



Innovation Capital

Investment Bankers

**Restaurant &
Retail Newsweekly**
For the week ended May 27th,
2018

This publication is a compilation of weekly restaurant and retail-related news provided by Innovation Capital, a leading boutique investment bank dedicated to representing mid-market clients in the gaming, leisure, restaurant and retail industries.

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NEW FEATURE...Newsweekly Archive

You can now access Innovation Capital's Newsletter archive on the

firm's website [here](#). This feature is password protected--
this month's password is: **gold** (case sensitive).

Restaurant & Retail Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)
[High Yield Bond Trading Levels](#)

Restaurant & Retail Executives and Investors Group



Looking to connect with other Restaurant & Retail executives to share ideas and best practices? Seeking ways to increase your brand visibility or grow your business? This is the place to bridge those contacts! An exclusive group for executives in the Restaurant & Retail industries and institutional investor groups to network and discuss trends & ideas.

To join, click [here](#) or the image above.

Featured Article:

MIT engineers open futuristic restaurant featuring robotic chefs

May 24, 2018

BOSTON- (Liz Stinson, Curbed) - Of all the ways that robots might ultimately usurp the human race, robotic restaurant employees are looking to top the list. It's unlikely that automation will ever take over fine dining-but fast food? That's already happening. Spyce, a new restaurant backed by French chef and restaurateur Daniel Boulud, was cooked up by four MIT grads who had grown tired of paying human-labor prices for their food. Instead, they devised a system of seven robotic chefs that can prepare a meal for cheaper and in less than three minutes.

[Click here to read the full article in Curbed](#)

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A booming California coffee chain says it knows the key to one of Starbucks' biggest customer problems

May 27, 2018

UNITED STATES- (Leanna Garfield, Business Insider) - In recent months, Starbucks has been dealing with a public-relations headache that threatens to damage its reputation. In April, a white store manager called the police on two black men in Philadelphia after one of the men asked to use the restroom. Footage of the arrest went viral, and other customers proceeded to share similar experiences of racism using the hashtag #Starbuckswhileblack. A month later, the company came under fire again, when a barista in California wrote "beaner"- a derogatory term for Mexicans - on a Latino customer's coffee cup. And in late 2017, an Asian customer said a barista wrote "ching" on his cup instead of his name.

[Click here to read the full article in Business Insider](#)

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The Spotted Pig Restaurant Empire Is Fracturing

May 25, 2018

NEW YORK- (Julia Moskin and Kim Severson, The New York Times) - The once-robust empire that the restaurateur Ken Friedman and the chef April Bloomfield built together is showing signs of breaking apart, five months after Mr. Friedman was accused of sexually harassing employees and retaliating against those who complained. The two partners are no longer involved in Salvation Taco, the restaurant they opened in 2012 in the Pod 39 hotel in Manhattan, said Richard Born, an owner of the hotel, which has taken over the restaurant.

[Click here to read the full article in The New York Times](#)

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Retail Sales Rise as Warm Weather Lures Shoppers

May 24, 2018

LONDON- (David Goodman, Bloomberg) - UK retail sales were up in April as warmer weather brought shoppers back to the high street, but there was little change in the underlying picture of cautious consumer spending. Seasonally adjusted sales volumes were 1.6 per cent up on March, well ahead of analysts' expectations, after falling 1.2 per cent month on month in March. But sales volumes over the past three months were just 0.1 per cent higher than in the previous three months, and 1.4 per cent higher than in the same period a year earlier. However, the biggest increases were in weather-sensitive sectors, such as clothing and gardening products. Petrol sales, which fell almost 7 per cent in March as snow kept drivers off the roads, jumped 4.7 per cent month on month.

[Click here to read the full article in Bloomberg](#)

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Amazon clothing executive Jeff Yurcisin takes the helm at Zulily as the company's new president

May 22, 2018

SEATTLE- (Clare McGrane, Geekwire) - Seattle-based retail giant Zulily finally has a new leader. Former Amazon executive and Shopbop CEO Jeff Yurcisin will serve as the company's president starting Aug. 15, Zulily announced Tuesday, filling a leadership hole left by longtime CEO Darrell Cavens. Cavens left his role in October to lead new ventures for QVC's Qurate Retail Group. That group includes Zulily, which QVC bought for \$2.9 billion in 2015. Zulily has been growing at a blistering pace in the past few months. In the first quarter of 2018, its revenue increased 17 percent and its customer base grew 24 percent to 6.1 million users on top of significant growth in 2017. Yurcisin brings a heft of experience to capitalize on that growth. He has spent the past 14 years as an executive and director at Amazon, leading several of the company's clothing retail efforts. He was most recently the VP of Softline Private Brands, Amazon's private fashion labels, and formerly served as the VP of all Amazon clothing. He also spent seven years as the CEO of subsidiary Shopbop, an online clothing retailer that Amazon bought in 2006.

[Click here to read the full article in Geekwire](#)

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JCPenney's CEO just signaled the end of retail as we know it

May 22, 2018

UNITED STATES- (Mary Hanbury, Business Insider) - JCPenney's stock price dropped by as much as 8% on Tuesday morning following news that CEO Marvin Ellison would leave the company to lead the home-improvement retailer Lowe's. Analysts say Ellison's sudden departure could signal his lack of confidence in JCPenney and department stores generally as he jumps ship to an area of retail that has been deemed more Amazon-proof. "Ellison's exit will raise speculation that he is not particularly optimistic about the future prospects of JCPenney and sees the grass as being greener at Lowe's," Neil Saunders of GlobalData Retail said in a note to clients on Tuesday.

[Click here to read the full article in Business Insider](#)

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Amazon is punishing customers who return too many items - and it's a trend sweeping across the retail industry

May 22, 2018

UNITED STATES- (Khadeeja Safdar and Laura Stevens, The Wall Street Journal) - The e-commerce giant bans shoppers from the site for infractions such as returning too many items, sometimes without telling them what they did wrong. Amazon has cultivated an image as a customer-friendly company in part by making it easy for shoppers to send back items they don't want. The site's lax return policies have conditioned consumers to expect the same treatment from other retailers,

adding to pressure on brick-and-mortar chains. But shoppers are finding out there are some customers Amazon has determined aren't worth keeping.

[Click here to read the full article in The Wall Street Journal](#)

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2018 Restaurant Tech EcoSystem: Power Shift Underway with Decrease of the Data Gap

May 21, 2018

UNITED STATES- (Forbes) - In recent years operators within the hospitality industry have increasingly moved past pen and paper, adapting to the mindset that technology is crucial to running their businesses. Now, with the increasing digitization of the sector, we continue to see tech startups popping up in every category related to managing a restaurant - with surges of funding in some categories, growing consolidation via mergers/acquisitions, and numerous pivots among existing players. Thus, as each month passes by, mapping the restaurant technology landscape has become considerably more complicated.

[Click here to read the full article in Forbes](#)

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Wendy's Smart Design Restaurants Reflect Trend Toward Smaller Footprints

May 21, 2018

UNITED STATES- (Alicia Kelso, Forbes) - The Wendy's Company has been remodeling its system since 2011 and is currently 44% updated. It is on pace to have 70% of its system remodeled by 2020. Wendy's Image Activation effort began with a tiered system based on franchisee investment in the program, and four design choices-contemporary, traditional, ultra modern and urban. The company's strategy has since evolved a bit. Last month, Wendy's unveiled a new Smart 2.0 design, adding even more development options for franchisees, including smaller-footprint models. This news builds on Wendy's Smart 1.0 designs, introduced last year.

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AT&T Restaurant and Retail Discovery District Coming to Dallas Headquarters

May 21, 2018

DALLAS-FORT WORTH- (Ken Kalthoff, NBC News) - The 6,000 AT&T employees in downtown Dallas will soon have a restaurant and retail attraction at their four-building complex, open to other downtown neighbors, as well. The \$100 million 'Discovery District' is already under construction along Commerce Street where the curbside drop off area is being expanded outside the largest

building in the complex, Whitacre Tower. That will be followed by a restaurant cluster, performance stage and a larger AT&T store. Employees saw renderings and virtual reality videos of the project for the first time Monday in the Whitacre Tower lobby.

[Click here to read the full article in NBC News](#)

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