



CELEBRATING  
55 YEARS

# nerej

## **End of the year retail thoughts - by Carol Todreas**

December 20, 2024 - Retail



Carol Todreas

Now what? As the year comes to a close, the state of retail is always in the news. The answers vary greatly depending on who in the various related industries you ask, each offering a unique lens on the challenges and opportunities ahead.

From where I stand and what I see, here is my take:

### In General

1. **Discounters Thriving (For Now):** Discount stores, value-oriented clubs like BJ's, and retailers emphasizing sales are performing well. Shoppers feel more comfortable finding bargains as uncertainty dominates. With food, housing, and childcare costs skyrocketing compared to wages, the economy feels like it's in a downward spiral for many. However, this trend may not hold strong — experts predict its appeal will wear thin in the coming years.
2. **Luxury Goods Losing Favor:** Luxury goods are falling out of favor, particularly among younger generations, whose priorities lean toward more pressing social and environmental issues. The value proposition simply doesn't resonate.
3. **Department Stores Experimenting:** Department stores like Bloomingdale's and Macy's are testing smaller, highly curated formats tailored to local preferences. Others continue to struggle with finding a niche amidst the digital age and shifting consumer habits, leading to closures and also to tweaked concepts, like the soon to be reopened Bed, Bath and Beyond.
4. **Malls Making a Comeback:** Malls are slowly reviving, thanks to an influx of food concepts, gyms, fitness studios, spas, beauty, and health-related services. These tenants are pulling in foot traffic and signaling optimism for brick-and-mortar retail hubs.
5. **Pop-Ups and Markets on the Rise:** Pop-up stores, farmers' markets, craft fairs, and other unique retail formats are capturing attention. They offer a refreshing break from commercial sameness and provide a platform for independent creators.
6. **Community Spaces Evolving:** The idea of the "Third Space" — neither home nor work — is gaining momentum. This concept offers opportunities for gathering spaces that foster community and could emerge as a viable tenant category.
7. **Boutiques Under Pressure:** Locally owned boutiques with carefully edited merchandise are highly desirable but often struggle to survive due to high rent pressures.
8. **National Chains Testing Experiences:** Experiential retail remains a focus for national chains, with concepts like Lululemon's in-store yoga spaces combining retail and lifestyle. However, these initiatives are costly and not suitable for every product category. One consistent takeaway: Stores must prioritize trained, attentive staff. Shoppers visit physical stores for the personal experience —

this is what keeps them coming back.

### Specific

When it comes to older, historic downtowns and neighborhood commercial centers , there is great disagreement about a trend that seems to momentarily be a point of pain and controversy: bike lanes replacing parking spaces.

While this has made cyclists joyful, it has displeased retailers and many shoppers who find it difficult and confusing to drive and too dangerous to walk. Here is where traffic planning and innovation are desperately needed.

### Keep in Mind

Retail is forever changing , but one thing has remained constant . Most consumers want to drive to stores and park nearby. IN today's retail scene, choices abound from clicks to bricks. For success for physical retail it is critical to provide parking be it in a revitalized mixed-use mall or a neighborhood commercial center or downtown.

Some people will bike, some people will take public transportation if it is available, but many people coming to shop or dine will drive. Easy access, limited congestion, no- hassle parking will make a difference...and soon with innovation there will be smaller, greener cars, but there will still be cars.

Carol Todreas is retail consultant for The Todreas Group, Cambridge, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540