



6 New Year's Resolutions for Retailers

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By [Tom Colven](#), Strategic Insights Manager, Alliance Data

2015 was quite the rollercoaster ride for the retail industry! Between investments in omnichannel technology, a shift in demand toward fast fashion, and increasing competition from online e-commerce giant Amazon, the year provided both challenges and opportunities for retailers.

As expected, holiday retail sales growth is likely to be minimal: First Data has released one of [the first reports](#) that showed retail spending between October 31, 2015 and January 4, 2016 grew 3.3% over the same period last year. The results were due to the number of transactions outpacing the decline in average ticket sizes.

Many drivers of this growth (as well as its limitations) should impact the performance for 2016, as retailers think of innovative ways to grow their consumer base. We looked at some of the top New Year's resolutions consumers make, and found that many mirror major trends that will impact the retail industry in 2016. Here are my suggestions for the 6 New Year's Resolutions retailers should make:

Worry Less (Ad blocking technology will grow, but will have limited consumer reach)

Many Internet users installed ad blocker apps and plug-ins to their devices in 2015, to prevent digital ads from reaching them. However, ad blocker adoption has been low, since the software can also prevent video content or social media comments from loading. ComScore estimated that in September 2015, [ad blockers affected only 0.1% of U.S. smartphone and tablet page views](#). The threat will still need to remain on retail marketers' radars however – current versions of computer and smartphone technology (such as the iOS 9 rollout) are creating more sophisticated ad blocker options for use.

Learn Something New (Contextual commerce takes off)

Consumers rarely spend most of an online session shopping. Merchants are partnering with non-retailer sites to provide web surfers with more opportunities for impulse buying on non-retailer sites. Today, Pinterest provides a "buy" button that makes many pins available for immediate purchase, the digital equivalent of in-store impulse buys. Expect more sites and apps, especially in social media, to provide a similar option this year.

Help Others (Advance the in-store experience)

In order to attract and prolong store visits, merchants are increasing investments into their physical store appearances, as well as expanding the services available within the space. A recent [Retailing Today article](#) shared that Urban Outfitters is adding pizzerias to their stores, Club Monaco is introducing libraries, cafes, and floral shops to some stores, and Lululemon offers yoga classes at certain locations. Other retailers plan to introduce perks to enhance their store experiences, but will need to ensure that their sales will rise in order to get returns on these investments.

Spend More Time With Family (Checkout lines are declining and more shoppers are purchasing before entering the store)

Through cloud-based purchasing apps (particularly those with the QSR Code function), shoppers have been able to buy merchandise anywhere inside a store without having to wait in line to check out. Walmart Pay allows shoppers to do this today by mimicking an e-commerce transaction when you are ready to purchase your items. Additionally, several merchants are giving their customers the options of ordering and purchasing outside of the store/while on the go, and then picking up in a designated area inside the store when they want. Starbucks, Target, and Taco Bell are a few retailers who offer this convenience today.

Lose Weight (Expect closures of larger store space)

While big box discount stores are still thriving, other retailers will close several of their larger locations in favor of smaller spaces, which better represent demand for their merchandise. Toward the end of last year, Macys announced it would be closing up to 40 stores, as mall traffic has softened and they continue to make more investments in their e-commerce activity. Malls especially are hurting as shoppers now don't want to take the time to find parking and then locate their store within the mall. They have the ability to shop and purchase from anywhere on their devices, or order ahead of time and have their purchase ready for pick up at physical store locations. Expect more retailers/department stores that operate in large spaces to have closings in 2016.

Stay Away from Frenemies (Amazon will become an even bigger force to be reckoned with)

Their same day delivery and the ease of shopping whenever and wherever have allowed the online retailer to dominate the 2015 holiday sales season. Amazon captured an astounding 42.7% of online sales in November and December, according to [Slice Intelligence](#), a research firm that gathered data on the email receipts of 3.5 million consumers. As they open more of their physical stores and distribution centers this year, as well as expand their inventory selections (they are targeting even more of the apparel market in 2016), Amazon will be a strong competitor across retail verticals.

Unlike consumers who only manage to keep their resolutions a few weeks, retailers are entering a challenging year that will require focus and continued transformation, particularly with mobile and social media. The landscape will only continue to change at a faster pace, requiring retailers to continually transform too.