



Mike Berne

President, MJB Consulting
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The Retail New Deal

Sept 18, 2020

www.DowntownNJ.com

DOWNTOWN

NEW JERSEY

Education

- Technical Assistance
- Quarterly Newsletters
- Quarterly Round Tables
- Webinars & ZOOM Exchanges
- Annual Conference

Advocacy

- Quarterly Policy Watch
- Real Time Policy Advisories
- Legislative Testimony

Recognition

- Annual Awards
- Quarterly Member Spotlights
- Social Media Shares

www.DowntownNJ.com

Downtown New Jersey is a member-supported non-profit organization.



DOWNTOWN
FORUM
MANAGEMENT

www.DowntownNJ.com

Save the Date!

DNJ Virtual Conference

December 3rd & 4th

Upcoming Forums:

- October 2: Winterizing Your Downtown
- *Send us your suggestions for future forums...*
info@downtownnj.com

Past Forums:

- August 18: Recovery Marketing
- July 29: Reinventing Events
- June 26: Commercial District Recovery
- June 19: Re-entry for Retailers
- June 12: Digital Resources for Downtowns
- May 29: NJEDA Phase 2 Small Business Assistance Grants
- May 22: Is Your Downtown Ready to Re-Open for Business?
- May 13: Farmers Markets in the New Normal
- May 8: Getting Back to Business Safely
- April 28: Supporting Local Economies Webinar
- April 24: Downtown Budgeting Now
- April 17: What's next for the Retail Real Estate Market?
- April 4: Survival Marketing Workshop
- March 27: State & Federal Relief Programs
- March 20: Downtown Manager Exchange



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The Retail New Deal

Main Street
in the Age of COVID-19



A Retail Real Estate Consulting Firm

Downtown New Jersey
September 2020

Mike Berne
MJB Consulting

Tough Times, Indeed...

- Experiential economy
- Discretionary soft goods
- Online momentum
- Depressed spending
- Business closures



"The New Normal"?

- No such thing...
 - Unusual moment
 - Never, in retail



"The New Normal"?

- Lots of "noise" out there...
 - Near versus longer-term

As a result of the events that occurred on September 11th, would you say that now you are less willing to -- [RANDOM ORDER], or not?

Selected trend: Figures are percentage who are less willing to do each activity

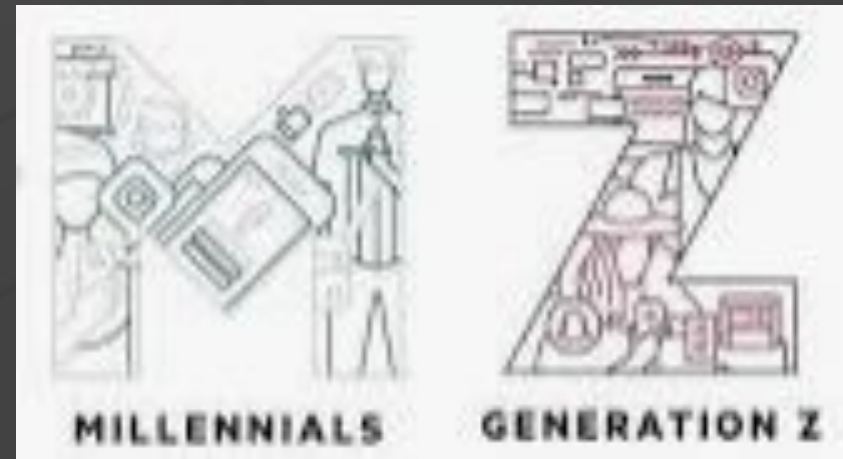
	2001 Sep 14-15	2006 Aug 18-20	2011 Jul 15-17	Change, 2001-2011 (pt. pts.)
Fly on airplanes	43%	30%	24%	-19
Go into skyscrapers	35	23	20	-15
Travel overseas	48	47	38	-10
Attend events where there are thousands of people	30	23	27	-3

GALLUP



The Experiential Economy

- Longer-term future
 - Generational change
 - Home cooking
 - Anchor prospects
 - "Third Place(s)"



Discretionary Soft Goods

- Longer-term future
 - Players may change, but demand will not
 - Market vacuums to fill...
 - Overstated impact of e-commerce



Online Momentum

- Customer experience
 - "Sensualiy" of retail
- Immune categories
 - Shopping as leisure
- Net money-loser
 - Impulse shopping



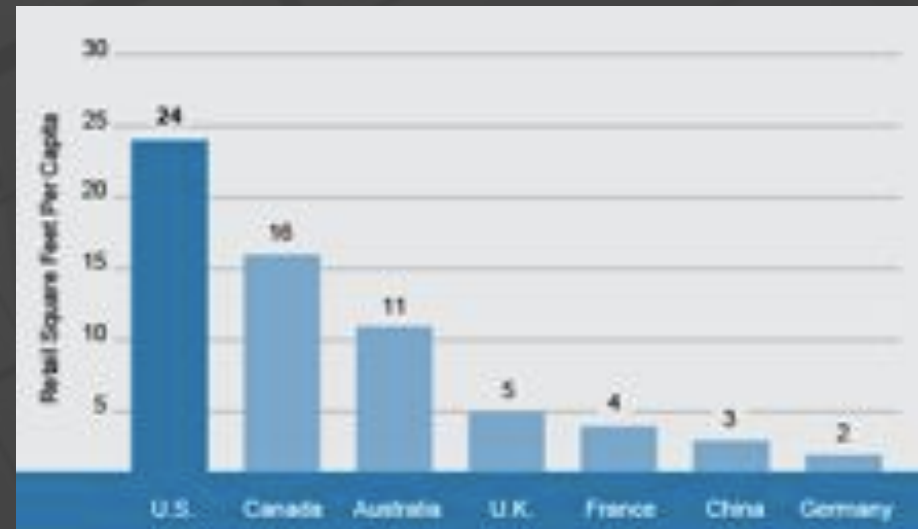
Online Momentum

- Clicks *and bricks*
 - Digitally-native brands
 - Amazon Grocery
 - Independent-owned businesses
 - Forced adaptations
 - New platforms



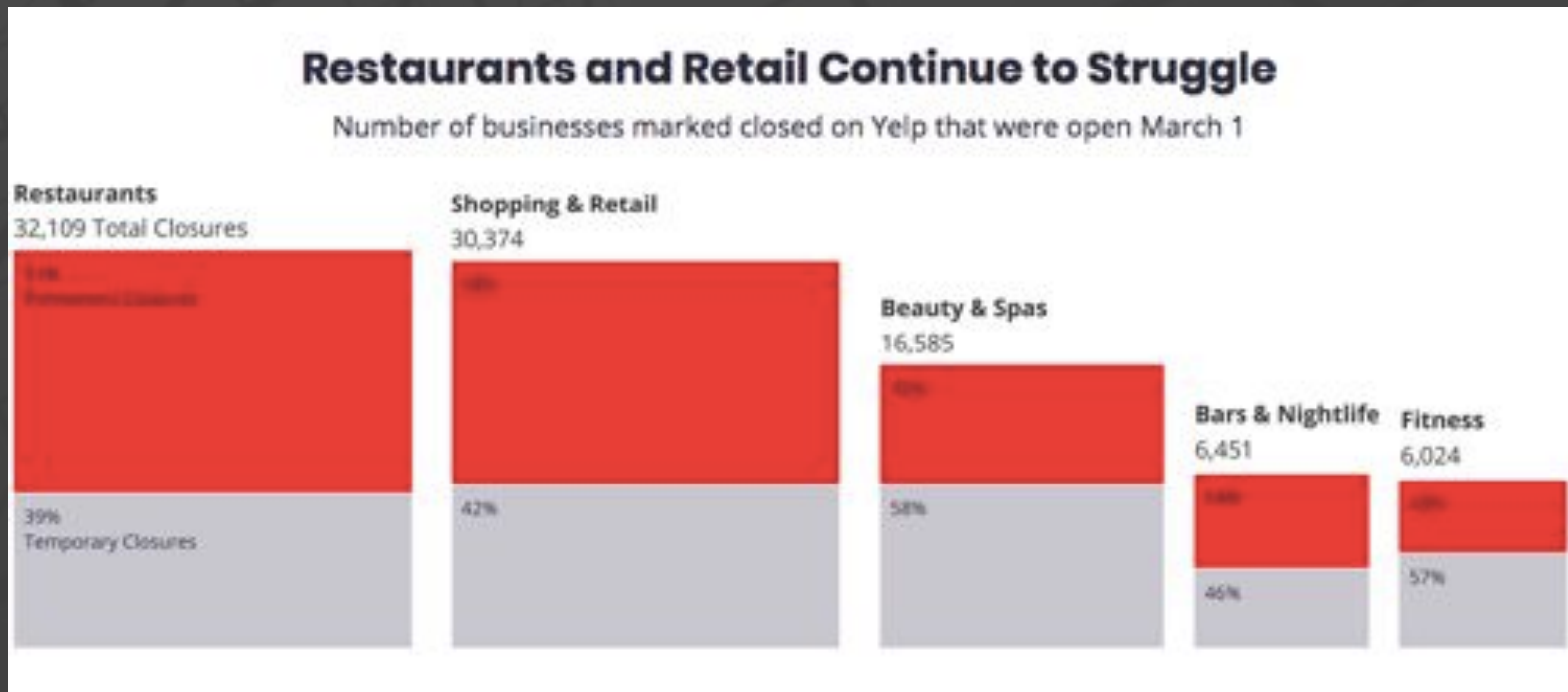
Depressed Spending

- Longer-term future
 - Pent-up demand
 - Millennial life-stage
 - Experiences to goods?
 - The American pastime



Business Closures

- Elevated levels of storefront vacancy (near-term)
 - Experiential economy
 - Independently-owned businesses



Business Closures

- Longer-term future
 - Lower rents and eager landlords
 - "Second-generation" spaces
 - High unemployment = entrepreneurialism
 - Opportunities amidst industry transition



Relevant Trends

- New (more sophisticated) rivals
 - Malls, lifestyle centers and grocery-anchored strips



A New Retail Paradigm

Downtown / Main Street

- Suburbanization of hip
 - Little pockets of urbanity
 - Contemporary look and feel
 - Parking less of a deterrent



A New Retail Paradigm

Downtown / Main Street

- Third Place venues
- Quick-service / fast-casual eateries (franchises)
- Treasure-hunt shopping
- Brick-and-mortar platforms
- * Pamper-niche services
- * Health-care retail



A New Retail Paradigm

Downtown / Main Street

- Nuanced market positioning
 - Aspiration filtered through reality
 - Broader trade area
 - Competitive ecology



Roles and Responsibilities

- A "Retail New Deal" coalition
 - Main Street organizations in the lead role
 - Especially SID's
 - Municipal priority
 - Tax revenue
 - "Face" of the community
 - Other stakeholders



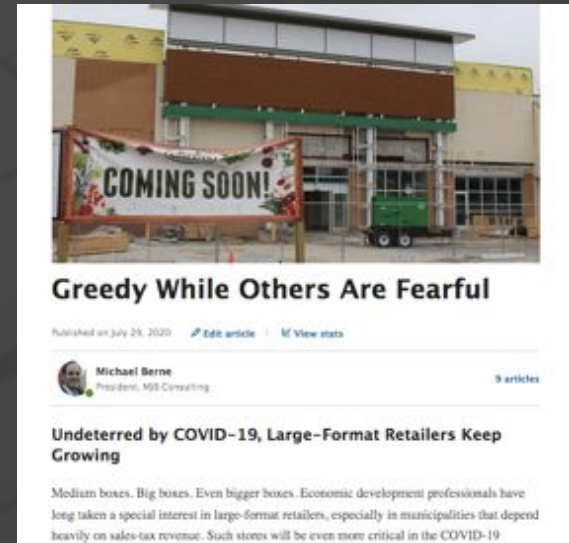
Walking & Chewing Gum

- Ecosystem for small business *creation*
 - Start-up capital and risk mitigation
 - Platforms for lowering barriers-to-entry
 - Incubators, container villages, etc.
 - Matchmaking for co-locators
 - Training / support for "retail resiliency"
 - On-call business services



Walking & Chewing Gum

- Prospecting for tenants
 - Towards greater diversification
 - *Not* for every organization
- Convening for a catalytic project
 - Larger-format anchor
 - "Recovery prospectus"
 - Financial or regulatory incentives
- Partnering on a land bank
 - Keeping property in friendly hands



Walking & Chewing Gum

- Edgier marketing / branding
 - Doubling down on Mar / Apr
 - Leveraging the power of guilt
 - Owning an identity
- Loosened regulatory regime
 - Allowing for creative destruction



Walking & Chewing Gum...



- Inherent dynamism of retail
 - ... if we let it evolve, on its own terms



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