

RETAIL EVOLUTION

NOTES FROM THE FIELD

1/19

The year 2019 began with extensive analysis of last year's retail performance along with plenty of commentary and key priority recommendations for this fast-changing omnichannel environment. Although the results are still coming in, there's plenty to consider in terms of profitability, number/size of store locations, ratio of wholesale/online/retail distribution, customer shopping behaviors, and brand awareness, to name just a few.

The "retail correction" has been well underway for several years and will continue. The industry, like many others, has seen a record number of store and company closures resulting in thousands of employees being made redundant. The painful impact on communities, real estate, manufacturing, distribution, and other related participants has been significant. Despite the grim headlines, retail is far from dying—it's simply evolving. Combined with the online business (representing a 13% share), 2018 overall sales exceeded 2017 by an estimated 4.6%.

Despite the challenging environment, there are plenty of brands successfully growing their retail presence, all sharing sensible and modern approaches that contribute to a meaningful store visit, profitability, and growth. My recent visits to Warby Parker, Rent the Runway, The Real Real, Shakespeare & Co., Glossier, and KITH confirmed this fact. The common elements are straightforward, sensible, and well suited to meet and often exceed consumers' expectations. These include:

- A clear, well-defined brand
- Seamless online integration
- A friendly, knowledgeable, and efficient team that is welcoming and values your time
- A proportioned and well-laid-out physical space relative to the product or service
- Understandable visual merchandising and signage
- Carefully thought-out product/service assortment and pricing
- Amenities that enhance and lengthen the visit experience (cafes, stylists, events, etc.)
- Innovative and sensible policies (returns, shipping, etc.)
- Smart use of technology (customer files, checkout, returns, etc.)
- Meaningful relationship building through in-store behaviors and ongoing engagement
- Well-placed store locations

These critical elements underline the fact that when you are connecting with your customer who has chosen to personally visit your store, or website for that matter, you want to make sure the stage is set without compromise. Regardless of the size of the stage, aim to provide an experience that will be social, inspire, build loyalty, and drive referrals as well. Retail is alive and well, just evolving with a concert of refreshed approaches.

Warby Parker

www.warbyparker.com

Forbes, 3/23/16, "What's Behind Warby Parker's Success?"

<https://www.forbes.com/sites/stevedenning/2016/03/23/whats-behind-warby-parkers-success/#1597363b411a>

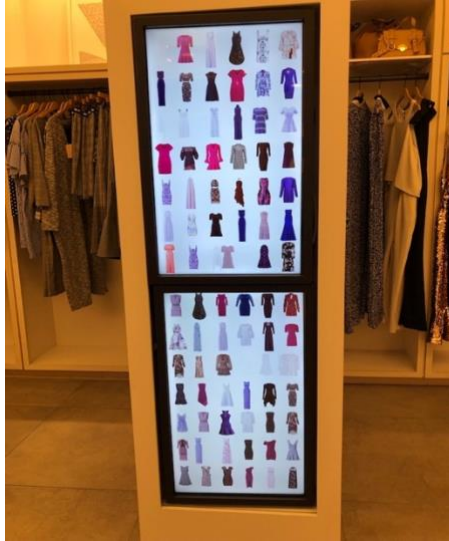
Rent the Runway

www.renttherunway.com

New Yorker, 10/22/18, "Rent the Runway Wants to Lend You Your Look"

<http://nyer.cm/DhF5mCE>





The Real Real

www.therealreal.com

New York Times, 1/23/19, "Tycoon of the Pre-Owned"

<https://www.nytimes.com/2019/01/23/style/the-real-real.html>

Shakespeare & Co.

www.shakespeare&co.com

New York Times, 3/13/18, "Shakespeare and Company is Coming Back to the West Side and the Village"

<https://www.nytimes.com/2018/03/13/books/shakespeare-and-company-is-coming-back-to-the-west-side-and-the-village.html>





Glossier

www.glossier.com

Forbes, 11/5/18, "Glossier to Open New Flagship Store in New York"

<https://www.forbes.com/sites/christopherwalton/2018/11/05/glossier-to-open-new-flagship-store-in-new-york-this-week/#2acdb5e6295b>

KITH

www.kith.com

New York Times, 11/25/17, "Kith's Ronnie Fieg Knows Exactly What You Want"

<https://www.nytimes.com/2017/11/25/style/kith-ronnie-fieg-nike-lebron-james.html>