

Retail trends for the 2016 festive shopping season

As the festive fever finally begins to take hold, retailers that can connect more to their customers while still offering world-class products and services will find themselves in high demand.

The days of retailers just being traders are over. Far more is required to succeed in today's fast-paced and competitive industry, with weak spending power by consumers, the rise of online providers and globalisation just some of the myriad of challenges being faced.

Black Friday certainly marked the beginning of the 2016 festive shopping season. Initial feedback is that most consumers focused on specials and discounts, with the grocers attracting a large number of consumers.



Picture: FinancialMail.co.za

"Our footfall showed double digit increases over this weekend in some of our larger assets. While Black Friday is growing in popularity in South Africa, the company does not think that this will result in a better than expected festive spend but has seen customers bring festive shopping earlier," says Antoinette Coetzee, retail asset manager for Redefine Properties.

"Consumers have become far more discerning due to persistently tough economic conditions. A high degree of uncertainty continues to prevail with the dreaded ratings downgrade still looming over the economy and retailers will need to connect with customers to bring cheer this festive season."

Food to perform well

When looking at key sectors and trends, food categories are expected to perform well over the festive season again this year, as will health and beauty. The effect of currency volatility on electronics and imported luxury goods, however, could see people being more circumspect in that segment of the market.

As always, convenience and good infrastructure will remain important differentiators when it comes to choosing where to shop. The urbanisation of shopping is a major driver and landlords that remain on top of their game can truly assist in helping retailers maximise the opportunities.

“Grabbing the consumer’s attention, however, has become so competitive that attention is the new retail currency. Retailers need to embrace an omnichannel approach, giving the consumer seamless experience whether they are shopping on a mobile phone, by telephone or at a till and we expect to see more of ‘click and collect’ shopping this year, especially if it saves costs and ensures desired products are secured. Personalisation is about the customer feeling as if they have been spoken to.

“To leverage this personalisation opportunity, retailers must analyse both online and offline data for a more comprehensive picture of the consumer’s decision journey. Meanwhile, experiential gifting, also known as experience gifts, is the in trend this season and is bound to grow exponentially as consumers take to the gifting experience over material gifts.”

Pop-ups mark key trend

In another key trend, pop-ups are literally popping up all over the place, as flexible lease terms become popular with start-ups wanting to test the water, as well as for established brands looking to create a more personalised experience around new and exclusive launches.

“For us, pop-ups provide the flexibility to keep the tenant mix exciting and dynamic, so that we can offer customers a new experience every time they visit our malls. As retailers and brands begin to understand that experience is everything, pop-ups provide the ideal interface to create new and memorable experiences that keep consumers interested.

“This trend dovetails with the demand for bargains as many consumers trade down. As the stress of a slowdown takes over the spending habits, the more cautious spender is more likely to put off purchases to benefit from the post-festive season markdowns. However, retailers who can collaborate, personalise and be responsive to the ever-demanding consumer will own the future.”

Seismic shifts in retailing can be overcome

It is no secret that retailing has undergone seismic shifts over the past few years largely on the back of a fractured economy. In the same vein, the unabated growth of social networking and digital devices is providing the sector with a new revenue stream.

The connectedness of digital has offered retailers more choices than ever when considering how they want to reach the consumer. Whether the business was digital first or physical first, retailers are blurring the lines and putting the customer first. Click & collect is the new trend in fulfilment of online orders when on time delivery is not a nice to have but a prerequisite.

“Engaging customers takes more than just good marketing and malls. In today’s competitive retail environment where goods are bought and sold long after the malls have closed for business, it is vital for us to give the customers an invaluable experience. In a world of brand polygamy, retention and loyalty is about crafting memories that capture the consumers’ imagination so they come back for more,” concludes Coetzee.

For more, visit: <https://www.bizcommunity.com>