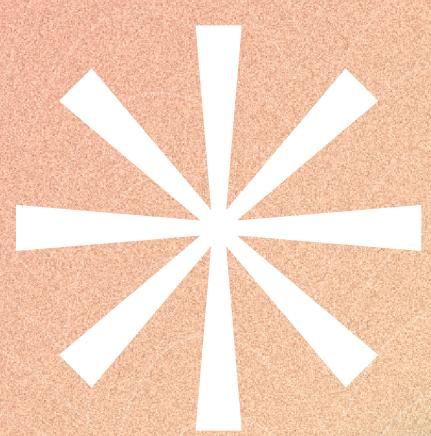


Redefining Resilience in Retail



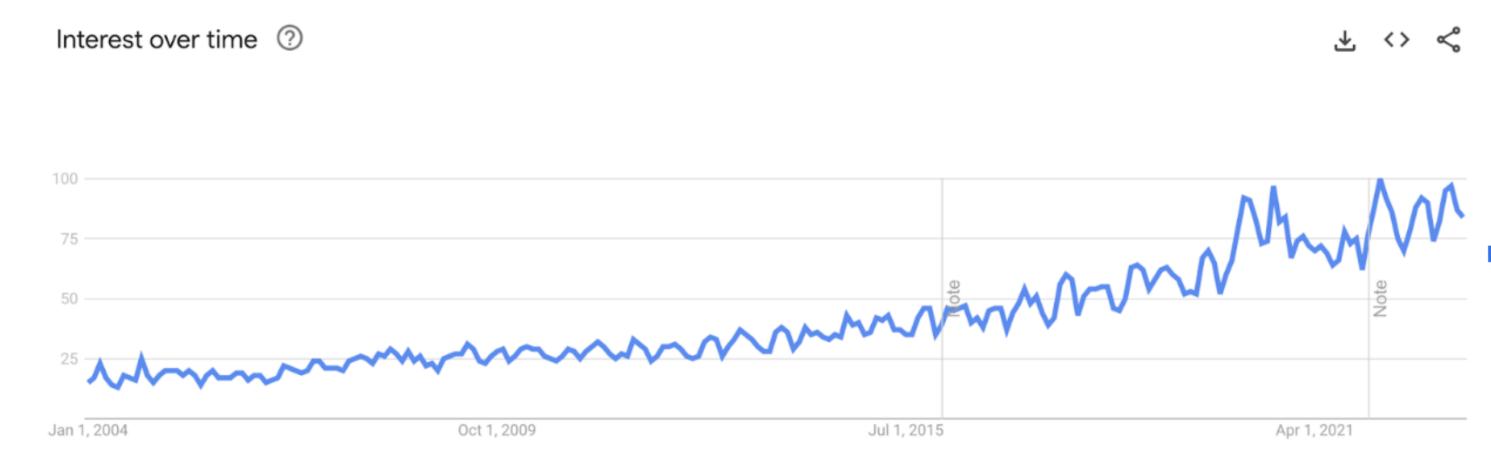






The use of the term "resilience" skyrocketed with the onset of the pandemic in 2020 and is still a consistent topic of conversation to this day. Individuals, families, small businesses and global brands have been forced to adapt to change and overcome challenges in the midst of unprecedented adversity.

The pandemic initiated a new era of resilience across the world and today's economic climate is making sure that era is here to stay.



Google trends report showing increased search volume for 'resilience' as a keyword





Over the last three years, retailers have exemplified what it means to be resilient starting in the earliest stages of the pandemic when they quickly embraced technology to solve for the shift from offline to online:

- Gap Inc. opened a state-of-the-art distribution center two months ahead of schedule and designed to be Gap's highest capacity fulfillment center.
- Crate and Barrel rolled out more operational processes in-store, such as social distancing and contactless pickup, in the first two months of the pandemic than in the two years prior.

We also saw retailers not only survive in the face of adversity, but thrive. In what has been dubbed "the Great Fashion Tech Acceleration", we saw not only the emergence, but the practical application of digital innovation like Artificial Intelligence (AI), Augmented Reality (AR), and the Metaverse.

- Burberry launched the world's first luxury "social retail store", blending the physical and social worlds with a digitally immersive retail experience.
- Neiman Marcus launched its clienteling solution <u>NM Connect</u> which allowed digital stylists to create an in-store experience remotely that drove \$60 million in sales in 3 months. Now customers can choose how they shop; from text, email, video chat or in person.



While the beginning of the pandemic is nearly three years behind us, change and adversity has become a constant in Retail. Rising inflation, sustainability expectations, continued supply chain issues, cost cutting, increased personalization standards with less third party data are just a few challenges retailers are grappling with in 2023. **"Resilience" has begun to take on a new level of importance** – no longer isolated to the idea of rising to a challenge or surviving the next big disruption – resilience for retailers has become "alwayson". Much like the human immune system, it is only as strong as the care and attention you give to it.

The stories of resilience in retail over the past three years are endless – to the point where the word "resilience" may be falling victim to <u>semantic satiation</u>.

As we count down the days to our retail marketing conference Lifecycle23, where the best minds in retail assemble to share their own stories of adapting, learning, and thriving in an ever-challenging modern market, we wanted to get a fresh take on the concept. So we challenged a few of our Lifecycle attendees and speakers to define what "resilience" has come to mean to them in 2023.

Here's what we learned...





#1 When there is a lack of adversity, create adversity

Jason Beckley, most recently Chief Customer, Marketing & Digital Officer at Ted Baker has held multiple leadership roles at global brands, including NIKE and Clarks, and is no stranger to implementing resiliency tactics across the teams he's worked with. When asked what his number one priority is when building teams to be resilient, he responded "the first thing I have to do is recognize that we have to create chaos, if nothing else, to allow us to get to that rawness of people acting instinctively and acting simply with agility and flexibility." This speaks to not just the importance of seeing how a team reacts to change, but also to the creativity and opportunity that change can create.

Our own Lauren Sadler who spent ten years in retail prior to joining Ometria, echoed this sentiment stating that when faced with a challenge, "turn it on its head and explore, investigate to find a solution - you may just surprise yourself!"

#2 While your strategy may need to change, what you stand for should not

Resilience becomes less about solving problems in the moment and more about long-term adaptation that strengthens your brand. Amanda Griffiths, Director of Digital Marketing & Ecommerce at The Davines Group stated "Resilience means to face change and uncertainty head-on with agility and confidence. It's not about making temporary changes to get through difficult times. It's about treating challenges as opportunities for everlasting growth while remaining focused on doing our best for the world through beauty, ethics, and sustainability."

Davines, a professional haircare company, had to quickly rethink their sales strategy in 2020 when sales happening from word-of-mouth in salons were stripped away from them. They quickly adapted with paid advertising and AI-powered site personalization, but still found time to focus on their broader purpose. They produced and donated over 10,000 of its Good Hope Gel Hand Sanitizing Gel in their ongoing efforts to do their best for the world.



#3 No matter what, customer experience should remain at the heart of every decision

Ntola Obazee, Trading Director at Emma Bridgewater stated "Resilience means being in tune with consumer moments and emotions, understanding how your brand can add value to the consumer and continuing to engage, surprise and delight with a great brand, storytelling and product."

In 2019 Emma Bridgewater launched its international strategic growth plan with a focus on customer experience, strategic partnerships and unwavering resiliency in a challenging Chinese market– <u>increasing sales by 49%</u> in 2021.

Joe Turner, Head of Digital Trade at Footasylum, also stresses the importance of reacting to adversity swiftly in an effort to protect the customer experience. "Resilience is the ability to adapt or change the shape of your strategy in response to the challenges your customers are facing, throwing away ideas of what you've always done to focus on what you need to do now."

Footasylum's customer-centric resiliency tactics have paved the way for opening a <u>new 6,000 square foot store and recently unveiled plans</u> to open a series of stores and expand others to meet the demand of their growing customer base.



#4 Commit to establishing a resilient mindset across your brand

One of the most common sentiments we heard was that establishing resilience is a necessary means to achieve success. Beckley offered an inspiring take on how he ultimately defines resilience; "Resilience, the magic fuel of purpose. The only thing it demands is clarity on where you are heading and why you need to get there. Once it has that, resilience will bring the adaptability, agility and commitment to make sure you make it".

Emilie Mouquot, Vice President of marketing at notonthehighstreet.com, had a strikingly similar definition or resilience while also stressing the importance of learning, stating "We live in a fast-paced ever changing world and resilience is therefore key to success. Resilience to me means the ability to keep in touch with changes in customer behavior, technology and the competitive environment through research, so that I can always adapt and challenge my approach." She continues, "To master it, I establish what my purpose/goal is to stay focused and together with arming myself with data I can then always be in a test and learn mode. This supports my ability to always be bold in my choices as prioritizing learning means I have no fear to fail."

Emilie was tasked with rebranding NOTHS, an undertaking that involves many moving parts even without the challenges of today's economic climate. Teams across NOTHS leaned in, worked together, and were indeed bold in their choices. The result of the <u>rebrand was a vibrant</u>, <u>playful new visual identity</u> that stands out and appeals to its growing, younger audience.





Has resilience come to hold a deeper meaning for you and your brand? How have you adapted your organization to be more resilient? How much time are you spending preparing for the next big disruption?

Retail resilience: what it takes, why it's important and how retailers are building it forms the central theme for our retail marketing event Lifecycle this year on June 6th in Central London.

You can get your tickets <u>here</u>, to join us and continue the conversation and learn more about how these retail pros are establishing and maintaining resilience every day.

