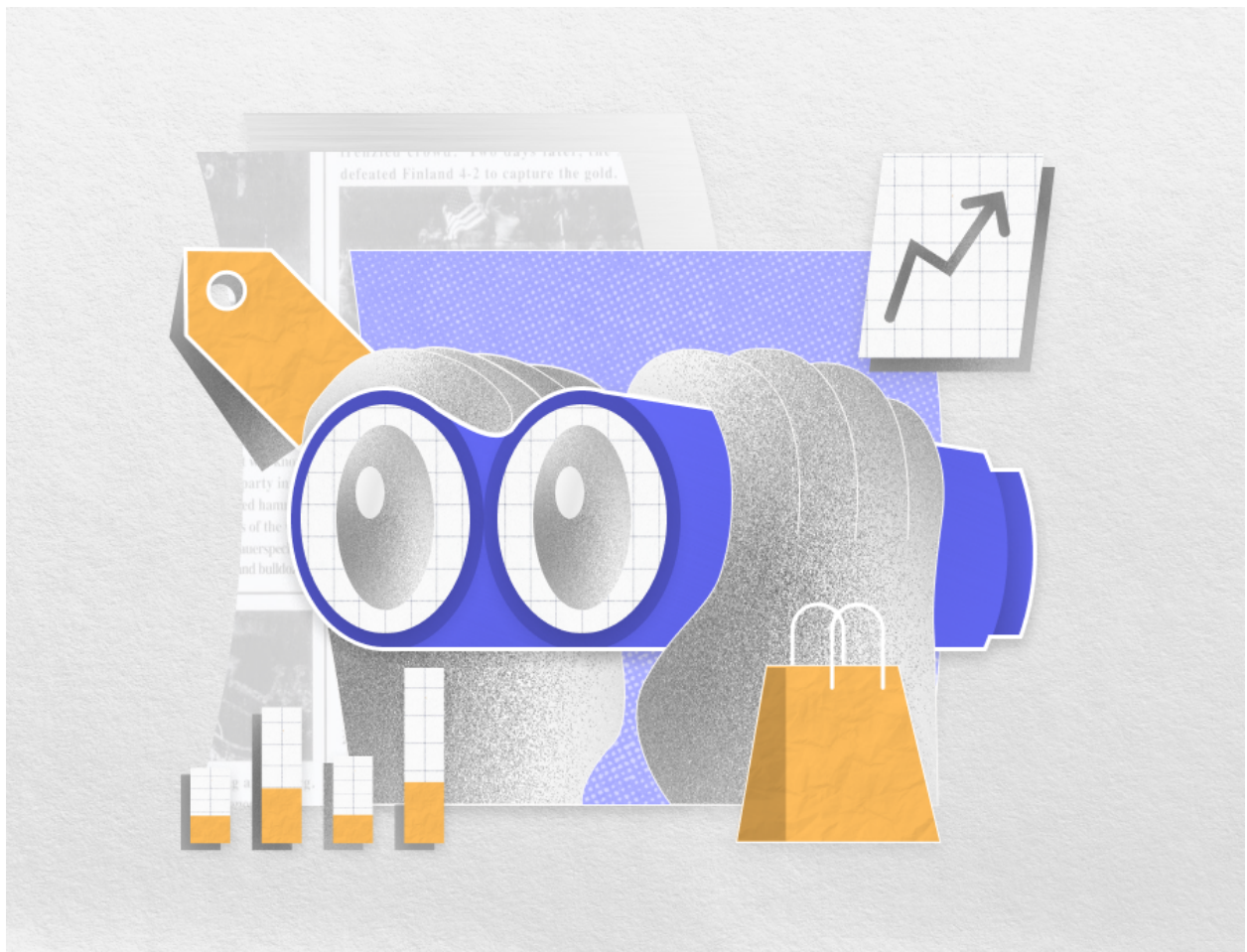


November 2023

8 Retail Trends to Watch in 2024

Dive into the location intelligence data to find out which trends will shape the retail, dining, advertisement, entertainment, and real estate spaces in 2024.



Introduction	2
1. Star Power in Retail and Stadiums	2
Collateral Gains: Taylor Swift and Michaels	3
The Deion Sanders Effect	4
2. Second Hand Apparel on the Rise	5
3. Placemaking as the core of CRE	6
Placemaking through Tenant Diversity	7
Placemaking by Diversifying Consumer Offerings	8
4. Experiences Drive Entertainment & Dining Visits	9
Experience-Driven Theater	9
Experiential Dining: Anyone Can Cook	11
5. Return to the “The Old Normal”	13
Return to Office	14
6. Retailers Suburban Shift	15
7. Grocery M&A	16
Aldi Expands its Reach by Acquiring Southeastern Grocers	16
Consolidation Not Limited to Grocery Giants	18
8. Optimizing Retail Media Networks Through Offline Data	19
Key Takeaways	21

Introduction

2023 was another tumultuous year as inflation, high interest rates, and general economic headwinds continued constraining consumer behavior. Still, this year also revealed many bright spots across a variety of consumer-facing sectors, from retail to dining to advertisement to entertainment. And many of these developments are likely to shape the wider consumer landscape in 2024.

The retail lift from Taylor Swift's Eras Tour revealed the appetite for socializing-based entertainment, while the pull of Coach Sanders showed that college football can also create major retail opportunities. The popularity of second-hand apparel highlighted the promise of eco- and budget-friendly retail concepts. Placemaking in retail and real estate along with the success of experiential dining and entertainment concepts emphasized the power of investing in consumer engagement. Consolidation helped certain grocery companies reach new audiences, while expansion helped dining brands solidify their standing in key growth markets. Retail media networks continued gaining momentum. And the impact of COVID continued receding in certain critical areas.

Read on to find out how these emerging trends will shape 2024.

1. Star Power in Retail and Stadiums

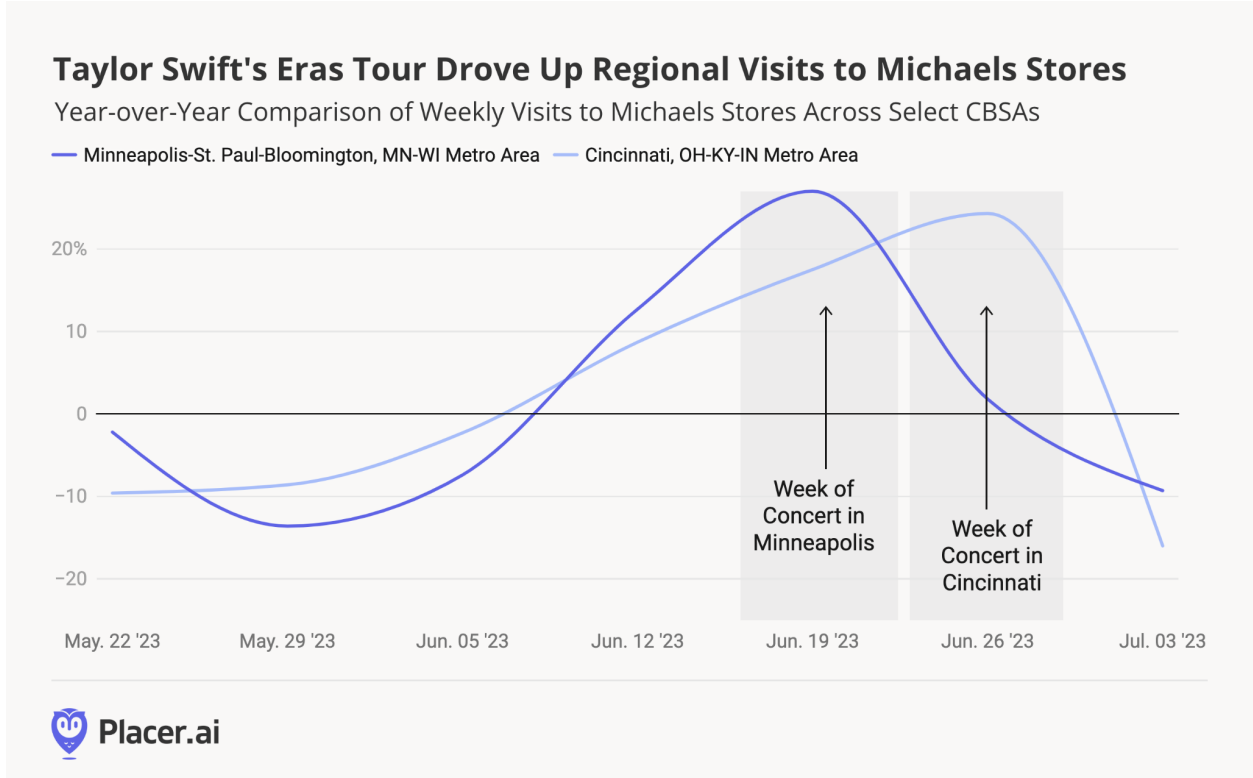
Happenings outside of the retail space have always impacted retail trends. In recent years, the rise of social media seems to be amplifying the potential for celebrities, cultural moments, and popular entertainment events to direct consumer foot traffic in everything from shopping to sports. Events create a powerful draw that produce significant opportunities in the surrounding areas and reveal the need to update the way we view the event spaces themselves.

The ability to generate urgency and excitement indicates the potential for a broader retail, food and advertising opportunity in the open spaces that support these very events. Leaning into this phenomenon will be a key trend to track in 2024.

Collateral Gains: Taylor Swift and Michaels

Marketers have long used celebrity collaborations to boost traffic to fashion brands or dining chains, but stars or events can also drive collateral visit spikes to retailers not directly affiliated with the trend of the moment. The [triumph](#) of the Barbie movie led to a [spike](#) in Mattel doll sales, but also inspired consumers to purchase [all things pink](#) as they decked themselves out in [Barbiecore](#) before heading to the cinema or to the myriad of [Barbie-themed events](#).

Taylor Swift's immensely successful Eras Tour also caused [retail shockwaves](#) (in the most positive sense). Michaels, a chain specializing in arts supplies, was one of the major beneficiaries of the Eras Tour collateral uplift. Inspired by a Swift song, many fans chose to create [friendship bracelets](#) ahead of the concert. Visits to local Michaels stores skyrocketed in the weeks leading up to nearby concerts, correlating with [massive increases](#) in sales reported by the chain. And the retail lift did not just come from concert attendees – some of Michaels' traffic likely came from Swifties who did not get a ticket to the show but still chose to [tailgate](#) and exchange friendship bracelets from nearby locations.



The Deion Sanders Effect

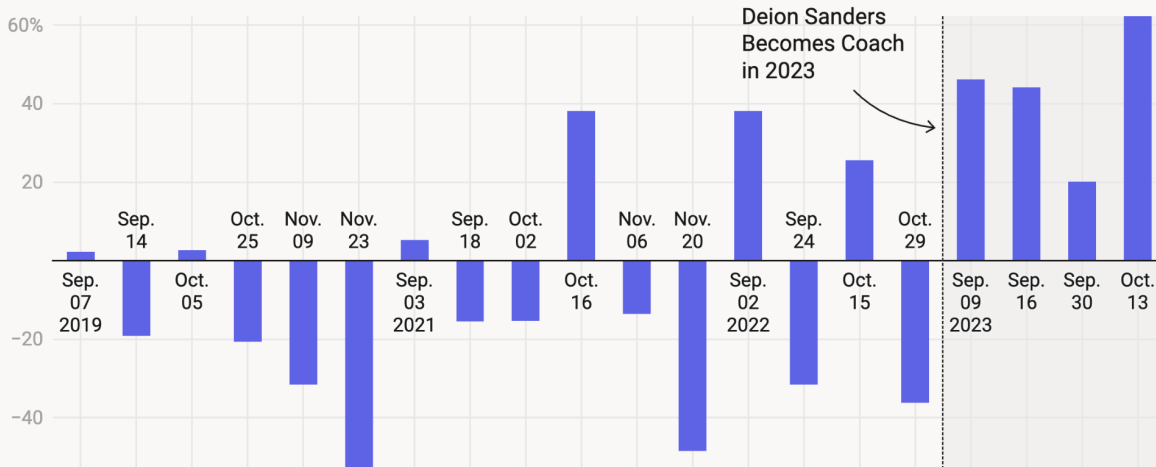
Celebrities' impact on consumer foot traffic trends extends beyond retail to the world of sports. Lionel Messi's arrival in Miami [spiked](#) interest in the sport and led to [visit surges](#) at Inter Miami's DRV PNK Stadium. And the potential for impact is not just limited to star players – star coaches can have a sizable influence as well.

Deion Sanders signed on to coach the Colorado Buffaloes – University of Colorado, Boulder's football team – ahead of the [2023 football season](#) and quickly generated a significant buzz. The team sold out its [entire season](#) in mid-September for the first time in its history, and visits to Folsom Field soared during game days, reaching a high of 62.3% on October 13th, 2023 compared to the 2019-2023 home game day average. The excitement around Coach Sanders and his team is having an impact on the local economy as well – each sold out game is estimated to be bringing [up to \\$17 million](#) to Boulder businesses. The huge audiences that these celebrity-driven sporting events attract are shifting the paradigm and inviting cities, event organizers, and local business owners to rethink the best way to maximize the impact of the massive traffic spikes.

With no end in sight to the potential of celebrities and entertainment events to dictate viral trends – the collateral gains from cultural moments for retailers, advertisers, dining operators, and local civic stakeholders is only expected to grow in 2024.

The Deion Sanders Effect

Comparison of Visits to Folsom Field on University of Colorado Football Home Game Days versus the 2019-2023 Average Home Game Day*



*Excluding 2020 Game Days



2. Second Hand Apparel on the Rise

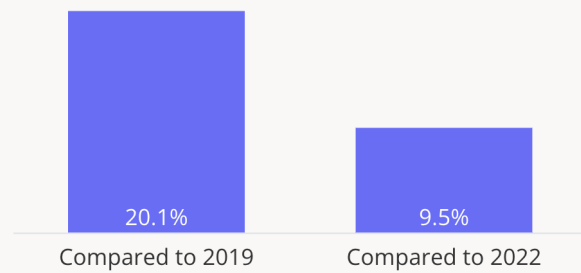
A confluence of factors helped second-hand retailers gain in popularity in recent years, with consumers looking to purchase clothes that are unique, affordable, and planet-friendly. Following a strong [2022](#), the category continues to [grow](#) in [2023](#) – and is likely to strengthen further in 2024 as interest in sustainability and frugality intensifies.

And not only are second-hand retailers seeing a sustained increase in visits, with foot traffic up significantly compared both to pre-pandemic 2019 and to last year – the category is gaining ground among younger consumers. Between 2019 and 2023, the share of “[Singles & Starters](#)” – defined by [Experian: Mosaic](#) as “young singles starting out and some starter families living a city lifestyle” – increased within the [captured market trade area](#) of seven leading second-hand chains. This means that these chains are now attracting more of this segment than they did in 2019 – another indication that the thrift store revival is here to stay.



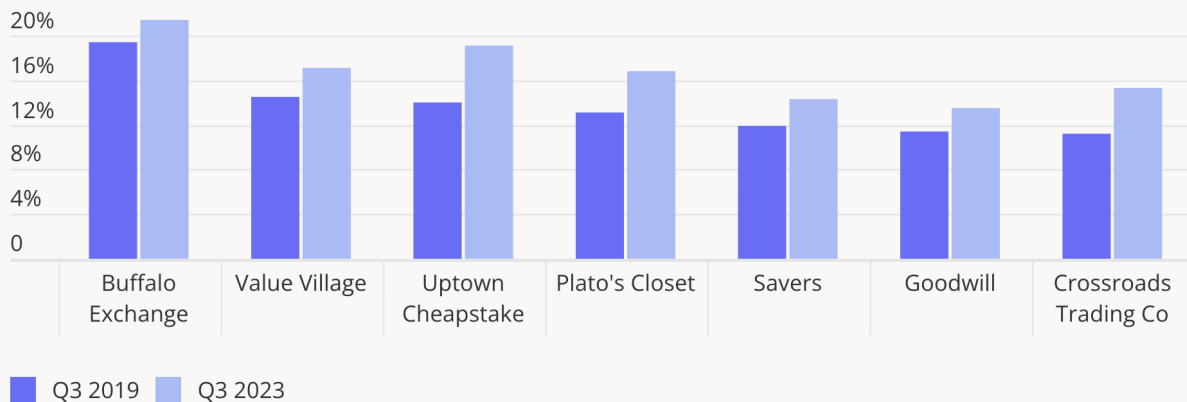
Second-Hand Retailers Continue to Thrive

Change in Visits | Q3 2023



Higher Share of Singles & Starters Seen Across Chains*

Based on Experian: Mosaic Data of Placer.ai Proprietary Algorithm of Captured Market of Trade Areas



*Singles & Starters: Young singles starting out and some starter families living a city lifestyle

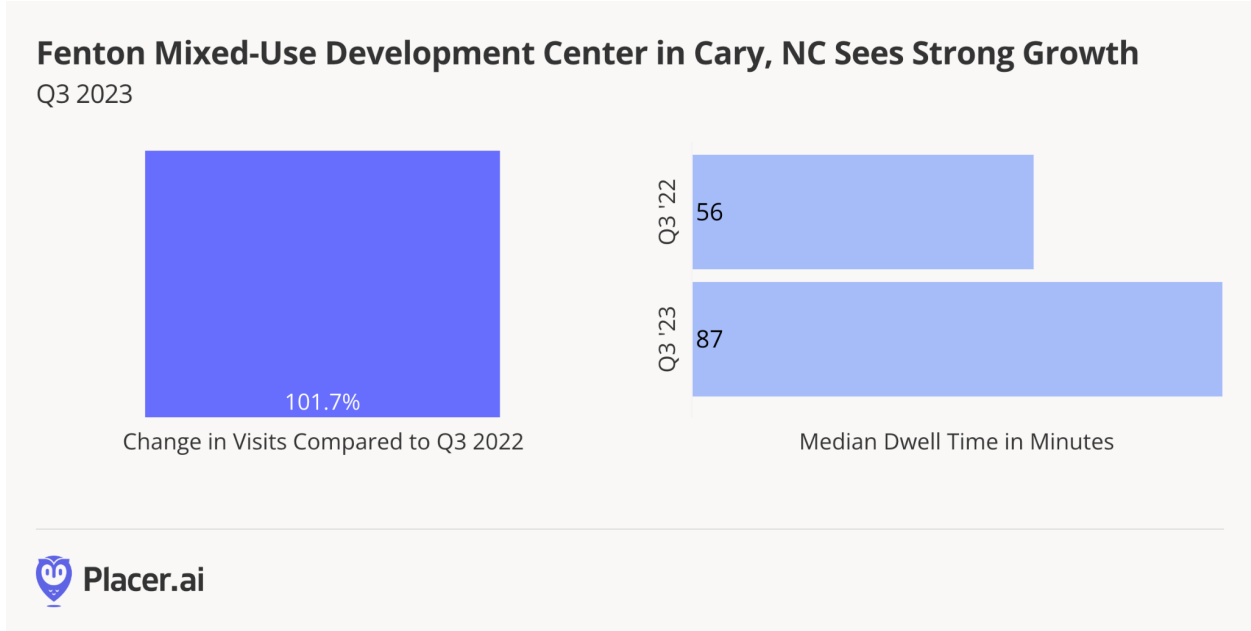


3. Placemaking as the core of CRE

The move towards [greater tenant diversity](#) in malls shaped the shopping center space in recent years, and the trend appears set to be taken to the next level in 2024. [Placemaking](#) – crafting public spaces that go beyond utilitarian needs to foster social interaction and exchange – is at the forefront of many urban development initiatives, and the trend is already boosting retail performance in successful placemaking projects.

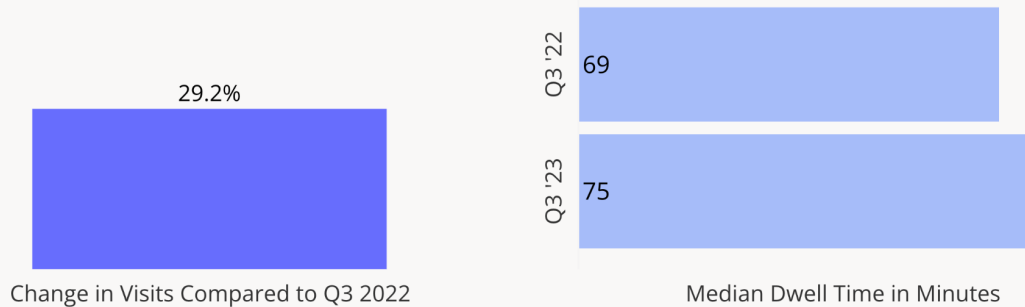
Placemaking through Tenant Diversity

[Fenton](#), a mixed-use district in Cary, N.C., opened in June 2022. The project showcases the potential of placemaking to transform an underutilized space into a vibrant “live-work-play” community with [something](#) for individuals and families of all ages. The retail and entertainment village includes shops, restaurants, seasonal attractions, entertainment venues, and other diverse offerings that are establishing Fenton as a community hub and a prime destination for residents. Since the project’s unveiling in 2022, visits have grown more than 100%, and median dwell time has increased from 56 to 87 minutes.



Across the country, in Phoenix, AZ, Park Central Mall – the state’s [first](#) open-air shopping center – was also redesigned as a mixed-use development [Park Central](#). The complex first reopened in [2019](#) and now [includes](#) restaurants, office space, medical facilities, and bioscience research labs, with more hospitality and housing under construction. Visit data indicates that the revitalization of Park Central is continuing to bring more traffic to the area – between 2022 and 2023, visits to Park Central increased by 29.2% while median dwell time grew from 69 to 75 minutes.

Park Central's Reopening as Mixed-Use Space Helps Phoenix, AZ's First Mall Thrive | Q3 2023

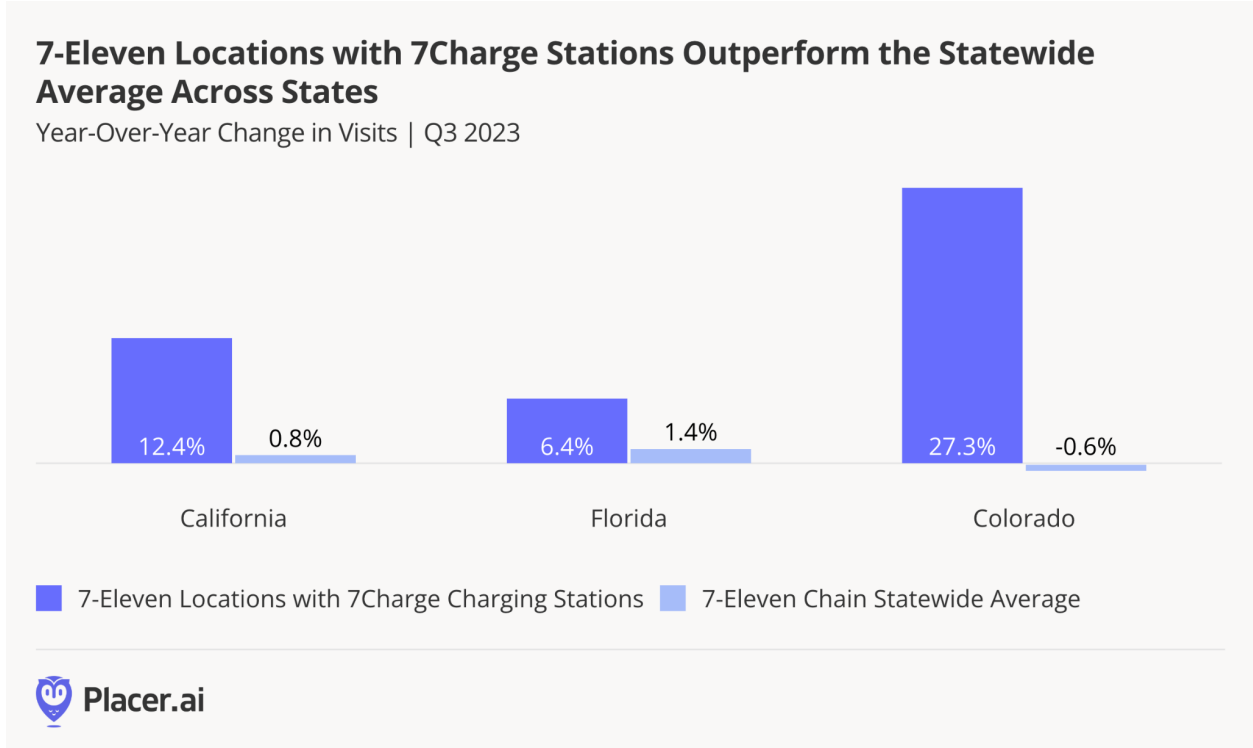


Placemaking by Diversifying Consumer Offerings

One form of placemaking is to group together diverse tenants in a single space or neighborhood to give different types of consumers a reason to visit the area. But individual retailers can also use placemaking tools to diversify their offerings and give consumers multiple reasons to visit – and spend time – in their venues.

In March 2023, 7-Eleven [launched](#) its electric vehicle fast charging network and accompanying app 7Charge. The company's charging stations are currently [available](#) at select 7-Eleven locations in California, Colorado, Florida, and Texas, with plans to continue expanding to additional states. Already, foot traffic data indicates that 7-Eleven venues with 7Charge are seeing significantly more year-over-year visit growth than their charger-less counterparts. And the introduction of 7Charge is not the company's first foray into placemaking – 7-Eleven has already added car wash services to some of its venues, and these locations also appear to be growing [faster](#) than the chain's nationwide average. Both the charging stations and the car washes appear to give some consumers a reason to visit the chain that they would not have otherwise. And many of these car wash or EV charging consumers likely end up visiting the convenience store to pick up food or other items along the way.

Placemaking gives retailers and real estate developers tools to attract more traffic from a wider range of consumers and give these consumers a reason to spend more time in the store or space. Given the extensive benefits of placemaking, the practice is likely to continue to intensify as we move into 2024.



4. Experiences Drive Entertainment & Dining Visits

Experiential retail has been [on the rise](#) over the past couple of years. And as consumers continue looking for opportunities to socialize and interact with others in a post-COVID world, experiential components are now being added to a variety of consumer-facing businesses, from movie theaters to restaurants.

Experience-Driven Theater

The Barbie movie was the [biggest box office hit](#) of 2023 (so far), bringing many spectators who had not gone to the movies since COVID [back to theaters](#). And the [spike](#) in movie theater visits wasn't just driven by the [glowing reviews](#) – the movie gave the crowd a chance

to participate in Barbie world directly. Audiences throughout the country decked out in head-to-toe [Barbiecore](#) viewed the film with groups of friends or family members, generating a sense of community among the pink-clad theater attendees.

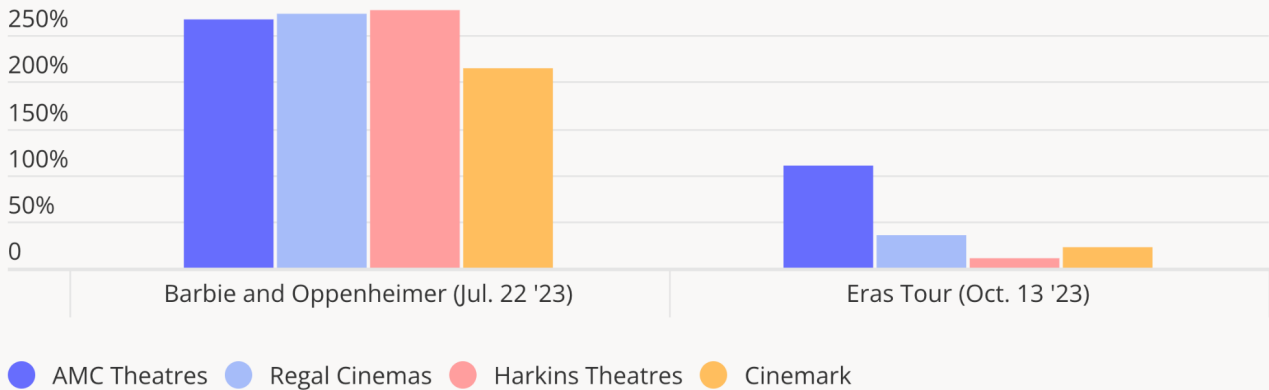
Oppenheimer, another highly-anticipated film released the same day as Barbie, also drove [masses](#) to theaters nationwide, in part thanks to the movie's experiential promise. Christopher Nolan, Oppenheimer's director, [promised](#) movie-goers an "intense experience" merely from viewing the film – especially for those who chose to watch the film in [IMAX](#). The release of Oppenheimer on the same weekend as Barbie also created a unique experience opportunity in the form of "Barbenheimer" – a phenomenon that drove over [200,000 people](#) to watch both movies on the same day.

And in the most recent example of the [movie as events trend](#), fans who came out for the release of Taylor Swift: The Eras Tour turned movie theaters into concert venues by [singing and dancing along](#) with the recorded on-stage Swift.

Experience-driven theater requires more than just great films. The movies need to be able to lend themselves to being experienced by viewers as more than just scenes on a screen, and movie theaters need to go along with the fans and create the space that allows groups and individuals to fully engage with the content being presented. The success of Barbie and Taylor Swift: The Eras Tour likely means that many more movie studios – and movie theaters – will look to lean into this trend of experience-driven theater in 2024.

Box Office Hits Fuel Major Attendance Surge at Movie Theaters

Visits to Movie Theaters on Main Movie Release Dates Compared to 2023 YTD Daily Average

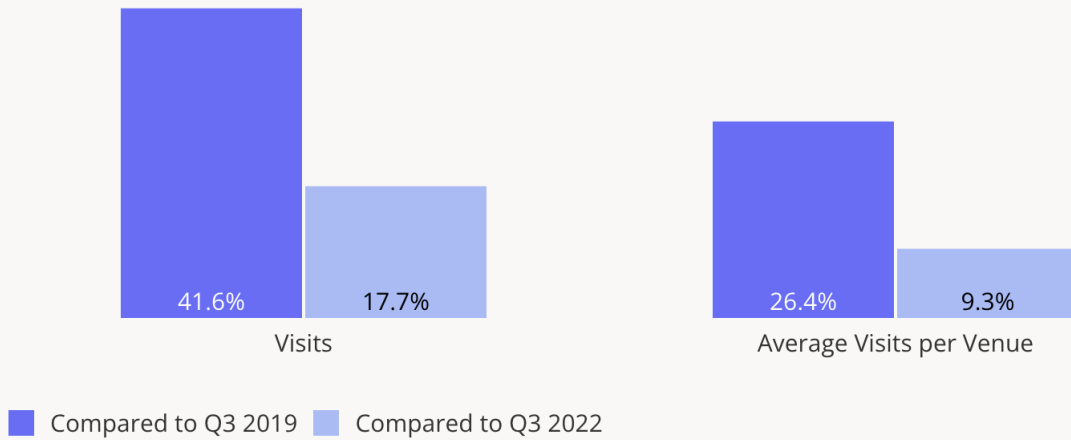


Experiential Dining: Anyone Can Cook

Experiential offerings are also boosting dining visits. GEN Korean BBQ, which went [public](#) in June 2023, offers patrons an [interactive, family-style dining experience](#) where customers grill their own meat at the table. The DIY concept keeps prices [low](#) while offering diners an experience beyond the basic restaurant outing. And foot traffic data indicates that the offering is popular with the public – Q3 2023 visits to the chain were up 17.7% relative to 2022 and by 41.6% compared to 2019. And visits per venue are also growing, even as GEN Korean BBQ continues to expand – indicating that there is plenty of demand to support the chain’s growth and that new locations are not cannibalizing existing venues.

GEN Korean BBQ Seeing Growth in Visits and Visits per Venue

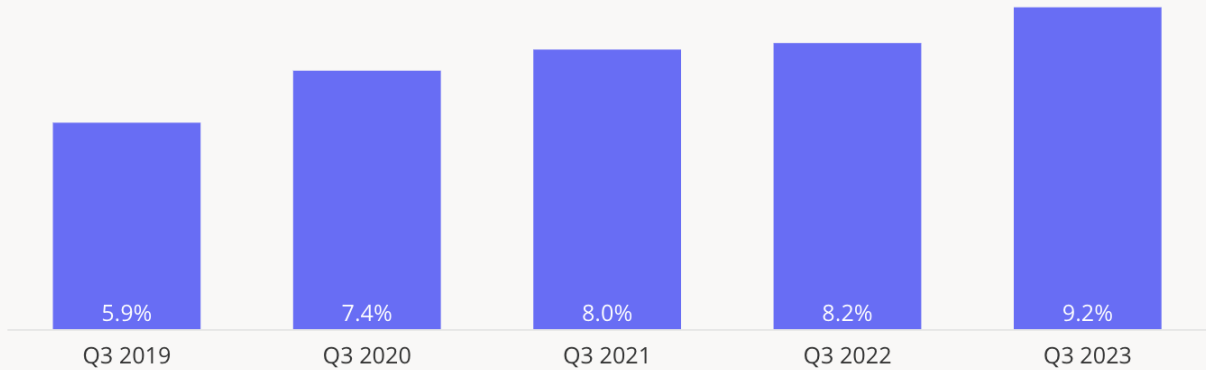
Change in Visits | Q3 2023



Part of GEN Korean BBQ's success lies in its affordability, which has helped the brand attract a growing share of mid- and low-income households over the years. Between Q3 2019 and Q3 2023, the share of 'Cultural Connections' – a segment defined as diverse, mid or low income families in urban apartments and residences – increased from 5.9% in Q3 2019 to 9.2% in Q3 2023. As cost continues to be a major consumer concern, budget-friendly experiences that combine sociability and fun – such as dining, movies, [fitness](#), or [nature-based recreation](#) – are likely to continue thriving in 2024.

GEN Korean BBQ Seeing Higher Share of Cultural Connections* Households

Based on Experian: Mosaic Data of Placer.ai Proprietary Algorithm of Captured Market of Trade Areas



*Cultural Connections: Diverse, mid- and low-income families in urban apartments and residences



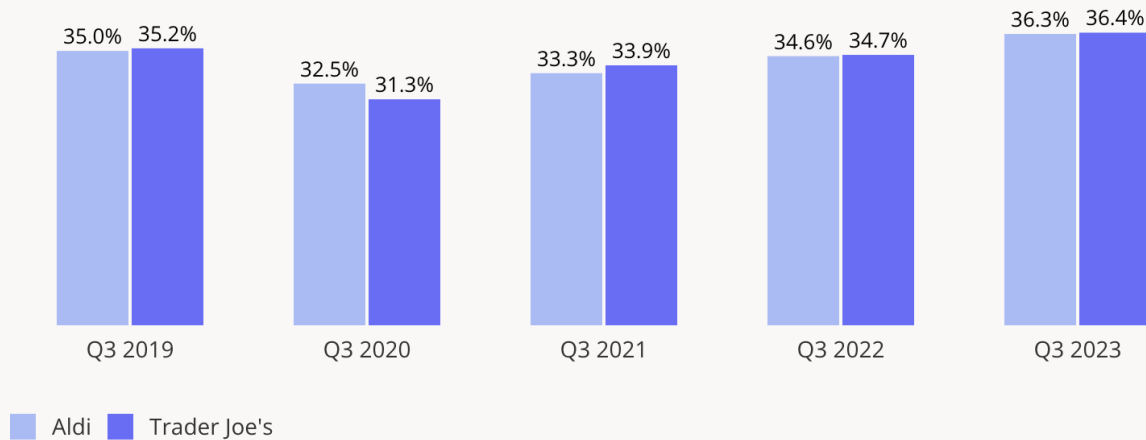
5. Return to the “The Old Normal”

Some pandemic-era changes predicted as permanent – such as the [demise of the gym](#) – quickly [receded](#) as the infection risks waned. But other shifts have proven more resilient – and although the CDC officially declared the end of the COVID Public Health Emergency in [May 2023](#), certain consumer behaviors – such as grocery shopping habits – are only now returning to their pre-COVID norms.

Weekend grocery visits dropped at the height of the pandemic, as newly flexible schedules enabled many consumers to do their grocery shopping in the midst of what had previously been a busy workweek. Indeed, some shoppers even chose to visit supermarkets mid-day and mid-week to avoid the crowds and reduce exposure. But now, with weekday schedules filling up once again, the practice of weekend grocery shopping trips has returned with a vengeance. In fact, both Aldi and Trader Joe’s saw a larger share of weekend visits in Q3 2023 than they had in Q3 2019 – indicating that some consumer behavior is still in flux, and that additional pre-pandemic consumer habits may well make a comeback in 2024.

Trader Joe's and Aldi See the Return of the Weekend Visit

Share of Weekend Visits



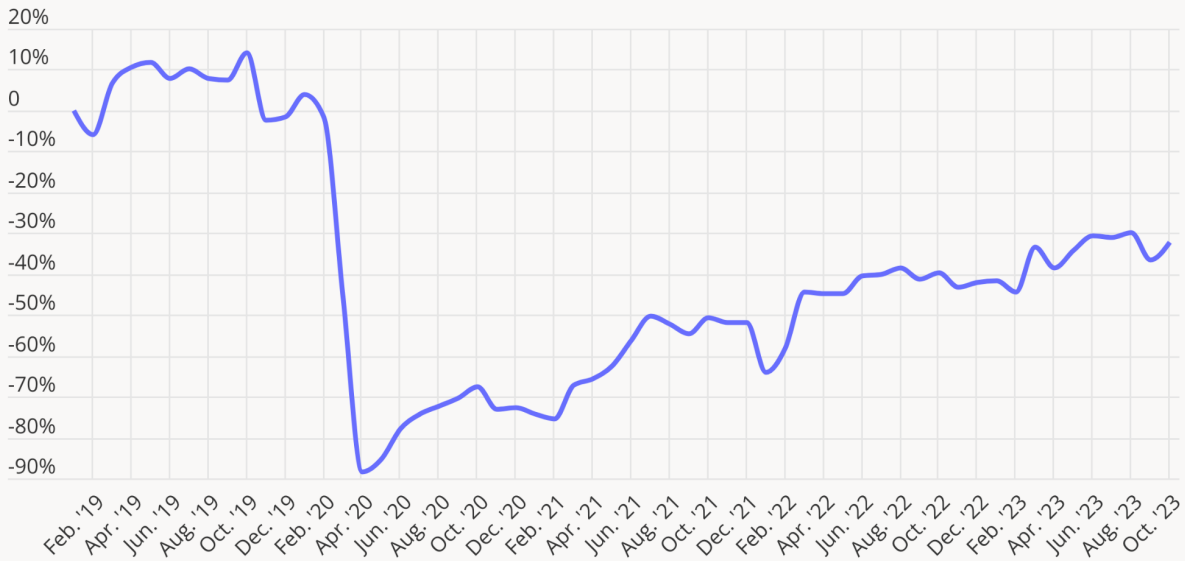
Return to Office

Full-time remote work is another COVID-era behavior that has been slowly [phasing out](#). Although office occupancy numbers are still nowhere near pre-pandemic levels, office visits have been slowly creeping back up since mid-2021. A [Gallup](#) poll from October 2023 finding that a majority of hybrid workers now work onsite at least three days a week.

So far, the return-to-office trendline has not been linear, with bursts of progress followed by months of relative stagnation. But since the return-to-office impacts everything from downtown [dining](#) and [retail](#) to the [wider housing market](#), even a minor advance in return to office numbers in 2024 is likely to have a major impact on a variety of sectors.

Monthly Visits to Offices Buildings Nationwide

Compared to a January 2019 Baseline

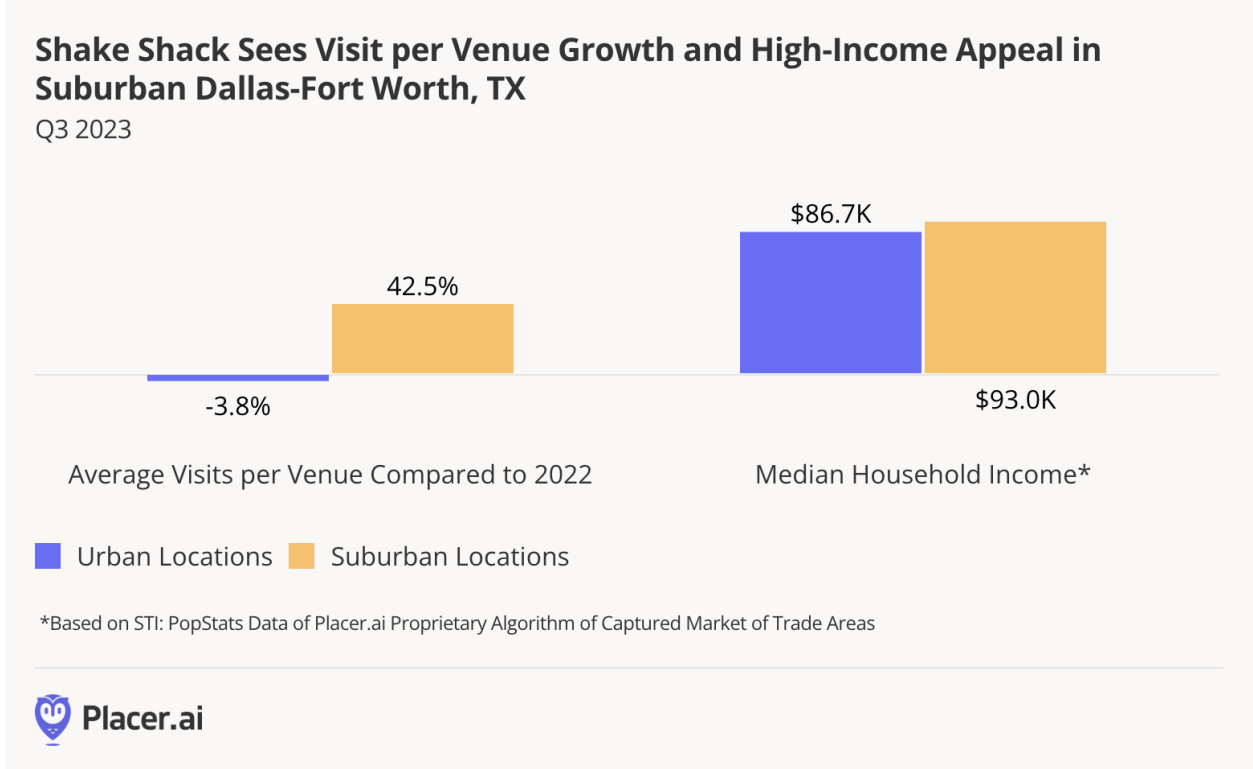


6. Retailers Suburban Shift

While consumer behavior in some sectors appears to be returning to pre-COVID patterns, the pandemic has had a sustained impact on other areas, including suburban markets. Small but significant [migration shifts](#) since the start of the pandemic along with the shift towards hybrid work have led to a [suburban resurgence](#), impacting everything from [retail](#) to dining.

Shake Shack, for example, has been [focusing](#) on suburban markets for the expansion of its new drive-thru format, including in the wider [Dallas-Fort Worth CBSA](#). A look at the foot traffic reveals the benefits of this strategy. In Q3 2023, average visits per venue to Shake Shack's suburban locations in the CBSA increased by a whopping 42.5%, while average visits per venue in the brand's urban locations declined by 3.8%. The suburban Shake Shacks in Dallas-Fort Worth also drew visitors from higher-income households compared to the brand's urban restaurants.

Concepts like Shake Shack that are capitalizing on rising suburban markets are already thriving – and are likely to see even more growth in 2024 as Americans [continue](#) relocating to less dense, more affordable areas.



7. Grocery M&A

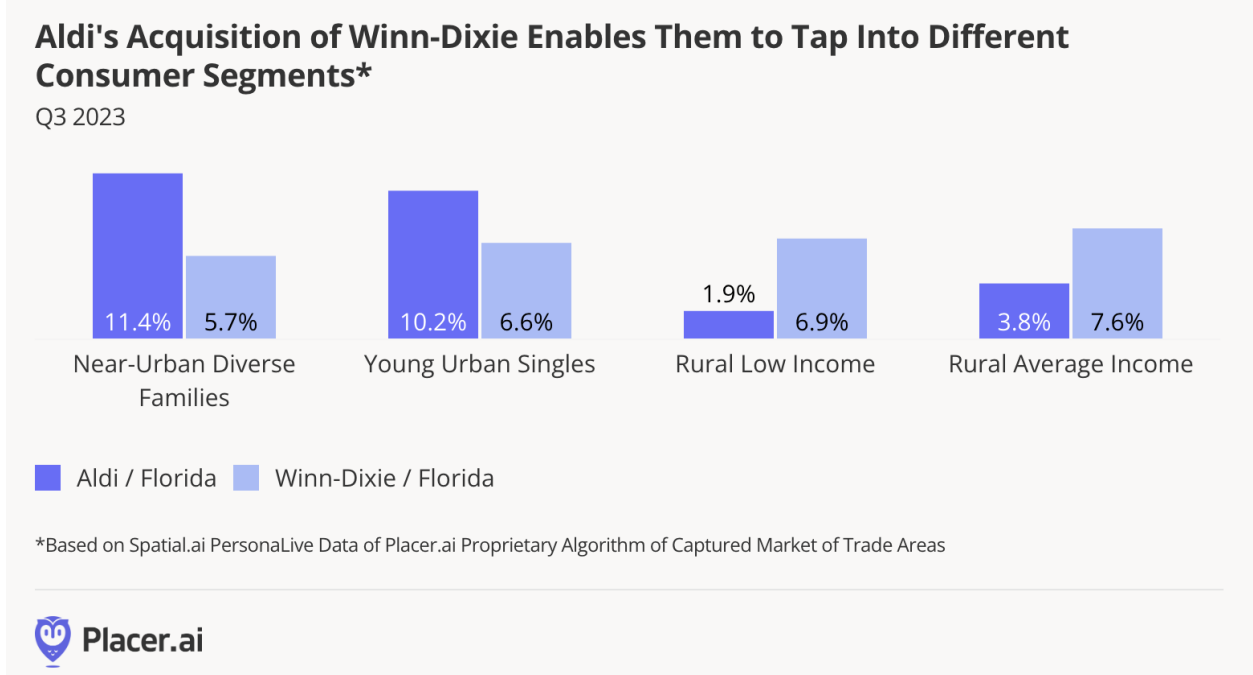
The grocery sector in the United States is dominated by several large [holding companies](#) that operate a variety of banners catering to different regions and audiences. Now, the trend towards consolidation appears to be [accelerating](#). The potential [Kroger-Albertsons merger](#) was one of the biggest grocery stories of 2023, and while the fate of that deal remains [uncertain](#), smaller companies have also gotten in on the M&A action – indicating that grocery M&A is a key trend to watch in 2024.

Aldi Expands its Reach by Acquiring Southeastern Grocers

In August 2023, Aldi announced its intention to [acquire](#) the Winn-Dixie and Harveys Supermarket Banners through the [purchase](#) of parent company Southeastern Grocers and

plans to [convert](#) some of the acquired stores into Aldi venues. The deal will allow Aldi to [strengthen its presence](#) in Alabama, Florida, Georgia, Louisiana, and Mississippi and help the Germany-based grocery giant to continue expanding its footprint in the United States.

In addition to helping Aldi penetrate new markets, the acquisition will give Aldi the opportunity to tap into new audience segments. Both Aldi and Winn-Dixie currently operate in Florida, where the two banners serve different audiences – Aldi tends to be more popular among urban consumers, while Winn-Dixie caters to a large share of rural shoppers. Adding the Winn-Dixie banner to its portfolio will enable Aldi to reach additional segments that are currently underserved by the company’s eponymous banner.



Consolidation Not Limited to Grocery Giants

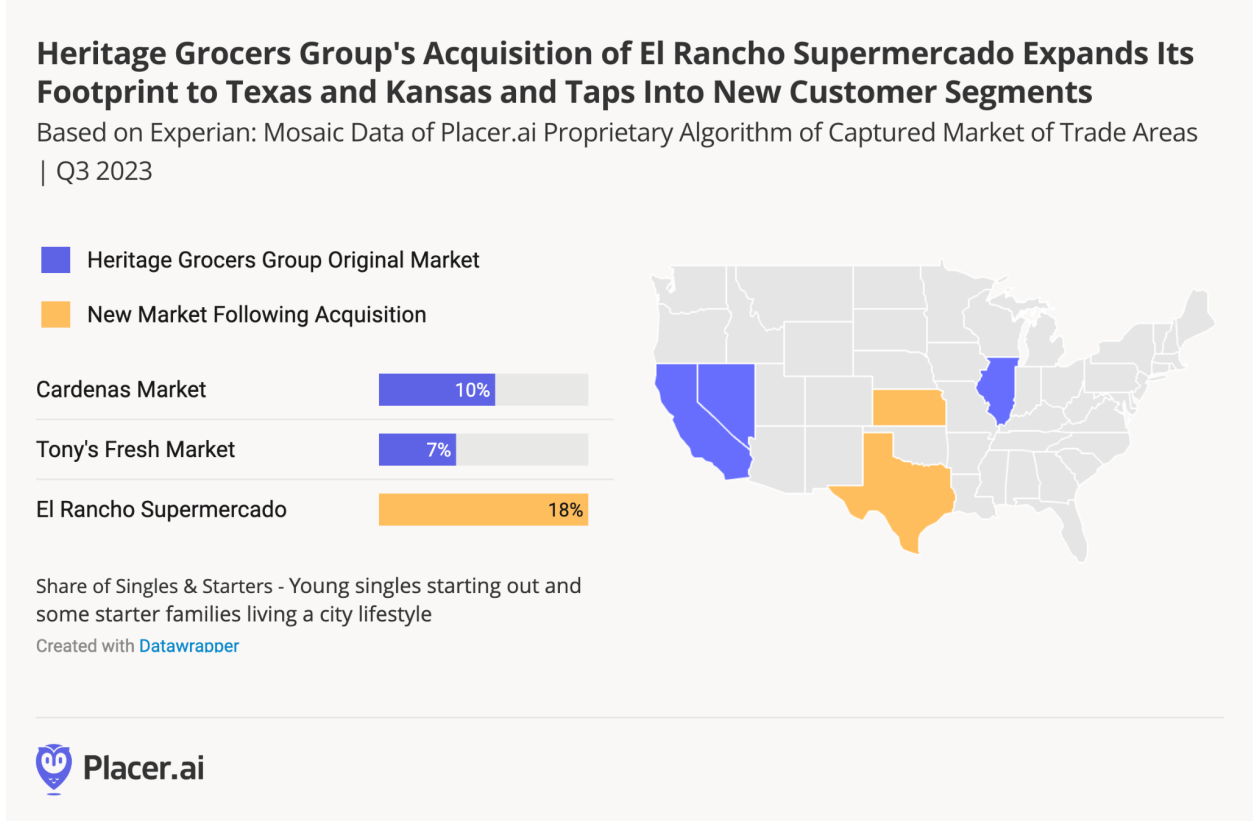
Consolidation in the grocery market is not just limited to large and mid-size companies – specialty grocers are also making moves.

Heritage Grocers Group is a grocery holding company that operates a number of specialty banners, including Cardenas Market (based in California), Tony’s Fresh Market (based in Illinois), and Los Altos Ranch Market (based in Arizona). The company [acquired](#) El Rancho

Supermercado (based in Texas, with one store in Kansas) in June 2023, which [increased](#) Heritage's total store count from 85 to 113 and enabled the group to penetrate the Texas and Kansas specialty grocery market.

Analyzing the trade area segmentation for Heritage's banners reveals that the acquisition has also helped Heritage increase its reach among "Singles & Starters" defined by [Experian: Mosaic](#) as "young singles starting out and some starter families living a city lifestyle."

Given its potential to increase a company's geographic and audience reach, grocery M&A activity is likely to continue [shaping](#) the space in 2024.



8. Optimizing Retail Media Networks Through Offline Data

Although the importance of retail media networks has continued to [grow](#) over the past couple of years, there is still a significant untapped potential in the space – and the innovative advertising platform is likely to take on even greater importance in 2024.

Retailers are continuing to experiment with new ways of leveraging their digital and physical assets for advertisement partnerships, as demonstrated by Best Buy's [recently launched](#) self-service campaign platform. The company's retail media network, known as Best Buy Ads, now [allows](#) brands and agencies to purchase, plan, view and manage campaigns while tracking results in near-real time. The self-service platform is the latest example of the company's [constantly evolving](#) retail media capabilities. And while Best Buy's retail media network is currently mostly online, brands and advertising agencies wishing to find the right audience for their campaigns can make use of offline data to identify promising markets.

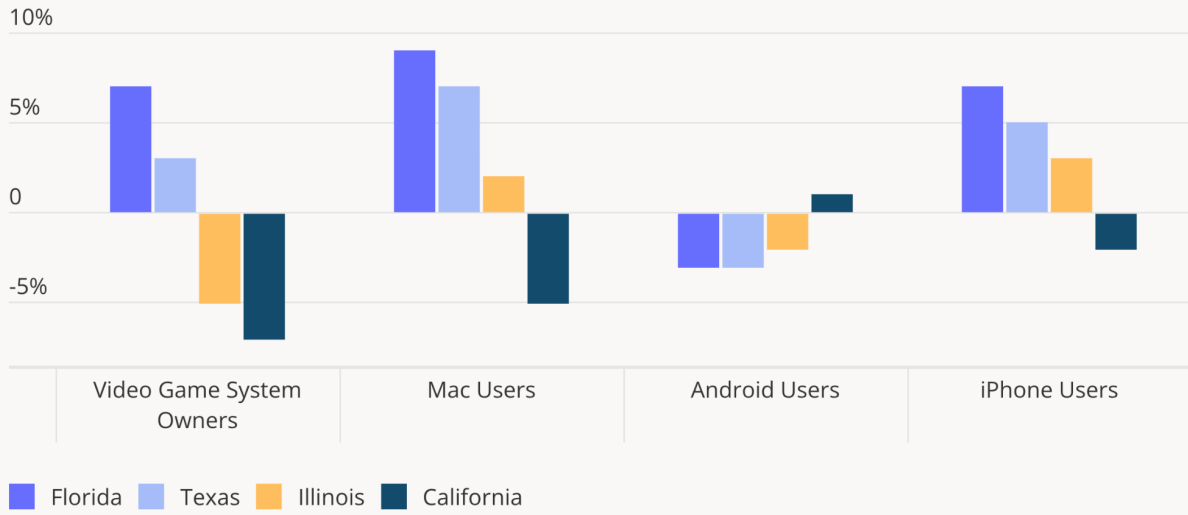
Layering demographic or psychographic datasets – such as the [AGS: Behavior & Attitudes](#) dataset – onto Best Buy's [potential market trade area](#) in different markets reveals key differences in the electronics preferences of Best Buy's shoppers across regions. For example, Florida attracts a relatively large share of “Video Game System Owners”, “Mac Users”, and “iPhone Users” compared to the statewide Florida benchmark, so advertising partners looking to reach these segments may want to focus their campaigns on Florida.

At the same time, the trade areas of Best Buys in the Sunshine State tend to include fewer “Android Users” compared to the statewide benchmark. Advertisers looking to reach this demographic may want to focus on California instead, where Best Buy's potential trade area is over-indexed for the “Android Users” segment relative to the California average.

Best Buy and its advertising partners can leverage this type of data to further optimize their campaigns across the company's retail media platforms.

Visitor Electronic Preferences Vary Across Best Buy's Largest Markets

AGS Behavior & Attitudes Data of Potential Market Trade Areas Compared to Statewide Benchmark | Q3 2023



Key Takeaways

- 1. Popular events and viral happenings will create massive opportunities for local retail, dining, and advertisement:** Events create a powerful draw that produce significant opportunities in the surrounding areas and reveal the need to update the way we view the event spaces themselves.
- 2. Second-hand apparel will deliver value and visits:** Consumers are looking to purchase clothes that are unique, affordable, and environmentally friendly – and second-hand apparel fits all those criteria, so the category is expected to continue growing in 2024.
- 3. Placemaking will be at the core of developers and retailers' brick-and-mortar strategies:** The art of placemaking is not just transforming large-scale real estate projects – individual retailers and companies are also leveraging placemaking tools

to create spaces that give consumers multiple reasons to visit – and linger – in their stores and venues.

4. **Adding experiential components to traditional consumer-facing businesses will boost demand:** The Eras Tour invited movie-goers to engage directly with the content, generating an excitement within the auditorium that drove fans to choose to watch the movie in theaters. GEN Korean BBQ also introduces a unique experiential aspect to its restaurants by inviting patrons to grill their own means. Experience is a draw, and leaning into this reality can unlock success.
5. **Certain consumer habits will continue the shift back to the “old” normal:** Some COVID-era patterns were already receding in early 2022, but some shifts have been longer-lasting, with the return to pre-pandemic habits still underway in several areas.
6. **Dining and retail concepts that focus on serving suburban audiences will see growth:** Concepts like Shake Shack that are capitalizing on rising suburban markets are already thriving – and are likely to see even more growth in 2024 as Americans continue relocating to less dense, more affordable areas.
7. **The grocery industry will continue to consolidate:** Grocery consolidation can help companies penetrate new markets and reach new audiences, so grocery M&A activity is likely to continue shaping the industry in 2024.
8. **Retail media networks will gain momentum:** Although the importance of retail media networks has continued to grow over the past couple of years, there is still a significant untapped potential in the space – and the innovative advertising platform is likely to take on even greater importance in the coming year.