INNOVATION LEADER

Why Agile Retail Needs to be on Your Radar

By Lindsay Angelo, Contributing Columnist; Growth Strategist, Thought Leader & Speaker

Mall of America photo by Meet Minneapolis

As 2019 unfolds, physical retail is undergoing a major transformation — one characterized by freshness, nimbleness, and curation. Conversely, losing relevance is the inflexible model of old — one marked by multi-year leases, high fixed costs, and risk. It's a model that, candidly, seems a bit absurd in an age of "agile everything" and changing consumer behaviors. To date, the traditional model — and the high barriers to entry that come with it — have led many emerging brands to first connect with customers online, a channel that has put its older sister, bricks and mortar, to shame when it comes to incubating innovation.

However, the tides are changing as disruptors seek to reduce the barriers to entering the world of physical retail. Companies such as Fourpost, Showfields, and Bulletin aim to make physical retail more accessible by enabling retailers to connect with their customers in the flesh. Their models are characterized by curating the latest and greatest brands under one roof — somewhat akin to a physical Amazon. Their models are also characterized by shorter-term commitments and smaller "shop-in-shop" type spaces, which drastically lower fixed costs and help digital-native merchants (or those simply wanting to extend their physical presence) thrive in the physical world. As a consumer, this translates into discovering and accessing all of your favorite brands in one place. In many ways, the physical world is catching up to the digital world, which has bred a myriad of marketplaces over the past decade, from Amazon to Google to eBay and Etsy.

At the same time, traditional spaces and retailers are getting an overdue dose of refreshing "flavor." For example, the West Edmonton Mall and Mall of America are now home to Fourpost, en eclectic collection of studio shops, eateries, and events. Consumers can discover new styles, designs, and flavors — as well as meet their makers!

Macy's is also upping its game. Last year, the classic department store introduced "the Market," a one-of-a-kind pop-up marketplace featuring an array of both up-and-coming and established brands at select Macy's locations. The department store announced plans to expand the concept late last year, including a partnership with Facebook and a raft of new technologies, from virtual reality to virtual mirrors.

Long before Macy's, Nordstrom's dipped their toe in the agile retail pool by introducing recurring pop-ups featuring the latest and greatest brands. They continue to bake "Pop-in @Nordstrom" into their retail model — in fact, they're currently featuring an "Up and Away" travel shop packed with the latest and greatest Away luggage products. (If you hadn't heard, Away is taking the travel space by storm.)

So, what if you're not a retailer? What does agile retail mean for companies that may be in the real estate sector, or perhaps sell consumer products? The good news is, it's creating an ecosystem of opportunity — agile point-of-sale systems, agile staffing models, agile visual merchandising and activations, and even online broker platforms that play Cupid, match-making retailers with short-term spaces available for the taking. If you look hard enough and seek out the right partners, incremental, adjacent, and disruptive opportunities are in abundance.

So, what does this mean for your organization in 2019? Consider the following:

- How does agile retail play into your channel strategy? Is there opportunity to do more to meet your customers where they are through a marketplace, temporary space or pop-up?
- If you're already in the bricks and mortar game, how are you innovating or disrupting your own in-store experience to maintain your edge amidst increasing competition enabled by physical marketplaces?
- If agile retail isn't your thing, where is there opportunity for creative and innovative partnerships that create new relevancy and resonance with your customers?

What will your agile retail playbook look like in 2019?

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Article published on: February 15, 2019