Lessons from Chewy, Target, and Alo Yoga on resonating with customers in 2024

Article



The new year is just around the corner, and it's a great time for retailers to take stock of what worked and what didn't in 2023 and stay informed on what consumers will expect in 2024.





Here are some tips on what to do (and what not to do) to keep consumers' attention in the new year, according to findings from Mintel's 2024 Global Consumer Trends report.

1. Remember the power of human interaction

Key stat: 58% of US consumers say communicating with an actual person is what makes an interaction with a salesperson or customer service department a good experience, per Mintel.

Many retailers have jumped on the chatbot bandwagon as generative AI enables faster, personalized, and more engaging responses. While chatbots can be helpful in answering common or routine customer questions, it can be equally as frustrating for customers to get valuable answers to more complex, emotional, or frustrating queries.

Retailers need to remember that AI technology is only helpful if it doesn't detract from the customer experience and that when it comes down to it, putting a little humanity back into the customer service experience can go a long way.

Follow the leader: Chewy's customer service department goes above and beyond for grieving pet parents who have lost their best friends, sending them condolence cards, flowers, and other gifts.

"I contacted @Chewy last week to see if I could return an unopened bag of my dog's food after he died," wrote one X (formerly Twitter) user in June 2022, as reported by In the Know. "They 1) gave me a full refund, 2) told me to donate the food to the shelter, and 3) had flowers delivered today with the gift note signed by the person I talked to??"

The tweet earned thousands of replies, many from other Chewy customers who had received thoughtful gifts after the death of their pets.

2. Don't skimp on your store brand(s)

Key stat: 78% of US consumers agree the quality of a retailer's store brand is a reflection of a retailer's overall quality, per Mintel.

What started as a strategy to beat high grocery prices has become a lasting trend as consumers continue to purchase store brands, even as inflation cools. This means that retailers need to put as much effort into their own brands as they do with national brands, including pricing, promotion, and product quality.



Follow the leader: Target stands behind the quality of its products so much that it has introduced a year-long return policy for its over 45 private label brands, significantly longer than its overall return policy of 90 days.

"Target's return policy is extremely generous and is designed to build confidence in its own brand product and create a strong customer-service ethos," Neil Saunders, managing director for retail at GlobalData, told Insider.

3. Lean into consumers' desire for socialization

Key stat: 62% of US consumers say they prefer to spend their free time with their friends or family as opposed to alone, per Mintel.

The self-care movement started as something that consumers could do just for themselves. Now, consumers are reframing what self-care means to include their emotional well-being and are looking to brands to help them forge and foster those connections.

Companies in the pet, fitness, and leisure categories are particularly suited to this, as these activities tend to bring people together, per Mintel. But food, beverage, and beauty companies may want to shift their products centered around solo routines to be more social.

Follow the leader: Many of Alo Yoga's stores (also called sanctuaries) have built-in yoga studios and cafes, transforming a shopping experience into a social outing. Some Alo fans even go on dates there.

4. Don't pretend to be something you're not

Key stat: 60% of US consumers agree that many companies just pretend to be sustainable, per Mintel.

Authenticity plays a big role in how consumers feel about and interact with brands. If customers feel like a brand is trying to trick them, they won't hesitate to call them out to friends, family, or on social media.

This doesn't mean brands shouldn't aim to be more sustainable (or inclusive, or charitable), but rather that they need to be completely transparent about how and why they are doing it.



(Don't) follow the leader: Earlier this year, Shein flew a group of influencers to China to tour some of its manufacturing facilities with the goal of proving it wasn't engaging in unethical or unsustainable business practices.

But the plan backfired after influencers started posting their trip videos online, where commenters began speculating that influencers weren't shown the whole picture and that Shein was "using them" for damage control.

While Shein may not have deliberately tried to mislead the public, this trip didn't do anything to help convince consumers that it was being transparent about its business practices and in fact, may have set it back even further.

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