

6 New Year's Resolutions for The 99% of The Nation's Small Business Retailers



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Main Street USA by pixabay.com

The National Retail Federation reports that today there are some 3,793,621 retail establishments in the United States, and nearly 99% count as small businesses with less than 50 employees.

Unlike the 1% big retailers at the top, the 99%ers don't have legions of MBA's to guide their businesses, and few have dedicated marketing, merchandising or technology departments. Owners of those 99% of small retail businesses have a wide span of control, but often are hampered by not having enough time, discipline-specific expertise or money to invest in the many parts of the business that need attention in today's rapidly evolving retail world.

New Year's is the time for resolutions. It's when we look back at what went wrong during the past year in order to resolve to correct those areas that need improvement and set us on a path of greater success in the new year.

To help the nation's 99% of retail businesses prosper in the New Year, here are the essential 6 New Year's resolutions you need to make :

#1 -- People before product

Retailers have long been schooled on the 4Ps of marketing – Product, Price, Promotion and Placement. Amazon, for one, wants to keep you focused on that because that is where it beats you. But in the 4Ps model the most important P is missing – People – and that is where the 99%ers can win.

The new retail paradigm has shifted from a focus on Product to People. It means you must put people, not product, at the center of your business. Retailers are competing in a marketplace where consumers' expectations of the shopping experience is elevated far beyond simply finding and buying a product.

Certainly, product remains part of the mix, but it's been eclipsed by the service side of retail, especially for the 99%ers. The human element in retail is the most important factor in attracting customers and driving sales in-store. That's why people – both the people you serve, i.e. the customers, and the people who do the serving, i.e. retail staff -- are the two most critical factors in retail success today.

To put people first at retail means everyone in the store, and you especially, needs to spend time on the sales floor, meeting, greeting and learning about the customers. Caring and personal [customer service](#) greatly enhances customers' satisfaction, resulting in a greatly enhanced likelihood that customers will return to the store again for their next shopping experience and talk about your store to their friends.

And because the people in the store now take precedence, both the customers and staff, you need to evaluate all your staff members on their most critical personal skills. Way too many retailers have people in their employ that don't have them and so shouldn't have customer-facing responsibilities. If you've got one, two or more of those people skill-less people on staff, get them off the floor and find others to replace them.

This year resolve to make people your number one priority in business.

#2 -- Merchandise with stories attached

With people, not product, the focus of the retail store, the function of merchandising the store has changed. In merchandising your store, you must to evolve from merely selecting new products to put on the shelves into being a curator who selects products to go with other products that tell stories for the customers. It's those stories, not individual products, that will fire the imagination of the customer and get them to buy.

One of the best examples of story-based retailing is NYC's [STORY Store](#), on 10th Avenue in the Chelsea district. Founded by Rachel Shechtman, STORY is described as "Point of view of a Magazine, Changes like a Gallery, Sells things like a Store." Every 4-to-8 weeks the store reboots to bring in a whole new range of merchandise to tell a new story.

At STORY, products tell the story, but aren't *the* story. For Shechtman and team the story comes first. "We have to let our story drive the assortment, rather than let the assortment drive our story," she says. As a result, The STORY Store has become a mecca for retailers large and small, to be schooled in the fundamentals of retail storytelling.

And perhaps one of the best examples of a story-based retail product line is [ALEX AND ANI](#) jewelry. ALEX AND ANI is known for its series of expandable wire bangle bracelets, each with a small charm attached. These bracelets (and the companion necklaces and earrings) are made for collecting with each charm representing a symbolic icon that tells a story about the wearer. Merchandising a store with story-based brands like ALEX AND ANI affords retailers endless opportunities to storytell at the sales counter.

The evolving role of retailer is to tell the story, like the STORY Store, and sell the story with merchandise, like ALEX AND ANI. The story is what will capture the imagination of the customer, entice them to shop and compel them to buy. In doing that, your store will become a place where people engage in shopping experiences of discovery and delight where product is the reward they take home.

This year resolve to bring in only new products that have a story attached and to continuously set up storytelling product displays in your store. And, of course, train your staff in how to tell stories to sell the merchandise.

#3 -- Be active in your community

An important part of what people value in patronizing small, independent retailers, rather than big-box stores, national chains or online retailers, like Amazon, is the sense of community and belonging they find there. People crave to belong and be part of a community. The local shop on Main Street where the shopkeeper knows their name is place where they can find that sense of belonging.

American Express through its [Small Business Saturday](#) initiative has brought much needed recognition to the vital role retailers and other small businesses play in their communities. The [Main Street Program](#), established by the National Main Street Center, provides support to local businesses to bring back their Main Streets as a destination for people seeking more meaningful connections in their local community.

Owners of small retail shops should resolve to become more active in their local communities in 2018. Not just participating in Small Business Saturday promotions, but by joining with other local businesses in local community initiatives. Joining the local chamber of commerce or merchant's association is a place to start, but owners can look further to other local non-profit and charitable organizations in need of support, such as a homeless shelter, food bank, pet shelter or other charitable group. And such support should go beyond financial to leadership by attending meetings and volunteering to take a more active role in the group.

#4 -- Get more tech-savvy

The critical need to market effectively online is a particular pain point for most small business retailers. Keeping up with the technical challenges of digital marketing, not to mention maintaining an active presence on all the different social media platforms, takes an enormous amount of effort and time. Many small retailers are not equipped for it and feel overwhelmed by it.

Yet retailers know that most customers start on their path to purchase online, so being there is critical to attract customers and get them engaged. I have written a short white paper, [How to Power Internet Marketing](#), that asks 7 questions that help retailers assess their internet marketing prowess and provides tips on how to implement best practices internet marketing strategies.

Once you understand where you stand with internet marketing today, you can resolve to do it better in 2018. And while there are numerous digital marketing agencies that can provide technical advice and support, the more an independent retailer can do themselves the better. DIY-internet marketing will ultimately save money, save time and be more effective, since you know your customer and what hooks engage them better than anyone from an outside agency.

#5 -- Exert financial discipline

In an off-cited study by Jessie Hagen of U.S. Bank, poor financial discipline, in particular weak cash flow, was identified as the number one reason why small businesses fail. That study found 82% of the time, poor cash flow management or a poor understanding of cash flow contributes to the failure of a small business. Not far behind is owners being overly optimistic about achievable sales goals, money required and understanding what needs to be done to be successful, identified by 73% as the cause of business failure.

For 2018 you need to resolve to dig into your numbers and really understand the financial basis on which your business operates. First and foremost, you must understand your Income Statement, Balance Sheet and Cash Flow Statements to assess your current financial situation and predict where you may be headed.

Also you must identify the Key Performance Indicators or KPIs that measure how well you are meeting your business performance objectives. KPIs are a quick way to monitor the viability and health of your business.

One of the most critical KPIs for any retail business is the inventory turnover ratio which measures how quickly stock is sold. The painful reality of a retail business is that a lot of cash is tied up in inventory. Unfortunately many retailers simply don't have a good handle on the total value and quantity of the inventory on hand, or how quickly that inventory moves. Make this the year that you understand it and also how you may be losing sales when the right inventory isn't on hand.

#6 -- Change, test, try

And finally, make this the year that you resolve to try new things and continually test new ideas and approaches. Change is hard for everyone, but if you haven't learned already, your customers are changing at light speed and you must change with them to stay relevant and keep them engaged.

The twelve-month calendar gives you the schedule to layout a plan for regular, monthly, continuous change. If a monthly promotion worked well last year, try to do it better this year. If an initiative failed last year, analyze the problem. Maybe it was ahead of its time or simply too new to attract attention. Maybe it can be reworked to get attention this year.

Draw inspiration to change everywhere, from other retailers and local businesses, from your customers, from your product partners, from your travels to trade shows, from your kids. But don't just do the same things you've always done. 2018 is the year when you can do it better and the only way to make that happen is to try new things.

My book, "[Shops that POP! 7 Steps to Extraordinary Retail Success](#)," reveals how to make shopping an experience. Meet me at [Unity Marketing](#) or connect via [Twitter](#), [LinkedIn](#), [Facebook](#)

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