

# RETAIL & RESTAURANT

OCTOBER 2019

**FACILITY BUSINESS®**

blink FITNESS

## Strength in Numbers

*With a refreshing Mood Above Muscle® philosophy, New York City-based Blink Fitness aims to have 300 gyms open within the next 3 years.*

blink

additional parking  
around back.

hours of blinking.  
monday - thursday 6 am to 11 pm  
friday 6 am to 10 pm  
saturday - sunday 7 am to 7 pm

blink

620

**Plus:**

- How To Use Thermal Mass To Manage Energy
- Disrupting Facility Cleaning Traditions
- Time To Overhaul Your Floor Care Routine
- How Electric Hand Dryers Spread Pathogens
- Growth—And Challenges—Of Self-Service Kiosks
- 7 Energy-Saving Changes Businesses Can Make

## RETAILER NEWS

### DOLLAR GENERAL TO OPEN FIRST STORES IN WASHINGTON AND WYOMING IN 2020

*Goodlettsville, Tenn.* — Dollar General is currently under construction on new stores in Washington and Wyoming. When completed, these stores will expand the company's presence to 46 states throughout the country. Stores are currently under construction in Centralia, Wash., (Lewis County); Cathlamet, Wash., (Wahkiakum County); and Pine Bluffs, Wyo. (Laramie County). These initial stores are scheduled to celebrate grand openings in early fiscal year 2020. Dollar General Corporation has been delivering value to shoppers for 80 years. Dollar General operated 15,836 stores in 44 states as of August 2, 2019.

### LE TOTE AGREES TO BUY LORD + TAYLOR FOR \$100 MILLION

*Toronto* — Le Tote, a fashion rental subscription service, has agreed to buy Hudson's Bay Co.'s (HBC) Lord + Taylor brand for \$100 million. Le Tote will pay Toronto-based HBC \$75 million in cash upon closing as well as a promissory note of \$25 million, payable after 2 years. In addition, HBC will receive an equity stake in Le Tote, two seats on the company's board of directors and cer-

tain rights as a minority shareholder. Le Tote will assume responsibility of Lord + Taylor's 38 stores, digital channels and inventory. Helena Foulkes, CEO of HBC, says the company will focus on its other brands, Saks Fifth Avenue and Hudson's Bay. The transaction is expected to close before the start of the 2019 holiday season.

### PUMA OPENS FIRST NORTH AMERICAN FLAGSHIP STORE

*Westford, Mass.* — On Aug. 29, 2019, PUMA opened its first-ever North American flagship store, located at 609 Fifth Ave. in New York City. The store showcases an immersive PUMA brand space — offering consumers a unique shopping experience through innovative sports engagement zones, a customization studio and digitally connected offerings. The store features 18,000 square feet of interactive retail space spanning two floors, with state-of-the-art double-height storefronts across 160 feet of wraparound frontage. PUMA has partnered with renowned artists and designers to bring its exclusive PUMA x YOU customization studio to the store. Consumers can customize and personalize PUMA footwear, apparel and accessories using paints, dyes, patchwork, embroidery,



PUMA has opened its very first North American flagship store, located on Fifth Avenue in New York City.

3D-knitting, laser printing, pinning, material upcycling and many other creative mediums. New artist residencies begin every 2 weeks. Within PUMA's new store, customers can view products in alternate colors and styles through iMirror by NOBAL placed throughout the store. Mirror allows RFID product to bring up alternative selections based on the item the consumer tries on. In addition, consumers can press a button to notify an associate they need help at the mirror and sign up for in-store events. Consumers can kick back and enjoy the stadium seating and large screen NBA2K gaming experience in the basketball zone as well. The basketball zone is also going to feature state-of-the-art technology including QR codes located on all products.

### BLINK FITNESS INKS MULTI-UNIT DEALS REPRESENTING NEARLY 40 UNITS

*New York City* — Blink Fitness, a premium-quality, affordable fitness concept, has hit its stride with multi-unit franchising. In the past few months, Blink has signed three major franchise development agreements representing nearly 40 units in Sacramento, Calif.; Boston and Nashville, Tenn. These deals increase the brand's franchise footprint by 50%. Recent deals

include signing a 20-unit franchise development agreement in the greater Sacramento, Calif., area; inking a franchise agreement to develop 10 gyms in the Boston metro area; and signing a development deal to open at least six gyms across the Nashville, Tenn., metro area. In the near term, Blink is targeting six attractive U.S. markets for multi-unit development, including Charlotte, N.C.; Dallas-Fort Worth; Phoenix; Raleigh, N.C.; Las Vegas; and Kansas City, Mo. Blink's low-labor business model is especially attractive given today's tight labor market, which has impacted operators, particularly those in the restaurant space, across the nation. Additionally, Blink gyms integrate innovative technology, such as a mobile app to assist members on their wellness journey, touchscreen Vengo vending machines, user-friendly kiosks that simplify the signup and membership process and select locations are equipped with Amazon Lockers. These differentiators create a smooth member experience while reducing the need for significant headcount. There are 90 company- and franchise-owned Blink locations open today. The brand has plans for more than 300 Blink gyms in the next 3 years. (See cover story.)

### DISNEY AND TARGET TEAM UP TO OPEN DISNEY STORE SHOP-IN-SHOPS

*Minneapolis* — The Walt Disney Company and Target Corporation have formed a creative retail collaboration that encompasses experiential retail and merchandising — including the launch of 25 Disney stores within select Target stores nationwide on October 4, 2019, with 40 additional locations opening by October 2020. Additionally, a new Target store will open at Flamingo

## MANAGEMENT, CONSTRUCTION & DESIGN

### SUMMIT COMPLETES BUILDOUT OF LUXURY WATCH BOUTIQUE

*Chicago* — General contractor Summit Design + Build, LLC recently completed the buildout of a luxury watch boutique and gallery at 11 E. Walton St. in Chicago for Burdeen's Jewelry. Located within the Waldorf Astoria Hotel in the historic Gold Coast neighborhood, a well established shopping destina-

tion, the concept features three prestige international watch brands each with their own exclusive retail space all under one roof. A trusted family jeweler and Chicago go-to for luxury pieces, and certified vendor, Burdeen's Jewelry hosts A. Lange & Söhne, IWC Schaffhausen and Panerai at the 1,400-square-foot boutique. In order to complete construction, Summit had to navigate tight logistical constraints, working adjacent to a luxury hotel in a small space without a loading dock or storage. In just under 3 months, the team coordinated and oversaw: the interior demolition of the existing retail space; installation of full MEP systems and an advanced security system; modification of the boutique entrances; fabrication and installation of custom millwork from three countries; installation of a 400-pound chandelier from Switzerland; and the setting of a 30,000-pound vault on an elevated slab which required structural work. D+K Interiors Architects provided architectural services as the local, permitting architect for the project. Interior design of each boutique was handled by the brand's internal design teams.



Editor,  
Retail & Restaurant  
Facility Business

# Finding a BETTER WAY

*At Blink Fitness, it's not just another gym — it's a better approach to customers, to franchisees and to facility operations overall.*

**A**s Thomas Flaherty of Blink Fitness likes to say: “There’s always a better way for everything. Find it!” In Blink, the founders seem to have created that “better way.” From understanding why people join gyms — because it makes them feel good — to utilizing technology to keep customers happy and labor demands low, the New York City-based concept differentiates itself in the fitness market by simplifying its operations and helping members lift their moods, not just weights.

Currently Blink has nearly 100 company- and franchise-owned locations open. Within the next 3 years, the 8-year-old concept aims to raise that number to 300. *Retail & Restaurant Facility Business* recently interviewed Todd Magazine, CEO; Thomas Flaherty, president of franchising; and David Collignon, senior vice president, operations, to get the scoop on what lies in store for Blink Fitness, from expansion plans to how it operates and maintains its gyms.

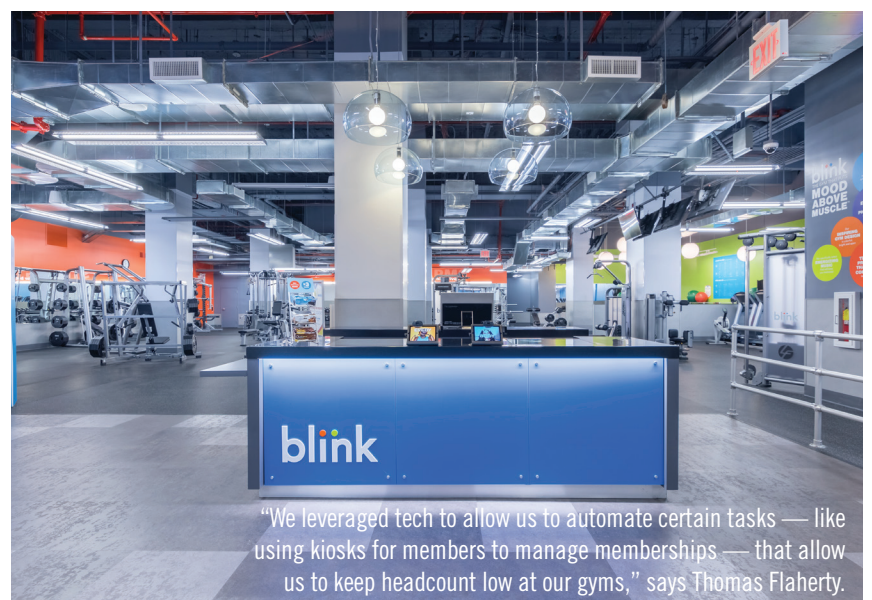
**R&R:** How do you differentiate yourself in the fitness market?

**Todd Magazine:** Our unique approach of putting Mood Above Muscle® positions us favorably in the health and wellness sector. Many of today’s consumers are shifting toward prioritizing the way exercise



Todd Magazine, CEO,  
Blink Fitness.

makes them feel over how it makes them look. Blink’s philosophy is exactly that — we’re creating inclusive, high-quality and affordable



“We leveraged tech to allow us to automate certain tasks — like using kiosks for members to manage memberships — that allow us to keep headcount low at our gyms,” says Thomas Flaherty.

spaces for everyone to work out in across the country. For example, our staff members are called Mood Lifters and our brand colors are scientifically proven to enhance mood.

**R&R:** According to you, Blink is growing “strategically and quickly.” This year, you’ve inked multi-unit deals in markets such as Nashville, Tennessee (6 units); Boston (10 units); and Sacramento, California (20 units). How many new gyms are expected to open in 2019? What is your growth forecast for 2020?

**Magazine:** The wind is at our back. We’re excited to be growing faster than ever and plan to open 25 to 30 this year in markets such as South Florida; Jacksonville, Florida; Houston; and Dallas and nearly 50 per year in the near future.

**R&R:** You have increased your franchise footprint by 50% this year. Tell me about your franchise model and what makes it attractive.

**Thomas Flaherty:** The fitness



**Thomas Flaherty,**  
President, Franchising,  
Blink Fitness.

industry continues to expand as consumers look for ways to live a healthy lifestyle. Blink Fitness is also a tech-centric organization and will continue to be focused

on technology and other innovations within our Blink locations and business. Our experience in company-owned Blink locations is also very important, showing that we are also operators and that we use our corporate locations to test initiatives before rolling them out to our franchisees.

**R&R:** Tell me about the low-labor business model from which Blink — and its operators — benefit.

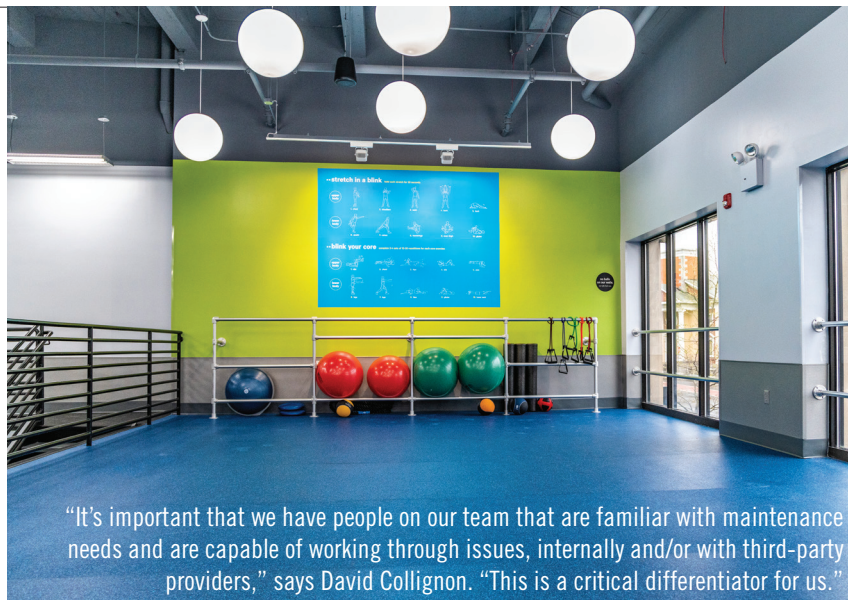
**Flaherty:** The value fitness segment was late to the game with integrating technology into the operation of the business. We identified this early on and leveraged tech to allow us to automate certain tasks — like using kiosks for members to manage memberships — that allow us to keep headcount low at our gyms. This is a huge differentiator for us as multi-unit groups seek out low-labor models as alternatives to restaurants, for example.

**R&R:** Is Blink on track to reach more than 300 gyms in the next 3 years?

**Flaherty:** We are well on our way and, with the enthusiasm of our existing and prospective franchisees, it's going to be a really fun journey, both in the U.S. and globally. Our focus will continue to be on growth, while we also focus on solid locations, one site at a time.

**R&R:** Target markets include Charlotte and Raleigh, North Carolina; Dallas-Fort Worth; Phoenix; Las Vegas; and Kansas City. What draws Blink to those markets?

**Flaherty:** These are energetic, fast-growing markets with consumers who are seeking high-quality, affordable fitness options. We're very



"It's important that we have people on our team that are familiar with maintenance needs and are capable of working through issues, internally and/or with third-party providers," says David Collignon. "This is a critical differentiator for us."



selective in the markets to which we expand, while part of being a nascent franchisor is the excitement of having so many "green-field" opportunities.

**R&R:** Please describe your typical prototype and what type of real estate you prefer to go into.

**Magazine:** Blink's standard approach is about 15,000 square feet in areas with daily needs and with great access and visibility.

**R&R:** Let's discuss the innovative technology used inside Blink gyms. How does it help customers and how does it help operators?

**Magazine:** We use technology to enhance the member experience and to simplify operations for our Mood Lifters. Some examples include the Blink app, which offers hundreds of workout videos, including HIIT, strength, yoga, stretching, Pilates and meditations, as well as nutrition advice and recipes. We have a towel vending machine in some locations that enables member access via the bar code on their phone or key fob. All of our equip-



ment has bar codes that enable us to quickly log repairs into our system and track the time it takes to get them fixed — the goal is 24 hours. We use a tech-enabled floor cleaner that dries as it cleans so there are no "Wet Floor" signs. All of this tech integration is the future of retail, and we're leading the charge in the fitness segment.

**R&R:** Describe how your maintenance department is organized. Do you handle maintenance in-house or outsource to third-party service providers?

**David Collignon:** To start, we have an 'everyone cleans' philosophy — no matter their level or position. If I'm in a gym working out, I'll clean if I see something that needs tidying up. This helps



**David Collignon,**  
SVP, Operations,  
Blink Fitness.

keep our gyms nice spaces peo-

ple enjoy working out in.

Repairs and maintenance are handled both in-house and with third-party providers. It's important that we have people on our team that are familiar with maintenance needs and are capable of working through issues, internally and/or with third-party providers, to keep our Blink locations running smoothly. This is a critical differentiator for us.

**R&R:** How do you handle a typical maintenance call?

**Collignon:** Calls are entered into our work order management system by our gym staff. From there, the work order is either routed directly to a vendor or sent to someone on our team to review and determine if a vendor is needed. If a vendor is dispatched, they will schedule their visit directly with the gym management. Our team monitors the work order and work with our service partners to resolve matters quickly. Once completed, the gym management can leave feedback, which is important as we are always looking for ways to optimize systems and processes.

**R&R:** Do you rely primarily on national vendors? Or a mixture of national and regional/local service providers?

**Collignon:** We use a mixture of both. We have a strong network of local and regional service providers and, as the company has grown into new markets around the country, we have expanded to national providers in some cases.

**R&R:** By what criteria do you choose your vendors?

**Collignon:** We focus on quality, consistency and cost and communication and transparency are also very important. Our vendors work well with our team and franchisees to perform their functions capably and quickly, with an eye on great customer service.

**R&R:** Does your company have any "green" initiatives in place or in the works?

**Collignon:** All of our newer gyms exclusively use LED lighting and

sustainable finishes are used wherever possible, including recycled rubber floors and low VOC paints. We're constantly evaluating areas for improvement here, as a forward-looking approach is part of our DNA.

**R&R:** What is unique about your FM department as compared to more traditional retailers?

**Collignon:** The space itself is used very differently from a retail space. Nearly any surface can become a place to stretch or work out on, so the level of contact — which leads to wear and tear — is much higher. Protecting our finishes with wall coverings or corner guards is very important. Also, because the space and the fitness equipment within it are the product we sell to our members, there are certain standards we can't let slip. The gym must always be clean, comfortable and inviting. This means issues with plumbing and mechanical systems always must be treated as urgent.



**R&R:** What do you enjoy most about your job on a daily basis?

**Flaherty:** I am in a continuous state of awe when it comes to the investment of time, energy and treasure that franchisees commit to their businesses, their teams and their communities. I am humbled by — and enjoy beyond description — the ability to assist franchisees in starting businesses with families, friends and partners, and to refine those businesses over time.

**R&R:** Future goals?

**Flaherty:** Future goals for my teams always include being students of servant leadership (I certainly am...), growing the business with integrity and striving for nothing short of excellence! Goals should include ways to continuously improve the business and self. One of my favorite quotes is: "There's always a better way for everything. Find it!" ■

## on the side: restaurant news

(continued from page 10)

### ROUND TABLE PIZZA OPENS FIRST REDESIGNED STORE AS PART OF PLANNED SYSTEM-WIDE UPDATES

**Sacramento, Calif.** — Round Table Pizza® has reopened its first location to undergo a complete redesign to embody Round Table's recently updated logo and brand identity: "Pizza Royalty." The Round Table store in Sacramento, Calif., is the first location in the 440-unit system to undergo a full renovation. Round Table's new store design draws inspiration from the past while offering new amenities that include a beer wall, signature round booths, game room and party room. These new features create an ideal venue for family outings, birthday parties, date nights and fantasy sports drafts. The refreshed store design was inspired by the brand's iconic black, white and red colors, and a silhouette of a knight's helmet featured in the new Round Table logo can be found throughout the updated store. The next two stores set to reopen post-renovation are also located in Northern California: Oakdale and Pittsburg.

### LARGEST ROOFTOP DECK OPENS ATOP CHICAGO'S NAVY PIER

**Chicago** — Offshore, a 52,300-square-

foot rooftop deck, has opened on the third floor of Chicago's Navy Pier. *The Guinness Book of World Records* has named the establishment "the world's largest rooftop deck." KOO, a Chicago-based architecture and commercial interior design firm, designed Offshore to allow guests experience a luxurious "cruise" for the price of a meal or drink. The deck includes a bar, kitchen, terraces, seven fire pits, an entertainment and gaming area and multiple gathering spaces. Culinary direction for Offshore is led by Executive Chef Michael Shrader. Modern American cuisine is served as small, shareable plates. Clay Livingston, formerly of Red Herring Lounge and Kitchen, curates the beverage program seasonally, with house made craft cocktails, wine, champagne and local craft beer. Offshore is a cornerstone of Navy Pier's Centennial Vision to reimagine and redevelop the 100-year-old destination. Given the Pier's humble beginnings as a shipping hub built on a wood pile foundation, Offshore's structural design was technically challenging. To accommodate imaginative features like the structure's soaring, barrel-vaulted roof, epic yet elegant 100-foot-long bar and mutable activity areas, KOO's architects put the gleam-

ing white structural system front and center, making it an eye-catching decorative feature. Its pioneering EFTE roof — layers of superlight inflated polymer — admits diffused light year-round. Coupled with glass window-walls that fold open, Offshore feels like an outside venue year-round.

Design highlights of the venue include: a sleek, airy 20,000-square-foot barrel-vaulted structure that pays homage to Navy Pier's landmarked 1916 design yet incorporates modern, state-of-the-art building technology; a translucent, superlight, air-filled ETFE roof that filters light and warmth in year-round and shaves off enough pounds for the structure to sit atop Navy Pier's Shelter Building; operable glass walls that open onto a 30,000-square-foot waterside rooftop deck with seven firepits; two sprawling outdoor lawns for games, events, lounging and dining; a 450-square-foot Y-shaped container garden to commemorate the three branches of the Chicago River; and subtle nautical details like boat-stitched banquettes, custom brass whistle-shaped light fixtures, captain's chairs, weathered metal and wood tables and a colorful "propeller wall" at Offshore's entrance.

### PIZZA HUT TO CLOSE 500 STORES OVER NEXT 24 MONTHS

**Louisville, Ky.** — Pizza Hut will close as many as 500 dine-in stores over the next 24 months as part of a broader strategy to bolster its delivery and carryout services, company executives said during the second-quarter earnings call. Pizza Hut, which is owned by Louisville, Ky.-based YUM! Brands, operates about 7,500 locations across the United States and 18,000 worldwide. In the United States, roughly 6,100 of the company's locations are dine-in restaurants. The remaining locations are express units, which feature limited menus and minimal to no in-store seating to prioritize delivery and takeout services. All shuttered stores will be dine-in locations. YUM! Brands owns Pizza Hut and several other restaurant chains, including KFC, Taco Bell and Wingstreet. Pizza Hut express units sometimes share building space with these concepts. All told, the restaurant group owns and operates about 43,500 restaurants across 135 countries and territories.