


Reimagining Retail: 2024 Retail awards—The most must-visit store, the Gen Z darling award, and the comeback story of the year

Audio



On today's podcast episode, we give out some 2024 retail awards for the most must-visit store, the Gen Z darling, the best innovator, the small stuff worth sweating award, and the comeback story of the year. Listen to the conversation with our Senior Analyst Sara Lebow as she hosts Principal Analyst Sky Canaves, Vice President of Content Suzy Davidkhanian and Senior Analyst Blake Droesch.

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Episode Transcript:

Sara Lebow (00:00):

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(00:23):

Hello, listeners. Today is Wednesday, December 18th. Welcome to Behind the Numbers: Reimagining Retail, an eMarketer podcast made possible by LiveRamp. This is the show where we talk about how retail collides with every part of our lives. I'm your host, Sara Lebow. Today's episode topic is Retailer Awards of 2024. But before we get into those awards, let's meet today's guests. We've got three of our analysts and podcast regulars here. First up, it's Sky Canaves. Hey, Sky.

Sky Canaves (00:59):

Hey, Sara. Hey, everyone.

Sara Lebow (01:00):

Also here, it is Suzy Davidkhanian. Hello, Suzy.

Suzy Davidkhanian (01:04):

Hey, everyone.

Sara Lebow (01:05):

And our final guest, it's Blake Droesch. Hey, Blake.

Blake Droesch (01:09):

Hey, good to be here.

Sara Lebow (01:10):

Okay, let's jump into our Retailer Awards of 2024. Suzy, Blake, Sky, and I have all discussed the categories and the shortlists for these awards. Our guests then all voted for each category, but the official results will be a surprise to them. I'll break down each category and contender before giving our guests some time to discuss the outcome of each award. Suzy, Blake, Sky, are you guys ready for the show?

Blake Droesch (01:41):

Yeah.

Suzy Davidkhanian (01:42):

Yes.

Sky Canaves (01:44):

Let's do this.

Sara Lebow (01:44):

All right, let's do it. Our first category is the Must-Visit Store of the Year. The nominees for Must-Visit Store of the Year are Sam's Club, which is trialing new tech and has lots of sampling, LEGO, which won the award last year for its very fun stores, TJ Maxx for the thrill of the hunt in those stores, and Primark for its extensive store network. And the winner of the Must-Visit Store of the Year is Sam's Club. Is this a surprise to you guys?

Blake Droesch (02:14):

You guys are shaking your heads. It's not a video podcast.

Sky Canaves (02:20):

It's a little surprise to me because I did not vote for it.

Suzy Davidkhanian (02:24):

Oh, you didn't?

Sky Canaves (02:25):

No. Even though I suggested it, but-

Sara Lebow (02:29):

Who did you vote for, Sky? If you don't mind disclosing your anonymous vote.

Sky Canaves (02:33):

I voted for TJ Maxx here because their results for their stores have been so strong, and they're really stores that you must-visit in order to get the value out of their offering because it's a treasure hunt. They don't do a lot of e-commerce, and they've really tapped into the consumer demand for extreme value and upped their merchandising game with a lot of products that people actually buy, and it's shown up in their results over the last couple of quarters this year.

Suzy Davidkhanian (03:04):

I definitely agree with you. I think I took it less literally, the must-visit store of the year. Because I think you're right, for off-price, if you don't go into a store, you're not going to find what you're looking for. But that group of companies is doing really well, as is that channel. But I don't know if they're doing anything specific that's new that makes me want to go see their store, like how... I'm not a LEGO purchaser, but you kind of want to go to The LEGO Store to see what's happening, or the Harry Potter store.

(03:32):

I did vote for Sam's Club 'cause I do think... Nobody ever talks about Sam's Club as much as they talk about Walmart, but they really are doing some cool things when it comes to making the shopping experience more frictionless, and trying to really use AI in this instance to make something that was annoying for everybody, and probably costly for Sam's Club, go faster, which is that Scan & Go. They piloted it and then they rolled it out, so I thought that was pretty cool.

Sara Lebow (03:57):

I don't remember the stat, but I was talking to someone from Sam's Club earlier this year, and a large number of their members use that Scan & Go app. They have really high mobile app adoption which, separate from this category, is just such a good retail media opportunity, but also really just shows how engaged their consumers are in store.

Blake Droesch (04:19):

Yeah, I was going to say the same thing. I think the thing that really sets them apart is the fact that people are using and taking to the technology so they can really invest in transforming the store to lean into that, rather than have it as one option that people aren't really using. Is it taking up space, or can they not invest in it because they still need to have cashiers? They've really done a good job of testing and learning, and then optimizing it to the point where they can implement it on a larger scale without disrupting the customer experience.

Sky Canaves (04:50):

Yes, I agree. They have figured out the best use case for a kind of Just Walk Out, do-it-yourself cashierless technology with the Scan & Go, which is tied to being a member, so it gives them a lot of data as well. And then with the computer vision, which they've introduced

in the gates so that you can Just Walk Out and skip the bottleneck that would often occur when you go to leave the store and have to have your receipt checked, now they have these gates that use computer vision to match what's in the cart to what's in your receipt, which you scan at the gate with app.

(05:26):

There was still somebody at the end of the store as you exit looking at your code and just checking that off, but it was a much quicker, faster process. And it works. I think that kind of computer vision works a lot more than what Amazon's tried to do with the Just Walk Out in its stores, where it doesn't work as well for a huge supermarket with so many SKUs.

Suzy Davidkhanian (05:51):

Well, it's so different, right? Because that Just Walk Out technology, you could feel like you're accidentally taking something or being charged for something the wrong way. Whereas, from what I understood... I don't have a Sam's Club membership. My apartment is too small for 37 rolls of toilet paper at once. But from what I understand, you still go through the regular checkout with this new technology. It's just at the very end when you have to show your receipt so that it gets matched back to what's in your cart, that's been automated.

(06:19):

But I think probably the most important thing when it comes to AI and technology and the consumer is that, as we like to call, flywheel situation model, which here it's the app. Sam's Club is doing an amazing job with their app, and is finding different ways to solve problems, and is getting more people to download the app to try and solve those problems. They're not using technology to use technology, they're using it to solve a problem, and I think that's probably what makes them stand out the most.

Sara Lebow (06:50):

Congratulations, Sam's Club. Let's move on to the next category. Our next category is the Comeback Story of the Year. This is a brand or retailer that rose from the ashes to prove its worth in 2024. The nominees are Victoria's Secret, which reintroduced its fashion show with a more diverse set of models. Target, which has been struggling to keep up with the likes of Walmart, but has been trying new things. Gap, which had a huge resurgence after hiring Zac

Posen. And Nuuly, which was more of a come up than a comeback. And the winner of the comeback story of the year is Gap. Is this one a surprised to anyone? It's not a surprise to me.

Blake Droesch (07:31):

Nope, not a surprise to me either. Was this a unanimous-

Suzy Davidkhanian (07:31):

Did we all vote for that?

Sara Lebow (07:36):

Yeah, I think that you voted unanimously for Gap.

Suzy Davidkhanian (07:39):

They had amazing earnings, right? They were saying something like it's the first time in I think 10 years that all four brands had positive comp sales, which is a big thing. I think it is Zac Posen. But it's also, they have a new CEO this year, and they have gone back to their basics of trying to make sure that each brand stands for something that is authentic to that original brand purpose and mission, and is differentiated from the very crowded marketplace right now. And they're doing some very cool things with partnerships, and limited assortment runs, and other sort of cool factor things.

Sara Lebow (08:13):

And Gap's major misstep, which I think of as it needing to offload a whole bunch of Yeezy merch after that partnership fell apart, is so far in its rearview mirror now. People aren't talking about that anymore. I'm talking about it right now, but it's definitely not still sitting in the culture.

Blake Droesch (08:33):

Yeah, it'll be really interesting to see how they can keep this momentum going, because returning to basics, and sort of hitting the reset button, and creating some interesting PR around partnerships is certainly a good first step. But as you pointed out, there's still a lot of competition out there, and fast fashion is only getting I think more popular. So it'll be really interesting to see where they position themselves within the market over the next couple of

years, if they're going to try to compete against the fast fashion tide, or if they're going to look for other ways to potentially stand out from them.

Sky Canaves (09:14):

Yeah, I think that's where the new CEO, Dickson is leaning into culture, and just turning Gap and its brands into tapping into bigger cultural forces, is really key. So he had great success at Mattel turning that brand around, and its major brands like Barbie, and now he's trying to do something similar at Gap. I think he's talked quite a bit about tapping into culture and different cultural figures, so the collaborations, and the buzzy limited editions and all of that, working with celebrities, and the cool ad campaigns and marketing campaigns that tap into nostalgia but also appeal to Gen Z are really part of that.

(09:58):

So I think he has a bigger vision that's not just the one-off collaborations or becoming overly dependent on one celebrity that could then kind of doom you, but there's definitely a much more broader approach to getting the brand to work together and be in sync on the cultural front.

Blake Droesch (10:19):

Yeah, I think from a marketing position I'd like to see them sort of embrace, almost like what Levi's does, and just sort of leaning into the Americana and the ethos of the brand rather than figuring out... And obviously the Gap imprint has many other brands. But speaking for the core Gap brand, I think there's always been a lot of potential there that hasn't fully been realized, and I think this is a pathway to really not only bring sales back, but sort of elevate the status of the brand as well if they can execute it properly.

Sara Lebow (10:56):

It's interesting you bring up Levi because Gap definitely has a competition there with Levi, and they definitely have competition from brands like Skims with Gap Body. So even though Gap is doing really well, way better than I thought they'd be doing five years ago, they definitely have competition from these parallel brands.

Suzy Davidkhanian (11:14):

I agree. I think it's like the idea around the Met denim ball gown. Do you guys remember that?

Sky Canaves (11:21):

Yeah.

Suzy Davidkhanian (11:21):

It's leaning into the denim part, but not in direct competition, and trying to find your own space in that denim, made in America world, and I think that's the way they're leaning. I think even their star-powered partnerships are less momentous, if you will, than some of those big brands that burned them in the past. I didn't know Linen Moves, but apparently that brand did really, really well for the Gap Home Store. So it seems like they're on the path to understanding how to be culturally relevant, and lean into each of the different parts of their brands, and create a specific space for them that is not in direct competition necessarily with someone like a Levi's.

Sky Canaves (12:05):

I think making their campaigns and collaborations fun and surprising is really key. I think that denim ball gown dress is a great example, and their collaboration with the influencer who was talking about looking for a hoodie, that hoodie's like the optimal example of a hoodie, and now she's making a hoodie for them is also something really cool that really keeps the momentum going.

Sara Lebow (12:30):

Of course we all know that Britney Spears has the denim ball gown market cornered. Okay, our next category is the Gen Z Darling. The nominees for a brand that Gen Z loved this year are Temu, which exploded after its series of Super Bowl ads, TikTok Shop, which launched in September of 2023 but really had its first full year this year, e.l.f. Beauty, which has stayed relevant on social media with cool collabs, and Crocs, which I see every day on the streets of New York City on the feet of young folks.

(13:04):

And the winner of the Gen Z Darling award is e.l.f. Beauty. Full disclosure on this one, this was a three-way tie between Crocs, TikTok Shop, and e.l.f. So I decided that I got to be the tie-breaking vote, and I gave it to e.l.f. because I think that they are great and have been doing really cool things. But there's definitely an argument to be made for any of these brands, as I'm sure you are each about to make.

Suzy Davidkhanian (13:31):

I voted for Crocs.

Sara Lebow (13:32):

Why'd you vote for Crocs, Suzy?

Suzy Davidkhanian (13:34):

I think that they're doing lots of very cool things. But at the core, they are jumping on random trends like the fur, and the charms, and understanding how to do customizable things. They are an affordable price point, and they're doing... I don't know. I read a little bit more about what they're doing, 'cause they're riding on the cool, ugly trend. But they're also doing some really weird-

Sara Lebow (13:55):

They always have been.

Suzy Davidkhanian (13:56):

Right? But they're doing some weird collabs. Have you guys seen the Crocs with Pringles?

Sara Lebow (14:01):

Yeah, and the Cheez-It Crocs.

Suzy Davidkhanian (14:02):

It's worth looking at. Yeah, they're doing... And then I think for me in terms of this particular generation, they did a McDonald's Happy Meal collab not that long ago with the keychain and a bunch of other things. So I just feel like they have their finger on the pulse. They are an affordable price point for this. It's kind of like a symbol too. The one thing that gets me a little bit is that their carbon footprint, it's all plastic, is pretty high. That's important to young consumers, so I feel like they're going to have to figure that piece out.

Sky Canaves (14:33):

Yeah, in my household they're also the Gen Alpha darling because my daughter can't get enough of them, whether the shoes themselves or those McDonald's charms that you mentioned. I just realized how much traction the brand has in our household. And I can't buy

non-Crocs because I tried buying a dupe once and the quality just wasn't the same. The foam didn't hold up as well and the print wore off. So yeah, they've got us for at least another 10 years or so.

Sara Lebow (15:01):

Sky, do you have the Crocs for dogs? 'Cause apparently they're doing that too, and how cute is that?

Sky Canaves (15:06):

No, I don't take my dogs out when it's hot. And I wouldn't buy them shoes, they would just chew them up anyways.

Sara Lebow (15:14):

Yeah, the Crocs are high quality. I've mentioned this before, but I still own the same pair of Crocs that I got in 5th grade. My feet haven't grown since then. So Crocs I love, but they're not making new sales on me because mine have lasted so long. But it's interesting that you bring up dupes because that brings us back to what I decided our winner was, e.l.f. Beauty. That's where they've been so successful, duping other brands with the quality of those brands. Maybe not quite exactly the same, but definitely creating really solid dupes.

Sky Canaves (15:46):

And listening to their customers, which I think is key to why they continue to hold fickle Gen Z's attention when it comes to beauty. So they mentioned on a recent earnings call, one of their new top-selling products is a lip oil, and that they had specifically received requests from customers. They just do a lot of things so well in terms of getting feedback from their community and incorporating it.

(16:11):

Even with their loyalty program, which has a huge number of members and allows customers to collect points no matter where they buy the beauty products, and of course they sell everywhere. I had picked TikTok shop because I thought of e.l.f. Beauty, but I also associate e.l.f. so much with TikTok because they were one of the first brands to really take to the platform and capitalize on it. And of course now with TikTok Shop taking off among Gen Z, they're part of that bigger retail trend.

Sara Lebow (16:43):

Yeah, e.l.f. to me also had one of the standout campaigns of the year, which was their partnership with Liquid Death when they made Corpse Paint. They made a white foundation in this tongue in cheek partnership with Liquid Death. That was like this cheeky ad campaign. But then I've heard e.l.f.'s CMO talk about this, the Goth community was like, "This is a great product that we'll get a lot of use out of." So then they ended up genuinely working with and catering to that community to help them with their looks.

(17:17):

Okay, let's keep moving. Our next category is Innovator of the Year. The nominees are Amazon which, among a million other things, launched its AI chatbot, Rufus, Claire's, which kept launching new products to stay relevant with Gen Alpha, TikTok Shop, which we just mentioned has been honing its strategy since its launch, and Sam's Club, which we did talk about at length for its mobile-first and in-store tech.

(17:44):

And the winner of Innovator of the Year is Sam's Club. That's right, Sam's Club is taking home two awards this year. For a brand that we really didn't discuss on the podcast this year, we're really doubling down on awards. Now we are giving them Innovator for a lot of the same reasons that we've already talked about when we talked about our must-visit store. So I would love to hear about some of these other brands that we mentioned, and why you thought they were such good innovators this year.

Suzy Davidkhanian (18:11):

Does that mean I'm the only one who voted for a different brand?

Sara Lebow (18:13):

Yes.

Blake Droesch (18:14):

Yes.

Sara Lebow (18:14):

This one, two voted for Sam's Club, one voted for Claire's.

Suzy Davidkhanian (18:18):

That was me, Claire's. I just think Claire's is an old older brand. It's not that, that old, but it's around the 50-year mark. It is a classic mall brand that was just about ear-piercing and has now done a lot. It's gone through bankruptcy, it's restructured, it's trying to figure its way. They do have a whole new leadership team. The CEO just left, so there's an interim CEO. So there is a lot of tumultuous things happening.

(18:50):

And even in that, they've been able to... I don't know if they've coined it, but they've certainly leaned into this Gen Zalfa creator world of influencers and group and leaning in on them. They've understood how to use AI tools in a more seamless way, and they understand who their consumer is. They have a new logo. They just launched that beauty brand, which I think is kind of innovative. There's not a lot of private label cool beauty brands, and they've done that. They leaned all in on Hello Kitty. I could keep going.

Sara Lebow (19:19):

Well, I think it's interesting that so many of the brands we've talked about so far, a lot of what they've been doing have been collaborating around pop culture events or around Zeitgeist-y events. We talked about Gap, we talked about Crocs, which we didn't even get into how much they've been collaborating, most recently with Wicked Crocs. Now we're talking about Claire's. e.l.f is another one. I think that in this creator-driven world, it's so important that brands have these partnerships.

Sky Canaves (19:49):

It's really a way for brands to stay fresh and new in the eyes of consumers, and do something unexpected that can kind of bring that element of surprise and delight. And when those collaborations are limited editions, and you add an element of FOMO to it where if you don't buy it now, you won't get it later because it's here today, gone tomorrow.

Sara Lebow (20:12):

Then TikTok Shop and Amazon, obviously they've done so much innovation this year, TikTok Shop working from not existing at the start of 2023 to being a real powerhouse. Although, who is to say that... TikTok Shop now is at risk of disappearing in a month when TikTok's ban may or may not kick in, so that's definitely one to watch.

(20:36):

Okay, it is time for our final category. This category is the Small Stuff Worth Sweating award. This is a brand or retailer that is disrupting an established area in retail, sort of like the way HOKA and On have with sneakers. The nominees for the Small Stuff Worth Sweating award are Mejuri for innovating in jewelry, POP MART for innovating in toy buying, Sweaty Betty, which is innovating and active wear, and Flamingo Estate, which is innovating in household goods. And the winner of the Small Stuff Worth Sweating award is POP MART, which was actually completely off my radar until we made the short list.

Suzy Davidkhanian (21:19):

I clearly didn't vote for POP MART. I thought they did more than toys. No? It's not the Korean grocery store?

Sky Canaves (21:25):

Their focus is the little blind box toys.

Suzy Davidkhanian (21:29):

Oh.

Sara Lebow (21:30):

So Sky, why were you bullish on POP MART this year?

Sky Canaves (21:34):

So it really taps into all of the talk we've been having about collaborations and keeping brands fresh with newness and limited editions. So POP MART is small in the US, but they're really big in China and they've set off this blind box toy craze over the last several years. Now I think they're poised to come to the US and really start expanding with more stores, and experiences in the stores as well, that will just bring new innovative style of shopping for and buying toys to this country that we haven't seen before.

Sara Lebow (22:10):

If I were a parent, I would be so stressed out about the advent of more stuff. But I think that it's interesting, and something you pointed out, that POP MART is an example of smaller

format Chinese and Japanese stores that have been popping up in the United States more and more.

Sky Canaves (22:30):

Yeah, we're also seeing a lot of growth of these Asian-style dollars stores. There's Daiso from Japan, that has just opened a few in my area, and MINISO from China, which is modeled on that Japanese dollar store. They're super fun places, whereas US dollar stores often have a little bit of treasure hunt, but more essentials, and grocery-type items, and kind of no-name brand goods. These dollar stores focus a lot on collaborations, and having IP collaborations like Hello Kitty and even Disney characters, and everything's really inexpensive so it makes for a very affordable and fun shopping experience.

Sara Lebow (23:13):

There's a MINISO across from the e-marketer office. We should do a field trip.

Suzy Davidkhanian (23:17):

Oh, we should. I think for me, this category is really important because sometimes big brands forget to look at what the smaller, that have very little market share, brands are doing or the newest new entrants. Then all of a sudden you lose your way, and you could say that about some of our bigger mall brands. Some of them have found a way back, but you really can't rest on your laurels, as they say, and you really have to keep an eye out on everybody around you across all kinds of industries and product categories.

Blake Droesch (23:46):

Yeah, it's been... The toy category, a lot of the legacy brands haven't really been able to figure out how to sustain their brick and mortar presence, and it is a category that has a lot of potential for in-store, considering that it is an activity for children and their parents. It also has a lot of opportunities for experiential marketing activations within the store. But then over the years, we've constantly seen sort of the legacy US toy retailers struggle.

(24:21):

So it's interesting to see a format that's working because it sort of seemed like there was possible to sort of solve that riddle, but not many of the US retailers had really done an effective job in doing so. It's almost like Toys "R" Us. I was walking by the flagship Macy's in

Herald Square, and they've got the Toys "R" Us almost... I guess one of the entrance ways have been done up for the holidays highlighting the store within the store. But it seems like there's more potential in the toy category than just being a seasonal idea.

Sara Lebow (24:57):

On a forward-thinking note, do you guys think that Trump tariffs on Chinese goods, if they do happen, will be a particular hindrance for POP MART and other similar stores?

Suzy Davidkhanian (25:10):

Apparently it's for all the toy category, I didn't realize. I was just listening to a whole thing on this, that a very big majority of toys are made out there, so it's going to be an issue. American toy makers have tried to produce in America and it's so expensive. So I think it's probably... For everybody it'll be an issue, not just for this particular brand.

Sara Lebow (25:30):

Yeah, that's exactly what I was thinking, is that it seems like it would be an issue for these, like a Chinese brand. But the American toy makers also import their goods from China, so it'll just be a hindrance all around. Okay. On that super uplifting note, thank you all for being a part of our 2024 Retailer Awards show. This was so fun. I love doing this episode. Thank you each for being here. Thank you, Sky.

Sky Canaves (25:59):

Thanks, Sara.

Sara Lebow (26:00):

Thank you, Suzy.

Suzy Davidkhanian (26:01):

Thank you.

Sara Lebow (26:02):

Thank you, Blake. Blake, did you ever find your glasses that you mentioned losing while on the pod?

Blake Drosch (26:07):

I did not. Sadly, I had to have them replaced. But thanks to Warby Parker's seamless customer experience, I was able to do so very quickly.

Sara Lebow (26:18):

#notanad. Please give us a rating and review wherever you listen to podcasts. Thank you to our listeners and to Victoria who edits the podcast and wins the award for Best Podcast Editor. We won't be back next Wednesday or the Wednesday after because Christmas and New Year's Day have decided to disrupt the Reimagining Retail schedule. But we'll be back in the new year to talk retail in 2025. And tomorrow, you can join Marcus for another episode of the Behind the Numbers Daily, an eMarketer podcast made possible by LiveRamp.