

5 Strategies to Keep Your Retail Brand From Suffering the Same Fate as Those Big Box Stores

How is it that we have come to live in a world where esteemed companies like Sears and Macy's, once synonymous with "retail," are closing countless locations just to stay in business, while Amazon, the pioneering patriarch of ecommerce, is spending money to open storefront shops?

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As Rick Gomez, CMO of Target told *Ad Age*, "The headlines are constantly talking about how retailers are shutting stores and on the verge of bankruptcy. There's going to be a lot of consolidation of winners and losers."

The question is, which side of the history books is your retail brand going to end up on?

The current physical retail environment may be far from simple, but there are several lessons retail brands can learn to help them flourish in this time of uncertainty when so many of their peers are becoming obsolete.

1. Use big data to give you a competitive advantage.

It's easy to forget now, but in the pre-digital days of doing business, personal customer data was often hard to come by.

Large companies spent enormous amounts of time and money on

market research, while smaller organizations lacked the resources to engage in reliable data collection on a regular basis. This is almost unfathomable today, in an age where personal data is overflowing from the Internet, and most customers are perfectly willing to share their information with retailers.

Still, here's the kicker: In exchange for this voluntary gift of data, customers expect that it will be used to enhance their purchasing experience. So, don't let them down. It's up to retailers to deliver on this promise by using the data in innovative ways.

Take retail giant Walmart: It cleverly leverages big data to optimize how it stocks store shelves and displays merchandise, to ensure that customers quickly find more of the products they want and discover items they'll love. Walmart's analysis of shopper behaviors and preferences also helps the retailer decide which products to discontinue selling, which lead to higher sales and which create better customer engagement.

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2. Give your customers experiences they can't get from ecommerce.

It's not hard to see why traditional retailers have been taking a beating from innovative ecommerce companies in recent years. Ecommerce offers unparalleled convenience, and often at lower price points than storefront retail, due to lower overhead costs.

However, it's a mistake to assume ecommerce will always beat out traditional retail because of these benefits: Convenience and the lowest price aren't always what consumers are looking for.

The success of numerous forward-thinking retail brands, in fact, has proven that many customers are willing to travel to physical stores and pay premium prices for unique and value-added experiences. Ulta Beauty is a great example of this. This beauty-products chain recently succeeded in shedding its reputation as a strip-mall artifact by reducing coupons and offering premium in-store salon services. The result? A 38 percent increase in stock price in 2016.

3. Integrate social media and the in-store experience

Since nearly every one of your customers is engaged with some social media platform these days, you can't afford to be absent on any of them. What's more, it's not enough to simply have a presence on various social channels: The most innovative retail companies are finding unique ways to relate their social relationship with customers to their in-store shopping experience.

An early example here was one encouraging users to "check in" at stores using location-based services on social media sites and offering incentives: special deals that could be unlocked only by going to the store.

And this effort didn't stop there: Some retailers are blurring the lines between physical and digital even further. Consider Fbox's Facebook "like" counter, which allows stores to display their social clout. A strategy like that can help smaller brands demonstrate social proof and attract the attention of newer customers.

4. Find creative ways to educate

consumers.

Today's retail consumers are more informed than ever about the products they're buying, and they've shown this knowledge to be an integral part of their purchasing experience. The more these customers know about the journey of the product they're considering – from its basic conception to its arrival on the showroom floor, the more confident they are that this item fits their value system.

Brands have the ability to deliver this information to consumers via the in-store experience. At Amerisleep stores, we've installed interactive displays that educate customers about the materials and technology used in our products. These displays also feature third-party, verified customer reviews to help shoppers make a more informed buying decision.

Other retailers, too, share tools that tell shoppers more about their brand and the stories behind their products. So, follow their lead: Take advantage of widespread new technology such as augmented reality to allow your customers to curate their own enhanced experience while they are on the premises.

5. Combine the convenience of online and offline shopping.

In an era when major retail stores are closing by the hundreds, Home Depot thrives because it blends its online and offline capabilities. Since many of the company's products are not adaptable to traditional ecommerce shipping, Home Depot has made it easy for customers to order via the website and pick up products in-store.

Conversely, store associates can order out-of-stock products from the mobile website in a matter of seconds. Home Depot realized that flexibility and service are what their customers

crave; and, in the process, the company has been able to avoid the fate many of its contemporaries.

In our sleep showrooms, customers get to experience our advanced bedding technologies in-person, but they always walk out of the store empty-handed, free to go about their day. That's because we ship all purchases direct to our customers' homes, at no extra charge, when they order in-store.

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This allows us to combine the immersive experience of offline shopping with the convenience of ecommerce because, just as happens when they experience an online order, they no longer have to worry about transporting their new purchase – in our case a big, heavy mattress – from our showroom to their front door.

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