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Retail & Business

Retail Trends in The Current Scenario and Going Forward: Why The Same Approach Cannot Work an All Prospective Buyers and Retail Targeted Segments

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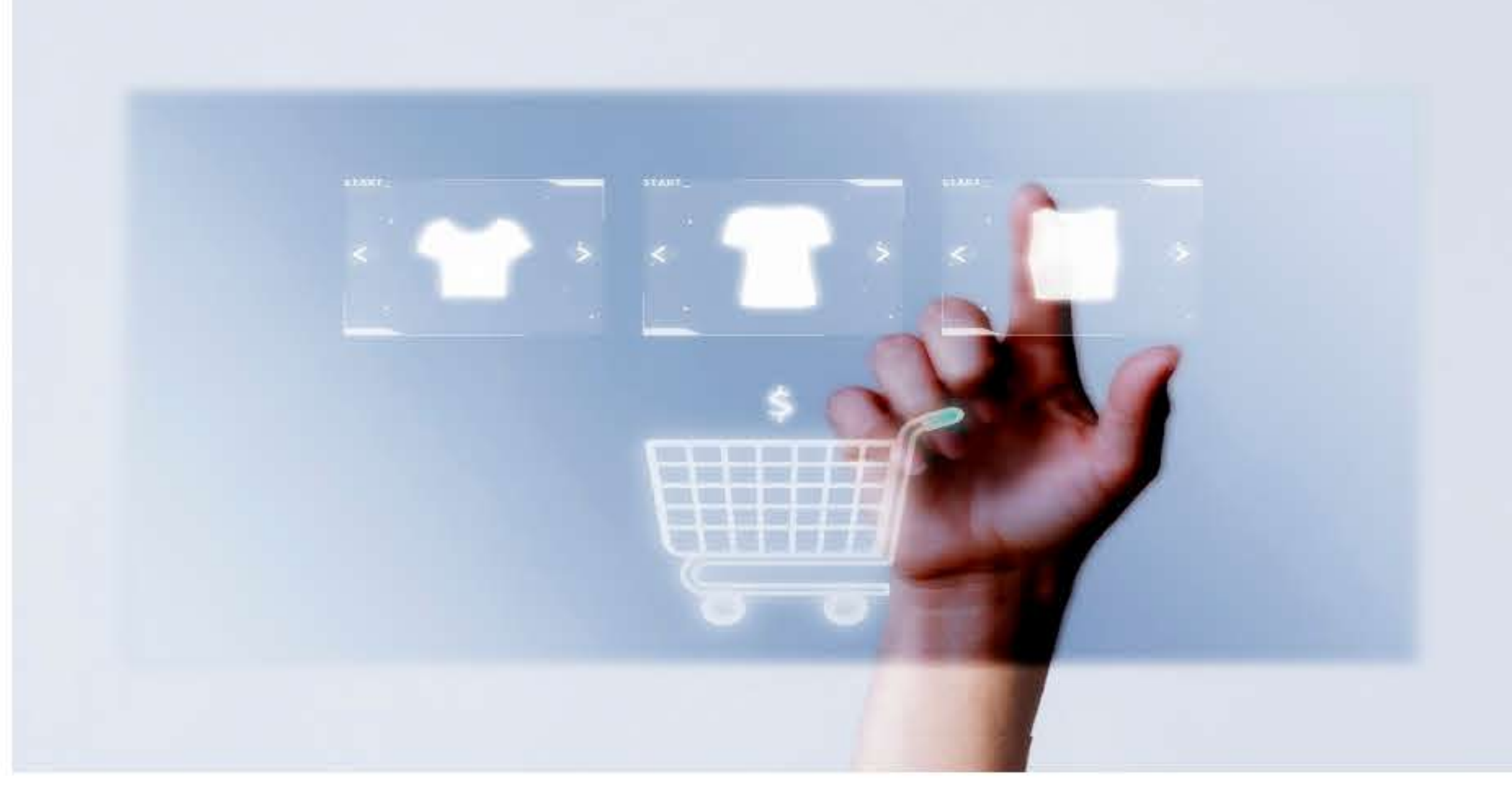
The retail industry and global economy are entering an era of hope but uncertainty. Efforts have been made to return to 'normal' while countries struggle to recover from the COVID-19 pandemic. What will normal look like now that so many customers have had to accept digital communication, remote services, and mobile technology at unprecedented levels?

According to a McKinsey report, retail was the business with the highest rate of consumer digital adoption, with online clothing purchases up 40 percent and online grocery purchases up 100 percent. The digital genie is already out of the bottle; therefore, the question is not if or when retail companies should invest in new technology, but rather, what is the best course of action? Increasing prices, escalating inflation, and supply disruptions further exacerbate the situation, compelling retailers to be more adaptable with their pricing, promotional decisions, and order fulfillment techniques.

To assist you in navigating this uncertainty and making strategic decisions about what to prioritize, let's take a look at the retail trends that are shaping up to be the most significant in the current scenario and going forward:

- **Brick-and-mortar sales recover, but eCommerce rules:**

After a year of shopping online, customers desire to return to brick-and-mortar establishments. In 2021, despite being robust, eCommerce sales decreased from 31.8 to 14.2 percent, which was even lower than brick-and-mortar sales volumes, which reached 18.2 percent.

As the global number of COVID-19 cases continues to drop, it is likely that brick-and-mortar retail sales will continue to rise; nonetheless, it is unlikely that they will ever reach their pre-2020 levels. The fundamental reason for this is that people have grown accustomed to and, in many cases, actively prefer online purchasing.

As a result, an increasing number of retailers are transforming their physical stores into a combination of fulfillment hubs for online orders and customer experience centers. What is the story's moral? ECommerce will continue to pave the way and be a primary emphasis through 2023 and beyond, although digital adoption has not yet entirely replaced the in-store experience. Increasing numbers of individuals are discovering that the consumer journey is not limited to a single encounter, necessitating a balanced approach from retail venues.

- **Retail is being reshaped by hybrid experiences:**

Retailers are redesigning omnichannel consumer journeys and creating unique, memorable shopping experiences that combine digital and physical elements. Brick-and-mortar stores are evolving into experience hubs and have developed inventive ways to promote word-of-mouth marketing and create unique experiences, from event spaces holding art installations, workshops, augmented reality (AR), interactive kiosks, digital displays with touchscreens, and in-store apps and concerts inspire creative storage ideas with curated items and services.

- **Gen Z and Millennials Are Digitally Aware Customers:**

With each passing year, millennials and Gen Z account for a greater proportion of local and international consumer demand. Both generations are used to digital services and instant ease, unlike Gen X and Baby Boomers. Younger shoppers transitioned to internet shopping faster during the pandemic and are comfortable with online consumption financing.

Whilst digital technology is important, Millennials and Gen Z shop according to their values. Gen Zers, especially, will pressure brands to act on issues like climate change, racial equality, and accessible education and praise those who do. Younger customers are increasingly critical of businesses and more likely to research before buying; therefore, brands must show their commitment to social causes.

- **Customization Shines Throughout the Customer Journey:**

New technologies provide customers with more control over on-demand personalization, which is spreading to all retail areas. Most retail companies now give changing product recommendations, filter emails that eliminate previously purchased things, and extensive profiling systems that allow customers to define their identity, create custom designs, and connect with the business. Ultra-personal touches engage clients emotionally and increase brand loyalty.

Retailers who can't achieve hyper-personalization shouldn't worry: shoppers have strong opinions on personalization but realistic expectations. Consider convenience, customization, efficiency, and experience when implementing customization into your retail approach.

- **Customer experiences must be effortless:**

It's not breaking into eCommerce that's hard; making sure customers can easily switch between online and offline channels To accomplish this, retailers must invest in a customer experience management platform that allows them to:

1. Understand customer behavior and chart customer journeys by getting a 360-degree perspective of shoppers across all channels and interactions.
2. Consistent branding and customer service throughout a retailer's website, mobile app, and in-store sales associates
3. Get real-time inventory insight, precise demand projections, and automated replenishment to guarantee the right products are in the right location at the right time
4. Provide flexible fulfillment with full order status and location information.
5. Provide a variety of payment methods, such as BNPL, mobile wallets, and loyalty program points, so that clients can choose their preferred payment method.
6. Companies Rethink Workforce Empowerment: Retail employee empowerment is used to focus on improving customer service. While it's still significant, retailers are experiencing a "Great Resignation," with government data revealing that 4.3 million workers quit their jobs in January 2022.

The Pew Research Center found that workers left for several reasons, including low income, lack of advancement, disrespect at work, childcare concerns, inflexible scheduling, and insufficient benefits.

In light of this information and shifting attitudes regarding work, retailers must rethink employee empowerment to combine boosting headcount with creating healthier, happier workplaces. This new strategy requires organizations to deliberately use technology to simplify employees' jobs.

Retailers can't just install new technology and expect employees to use it. All systems—from customer relationship management software to inventory management platforms—must be human-centric to be user-friendly, accessible, and meet employees' and customers' demands. Retailers should get employee feedback and cooperate with an experienced solutions supplier with design knowledge to install new systems.

- **7. The social community contains social business:**

The online community space is expanding into new channels and expanding in size. Creating online spaces and bespoke applications for consumers to communicate and advocate is just the beginning for brands. By using your products to promote their own businesses and channels, consumers become "prosumers." When more customers assume the role of influencers, consider the following:

Gen Z influencers have expanded. Customers in their 40s, 50s, and 60s are also creating brands. This allows for all kinds of products.

Tiktok, Pinterest, Instagram, Facebook, Spotify, etc. can debate, review, and promote products.

Live streaming will be a great tool for building communities in 2021.

Amazon Live Creator and Instagram Live Shopping will capitalize on this trend.

The metaverse will likely lead more shops to increase their offerings through digital marketplaces.

For the foreseeable future, 'shoppable media' including live broadcasts, social commerce, virtual consultations, and shoppable ad formats—will be the fastest-growing advertising sector.

- **Plan for Third-Party Cookie End:**

Google has announced that Chrome will phase out support for third-party cookies by the end of 2023; Safari and Firefox are adopting similar measures. Companies can still employ first-party cookies, but third-party cookies will be deprecated, making it harder to trace customers' online behavior and the sites they frequent. Businesses will have fewer data to target ads and evaluate success.

With third-party cookies going away, more companies will build consumer data platforms and use first-party data to customize content. Retailers who select this option must examine ethical data sourcing and create solid, easy-to-understand privacy policies.

- **Retailers Address Global Supply Chain Disruption:**

Retailers learned from the COVID-19 pandemic that global supply chains can be disrupted. Two years later, several nations are still adjusting travel export limitations, and retailers and customers still remember empty shelves.

In 2023 and beyond, enterprises will continue to adjust by storing vital inventory, diversifying supply chains, and manufacturing closer to consumers.

Retailers will multisource or near-source products to make their supply chains more resilient, Assess freight and carrier expenses to improve efficiency, Work with a freight forwarder to find ways to keep shipments moving, Evaluate which inventory they employ for eCommerce, brick-and-mortar locations, or both, Try different business concepts in retail spaces, including dark stores, ghost kitchens, micro-fulfillment facilities, and distribution centers.

- **BOPIS, BOPAC, and BORIS last:**

Buy online, pick up in-store (BOPIS), buy online, pick up at curbside (BOPAC), and buy online, return in-store (BORIS) have become part of the retail experience to make COVID-19 buying safer. Retailers must redesign their BOPIC, BOPAC, and BORIS strategies to keep customers happy without causing logistical problems.

The rise of contactless payments and autonomous shopping:

Contactless payments and autonomous shopping have become permanent features of the retail environment.

Autonomous shopping extends the concept of contactless by employing artificial intelligence to create cashier-less stores where customers can just scan their phones to enter, select the things they need, and depart, with the money they owe instantly deducted from their bank accounts.

- **Sustainability Is a Priority for Customers:**

Retail buyers today prioritize sustainability. Socially conscious shoppers are voting with their wallets for eco-friendly products developed from renewable resources with low environmental impact and ethically made and sourced things from companies with fair salaries and labor policies.

Retailers who embrace sustainability can increase income, and several industry and advocacy groups offer advice on how to do so.

In their zeal to profit from this trend, businesses must avoid "greenwashing," which involves making consumers believe that their items are more eco-friendly than they actually are.

In fact, doing so can alienate consumers.

- **Data-driven decisions are more crucial:**

Massive upheavals, such as the pandemic, cannot be predicted, which is by far the most important lesson of our current era.

Real-time data across all channels is the only way to know what's best for your retail business. Data should be shared across your business. Trends can indicate a direction, but unanticipated occurrences will always produce seismic shifts across all industries.

The only way to determine with certainty the optimal course of action for your retail business is to utilize real-time data across all accessible channels. All components of your commercial enterprise must have equal access to the same data. Dismantle those silos and improve communication between channels and departments.

Obtaining a clear understanding of who your customers are, what they want, and how to best give it to them begins with organizing your data infrastructure for a more consistent and comprehensive perspective.

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