

The Changing State of Retail: Creating More Instagrammable Moments

If you've read any headlines lately about the state of retail, you've likely noticed that headwinds are leading to downsizing and debt restructuring. Yet, studies show that consumer confidence is high, and overall retail spending is actually growing. So where is the disconnect? And what can retailers do?

Put simply, because consumers aren't engaging with retailers in the way that they used to, retailers are increasingly changing the way they interact with their customers. The most obvious (and significant) shift in consumer behavior has been online shopping. Why go to the mall to get that new jacket, when it is easier to browse countless online options at any time of day and night, and likely with free shipping and an easy return process?

But the ease of online shopping isn't the only factor pressuring retail foot traffic. Recent data suggests that consumers are a little "mall-ed out." The U.S. has more mall space per capita than any other country: 40 percent more than Canada, and five times as much (per capita) as the U.K. The new retail generation seems tired of the malls of the past. They want something more.

To give that something more, brick and mortar retailers are increasingly focused on the shopping experience and a shift in the consumer mentality from less "stuff" to more "experiences." It is unsurprising that the restaurant and travel industries are seeing revenue spikes. In a world where nearly everyone is cultivating their online presence, the focus has shifted to customer experiences that will drive the best Instagram post.

Thus, retailers and malls are reinventing themselves. With the shopping experience in high demand, shopping malls are becoming a place to also have fun. Mall owners are hoping that tenants like "the Wreck Room" (where for a fee you can destroy as much stuff as you can (literally) swing a bat at in 20 minutes), indoor trampoline parks, and breweries will increase foot traffic and consumer energy.

Indeed, Target recently held an exclusive pre-sale event for 500 of its Redcard holders to shop its new Victoria Beckham line. Shoppers were treated with tea carts and cookies and of course, Spice Girls music playing. Through the exclusive event, Target hoped to enhance its

loyalty programs and bring more value to the Redcard.

While exclusivity is fun for a few, retailers are seeking to personalize the day-to-day in-store shopping experiences for all customers. A few ideas that have surfaced recently include training sales associates to shop with customers, arming associates with tablets to access customer data and inventory, and personalizing dressing rooms with music, lighting, and a call button.

For better or for worse, the world of retail is changing. Consumers' needs are changing, but consumers aren't going anywhere. They just need a compelling reason to return, and experience and personalization are critical draws. Retailers and malls that can meet these needs are more likely to remain strong players in the industry.

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