

Show Notes | S3 Ep1 | The State of Retail Today

Special Guest: **Shelley E. Kohan**

INTRODUCTION

We're in the era of the Customer Channel – where Shoppers' rule. This requires retailers to be empathetic and supportive of their customers, in every way.

We explore these changes – to identify them, share insights and speak with a variety of people in the trenches to better understand the changing nature of retail.

To kick off Season 3, we've invited back our first 3-time guest, Shelley E. Kohan. As we leave Summer behind and look toward the 4th quarter and the Holiday Season, consumer outlook seems dark. Is there a storm ahead? Is the outlook possibly a bit better than consumer sentiment would suggest? We will talk about the state of the retail industry today.

[Shelley E. Kohan](#) is the Chief Strategist at The Robin Report, a retail expert (as represented by the countless times she's quoted in the media), a retail pundit, a senior contributor on Forbes.com and a professor at Fashion Institute of Technology and Syracuse University. She was recently recognized as a Top 100 Global Retail Influencer. And before all of this she spent over 40 years in the industry as a senior executive.

THE CONVERSATION

We had a wide-ranging conversation about the state of Retail today. Here's some of the questions and links referenced.

INFLATION

Inflation is hitting us all hard. And impacting shopper behavior and purchasing. It looks like, due to inflation and consumer sentiment, that we are seeing a bifurcation again in retail. Not the first time!

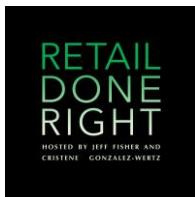
<https://fortune.com/2022/08/28/inflation-retail-earnings-american-consumer-who-bears-cost-high-rising-prices/>
<https://www.youtube.com/watch?v=k5nLGJunMg4>
<https://www.retaildive.com/news/what-walmart-and-targets-performance-told-us-about-retail-for-the-rest-of/630515/>

Cristene asked Shelley how Retail is responding. Are you hearing this from executives?

Cristene then shared data from the National Retail Federation ([NRF](#)) that predicts that retail sales for 2022 will grow by 6 to 8% over 2021. She asked if it's safe to say that \$ will flow to retail.

QUIET QUITTING

Jeff spoke about how we've gone from the Great Resignation to Quiet Quitting and quoted from Shelley's recent article: <https://www.forbes.com/sites/shelleykohan/2022/08/29/remote-work-quiet-quitting-will-make-holiday-hiring-for-retailers-difficult/?sh=cfbccaa84746c>



Jeff then asked Shelley, "What can customers expect this Holiday shopping season? Will it continue to be difficult to find a staff person in store?"

Cristene built on this and commented that a lot of people in Retail live at baseline subsistence. Restaurants have been using service charges to increase towards a fair wage. She asked how are retailers managing this move towards a fair wage?

THE PANDEMIC

I quoted from an article in The Economist:

<https://www.economist.com/business/2021/09/19/two-new-shocks-for-american-shopping>

Shoppers have returned to physical stores. Ecommerce has leveled off. But shoppers behavior is different. They are so much more comfortable with tech, with QR codes. With the blend of the online and offline. Morning Consult recently published their latest state of retail and ecommerce report.

Three takeaways include:

1. *The next phase of e-commerce growth requires more IRL shopping elements*
2. *Convenient delivery is more important than fast delivery*
3. *Consumers can't continue to absorb higher costs, and retailers' pain will grow*

https://go.morningconsult.com/rs/850-TAA-511/images/220812_H2%20State%20of%20Retail.pdf

Jeff commented that we've learned to live with COVID-19 and the variants. We've seen the return to stores. He then asked Shelley, what else should we expect, or plan for?

SUPPLY CHAIN

Cristene spoke about Supply Chain issues and how they are not behind us. In fact, there are some fascinating trends and shifts happening.

- Onshoring
- Reshoring
- Local, local, local

She asked Shelley, "Do we really think we are going to near-shoring as opposed to reshoring? Or is it something else?"

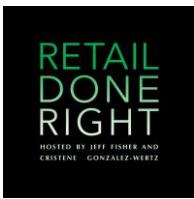
<https://www.sdcexec.com/safety-security/risk-compliance/news/22301806/brightpearl-more-than-onethird-of-us-retailers-will-go-bust-from-supply-chain-issues>
<https://www.retailbrew.com/stories/2022/08/16/four-supply-chain-experts-on-the-challenges-of-manufacturing-in-the-us-and-the-tactics-to-turn-to-instead>
<https://www.businessoffashion.com/articles/retail/american-eagle-quiet-logistics/>

Q2 EARNINGS HIGHLIGHTS

Jeff shared Q2 highlights from select Retailers:

Warby Parker:

<https://www.retaildive.com/news/dtcs-second-quarter-earnings-down/629291/>



Allbirds:

- <https://www.retaildive.com/news/allbirds-sunsets-leggings-widening-losses/629181/>
- <https://www.retaildive.com/news/allbirds-lays-off-8-percent-global-corporate-workforce/628764/>

Bed Bath & Beyond

- <https://www.retaildive.com/news/bed-bath-beyond-ceo-out-sales-fall-q1/626302/>
- <https://www.retaildive.com/news/bed-bath-beyond-to-close-stores-lay-off-staff-as-part-of-turnaround-plan/630933/>
- <https://www.retaildive.com/news/bed-bath-beyond-bankruptcy-risk-what-happened/630011/>
- <https://www.retaildive.com/news/bed-bath-beyond-talking-with-suitors-for-buybuy-baby-wsj/622606/>

Best Buy

- <https://www.retaildive.com/news/best-buy-sales-slide-inflation-discounting-take-toll/630797/>

Yeti

- <https://www.forbes.com/sites/shelleykohan/2022/08/05/yeti-sales-up-17-as-customer-demand-remains-high/?sh=57b5a07c65de>

HEROES & CHANGE MAKERS | *Our New Feature*

We're launching a new feature for Season 3. We're calling this, **Heroes and Change Makers**. We did an [episode](#) last season and it really resonated. Each podcast this season, we will highlight one person or company (who we haven't talked about) who we believe is a Hero or Change Maker.

Shelley offered up:

- [Dave Kimbell](#), CEO at Ulta Beauty
- [Amy Errett](#), CEO at Madison Reed

Cristene offered up:

- [Shekar Natarajan](#), Chief Supply Chain Officer at American Eagle Outfitters Inc.

RESEARCH AND LINKS

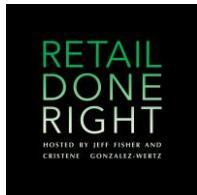
Recent articles by Shelley:

- <https://www.forbes.com/sites/shelleykohan/2022/08/29/remote-work-quiet-quitting-will-make-holiday-hiring-for-retailers-difficult/?sh=cfbcca84746c>
- <https://www.forbes.com/sites/shelleykohan/2022/08/17/july-retail-sales-flat-but-beauty-and-wellness-remain-a-top-category/?sh=738862207483>
- <https://www.forbes.com/sites/shelleykohan/2022/08/17/july-retail-sales-flat-but-beauty-and-wellness-remain-a-top-category/?sh=3328099e7483>

CONCLUSION

This is **RETAIL DONE RIGHT**. Thank you for joining our conversation.

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- Your comments are so important! This is the best way for us to hear directly from you so we can improve. It also helps us reach a broader audience.



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Let's go shopping!

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RETAIL DONE RIGHT is produced and hosted by Jeff Fisher & Cristene Gonzalez-Wertz