

# How to overcome the perfect storm that hits physical stores

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Undoubtedly the constant of business and entrepreneurship will always be change; However, after many months of social isolation and home office (and those that are missing) a change that we entrepreneurs must bring very much in mind lies in how buying behavior will be brutally transformed; especially in shopping malls and **physical stores** .

A shopping plaza is designed so that through the “anchor” stores, they generate a flow of people to specialized stores, boutiques and services within shopping centers, until very recently to open your point of sale within a plaza ( *location, location, location* ) was a choice that predicted with relative certainty the chances of success in your business (especially for consumer issues).

Recently, the two large cinema chains in our country announced the permanent or temporary closure of many of their complexes. To give you an idea, the National Chamber of the Film Industry (CANACINE) reports that only between 38% and 53% of the available rooms are operating and the box office flow was reduced to 3.6%. And although this installment is not dedicated to my cinephile passion (I did go to the cinema in 2020, five or six times), its financial and operational suffering does lead me to wonder what will happen in the next few months in the big shopping centers.

Let's think about it together, when we go to the big shopping centers, the vast majority of the occasions we do it for three reasons: To go to an anchor store (department stores or supermarkets), to go to the cinema, casino or gym, or to go to a restaurant; indirectly and thanks to that visit we took the opportunity to go to a specialized store, or to do a daily procedure in your cellular company or simply a haircut, right?

But what happens to that large shopping center if the vast majority of stores have already been forced to expand their "omnichannel" strategy (sell through platforms or their own sites), cinemas are closing and restaurants are being able to operate with restricted hours and capacities? **The perfect storm for physical retail .**

That is precisely why my reflection in this article is dedicated to entrepreneurs who already have a store or a service within large shopping centers or for those who are considering it soon, in my opinion these are the main points of care for your business plan in the immediate future:

**1. Presence in digital media**, and I'm not just talking about advertising; I mean only presence. Today, more than ever, it is *VITAL* for any consumer or service business to be "hyperpublished", to have your business geolocated on Google or Apple Maps with contact numbers, hours of operation, etc. Have social profiles at least on Facebook, Instagram and LinkedIn. Super advisable to have WhatsApp or Telegram Business active and attended, etc.

*Today more than ever it is VITAL for any consumer or service business to be "hyperpublished" / Image: Depositphotos.com*

**2. Omnichannel strategy.** It sounds very sophisticated, but it is nothing more than being able to have alternate distribution

lines to your main channel. For example, a physical store, your **own home delivery services or through a platform such as Rappi or CornerShop** , have your application or sell in your own online store or through **platforms such as Amazon, Facebook or Mercado Libre**. In case your product was not for mass consumption or was a service, I recommend you consider *virtual show rooms* , online catalogs, 360 videos to mention some ideas. Specifically, the idea is that you must make alternatives available to your client that allow them NOT to visit you.

**3. Be unique.** Today more than ever your offer of value and differentiation is critical to your success. Before having a good price, at the right quality and in a strategic location was enough to succeed. Currently, these attributes are standard and the minimum expected, in other words if you do not have them or open your business. The value -from now on- has to do with these and other things such as: practicality, speed, that there is a shopping experience (for example the packaging of your product or the box you use for delivery makes a big difference ).

**4. Data mining** . It is important that you visualize the need to build, manage and exploit your customers' databases to return with them (buy-backs with promotions) or that you encourage them to get to know you (follow-up on contacts received). **Having a database of your customers and information about their behavior will** not only help you to sell more, but you will also be able to identify trends such as the days and hours when you need to have more staff available or simply locate other products to sell (expansion of briefcase).

**5. Business model.** Consider within your plan for the immediate future, other business models, some ideas for your business revolutions can be: monthly subscription models, prepaid or gift card, **create alternative distribution networks to the physical store (commission sellers)** or expansion of services (that are compatible with your core business) or you can also

revolutionize your marketing by seeking to advertise with local micro-influencers.

The perfect storm for physical retail is made even more complex by a factor that we still do not know will “mutate” in the coming months. This uncertain factor lies in how our customers will change their buying behavior, that is, that both our customer -when the much desired normality returns- he will also return to his daily consumption habits, will he visit you in your physical store? How empty will the shopping centers be? What products will they prefer to consume without contact? Will it be worth having smaller stores and consequently low operating costs?

These are questions to which *NO ONE* has an answer, but at least in my humble opinion, businesses that are not prepared to assume the premise that “the world will no longer be the same” will surely be much more exposed to extinction.

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