

Think Tank: This Will Be Retail's Breakthrough Year

Vic Bageria, chief executive officer and chief visionary officer of Xpandretail powered by Sávant Data System LLC, discusses.

By [Vic Bageria](#) on January 11, 2018




📷 Vic Bageria, chief executive offer and chief visionary officer at Xpandretail. Courtesy of Xpandretail

This new year is bringing about many trends — both on and off-line in retailing and marketing. This is resulting in a real risk of trying to be everything for everyone — or just getting it all wrong. A few trends seem to have become even more important to connecting with the consumer.

Social commerce is growing rapidly and influencers in particular are taking a bigger and bigger role in showing products to their followers. Many retailers still have quite a bit of room for improvement — this includes employee attitudes, but also messy store environments, poorly stocked shelves and long

ESSENTIALIST
— TODAY'S MUST READ —



[Fast Retailing's Profit Grows 12.7% in Q1](#)

A red rectangular graphic with white text. At the top, it says "ESSENTIALIST" in a serif font, followed by "— TODAY'S MUST READ —" in a smaller sans-serif font. Below this is a photograph of a Uniqlo store exterior with the brand's logo visible. At the bottom, there is a link: "Fast Retailing's Profit Grows 12.7% in Q1".

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A graphic with a red "T/W" logo at the top. Below it is a photograph of three men standing outdoors, dressed in formal suits. The man in the center is wearing a light-colored suit, while the two men on either side are wearing darker suits. At the bottom, there is a link: "They Are Wearing: Pitti Uomo 93".

checkout lines. All this certainly does not contribute to making a visit to the store a positive experience, but that is exactly what it has to be in order to pursue a credible multichannel strategy.

Brand content is becoming today's way of connecting with the consumer. As the Millennials want transparency on brand values and to know whether value statements can be trusted. We are seeing digital redefining the meaning of how products send the message to the consumer. A growing number of companies will be faced with an existential issue because the lines between physical assets and products and a complete new solution for customers through devices and information are blurring.

Today, companies have yet to understand that the digital landscape is sweeping their old competitive advantages away. Although you might make good profits on traditional products, but there is an urgent need to define what you want to sell to your customers.

Companies will also need to think differently about how to develop and introduce products. Old-school thinking requiring months or even years of prior customer research, design and testing is becoming obsolete. Investment will be increasingly channeled toward personalized services rather than elegant hardware design. Companies will be required to collect vast amounts of consumer and user data in order to provide the best value-added service and not product features alone. So, the entire innovation system of most companies will be challenged and one needs a team that can merge traditional strength and speedy market response.

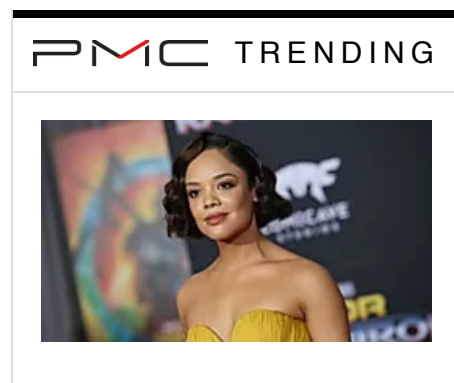
Market research shows that consumers require an increasingly seamless shopping experience, and over the coming months, a series of innovations looks set to radically change consumer habits again. For example, Barclaycard developed an app that will drastically reduce supermarket queues by allowing shoppers to charge in-store purchases to their mobile phone. The smartphone app automatically charges items to a credit card by the shopper scanning the items using the phone's camera — without having to pay at a checkout. Dubbed "Grab and Go," it will allow shoppers to walk into a store, scan each item in their basket with the phone, and simply leave, without having to queue for a cashier.



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The prediction game gets increasingly dicey in an era of [retail](#) revolution. Consider that the most important [retail](#) event of 2017 — Amazon’s purchase of Whole Foods — wasn’t predicted by anyone. Today we know that in 2018 anything is possible; it’s hard to imagine any merger or acquisition that would be equally shocking now. The e-commerce revolution is under way.

And stores are not dead; in fact, they are anything but. The resurgence of Best Buy in the U.S. makes it clear that the retail obituary was written too soon. The challenge, as the electronic retailer makes clear, is re-creating retail and making it exciting, interesting and centered on the omni-shopper. This year will see that formula spreading. Experiential retailing will become the standard even among low-end retailers. Everyone will be hunting for special points of differentiation to get the shopper off their sofa, away from Siri and into the aisles. Product manufacturers and retailers need to work together in order to create compelling moments around everything in the store.

We will begin to witness that retailers are going to become far more flexible in how they engage with shoppers. Physical and virtual — to change a lot more as retailers really now embrace the realities that their shoppers want very different experiences and to shop in very different ways. The pinch of personalization will be at the heart of a lot of retailers’ efforts in 2018.

This year also promises to be breakthrough one for artificial intelligence as an increasing number of retailers learn how to successfully integrate AI into their marketing and merchandising programs. It is also expected 2018 to be the “end of the beginning” when all of the focus on AI, AR and robotics starts to move decisively out of innovation labs and into the retail mainstream with the objective, yet again, of enhancing the customer experience.

Another foreseeable fact is that 2018 will become the year in which when we will be questioning as never before — what it even means to be a retailer, as shoppers look to make nontraditional purchases in nontraditional ways from nontraditional sellers.

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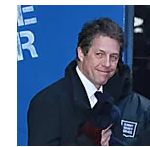
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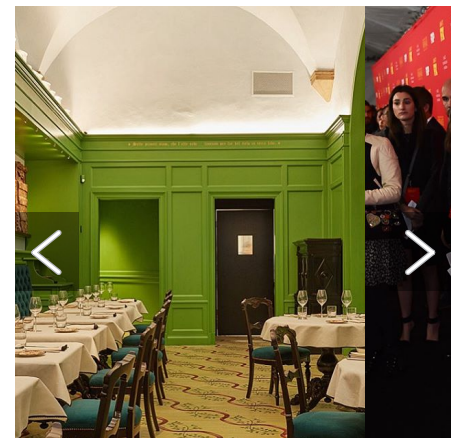


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andro Michele’s @gucci Garden is officially - just in time for Pitti Uomo. The garden, n is located in the historic Palazzo della nzia in Florence, includes a boutique that s exclusive RTW, a exhibition space that s vintage Gucci pieces and a restaurant - pictured here. #wwdfashion

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Vic Bageria is Xpandretail's chief executive officer and chief visionary officer. Bageria is an active member of the Entrepreneur's Organization UAE Chapter (EO-UAE) Board, Chairing Learning and Membership. He is a graduate of the University of New Hampshire and Extension School, Harvard University.

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