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Brick and mortar: Still making it - by Carol Todreas

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Everything is in a state of flux with cities and states opening, closing, re-opening, partially reopening and whatever other combinations one can think of. Disastrous times. The message for retail was bleak with major declines in sales for March and April; however, upticks in May and June were welcome, albeit with extraordinary caution. Now with many states experiencing another spike of Covid cases followed by more closings, retail is bound for another big dip. Brooks Brothers and Sur La Table have just filed for bankruptcy and on and on it goes.

Regardless, good brick and mortar is not going away. Industry experts continue to report, discuss, and share through webinars the need/demand for physical stores even though the experience of shopping has totally changed. The new message is: Stay safe, choose quickly, and purchase. As opposed to the old model which was: relax, browse, recreate, eat/drink, enjoy and then... buy. Today, when people make the calculated decision to go to a store, they are coming to buy, but also for human contact—to socialize, to get dressed, to be out.

What kind of physical stores are making it during COVID-19 conditions? Target, Best Buy, Costco, Walmart, Home Depot, CVS, Grocers, and selected Home Furnishing stores along with some outlet malls are still drawing consumers. Mainstays of the retail world, they have the capital to hold fast and adjust to changing consumer behavior patterns. But the local, independent retailer, without that cushion, lives by wit, imagination, and daily creative energy. The local retailer who is still in business will stay in business.

If ever there is a time to find that handful of local retailers for a mixed-use or retail property, it is now. All it takes is a bit of driving around the city and the region to find these stores. They are the ones which are now open, giving curbside service, whose merchandise is on display outside and who advertise home delivery. They have managed through lockdowns et al to stay in business and most likely are open to new opportunities , especially when the deal is favorable.

Moreover if you are an owner blessed with a strong non-chain tenant/s, see below the advice from Dan Jablons. His firm, Retail Smart Guys helped many independents around the country open successfully after lock downs.

“Owners should keep lines of communication open, and work together with their tenants. This means careful planning of expenses, co-marketing, and shopper incentives. Today’s successful retailers are creative, industrious, and boundless in their efforts to survive and keep the economy rolling.”

Bottom line, regardless of Covid: Consumer behavior is ever changing. Retail must change with it. Good locals just do it.

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