



INSIDE THIS ISSUE:

What Amazon Was in 2005, Shipt and Instacart May Be in 2021	1-2	Corporate Sponsors	6
Minnesota Marketplace	3-4	STARR SM Award Nomination Form	7
New Members & Calendar of Events	5		

◀ **CLICK ON THE ARTICLE TITLE TO LINK DIRECT TO THAT PAGE**



What Amazon was in 2005, Shipt and Instacart may be in 2021



by Chris Walton,
CEO AND FOUNDER
OF OMNI TALK

ALL OF A SUDDEN 2021 FEELS A LOT LIKE 2005 ALL OVER AGAIN. IN THE LAST FEW WEEKS, BOTH INSTACART AND SHIPT HAVE STRUCK NEW DEALS THAT CALL TO MIND THE SALAD DAYS OF ANOTHER COMPANY THAT NEEDS NO INTRODUCTION — AMAZON.

Shipt announced a new partnership with GNC to “bring same-day delivery of GNC health and wellness products to consumers across the country,” and, just a few days before that, Instacart also announced that it too had inked a national delivery deal with Family Dollar and its network of over 6,000 U.S. stores.

On the surface these two announcements may feel like just another pandemic-filled day at the work-from-home office, but dig deeper and there is far more here than meets the reusable grocery delivery bag.

WHAT ARE SHIPT AND INSTACART?

Well, on the most basic level they are e-commerce marketplaces, not all that different from what Amazon was (and still is) when it first started back in the mid-1990s. But what else are they?

Like Amazon, Instacart and Shipt are also both infrastructure providers. They each provide the technology, the training, and the resources for efficient last-mile picking, packing, and delivery services. While both found their early roots in grocery, they have of late begun to offer their expertise to almost every retailer in the alphabet, from Aldi and Best Buy to Wegmans.

While Amazon coordinates these same types of activities for retailers and brands through its e-commerce portal and extensive warehousing and logistics capabilities, Instacart and Shipt have flipped the script and figured out how to do all these same things in a way where retailers’ own stores provide the warehousing, and Instacart and Shipt just provide everything else.

Go back more than a decade, and retailers were asleep at the wheel amid Amazon’s ascension. Back then companies like Target and Toys R Us actually paid Amazon to power their e-commerce experiences, and all the while Amazon learned how to perfect its own e-commerce offering on the back of this work.

DON’T LOOK NOW, BUT THE SAME THING COULD BE HAPPENING AGAIN.

Instacart and Shipt, like Amazon before them, are now a similar heroin in the arm of many retailers. In regards to Amazon, the previous smack of choice for many was an e-commerce front-end, but, in regards to Instacart and Shipt, the smack is now last-mile picking and/or delivery. Take the needle out, and the retailers that rely on Instacart and Shipt for delivery would be forced to figure everything out on their own, just like their e-commerce-renting brethren before them.

And, while the above is cool as an idea on its own, what makes this story even more fascinating, however, is what it all looks like when placed in the context of a world where the idea of social commerce is even more evolved.

Social commerce is a term that is quite en vogue right now, as it should be. The simplest way to think about the concept is as a complete end-to-end line. On one end of the line, there’s a commerce

Instacart and Shipt, like Amazon before them, are now a similar heroin in the arm of many retailers.



—continued on page 2

CONTINUED: What Amazon was in 2005, Shipt and Instacart may be in 2021

marketplace — think Amazon. On the other end of the line, there's a social network — think Facebook or Instagram. Whoever can control this line end-to-end (which, to date, no one at a large scale within the U.S. ever has) ends up with a complete, closed loop understanding of their customers.

This end-to-end dynamic of who consumes media where and who goes to what marketplace to buy is why the Instacart and Shipt developments are just so darn interesting. The pandemic has made same-day delivery a merchandisable event. Millions of people every week now go to delivery marketplaces as a first order precondition.

WANT PROOF?

Look no further than the [home screen of Walmart's mobile app](#). It doesn't ask people what they want to buy. It asks people where and how they want to shop before anything else because Walmart knows delivery speed is now top of mind in American consciousness.

And the implications of this new mindset 10 years down the line could be enormous for a number of reasons.

First, Instacart and Shipt have a chance to edge out even Amazon on the line of social commerce. Amazon does not have the skill and expertise of third-party picking from stores nor does it have the same brands in its stables as Instacart or Shipt. Moreover, the quality and authenticity of products on Amazon have been an ongoing concern for years, whereas with Instacart and Shipt, consumers instead acquire products from legitimate, large scale retailers that oftentimes Amazon does not or will not ever carry.

Second, all this also means that how the consumer packaged goods companies of the world (e.g. General Mills, P&G, etc.) spend their money will also start to change. If consumers think of delivery timing first, then the CPGs will become agnostic to whatever end retailer provides the ultimate shelf from whence the product is picked.

As a result, more advertising dollars will shift away from traditional grocers and move to the third-party services by way of social media, and, by the same token, the CPGs will also begin to go direct-to-consumer within their chosen third-party marketplaces and social media networks more overtly over time as well (see [PepsiCo and the launch of Snacks.com](#) as an early harbinger of this type of activity).

Third, the third-party delivery services could also change the dynamics of food welfare within this country. Don't look now, but quietly and by way of its partnership with Aldi, SNAP recipients can use their benefits online through Instacart at [over 90% of Aldi's stores nationwide](#). Not only then are Instacart and Shipt grabbing

quick delivery mindshare, but they may also be on the precipice of grabbing share in the psychology of low cost retailing quite soon, too.

All of which means that, fifth and perhaps most importantly, Walmart could also soon be left holding the bag, as it gets squeezed on both ends of the line.

Walmart has been trying to stand up its own digital marketplace, but the brands it has secured (e.g. Bonobos, Moosejaw, Eloquii, etc.) don't hold a big boy candle to what has already signed on with Instacart and Shipt — specifically, brands like Aldi, GNC, Sephora, Best Buy, and CVS — and nor will brands like this ever go in this same direction with Walmart. With Walmart, the competitive danger is obvious, whereas with Instacart and Shipt it is harder to see all the angles, even though, as is well-known, Target actually owns Shipt.

As a result, Walmart is in a tough spot.

If Amazon continues to build out more grocery stores ([and reports already suggest that it will](#)), if Instacart hits Walmart where it hurts with SNAP, and if Instacart and Shipt continue to grow the number of brands within their own stables, then Walmart will feel intense pressure both digitally and physically along the line of commerce described above.

Walmart's TikTok plans were one defense against these possibilities — i.e. keeping its consumers within its own closed loop marketing network — but with [those conversations now stalled](#), what else is there on which Walmart can fall back and thwart these arguments?

THERE ISN'T ANYTHING.

Stores? No. Amazon is coming hard after physical grocery.

Digital marketplace mindshare? No. Amazon, Instacart, and Shipt all provide better convenience and more selection than Walmart's marketplace.

Consumer connection? Still no. TikTok is almost essential to Walmart at this point. Without TikTok, Walmart will be left to fight for digital mindshare at the point of inspiration and immediacy with everyone else and with the previous two points also still in the minds of consumers psychologically.

Or, said another way, Walmart could one day become Exhibit A of all retail allowing another Amazon to spring up right from under its noses.

Chris Walton initially published this article in Forbes on February 16th, 2021.



Minnesota Marketplace

► Online and brick-n-mortar gaming and café, **BATTLEGROUND CAFÉ**, is expanding and relocating in White Bear Lake to Summit Center on White Bear Avenue/County Road E.

► **TIN WHISKERS BREWERY** in St. Paul was awarded the “Minnesota Brewery of the Year” at the 2021 New York International Beer Competition recently.

► **SMACK SHACK** will be taking over the long vacant Fuddrucker's building in Bloomington at Highway 494/France Avenue.

► **FAMOUS DAVE'S** will add its drive-thru concept next to Cowboy Jack's in Woodbury.

► **KASKAID HOSPITALITY** will reopen a similar but new concept in the former Butcher & the Boar space on Hennepin Avenue in Minneapolis. The parent company to **PAJARITO** recently purchased seven locations of **LUCKY'S 13 PUB**.

► **NICOLLET DINER** is relocating into the former Ichiban building on Nicollet Mall.

► **TAQUERIA** is expanding into Minnesota with its first location in the North Loop. **TOMA MOJO GRILL** signed a lease recently at Ridge Square North in Minnetonka, which is a new concept inspired by the Mediterranean flavors of Spain and Portugal.

► The **FOUR SEASONS** hotel in the RBC Gateway tower is tapping **GAVIN KAYSEN** and his **SOIGNE HOSPITALITY GROUP** to create two restaurants in the new 222-room hotel.



by Lisa Diehl,
DIEHL AND PARTNERS, LLC



by Holly Robinson,
MID-AMERICA REAL ESTATE – MINNESOTA, LLC



by Jesseka Doherty,
MID-AMERICA REAL ESTATE – MINNESOTA, LLC

► Look for the Italian concept **JOSEFINA** to open soon in the former home of Bellecour in downtown Wayzata by local Chef Daniel del Prado.

► Rosedale Center announced five tenants for a new outlot development on what was formerly a portion of the Macy's parking lot. Look for **RASING CANE'S**, **ASPEN DENTAL**, **CARIBOU COFFEE**, **VISIONWORKS**, and **PNC BANK** to occupy the building.

► **PAGODA CHINESE** will be reopening at Rosedale Marketplace, after closing recently in Dinkytown. **SIERRA** is now open at Roseville Marketplace, along with **TJ MAXX/HOMEGOODS** at Burnsville Marketplace.

► The last **EMBERS** in Minnesota closed this past month on Central Avenue in Fridley.

► **JARDIN SPANISH IMMERSION ACADEMY** will be taking the former space occupied by Tuesday Morning in Edina at 66th and Xerxes at Southdale Square.

► **SOLA SALON** will be opening soon at West End in St. Louis Park. **ANGEL FOOD BAKERY** will be relocating from downtown Minneapolis to Texa-Tonka in St. Louis Park.

Have you recently heard of the 'black swan theory'. It is a metaphor that describes an event that comes as a surprise, has a major effect, and is often inappropriately rationalized after the fact with the benefit of hindsight. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight.

– continued on page 4



CONTINUED: Minnesota Marketplace

▶ **FURNITURE MART USA** buys former Duluth Shopko. The company owns and operates Furniture Mart, Ashley Homestore, Unclaimed Freight Furniture and Carpet One. Look for one of these concepts to occupy the building. **BOB'S DISCOUNT FURNITURE** is making its MN debut with stores coming soon in Roseville, Woodbury and Maple Grove. **HOM FURNITURE** purchased a shuttered movie theatre site in Oakdale with plans to expand the building with a two-story 50,000 square foot addition, which will replace its store in Woodbury.

▶ **CHASE BANK** continues with its expansion plans in MN with its most recent announcements in Blaine and Eden Prairie.

▶ **MALLARD'S** signed a lease in Bloomington in the former Red Robin building at Penn & American, expecting to open mid-summer.

▶ **BANFIELD PET HOSPITAL** is currently under construction in Maple Grove and is taking the former retail space occupied by Schuler Shoes retail. Also in Maple Grove, Shake Shack will be opening a drive-thru location near the end of the year.

▶ **ALLBIRDS** in under construction in the North Loop and expecting to open this summer.

HAVE YOU SEEN?

NOW OPEN: Jersey Mike's and Shopko Optical on the SE corner of Highway 169 and 120th Avenue in Champlin

N

F

LAW OFFICES OF NICHOLAS A. FURIA, PLLC

MINNESOTA PROPERTY TAX APPEALS™

Committed to giving you the best possible insurance package.

I help you make educated coverage decisions tied to your risk profile.

If you currently use a broker or other carrier for your insurance, it is time to give me a call. They do not have access to our product and rates. The properties I insure include rental condo units, multi-million dollar buildings and everything in between. We are a lot more than just a home and auto carrier!

Within American Family Insurance I am one of the top commercial writing agents in Minnesota. Experience counts. This will give you the confidence in knowing the coverage and rate I get you will be the best we have. Commercial insurance is not a one size fits all.

Let's connect today! Give me a call at (952) 224-2992

Fost Choles Agency Inc

(952) 224-2992
fcholes@amfam.com
www.fostcholes.com

American Family Mutual Insurance Company, S.I. and Its Operating Companies, 6000 American Parkway, Madison WI 53783 CA-4116 ©2020

BECAUSE WHEN IT'S YOUR DEAL IT'S A BIG DEAL

Smart options, extensive resources and an experienced lending team at your side. Let's get started.

GREAT SOUTHERN BANK

COMMERCIAL LENDING

GreatSouthernBank.com

MEMBER FDIC

NMLS# 423054

Carl Brandt
Regional Managing Director • 763.255.1657

Jeff Haug
Senior Relationship Manager • 763.255.1777

Matt Plec
Relationship Manager • 763.255.1622

Patrick Stanaway
Relationship Manager • 763.255.1634

WELCOME NEW MEMBERS

RYAN BURKE North American Development Group
 MARCUS MOLLISON..... Dorsey & Whitney LLP

MEMBER NEWS

Congratulations to the MSCA members who made FINANCE & COMMERCE'S Power 30 list! We are thrilled to recognize: LISA CHRISTIANSON, JESSEKA DOHERTY, TED GONSIOR, JEREMY GRITNER, ZAC HOANG, JEN HELM CCIM and SARA MARTIN who are all active members!

REGISTER FOR THESE 2021 CALENDAR EVENTS

DID YOU KNOW: YOU CAN VIEW THE LIST OF ATTENDEES TO ANY OF OUR EVENTS IF YOU CLICK ON THE EVENT?

EVENT	VENUE	DATE
THE CHANGING RETAIL LANDSCAPE	Webinar	May 5, 2021
PARKING LOT PARTY! OUTDOOR HAPPY HOUR	Westwood's Parking Lot	May 13, 2021

WWW.MSCA-ONLINE.COM/EVENTS/CALENDAR/DATE/2021-05

**PARKING LOT REPAIRS & OVERLAY · CONCRETE SIDEWALK REPAIRS
 CATCH BASIN REPAIR · SEAL COATING · PAVEMENT MARKING**



MINNESOTA ROADWAYS CO.

Your Twin Cities parking lot specialists since 1953.

Call (952) 496-2651 or visit www.mnroadways.com
 For a FREE ESTIMATE



WELLINGTON MANAGEMENT
 Commercial Real Estate

Family-owned, locally focused business partner & neighbor since 1984

Proud supporter of small businesses & entrepreneurs

Believer in the power of complete neighborhoods with space for all



wellingtonmgt.com

MSCA WOULD LIKE TO THANK OUR 2021 CORPORATE SPONSORS!



Allied Blacktop Company
Aspen Waste Systems, Inc.
Barna, Guzy & Steffen, Ltd.
Bell Bank
Braun Intertec
Bremer Bank
CBRE
Clean Response
CSM Corporation
Cushman & Wakefield
Cutting Edge Property Maintenance
Dorsey & Whitney LLP
Faegre Drinker
Fendler Patterson Construction, Inc.
Flynn Midwest LP
Fost Choles Agency Inc. - American Family
Insurance Gausman & Moore Mechanical
and Electrical Engineers Great Southern
Bank
HJ Development
Interstate Companies
Johnson Financial Group
Kimley-Horn
Kraus-Anderson Companies

Larkin Hoffman
Launch Properties
Maple Crest Landscape
Mid-America Real Estate - Minnesota, LLC
Midwest Maintenance & Mechanical, Inc.
Oppidan, Inc.
Prescription Landscape
Quality Trusted Commercial Construction &
Roofing, Inc. Ridgedale/Brookfield Properties
RMA Real Estate Services, LLC
Rochon
RPT Realty
RSM US LLP
Ryan Companies US, Inc.
Smith Gendler Shiell Sheff Ford & Maher
Target Corporation
TCF Bank
The Mandinec Group Landscaping Inc.
Trautz Properties, Inc.
U.S. Bank National Association
United Properties
Westwood Professional Services, Inc.
Wings Financial Credit Union

STARRSM Awards CALL FOR NOMINATIONS

Projects Completed by: September 1, 2020 - August 31, 2021

Deadline: Nominations must be received via mail or fax by **July 15, 2021**.

The annual MSCA **Shopping Center Tribute Awards for Retail Real Estate (STARRSM) 2021** competition recognizes outstanding projects and industry leaders of Minnesota retail real estate and development.



1 Interior Design

- Full Service Restaurant: Sit down eatery with table-side service.
- Quick Service/Fast Casual/Fast Food: Limited menu and does not offer table-side service.
- Retail/Non-Food Service
- Entertainment/Experiential/Brewery/Distillery

2 New Construction

- Retail Single Tenant under 10,000 sf
- Retail Multi-Tenant under 10,000 sf
- Retail 10,000 sf – 20,000 sf
- Retail over 20,000 sf

3 Design & Aesthetics Renovation/Remodel

A retail project that was an enhancement of an existing retail structure.

- Interior Retail under 8,000 sf
- Interior Retail over 8,000 sf
- Exterior Retail under 20,000 sf
- Exterior Retail over 20,000 sf

4 Development Process

- Any size project with a significant retail component that had unique development issues, site approvals, technical, legal and financial challenges and/or incorporating sustainable design, materials or construction techniques.

5 Redevelopment

A project with a retail component that had an identifiable change of use to the project.

- Retail under 10,000 sf
- Retail over 10,000 sf

6 Mixed Use

- Any size project encompassing retail and other non-retail uses where retail has made a significant contribution.

7 Innovative COVID Transformation

Innovative programming or use of interior/exterior space during COVID-19 orders and social distancing.

- Retail
- Restaurant

Eligibility

Projects completed and occupied between September 1, 2020 -August 31, 2021 are eligible.

Entries must be within the state of Minnesota.

Any one retail project may be submitted in multiple categories (use a separate form).

There is no fee associated with making a nomination.

Upon qualification, projects are subject to a fee. Upon receipt of all nominations and after qualification, MSCA will mail final entry forms, guidelines, judging criteria and fee information to the submittal contact.

Awards will be presented at the STARRSM Awards holiday party on **Tuesday, November 30, 2021 at Golden Valley Country Club** in Golden Valley.

Name of Nominated Project _____

Award Category _____

Project Address _____ City _____

Nominated By _____ Phone _____

Submittal Contact _____ Phone _____

Company _____

Address _____

Email _____

Email completed form to ktopr@msca-online.com. For questions, please call Karla Keller Torp at (952) 292-2414.