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Three takeaways from ICSC New York Deal Making show - by Diana Perry

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Who Venture Capital Firms are Partnering With and Why

Show me the money!...or show the digital retailers going B&M anyway. Retail in Focus, Follow the Money session focused on the opportunities and challenges strategic partnerships have between VCs and new retailers. Addie Lerner, principal of General Catalyst blew me away in her to-the-point thoughtful explanations. Lerner describes the drivers for her company being, “online use, millennials, and high price of retail space.” Some of General Catalyst’s partners include: Outdoor Voices, M.Gemi, Naturebox, Rockets of Awesome, The Honest Company, Warby Parker and many others. They only work with brands that have the IT factor, “to be larger than life,” she said, “but the most important thing is to have executives that can execute quickly.” Travis Boyce, retail lead of Allbirds shoes, a new product in the fashion industry, mentioned how fast they’ve had to execute in creating first five pop-ups to test markets and expanding globally to London, Australia, New Zealand and other cities. He explained his brand as absolutely needing brick and mortar space “to bring experience, authenticity and to tell their story in person.” Two major take-aways from this session with Allbirds, General Catalyst, Fifth Wall Ventures, Foxtrot Delivery and Open Realty Advisors was that the retailers want to work with landlords that A) Understand their world and B) Can help with local permitting and other local logistics.

Data, Data, Data

Data was a huge theme to the show this year. In each and every session, panelists were asked how they use data. From Winky Lux, Dormify and Untuckit, all seem to be data junkies. The most universal response was that digitally native retailers utilize their online database to see where customers are coming from to give them the best insight as to which markets they should open new locations. Winky Lux takes the cake for most data captured. Their concept has people paying to enter and experience their store, genius or reckless?! For them, it has been wildly successful (over 1 million social media expressions in just a few days) and has allowed them to capture tons of data across their: book a tour online form; scan your phone at entry; in-store gif maker; and does endless retargeting. In fact, Natalie Mackey, CEO of Winky Lux specifically mentioned, “one of the biggest misses in retail right now is brands not utilizing their store better to capture customer data.” Co-founder and creative director of Dormify, Amanda Zuckerman said that she utilizes her customers and reaches out personally via social media/direct messages to source feedback as to

where they should open new locations. As you can guess, Dormify specializes in dorm room and apartment furniture for young women. Untuckit takes a different approach to data and studies their current customers then tries to find identical audiences in various markets. The brand has 50 locations currently and is aggressively looking to have 100 locations by the end of 2019. Untuckit very simply specializes in shirts that look good untucked and offers 51 sizes.

Social Saturation?

Many of the digital brands at #ICSCNYDM mentioned “social saturation,” when trying to market their brand, however, all also mentioned that they see social media as being a key driver for their business. In most cases, they were referring to the online popularity of social media ads growing and competing for eye-balls within the networks. Youtube and Twitch live streaming platform were mentioned as being top drivers for brands. In just about every session though, you heard companies talk about having an Instagram presence. Surprisingly, the Retail in Focus: Using Social Media, Influencers and Blogs to Grow your Brand session had hands-down the largest attendance of any program other than the keynote lunch presentation. This is a huge factor in showing how interested and eager to learn, retail real estate folks still are about social media.

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