Retail’s BIG Show 2014: Four Inspiring Themes

by Hala Hassoun and Vipin Goyal

The National Retail Federation kicked off the new year with their annual convention and expo in New York City. With 30,000 attendees and more than 60 presentations and panels, the conference covered a wide range of topics over four days. One common thread woven throughout was the importance of the consumer. Here are some key themes we heard about how companies are finding innovative ways to satisfy an increasingly demanding consumer.

Tackling the Fuzzy Front End

Providing the right product at the right time through the right channel at the right price to the target consumer with great customer service experience is the ultimate goal of any retailer. But how can a retailer better ensure that the customer will want to buy its products? Several companies are using crowdsourcing and other innovative ways to gather data on customer preferences. A big question that most retailers and manufacturer of apparel fashion and hardgoods products have is about how to better manage the fuzziness of the front end of innovation to come up with better product portfolio or line plan for the upcoming season. A more accurate first pass on products will also result in getting the right product to the customer faster at reduced development cost which also means higher margins and potentially higher revenue in some cases. First Insight and Quirky are some of the companies with advanced technology tools to help retailers do exactly that. By having customers weigh in early in the design process, companies reduce the guess work when developing future products.

Optimizing Product Lifecycle Management Process and Technology

Among many new technology tools around data mining and consumer insight, there was also higher degree of awareness and demand for Product Lifecycle Management (PLM) solutions. This aligns with the evolution of PLM capabilities specifically for retail, apparel, fashion and hardgoods – capabilities that were missing until a few years ago. Many leading PLM software solution providers showcased their advanced technologies this year, including PTC, Dassault Systemes, Tradestone, Gerber Technology, Infor and Oracle. This impressive list is not all-inclusive – there are many more technology companies either developing PLM solutions for retail or building integrations with PLM solutions. We saw more retailers interested to learn about how PLM could help meet their business goals and growth strategy. End-to-end integration of retail solutions is becoming increasingly important as retailers work to reduce risk while bringing their products to market in a little time as possible. While many retailers are trying to learn true power of a robust PLM solution, we also witnessed some discussion around Extended PLM.

Building Loyalty through Omnichannel

The consumer experience today has multiple dimensions, making an omnichannel approach critical. While there is an increased pressure on retailers to develop easy to browse and shop websites and mobile apps for enhanced customer experience, they are also trying to find ways to keep brick-and-mortar relevant as consumers increasingly use multiple channels to shop. By establishing a personal and emotional connection with the customer, retailers can create a sense of community and build brand loyalty.

Experimenting with Product Curation

We heard some stories of retailers moving to a Pinterest-inspired approach to merchandising, positioning consumer-curated products instead of a single product. While this is a very powerful concept, especially for online or catalogue-based sales, the challenge with curation is that it can result in unmanageable amounts of data rather quickly and requires careful management and organization to be successful. This highlights the need to have an effective data analytics strategy, integration with master data, and supporting tools in place before kicking off a curation initiative.

Bottom Line

Many of the methods seen at NRF this year may be new, but the end goal remains the same – continue to find ways to attract and delight consumers. In an age where a competitor’s online store is just a click away, retailers that can build loyal followings will be able to weather their competition. As retailers continue to evolve, finding new and innovative ways to satisfy consumers will create the differentiation required to prosper.

What’s your view? Did you hear or learn anything that inspired you?
What's your view? Add your question or comment
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