What's Happening In Retail?

I was having a discussion last week with a group of small business CEOs and we were talking about how their business is going today and they asked me to give some of my observations. I related to them that I scan a lot of business sources but the SCORE website is one of my favorites because they have a lot of business resource partners that provide a broad collection of articles and resources. I shared some of what I have seen recently.

Retail success is all about having the latest and greatest products. So, what’s trending in retail these days? To keep your store ringing up sales in 2017 and beyond, there are several that you should know about.

1. **Loyalty programs go high-tech**: Loyalty programs are a growing trend for retailers, says Bryan Pearson, president and CEO of [LoyaltyOne Inc](https://www.loyaltyone.com). No longer limited to old-fashioned paper punch cards, loyalty programs have gone digital, with sophisticated options available to even the smallest retailers. Beyond boosting customer loyalty and sales, most loyalty programs’ software includes a marketing component that makes it easy to develop offers tailored for customers based on their interests, demographics and past purchasing behavior.

2. **Social drives sales**: Social media continues to be an important motivator of retail sales, especially for younger consumers. Often, the purchase process starts by seeing a product on social media, especially on visual sites such as Instagram or Pinterest. Pearson suggests raising your social media profile by rewarding your customers for social behaviors. For example, you could hold a contest on social media and award a gift card to the winner; reward customers for checking in at your store or sharing your posts; or encourage customers to share photos of their purchases from your store. Enhance your social presence by advertising on social media, which enables you to directly target your specific customer base.

3. **Brick-and-mortar is back**: While brick-and-mortar retailers still face challenges competing with e-commerce giants, there’s a resurgence of interest in shopping in physical stores. Click-and-collect or "buy online, pick up in store" (BOPIS), in which customers purchase products online and have them shipped to a store for pickup, are growing in popularity—so if your store has an ecommerce component, be sure you offer this option.

4. **The rise of Generation Z**: In GfK’s 2016 FutureBuy study, Generation Z (born between early 1990s to mid-2000s) topped all other shopper age groups in the U.S. in their preference for shopping in physical stores. Immediacy, enjoyment and concerns about online data privacy are key factors in Gen Z’s preference for physical stores. As
this generation’s spending power grows, they’ll become even more important to retailers.

5. The retail experience: Americans of all ages are spending less on products and more on experiences, and this trend will continue in 2017, says Marshal Cohen, Chief Industry Analyst, Retail, at the NPD Group. To attract customers, shopping at your store needs to be fun, exciting and memorable. How can you create an "experience?" Interactive elements such as providing tablets to entertain shoppers’ kids, holding in-store events and contests and selling drinks or refreshments can all boost the entertainment value of your retail store. Or choose a location near theaters, restaurants and entertainment venues to piggyback off their “fun factor.”

6. Salespeople matter: Salespeople are a crucial differentiator between the in-store and online shopping experience. Some 83 percent of consumers in a LoyaltyOne survey say an "exceptional" salesperson gives a retail store an advantage over the competition, Pearson reports. Shoppers have a world of information about products at hand on their smartphones—and your salespeople need to be just as knowledgeable about what you sell so they can make suggestions and recommendations.

7. Time for technology: Smart retailers are taking advantage of the myriad technology tools available to even the smallest businesses. Provide your salespeople with mobile devices they can use to look up product information or inventory status. Speed up checkout by using tablets or smartphones to accept customer payments anywhere in the store. Use employee scheduling software to manage your store schedule and quickly alert employees about shift changes. All these tools and more are now affordable for small retailers, and they can give you a competitive edge.

8. The future looks bright: All in all, now is a good time to be a retailer. Aging baby boomers, young Millennials and affluent consumers alike are seeking a more personalized retail experience, says Pam Danziger, author of Shops That POP! That “will favor the special services and products that only local small businesses can provide.”

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Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
www.seminnesota.score.org/

*Dean is a volunteer SCORE Mentor and Regional Vice President for the North West Region