

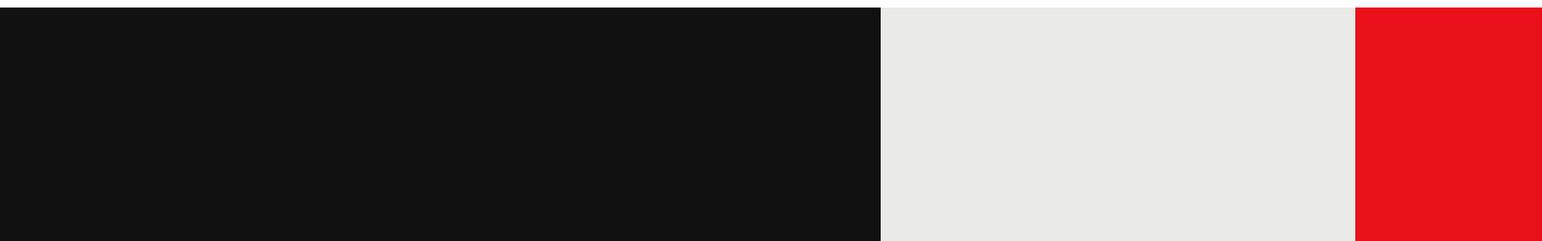
4 retail focus areas for omnichannel growth in 2023

Article



Retailers are adapting to the changing market by focusing on digital tactics that drive demand for in-store shopping to meet evolving customer needs and expectations.

1. Think of stores as a stop along the customer journey



Consumers need brick-and-mortar as a touchpoint for a number of reasons, including product try-on.

“Returns are a really big issue with retailers,” said Ethan Chernofsky, senior vice president of marketing at Placer.ai, on a recent webinar. Chernofsky pointed to his recent experience visiting a brick-and-mortar location for a digitally native apparel brand. In-store shopping allowed for try-ons, eliminating returns. After that touchpoint, the rest of the customer life cycle continues online.

Retailers shouldn't consider the initial touchpoint purely as a one-time sale. The entire shopping journey builds a brand impression, and for many, that starts in stores.

2. Use tech in stores

When thinking about omnichannel, understanding exit intent is key. If a consumer walks in and out of a store without making a purchase, retailers need to understand why.

Chernofsky pointed once again to his own experience: The item he wanted wasn't available in-store. An associate wasn't available, so Chernofsky searched for the item online and bought it for a lower price from another retailer. Had there been a kiosk in-store, he could have completed his initial purchase digitally.

3. Learn from luxury

Luxury brands provide shoppers with a luxury in-store experience, Chernofsky said. For example, consumers seek a feeling of uniqueness and importance when trying on a Rolex watch.

Brick-and-mortar luxury stores have benefited from consumers' shift to the suburbs, Chernofsky said. Costco Wholesale also benefited from this shift, gaining younger shoppers as they moved out of cities, he said.

4. Consider how virtual work impacts shopping

While people have returned to the office, schedules have fundamentally shifted from pre-pandemic, Chernofsky said. Retailers can tap into those shifts by altering marketing messages

to capture changing shopping patterns. For grocery, that could mean targeting consumers who can shop on weekdays now instead of a weekend.

Who's well positioned for 2023?

Health and beauty brands like Bath & Body Works, Ulta Beauty, and Sephora should do well this year, said Chernofsky. It doesn't hurt that wellness has become a larger part of consumers' psyches following the pandemic.

Affordable chains like Dollar General, Five Below, and Target and Walmart with upgraded product selections are also doing well.

Chernofsky called out two trends here: affordable retail is becoming more crowded and the middle tier is thinning.

Who could surprise in 2023?

Visits to consumer electronics and home improvement stores have been down the past couple of months. But Best Buy, The Home Depot, and Lowe's are not weak brands. Chernofsky anticipates strong rebounds come the end of this year.

Chernofsky is also bullish on what he calls "previously strong" retailers, like Old Navy, which he thinks can bounce back from inflation and supply chain issues.

[Watch the full webinar here.](#)

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