

3 strategies for boosting retail sales when shoppers have less to spend

Article

While **consumer outlook** is better than when inflation reached a 40-year high last year, inflated retail prices, higher interest rates, and depleted savings may affect spending in 2024,

according to our analysts.

That means retailers and brands must lean on strategies that bolster customer loyalty.

“Loyalty is such an important component of retail ... [and it starts] with making sure that you have unique value propositions,” our analyst Suzy Davidkhanian said during our “Ask the Analysts” session at the **“Attention! Trends and Predictions for 2024” summit**.

Focus on affordability: “Price and value and understanding what that means to your consumer is going to be even more important in 2024,” Davidkhanian said.

- In 2024, ecommerce sales will still grow at more than five times the rate of brick-and-mortar, per our forecasts.
- The growth is driven by consumers on a budget seeking competitive pricing online.
- More than half (54%) of US internet users will add items to a wish list or shopping cart, then wait for deals before making a purchase, according to Deloitte.

Lean into unique: “You need to offer unique experiences or unique brands like private label, [which] is a great way to have [customers] coming back,” Davidkhanian said.

- 47% of **US shoppers prefer to buy store brands**, while 37% prefer national brands, per Kroger’s consumer insights platform, 84.51°.
- **Macy’s, in response to the rise of cost-conscious shoppers**, launched its first of four private label brands for its women’s apparel and accessories collection in August. In addition to boosting customer loyalty and differentiating its inventory, the retailer aims to have its high-margin private label products account for at least 20% of sales by 2025.
- Target released over 20 new seasonal private label food items in September to combat declining sales, capitalizing on its customers’ priorities shifting toward essential goods.

Explore tech tools: Retailers should think of customer pain points and see how technology can provide solutions, said our analyst Yory Wurmser.

- More than a third (35%) of **CMOs worldwide are using generative AI** to create a great brand experience, per Dentsu Creative.
- Two-thirds (66%) of marketers using generative AI reported a positive ROI, per March 2023 Botco.ai data.

- Sephora, for instance, integrated natural language processing technology and AI-powered facial recognition into its chatbot feature, to provide personalized makeup recommendations.

“At the end of the day, it’s truly about having something unique,” Davidkhanian said.

“Otherwise, people are going to price shop other retailers, which means that you’re not going to win necessarily on price if you don’t have unique things.”

[Watch the full session.](#)

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here.](#)