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KEY TAKEAWAYS &
EMERGING TRENDS FROM

#NRF2022: Retail's Big Show

EMERGING TRENDS FROM NRF: RETAIL'S BIG SHOW

At #NRF2022: Retail's Big Show, Prevedere Senior Economist Lindsey Peterson met with industry leaders to discuss the trends that will have the greatest impact on retailers in 2022.

01 INFLATION REMAINS TOP OF MIND FOR RETAILERS IN 2022

One of the most common themes coming out of NRF was concern about the impacts of inflation. Nearly every retailer is feeling inflationary pressures with the limited availability of commodities, inputs, and labor, all of which are contributing to supply chain constraints. However, the good news is that many of the supply chain disruptions are projected to ease up throughout the latter half of 2022 as retailers invest in addressing these challenges.

02 RETAILERS ARE BECOMING MORE CONCERNED ABOUT CONSUMER SPENDING PULLBACKS

Retailers at NRF expressed that their concern is shifting away from the supply chain challenges and more towards the uncertainty of when consumers may pull back on spending. Throughout 2021, consumers experienced wage gains that allowed them to absorb some of the increased costs associated with inflation without changing their spending habits. However, as wage increases slow and government benefits expire, consumers may reduce spending in response to heightened inflationary pressures in the coming months.

03 BRAND LOYALTY MAY BE AT RISK IN 2022

The rise in e-commerce since the beginning of the pandemic has made it easier for consumers to compare many options at the same time. As consumers become more price-conscious, brand loyalty may be at risk as they can easily find and compare everything from price point, availability, and ease of ordering between brands in a matter of minutes online.

04 **ENHANCING E-COMMERCE EXPERIENCE WILL BE A PRIORITY IN THE COMING MONTHS**

Every brand will be competing on price, so it's important to focus on enhancing customer experience and creating a distinguished brand identity. Retailers should also focus on creating an enjoyable and streamlined process for online shopping. With e-commerce, consumers often prioritize security and reliability when deciding where to purchase from, particularly as they cannot assess quality before buying a product as they could in brick and mortar stores.

05 **BRICK AND MORTAR FOOT TRAFFIC IS REBOUNDING**

Recent data from the 2021 holiday season shows a rebound in foot traffic to brick and mortar stores as compared to holiday 2020. While in-person shopping is still down compared to 2019 levels, there is a clear trend of consumers returning to stores. Just as retailers need to be investing in enhanced e-commerce shopping, they should also be reimaging ways to improve in-person shopping experiences and increase convenience to draw customers in.

06 **E-COMMERCE IS NOT GOING AWAY ANYTIME SOON, BUT CONSUMER BUYING HABITS WILL CONTINUE TO EVOLVE**

Even as there is some rebound to in-person shopping, e-commerce is not going away anytime soon. E-commerce growth may slow as brick and mortar foot traffic picks up and consumers become more mobile, but the pandemic is still in flux and consumer buying habits will continue to evolve. Retailers need to address both channels in the new year to remain agile and retain loyalty.

RETAILERS PLANNING IN 2022 ARE IN UNCHARTED WATERS

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