10 Trends for 2014 in 2 Minutes

Trend Video
Retail is America's Small Business

95% of retail companies operate in just one location
Retail is Driving The Economy

The nation's largest private sector employer, supporting 1 in 4 American jobs

Thank you for shopping with us!
STATE OF CONFUSION
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<td>Physical Dimension</td>
<td>Emotional Dimension</td>
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Rethinking Retailing...

We’ve been here before but....

where do we go from here???
Change is Accelerating...
1. Think differently
2. Try new things
3. Refine & reiterate
A new breed of consumer is emerging and they’re changing the very foundation of business…
Consumer Expectations of Every Interaction

looks INSPIRE new
emotional connection surprise styles
assist DISCOVER
ENGAGE inspiration products
facilitate DELIGHT ideas
A New Kind of Consumer

OLD CONSUMERS VS. NEW CONSUMERS

Lowest price

Waiting for solutions

Asks, “What’s in it for me?”

Seeking more stuff

Trusts marketing messages on front of the box

Passive recipient of brand communications

Total value

Creating their own solutions

Asks, “What’s in it for we?”

Seeking meaningful experiences

Looks at ingredients on back of the box

Active co-creators of content, products and experiences

©2011 BBMG
Mature
- Birth Year: 1925-1945  Population: 40,300,00
- Cautious, less likely to take risks, loyal patriotic, rule makers/followers

Baby Boomers
- Birth Year: 1946-1964  Population: 81,500,000
- Economically optimistic, idealistic, individualistic, prefer achievement over relations, competitive

Gen. X
- Birth Year: 1965-1976  Population: 61,000,000
- Individualistic, technologically adept, flexible, Value work and life balance

Millennial
- Birth Year: 1977-2000  Population: 86,000,000
- Technology reliant, image-driven, multi-tasking, open to change, confident, team-oriented, information rich, impatient, adaptable
Generation Z
Generational Shifts

- **Silent/Matures** - This segment limits spending and is interested in value and freebies.

- **Baby Boomer** - Travel is a priority for retirees and they seek luxury, comfort, & fulfillment.

- **Generation X** - Is entering the “peak” earning years and more apt to travel.

- **Generation Y** - This segment is traveling more often, and travels to more expensive places. They use technology to plan trips and enrich the experience.

- **M Generation** - This generation has grown up with technology such as cell phones, texting, etc. They crave reinvented travel.
Why Trends?

Stay ahead of the curve
Social Media is too BIG to FAIL
Social Media Icons
You like numbers?

- **Facebook**: 1.3 billion monthly active users
- **Twitter**: 271 million monthly active users
- **Youtube**: 1 billion users visit Youtube each month
- **Google+**: 500 Million active users
- **Pinterest**: 70 Million active users
- **Instagram**: 200 Million active users
- **Etsy**: Over 40 Million members
Retail will change more in the next five years than it has in the last 50 years—and faster than any of us can imagine...

- Social Media: 3.5 years
- Broadband Internet: 10 years
- Mobile: 15 years
- Television: 28 years
- Radio: 31 years

Chart is from “Who are the Millennial shoppers?” from Outlook 2013, No.2, Accenture Publication
Asking for Advice

Even in the digital age, face-to-face communication is still the go-to method for finding advice on a product before making a purchase.

- Millennials are most likely to ask advice through a text (42%)—and the least likely of all other age groups to ask someone product questions in an email (20.9%)
- Gen Xers are more than comfortable on the computer and the most likely group to be asking
- Boomers and Silents are likely to be looking to the people they know for advice—through phone calls from home, emails, and face-to-face communication
Future of Online Promotions

US Local & National Online Promotions
2006 – 2014, in $ Billions

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Source: Borrell Associates Q4, 2010, US Totals, in billions
Made in the USA

Stay Warm With Blankets Made in USA
MEMBER
LIBA
LOUISVILLE INDEPENDENT BUSINESS ALLIANCE

BUY LOCAL FIRST

keep Louisville weird.
KEEP CALM AND BUY LOCAL
Be a Local Lover

EAT DRINK & BUY LOCAL

Express your undying LOVE for LOCAL and visit your local independently-owned stores on VALENTINE’S DAY and beyond.

By shopping local, you:
- Put more dollars back into your community
- Create and preserve local jobs
- Preserve what makes your neighborhood unique

Go to www.eatdrinkbuylocal.org to learn more.
Farmers Markets
Was that a 7-11?
Micro & Local Brands
Local Brand Sweetwaters Coffee & Tea
Ann Arbor, MI
Where Natural means something

www.wholefoodsmarket.com
Virtual Supermarkets

YOUR NEAREST SUPERMARKET IS OVER ONE MILE AWAY.

A food desert is a neighborhood without access to affordable, healthy food options. YOU LIVE IN A FOOD DESERT.

An unhealthy diet is strongly linked to obesity, heart disease, and diabetes. How can you be expected to eat healthy without access to fresh food?

GET YOUR GROCERIES DELIVERED TO YOUR LIBRARY.

Ordering groceries from Santoni’s Supermarket at the Orleans Branch Enoch Pratt Library is convenient. Delivery to the library is free. Pay with cash, credit, debit, or EBT/food stamps.

Order every Wednesday, 11 AM – 3 PM  
Pick-up every Thursday, 1 PM – 2 PM
roxy -
ROXY We bring inspiration to girls to dream big and have fun in and out of the water.
#ROXYpro http://bit.ly/1guIeKg
CONSCIOUS
CAPITALISM
Conscious Capitalism

Higher Purpose

Stakeholder Orientation

Conscious Culture

Conscious Leadership
Examples of Cause Related Marketing Campaigns

- Toms: One for One
- Dress for Success
- Saint Louis Bread Co.
- KFC: Buckets for the Cure
- Toms: 30K in 30 Days

Help Toms give 30,000 pairs of shoes to children in Ethiopia.
PINKSTYLE
WE ARE STRONGER TOGETHER
SHOP, SAVE AND HELP THE FIGHT.
SEPTEMBER 15 - OCTOBER 25

25% OFF A SINGLE ITEM

$5 SAVINGS PACK
Purchase a PinkSTYLE Savings Pack for $5 at Shopper Terrace and receive five 25% off a single item from PinkSTYLE stores.

PACK OF (5) 25% OFF CARDS

$10 UNLIMITED MOBILE PASS
Scan the QR code or visit TangerPinkStyle.com to purchase a $10 Mobile PinkSTYLE Savings Pass for unlimited use of 25% savings on a single item at participating stores. One use per store per day through October 25.

PURCHASE AT SHOPPER SERVICES

Tanger Outlets
Co-DONATE

For every pair you purchase, TOMS will give a pair of shoes to a child in need.
One for One.

TOMS Shoes– One for One
World Class Companies profiting from Passion and Purpose
RETAIL TRENDING

BIG TO SMALL
More Space

More Sales
RETAIL WATCH LIST
Even the strong may not survive...
The Grove, Los Angeles
La Gran Plaza
Town Center
Downtown
Downtown
24-hour sugar fix
Eat Pie and Love Life
-Linda-
The mobile device is now an “Everything Hub” & businesses will need to adapt to BYOD culture.
I Google, I check, I know
THE GLOBAL BRAIN

A truly global explosion of talent
Utilizing the Mobile Market

• **84%** of smartphone shoppers use their phone while in a store

• **41%** of shoppers check competitors' prices on their smartphones.

• Shoppers using mobile devices in the store are **6%** more likely to make a purchase

• **94%** of smartphone users look for local information on their phone

• **70%** of searchers will visit a local business after a search
Anywhere, Any-way Shopping
Digital Gift Cards

$75 eGift Card for Williams-Sonoma

Aunt Heidi:
Thanks for always being there!

Love, Aidan
Screened Interactions

As more screens become interactive we’ll see screens infiltrating restaurant and retail experiences.
Digital Storefronts
Showrooming

1. Go to the store
2. Feel and try the product
3. Compare price and buy on-line
4. Transfer profit
Products Researched Online Before Buying In Stores

Prosper Insights Media Behaviors and Influence Study
The National Retail Federation and KPMG
Augmented Reality
In March, one of our staff designers enhanced the reality of his Washington, D.C., neighborhood. Smart phone applications (apps) added layers of information to what he saw—called out in this composite of five photos, each taken with his phone.

UP AND AWAY: Point your phone at the sky and find stars hidden by daylight. Aim at a tourist spot and see its history plus info for visitors. For an augmented-reality check, tap into crime stats.

REAL DEALS: Various apps can steer you to the cheapest gas around, mass-transit options, good food, and Wi-Fi spots. You can also learn the price of that town house that’s up for sale.

STREET PALS: The Tweeps Around app tells if tweeters are near. Flickr displays area photos by members (Eastern Market, above). In the works: an app to match faces to social-network profiles.
Mobile Dining

Serving fresh dishes in small cities

Using social media to alert people of their location
Delivers fresh local produce to residents of its properties in NY every week
Pop-Up Shop
quirky
Birchbox
Artspace
JOOR
BaubleBar

Born from late nights, big dreams, and lots of coffee. A mix of young New York-based companies present their stories, forged from innovation and crafted in fun.

December 1 - January 12
A TREASURE CHEST OF HANDMADE GIFTS ON
GOVERNORS ISLAND

The [NewNow] turns its eye for fresh designs just off the coast of Manhattan this summer!

FRIDAYS THROUGH SUNDAYS
JUNE 5 THROUGH SEPT 5 2010

Handmade Treasures

Come 29!

Etsy
Reebok’s Pop-Up Stores
A Mini In The Mail
According to recent study conducted by UPS and comScore they asked 5,800 consumers about their online shopping experience:

- 83% overall satisfaction with online shopping
- 62% have returned/exchanged items bought online vs. 51% in 2012
- Overall consumers want more options in searching for items, enhanced security, & alternate delivery locations
Outside the Four Walls of Retail

Zappos.com
overstock.com
amazon.com
ebay.com
Looking for something? **Ask Zappos** will find it, for free, from any store.

All we need is a photo

- **Text** Text a photo to 91887†
- **Email** Email a photo to ask@zappos.com
- **On Instagram** On Instagram, add #AskZappos to your photo
- **Upload** Upload a photo here

**Frequently Asked Questions**
From where we are vs. where we are now

**From:**
- Needing Stuff
- Individual
- Conformity
- New
- Quantity
- Buying
- Owning

**To:**
- Demanding experiences
- Community
- Customization
- New & now
- Quality
- Creating
- Using/borrowing/renting
While technology has enabled stronger social connections, technology has also made us more disconnected than ever. As a response, brands are creating more localized (differentiated) experiences for face-to-face interactions.
Think globally, act locally

Brand’s are evolving the environmental movement's phrase and applying it to their retail model.
In our time starved days, who doesn’t want convenience and the ability to move through the day with ease and effortless?
Time is the New Currency
Store Hours
Ten Reasons Why Retailers Should Stay Open Later

1. The number 1 activity of visitors, in the world is shopping, dining, & entertainment in a pedestrian friendly setting. This is where 80% of all non-lodging visitor spending takes place.

2. 75% of ALL retail purchases in the U.S. takes place between 4:00pm and midnight.

3. 70% of all consumer retail spending (brick & mortar stores) take place after 6:00pm.

4. Research shows that if you extend your operations, by two hours, the average retailer works 20% less.

5. Profits from extended hours will exceed increased expenses by a minimum of 16%.

Study Conducted By: Roger Brooks International
6. Your expenses are fixed and do not stop when the doors close. This includes rent, insurance, inventory, advertising, utilities, supplies, & loans. All are 24 hour a day expenses.

7. Extended hours combat out-shopping, also referred to as “leakage”. This is one of the biggest killers of any great downtown. “Shop Local” programs ONLY work if you are open during convenient hours! This includes after work hours or even after dinner hours.

8. You reduce “leakage” and increase local tax revenues, and that provides the community with tax base used to provide other services and amenities increasing the quality of life locally.

9. Visitors spend the night when there are things to do after 6pm.

10. It makes you a more desirable place to live, work, play, and invest in especially if you want to attract young workers or families that want something to do in evening hours.
Every year hundreds of downtowns are getting the message and keeping their retail shops, restaurants, and activities open well into the evening hours—even if it is only a day or two a week to start.
Experiential Retailing
The reality of retail profitability
Optimism Shines On Holiday Sales

- According to the NRF (National Retail Federation) holiday retail sales are projected to increase 4.1%.
- 44% of shoppers plan to shop online.
  *Of all retail sales only 6.4% are online.
- 55.7% of shoppers will use their smartphone to either research, redeem coupons, or make a purchase.
2014 Holiday Sales Forecast for November & December

- **$616.9 Billion**
  - Total sales
- **4.1%**
  - Increase over 2013
- **8-11%**
  - Online sales growth

nrf.com/holidays
A grim reality... acts of shoplifting are financially crippling retailers today.
Shrinkage cost the retail industry $34.5 billion last year (1.41% of total retail industry sales)

4 Main Reasons of Shrinkage

- Employee Theft: 43.9%
- Administrative Error: 12.1%
- Shoplifting: 35.7%
- Vendor Fraud: 5.0%

Dr. Richard Hollinger, June 2012
1 out of 11 Americans Shoplift
Thought for the day:

Service or Shrinkage?

Your Choice... Shrink your Shrink with Outstanding Customer Service
FOR RETAILERS TO BE SUCCESSFUL...

They must...

- Accept responsibility
- Challenge ALL their assumptions
- Ask the HARD questions
- Lead & Listen to the market
- Take care of their staff
- Align Value with Values
- See challenges as opportunities
Positioning for Success

If the customer PERCEIVES it, it is TRUE.

If you want to play, it's a whole new game.

Re-Shape
Re-Think
Re-Gear

Innovate OR Evaporate

DIFFERENTIATE-OR-DIE
CREATING MEMORIES
The Ultimate Customer Experience
“We’ve now entered an area in advertising where the most sustainable competitive advantage is the knowledge of engagement with our customers.”
Make ‘Em Laugh

It's not complicated. Faster is better. And AT&T is the nation's fastest 4G LTE network for your iPhone 5.
Define your vision
“Life is a journey—Travel is motivated by the desire to explore, discover, and enrich. This longing still drives people to travel and also drives retail!”

Let’s explore!

Current trends in the travel tourism industry that are similar to retail

- **Time poverty**: more to do + less time to do it – affects every travel segment and retail

- **Fragile consumer confidence**: affects travel and retail decisions

- **Soaring fuel costs**: affecting every aspect of travel and thus affecting retail locally, nationally, and as an industry

Information Provided By: Current Trends in Global Tourism Industry: Evidence from U.S. NeJet Delener
Powerful Travel Trends

- Continued growth of traveler frustration-high costs & poor service results in loss (sounds so familiar in the retail world)

- Internet is the #1 source of travel planning and purchasing. However, the consumer is becoming the medium for travel information via “social media” and networking sites. Internet retail sales growth is continuing to be very strong.

- Business travel- slight growth & vigilant cost containment parallels with retail business trends

- Geotorusim- “Tourism that sustains or enhances the geographical character of a place being visited”. This can also be seen in retail with many sustainable trends

These trends lure distant generational preferences and affect retail!
1. **Impact of Millennials**
   - Interested in visiting urban areas rather than resort destinations
   - Travel in pursuit of favorite activities or interests
   - Travel with friends or organized groups

2. **Seniors are unstoppable**
   - "Unstoppable elders" comprise 1.3 - 1.6 billion people worldwide
   - Customer service is top priority
   - They are the wealthiest group and most demanding travel segment
   - They travel for rest & relaxation and prefer quiet and less congested areas.

3. **Rise of conspicuous leisure**
   - "Signaling of social status through consumption of experience rather than consumer goods"
   - Top goods/experiences wanted are smartphones, owning a vacation home, work from home, take vacation to exotic places, & extended time off work
4. Growth of “creative tourism”
- This is “directed toward an engaged and authentic experience. It is travel that provides a connection with those who reside in the destination”
- This tourist interacts with the locals

5. Strength of luxury travel
- The number of affluent U.S. households in 2012 was 10.5 million and this number is projected to increase to 20.5 million by the year 2020
- U.S., Japan, & Europe travel visitors will dominate the luxury market until 2020

6. More multigenerational travel
- There will be more “family” travel that will be centered around milestone events
- This is about “trading memories, convenience, & value”
“The door of opportunity won’t open unless you do some pushing.”

-Will Rogers-
What will we do next?