

Ghostwritten Newsletter Article for Lending Company | Mary Ellen Landolfi

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## **Industry Spotlight: Retailers to Face Ongoing Trends and Challenges in 2020**

Retailers of every size have had to evolve several times during the last decade to keep up with ever-changing trends and challenges. Shifts in consumer demand and preferences, the prevalence of online retail shopping and the far-reaching effects of technology have put significant pressure on the entire industry, from larger retailers to single location stores.

U.S. retailers and small business owners are expressing some optimism as we start the new decade. The National Retail Federation reports modest but steady growth in retail sales for the 2019 holiday shopping season in November, with gains reported across multiple key retail sectors. (For details on this report, visit <https://nrf.com/media-center/press-releases/november-retail-sales-kick-holiday-season-21-percent-growth-over-last> ).

### **Trends that are Shaping Retail in 2020**

Consumer preferences – particularly the influence of millennial and Generation Z shoppers – continue to shape trends that affect retail sales. According to industry sources such as the NRF, some of the most prevalent trends include:

- Personalized shopping experiences – Millennials and Gen Z shoppers especially place high value on both personalized or customized items and experiences
- Superior customer service – customers who receive exceptional service from their favorite retailers will reward them with their loyalty
- Multi-channel sales – even the smallest brick and mortar retailers find they need to promote and sell from multiple streams to meet customer demand. Along with their physical location, they're selling via social media channels such as Facebook and Instagram, other marketplaces, plus their own websites.
- Sustainability sells – millennials and Gen Z especially will reward retailers that show a commitment to sustainability. This trend is also resulting in a comeback in secondhand and consignment shopping.

### **Ongoing Retail Challenges**

Areas related to technology, employees and finances continue to be among the top challenges for retailers, with both large and small retailers facing these issues.

- Cash flow – small retailers often have difficulties having the cash flow or necessary capital for expansions, investing in new technologies, or even dealing with the pressures of providing fast shipping to meet customer demand. Smaller retailers particularly can find it difficult to obtain funding through traditional lenders.
- Employee retention – retailers throughout every sector report challenges in both finding, hiring and retaining employees. High employee turnover is faced by nearly every retailer.
- Technology – the need to maintain a robust online retail presence means having secure and up-to-date technology to make sales fast, secure and convenient. For retailers, this means not only a secure and efficient online sales portal but also a mobile retail experience or app.
- Increasing foot traffic – brick and mortar retailers are continually looking for new ways to increase foot traffic to their retail locations. From providing in-store experiences, or creating a thriving social media presence, retailers must constantly think of new ways to entice new customers and keep their current ones coming back through the door.