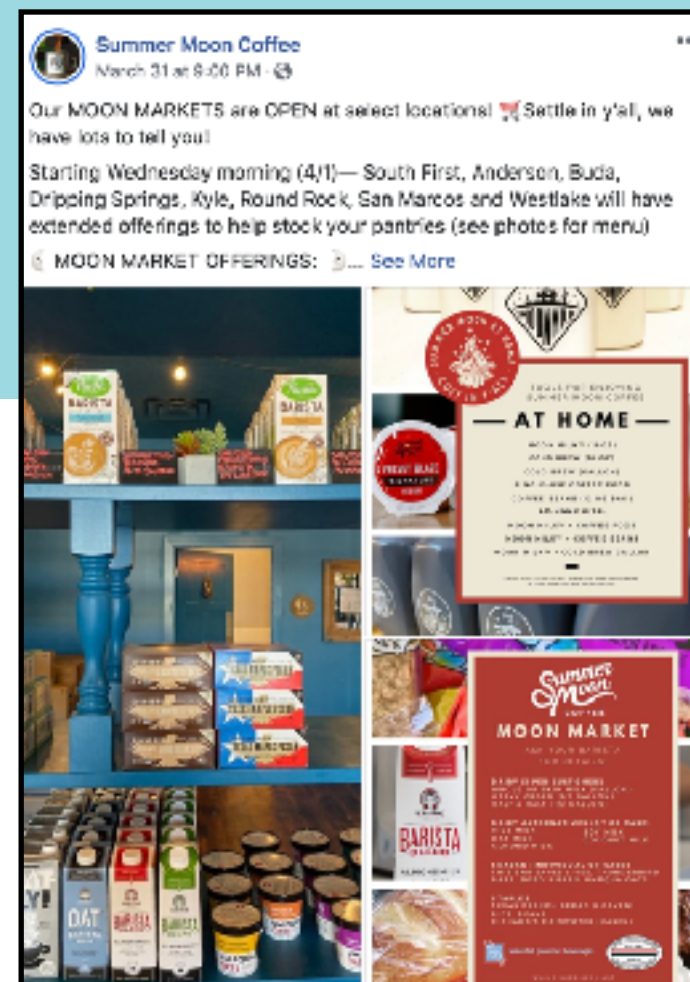
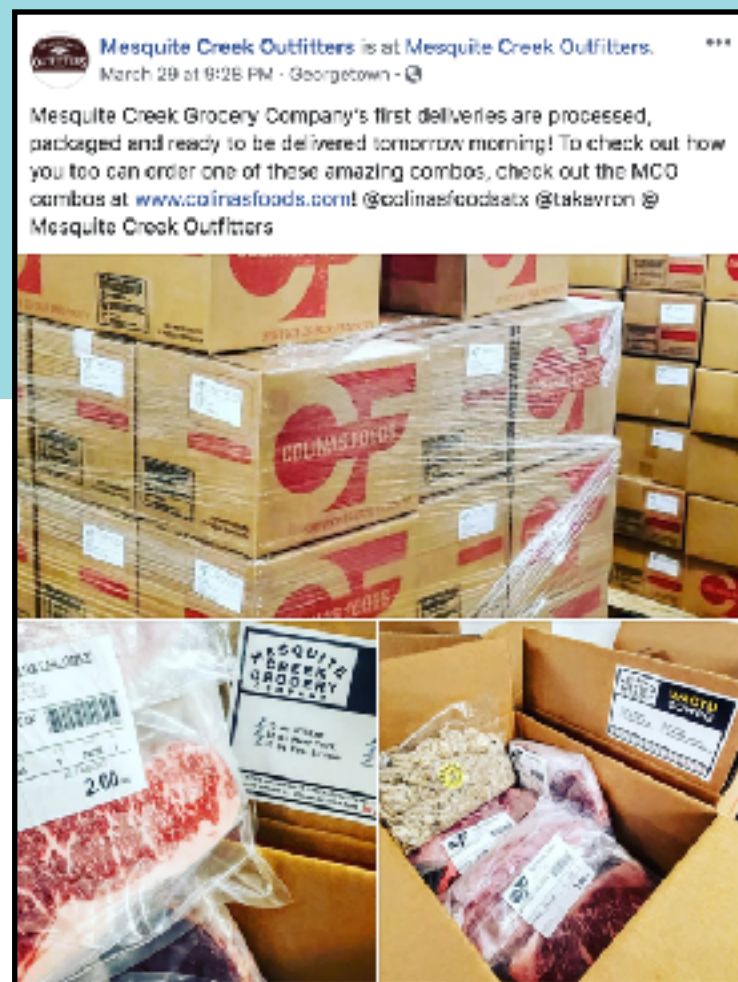
SMALL BUSINESSES MUST DISCOVER WAYS TO INTERACT WITH CONSUMERS AND CREATE UNIQUE EXPERIENCES ONLINE. THIS IS MORE THAN SIMPLY HAVING A WEBSITE LISTING PRODUCTS AND SERVICES. BOTTOM LINE, SMALL BUSINESSES MUST CONNECT WITH THEIR CONSUMERS.

# SMALL BUSINESS STRATEGIES

## BE FLEXIBLE:

IN TIMES LIKE THIS, SMALL BUSINESS MUST BE READY TO EVOLVE

## MANY LOCAL RESTAURANTS HAVE BECOME GROCERY STORES:





# SMALL BUSINESS STRATEGIES

## BE FLEXIBLE:

CURBSIDE AND DELIVERY IS A MUST, NO MATTER WHAT TYPE OF BUSINESS





# SMALL BUSINESS STRATEGIES

## CONTINUE MARKETING:

- INCREASE YOUR SOCIAL MEDIA ACTIVITY
- KEEP YOUR CUSTOMERS INFORMED - COMMUNICATE CLEARLY AND OFTEN
- ENGAGE WITH CUSTOMERS VIA EMAIL
- MAKE SURE YOUR BUSINESS CAN BE FOUND ONLINE
- PREPARE FOR THE BOUNCE BACK SURGE
- BE PREPARED TO PIVOT QUICKLY
- PAY PER CLICK (PPL) ADVERTISING MAKES SENSE RIGHT NOW



# RETAIL RECRUITMENT: NOW & IN THE FUTURE

# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## OPTIMISM IN THE RETAIL INDUSTRY:

MOST NATIONAL AND REGIONAL RETAIL BRANDS REMAIN OPTIMISTIC.

TIM PULTE, SENIOR VICE PRESIDENT AT COLLIERS INTERNATIONAL, SAYS THAT WITH THE PROPER GOVERNMENT INTERVENTION NOW, THE PASSING OF THE VIRUS WILL SEE THINGS GET BACK ON TRACK. COLLIERS BELIEVES THAT ONCE THE VIRUS HAS CLEARED AND PEOPLE ARE ABLE TO GO BACK TO WORK, **THE REAL ESTATE MARKET WILL PICK UP SPEED AGAIN AND WILL NOT EXPERIENCE ANY LONG-TERM FALLOUT.**



# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

RETAIL SITE SELECTORS AND BROKERS ARE ALSO STUCK IN THEIR HOMES -  
AND THEY ARE STILL WORKING:

*WE WERE ON A CONFERENCE CALL RECENTLY WITH A NATIONAL RETAIL CHAIN AND WERE TOLD THAT THEY ARE GEARING UP DURING THIS LOCKDOWN AND THAT THEY SEE THE COMING WEEKS AS AN OPPORTUNITY TO IDENTIFY NEW LOCATIONS IN COMMUNITIES FOR EXPANSION.*

*THEY ALSO SAID NOT TO EXPECT A SLOW DOWN FROM THEM WHATSOEVER AND THAT THEY STILL HAVE AGGRESSIVE EXPANSION PLANS FOR 2020.*

# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

SCHEDULE WEBINARS AND CONFERENCE CALLS WITH PROSPECTS:

UTILIZE ZOOM, GOTOMEETING, AND OTHER PROGRAMS TO STAY IN TOUCH WITH PROSPECTS.



**GoTo**Meeting

**zoom**



Google Hangouts

# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## FOCUS ON SITES:

SITE SELECTORS HAVE NOTHING BUT TIME RIGHT NOW. GET SITES IN FRONT OF PROSPECTS NOW, SO THAT THEY ARE PREPARED TO MOVE QUICKLY, POST COVID-19 PANDEMIC.



**Retail Pads & Shop Spaces Available**  
**Ceres Gateway Center** Highway 99 & Mitchell Road | Ceres, CA

New mixed-use development including retail, hotels, restaurants and office space being developed on Highway 99 and Mitchell Road in Ceres, California.

**Property Features**

- Proposed Super Walmart across street - 60/6 permits issued Feb. 2019
- Mitchell Road interchange access with new Interchange planned at Service Road.
- 1,100 linear feet of Highway 99 frontage
- 85' freeway pylon sign planned
- New signalized entry into project on Mitchell Road
- High traffic counts on Hwy 99 with great positioning between south Modesto and Turlock

**Demographics**

	Trade Area	3 mile	5 mile	10 mile
Est. Population	250,049	57,541	129,612	416,068
Avg. HH Income	\$76,143	\$73,900	\$71,472	\$79,579

**Subject Site**  
CERES GATEWAY CENTER

**100,000 VPD**  
**84,000 VPD**

**Project Director:** The Retail Coach, LLC  
(916) 819-1022 | www.thetailcoach.com

**Steve Hoffman**  
Associate Development Manager | City of Ceres, CA  
(209) 324-1911 | steve.hoffman@ci.ceres.ca.us

**TheRetailCoach** 701 Box 1212 | Turlock, CA 95352  
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# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

PLAN FOR AN INFLUX OF AVAILABLE JUNIOR/BIG BOX SPACE IN THE MARKET  
POST COVID-19



# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## THE RETURN OF GROCERY?



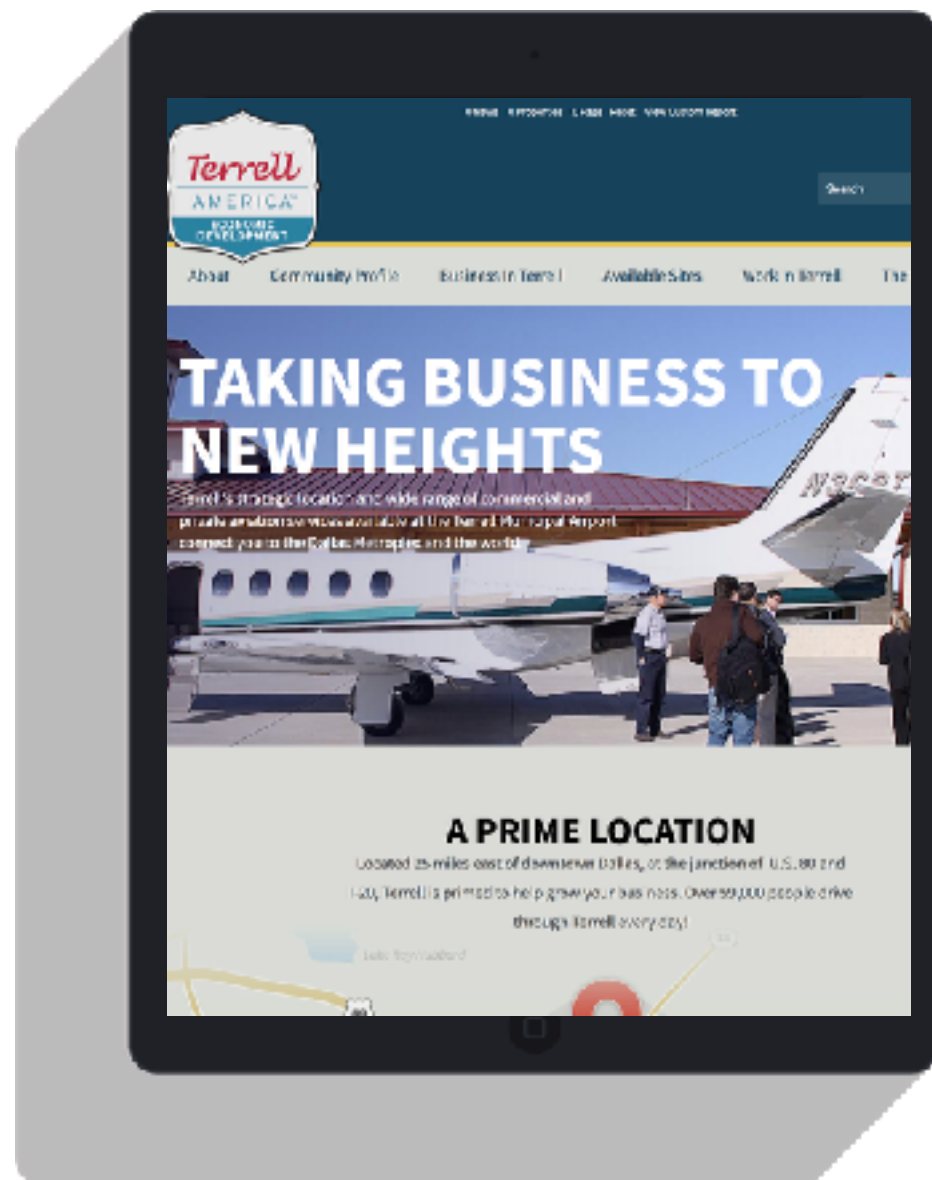
PRIOR TO COVID-19, HEB  
WAS EXPANDING INTO NEW AREAS,  
SUCH AS LUBBOCK AND  
NORTH TEXAS. WITH INCREASING SALES  
DURING COVID-19, WE EXPECT THIS  
GROWTH TO CONTINUE AND POSSIBLY AT  
A FASTER RATE



KROGER'S SALES WERE  
UP 30% IN MARCH

# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

TAKE TIME NOW TO FRESHEN UP/UPDATE YOUR ECONOMIC DEVELOPMENT WEBSITE AND OVERALL WEB PRESENCE:



Google  
Instagram  
facebook  
LinkedIn



# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## NOW IS THE TIME TO RE-TOOL YOUR TOOLBOX:

- DEMOGRAPHICS
- PSYCHOGRAPHICS
- CELL PHONE DATA
- RETAIL GAP DATA
- SITE PROFILES



# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## MARKETING & BRANDING:

TAKE TIME NOW TO FRESHEN UP/UPDATE YOUR MARKETING/BRANDING MATERIALS

- RETAIL MARKET PROFILE
- RETAILER MARKETING PACKAGES
- DEVELOPMENT/REDEVELOPMENT SITE PROFILES
- DEVELOPER MARKETING PACKAGES
- GIS DATA & SITE PLATFORM
- RETAIL MARKETING MATERIALS FOR USE AT CONFERENCES

# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## RETAIL RECRUITMENT: STAY ENGAGED WITH ICSC

INTERNATIONAL COUNCIL OF SHOPPING CENTERS (ICSC)

- ICSC RECON HAS BEEN POSTPONED - BUT THERE ARE PLANS TO RESCHEDULE IN THE FALL
- CURRENT INFORMATION AND RESOURCES FOR THE RETAIL INDUSTRY CAN BE FOUND AT [ICSC.ORG](https://www.icsc.org)
- ICSC IS OFFERING A FREE 3 MONTH MEMBERSHIP TO ANYONE LAID OFF IN THE INDUSTRY
- ICSC IS OFFERING EVERY MEMBER A DISCOUNT TO CONFERENCES IN 2020





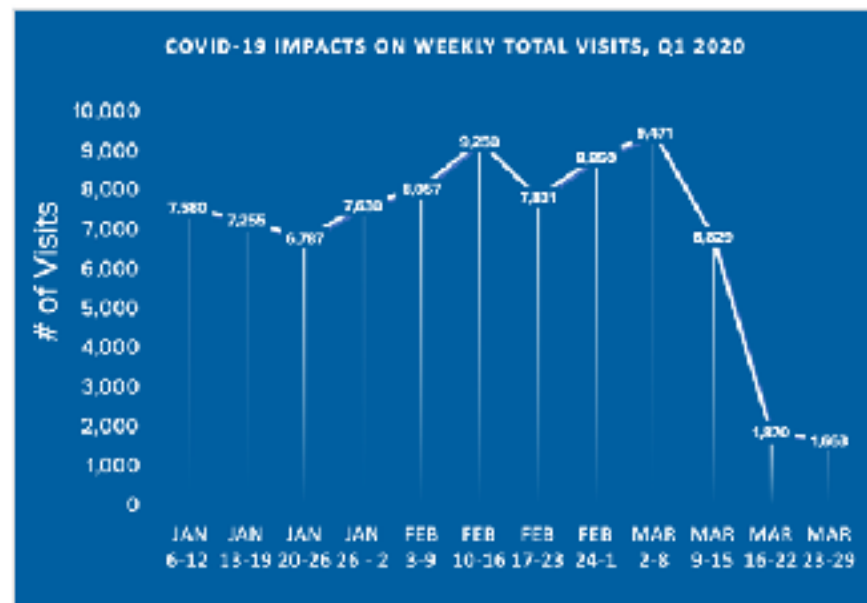
# RETAIL RECRUITMENT: NOW AND IN THE FUTURE

## TRACKING THE IMPACT:

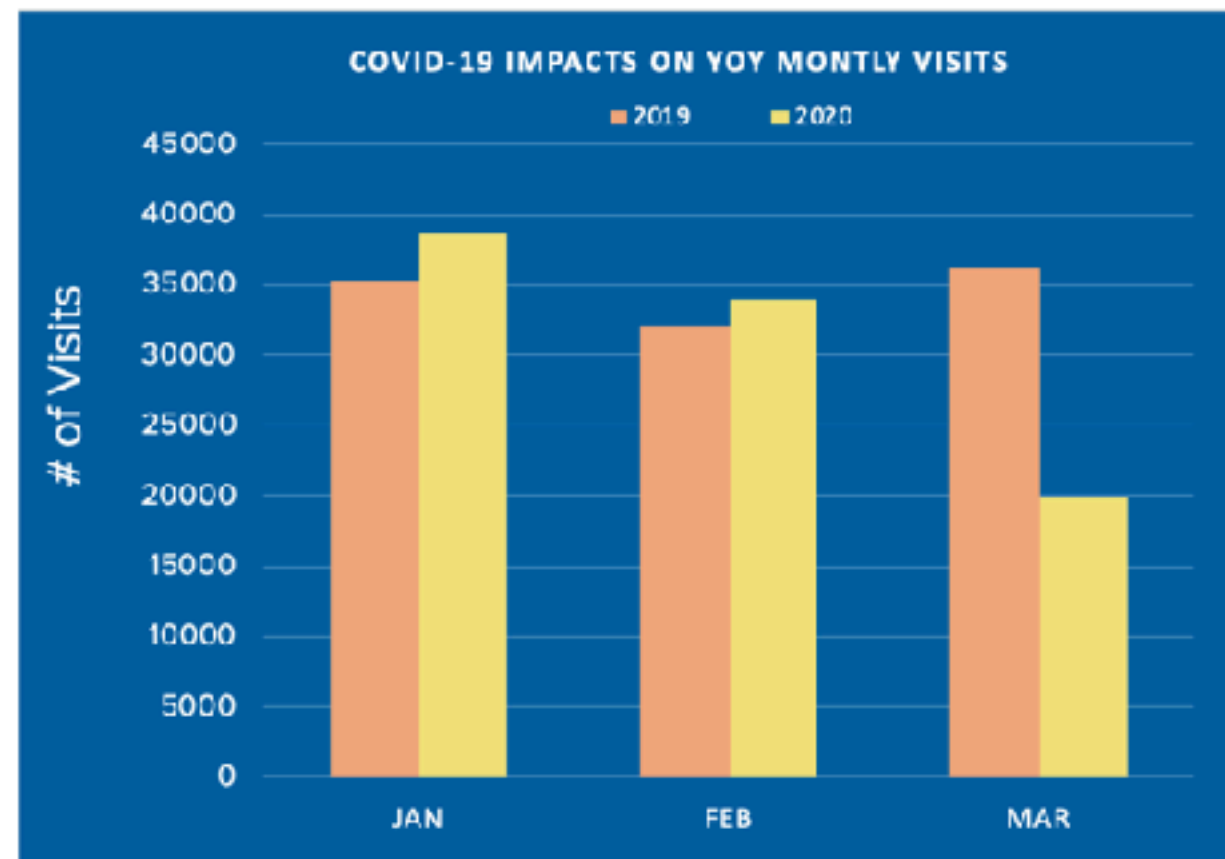
### Impacts on Mobile Data Traffic: Apparel Stores

From January 6 to February 23, there were an average of 7,770 weekly visits to apparel stores in Camden, South Carolina. The following table and graph illustrate how visits to these locations were impacted over the following weeks as precautionary actions against the spread of the novel coronavirus were discussed and implemented across the United States.

Week	Total Weekly Visits	% Change from 2020 Average
February 23 - 29:	8,850	14%
March 1 - 7:	9,471	22%
March 8 - 14:	6,828	-12%
March 15 - 21:	1,870	-76%
March 22 - 28:	1,653	-75%



Month	Year		% Change
	2019	2020	
January	35,234	38,581	9%
February	32,154	33,988	6%
March	36,137	19,833	-45%



QUESTIONS?



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