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The retail landscape: Ever-adapting - by Carol Todreas

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The retail sector like the office sector is still in a mode of customer discovery: what do they want, where will they get it, is there a new shopping norm, how has the pandemic changed them?

Two significant findings are worthy of attention:

1.The McKinsey report for Massachusetts estimates 1/3 of the workforce will not be returning to work in downtown Boston. They will likely work three days per week remotely depending on the company.

2.The New Product Development (NPD) market research data for retail predicts that one half of all consumers are going to shop for apparel in the next six months.

These two findings suggest consumers will be spending more time shopping near home in physical stores, especially since apparel shoppers still prefer brick and mortar. Even though digital shopping became more widespread during COVID, the fact remains that retail sales in brick and mortar still outweigh the Internet, and retailers are responding creatively to meet customer demand.

For example:

Smaller department stores: Bloomingdales has just announced Bloomies, a 22,000 s/f store, large enough for its major brands, but with flexibility and scalable for more sites than the 200,000 s/f department store. This trend was initiated a few years ago by Target and has been followed by Macys, Kohls, Sam's Club, and soon JC Pennys. The smaller store can be located in urban areas, tailor goods to the local market, and hopefully bring in on-line shoppers.

Pop-up stores and eateries: These are literally popping up all over with many new concepts to buy goods, provide services, learn at workshops, and experience culture. One creative venture is taking place in Newton and Needham. Called Project Pop –up, six vacant storefronts not only bring life to a shopping location but also give entrepreneurs a test market. Most pop-ups have started on-line with concepts that already have a customer base.

Local stores and restaurants : What is news is that developers are no longer focusing on national chains to fill shopping/mixed-use centers. Developers and landlords are listening to their customers who want to buy local and/or want to be in a store on a street and not in a mall. Owners are often dividing large spaces into two small stores. Also local businesses are sharing spaces and creating their own larger store.

Although Covid is departing, it is not quite over yet. Nevertheless a new retail world is emerging, one in which the customer's desires are the focus. Give them what they want, transparency in pricing, excellence in service, convenient locations to all transportation modes, a sense of safety for themselves and their vehicles and they will buy.

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