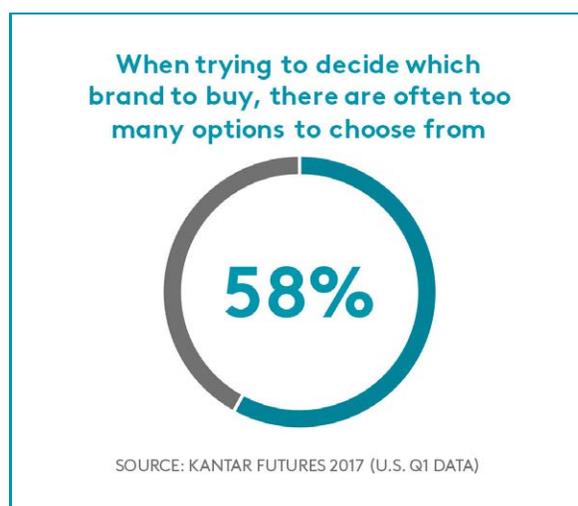




A steady drumbeat of bad news—sagging [sales](#), surging [bankruptcies](#), shuttering [stores](#), shedding [jobs](#)—is casting a long shadow over retailers. But despite the screaming headlines predicting a [dire future](#) for retail, some brands are carving out paths to growth with consumer-centric strategies that not only keep them in shrinking consideration sets but help them break away from the pack.

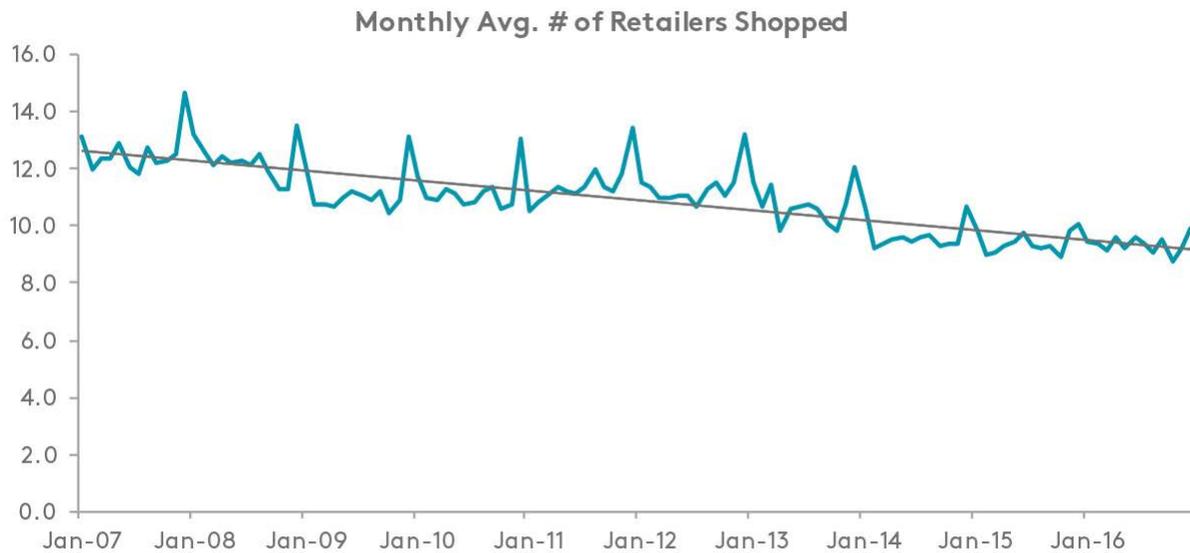
The “Pretty Good Problem”



When considering a purchase, most consumers are faced with the “Pretty Good Problem,” a term that describes the rapid and rampant commodification of goods and services across industries, in which most of the options available to the consumer are all pretty good and all pretty similar. Add to that what our colleagues at [Kantar Retail](#) call Retailer Rationalization—a significant downward trend over the last decade in the number of retailers people shop at, both in-store and online—and

the stakes only increase.

Average Number of Retailers Shopped in Past Four Weeks* (among all primary household shoppers)



*Inclusive of visits to stores and websites.

Source: Kantar Retail ShopperScape®, January 2007–March 2017

The wicked problem for brands and retailers alike then becomes: How do I stay in a shrinking consideration set, and how can I differentiate from the other brands who managed to stay in the consideration set with me? The good news is that if you get it right, consumers are willing to reward you.

The recent efforts of some retailers and brands offers some insight into how to survive these treacherous times.

I've had such a positive experience with a brand that it will always be my first choice



SOURCE: KANTAR FUTURES 2017 (U.S. Q1 DATA)

1 Localized experiences

The Frye Co.'s goal with each store is to offer a different experiential element that connects it with that neighborhood: the brand's Nashville, Tennessee, store has a music stage as its centerpiece, and its Austin, Texas, shop incorporates custom-made guitars by local maker Moniker. Experience alone is not enough



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“I think people are falling back on experience [as a concept], and perhaps not thinking about it in the right

to move consumers—it needs to tap into something culturally relevant and authentic to the [locale](#).

way. They have to **look at what their ownable qualities are.**”

Jeremy Bergstein

President of The Science Project

2 Creative diversification

In this fluid marketplace, category boundaries dissolve and core competencies evolve. As mentioned in a Fast Company [article](#) on IKEA’s big bet on food, “sometimes a company can find its next growth engine in surprising places, if it just looks at its business creatively enough.” With 30% of its store traffic coming *just to eat*, IKEA is mulling the next phase of this secondary revenue generator and seriously considering standalone cafes and restaurants.



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“I hope in a few years our customers will be saying, **‘Ikea is a great place to eat —and, by the way, they also sell some furniture.’**”

Michael La Cour

Managing Director of Ikea Food

3 Immersion = conversion

Some brands are testing concept stores that function less as a point of sale and more as a marketing channel unto themselves. Nike’s new Manhattan location is a space where consumers go to *play* as much or more than they do to *shop*. With a basketball court, mini-soccer field, a customization shoe bar, a virtual reality treadmill and an interactive history of the brand’s iconic footwear, the [mission of the store](#) is to create an immersive experience that converts shoppers into customers, in-store or online.



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“The future of retail stores will be increasingly about these interactive experiences where they’re treating space as a new territory, **aligning KPIs more with marketing and media than selling per se.**”

Lorna Hall

Head of Insight, WGSN