

Brick and Mortar: The Big Picture

U.S. Retail Foot Traffic to Surpass Pre-Pandemic Levels by 2025



A CBRE report predicts U.S. retail foot traffic in prime areas will surpass pre-pandemic levels by 2025. Retailers are adapting to rising rents and low space availability by clustering locations and integrating physical stores with online sales, which boosts overall sales and digital presence.

Retail sales rise a meager 0.1% in May from April as still high inflation curbs spending



U.S. May retail sales edged up by just 0.1%, falling short of economists' expectations due to lingering high inflation dampening consumer spending. The report also revealed mixed performance across sectors, with gains in auto and clothing sales offset by declines in gas station and home-related sales. Despite a robust job market and rising wages, consumer sentiment declined amid concerns over inflation, prompting some retailers to introduce price cuts to stimulate spending heading into summer.

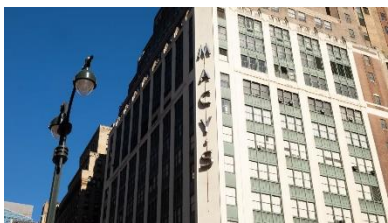
U.S. new vehicle prices continue downward trend in May, EV prices see temporary increase



U.S. new vehicle prices continued to decline YOY for the eighth consecutive month, with the average transaction price at \$48,389, slightly up from April. Higher inventory levels, up 51% from last year, have driven prices down, leading to increased affordability aided by higher incentives averaging 6.7% of the transaction price. Despite this overall trend, popular high-volume models like full-size pickups maintain higher prices, influencing the market's average transaction prices significantly.

Brick and Mortar: Store Specifics

A glimpse into a future Macy's



Macy's plans to close many stores over the next three years, influenced by a \$6.6 billion takeover proposal and the need to monetize real estate holdings. The current focus is on retaining and improving the top-performing stores, which have shown strong performance metrics and positive customer feedback, while enhancing merchandising and investing in the remaining fleet. This strategic shift aims to stabilize Macy's long-term prospects and address pressures from activist investors.

Dick's Sporting Goods stock surges 16%, as retailer says shoppers are spending more on sneakers, apparel and athletic gear



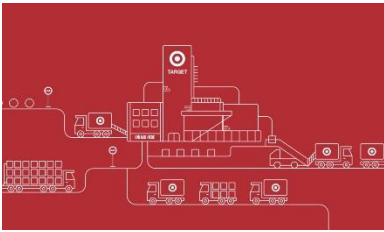
Dick's Sporting Goods reported a strong fiscal first quarter, with a 5.3% increase in comparable sales, driven by higher transaction volumes and increased spending per customer. This performance led the retailer to raise its full-year earnings guidance. Despite concerns about shrink, Dick's saw less loss than expected, and its shares rose 16%. The company remains cautious for the remainder of the year but noted strong consumer interest in an active lifestyle.

Abercrombie & Fitch Co. sets a record with billion-dollar Q1



Abercrombie & Fitch Co. achieved a record first-quarter revenue milestone, surpassing the wider apparel market and significantly expanding its market share. The retailer raised its full-year net sales guidance to about 10% growth and expects operating margins to reach around 14%. To sustain this momentum, the company is considering brand extensions to cater to evolving customer needs.

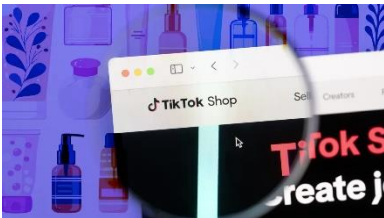
Is Target selling its excess inventory on eBay & Poshmark?



Target has been quietly selling excess inventory through its Bullseye Deals accounts on eBay and Poshmark since 2013 and 2022, respectively. These accounts, though not directly affiliated with Target, offer products from the retailer's private labels at discounted prices. While managing inventory more efficiently and potentially reducing losses from unsellable items, Target will receive less revenue per item sold. This operation also moves collected tax revenues to the place of purchase, outside the municipality.

Social Commerce

TikTok Shop Has Become a Huge Online Beauty Retailer as the Category Has Grown



TikTok Shop has rapidly become a major player in the U.S. beauty and wellness ecommerce market, ranking ninth less than a year after its launch. Leveraging TikTok's algorithm and engaging content, brands have seen significant growth despite TikTok controlling discounting on the platform, illustrating its potential as a powerful sales channel in the beauty industry.

What We're Reading

In Retail Real Estate, Smaller Spaces See Big Demand



Retail leasing trends show a strong preference for smaller spaces under 2,500 square feet, driven by consumer demand for convenience. Sun Belt states like Arizona and Texas lead in retail growth, supported by favorable business climates and population shifts. Mixed-use developments are increasingly favored over traditional malls, catering to community needs for social spaces and specialized retail offerings.

Ozempic users are buying smaller clothing sizes. Here's how else GLP-1 drugs are changing consumers.

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Users of Ozempic and similar GLP-1 weight loss drugs are experiencing significant weight loss, leading them to buy smaller clothing sizes and adopt healthier lifestyle habits such as increased exercise and home cooking. This trend is reshaping consumer behavior, prompting changes in shopping patterns and product offerings to cater to these new consumer needs and preferences.