

Retail needs youth, design input



By [Dave Nemeth](#)

9 Jun 2011

Though there seems to be an optimism amongst local consumers, retailers in general seem to be in a state of panic and confusion, with many having put holds on marketing budgets due to conventional methods simply not giving the returns they used to. Some have half heartedly tried to embrace social media but simply seem to be out their depth in this area, or using a company that doesn't fully understand their customers.

I have mentioned in previous articles how international competitors are about to pounce upon our shores and consume market share, due to outdated business models and rigid red tape. Most are also sitting with outdated, overstock situations from the period of doom, meaning insufficient OTB to buy fresh and exciting stock (This is most evident in furniture sector).

The big problem lies in the fact that many of these retailers believed that increased market share could quickly be achieved by increasing their footprint. However, looking at certain financials it can be seen that some of the big players are trading down on last year whilst substantially increasing their stores.

With big international players and even medium and small ones looking at entering, with current models and in many cases the current decision makers, they certainly should be in a state of panic.

What many are failing to realize is that over and above the international threat, smaller independent stores, who understand their customers, provide a superior shopping experience and unmatched service, will also eat into their market share. In my years of retail, small independents were never seen as a threat, but this is about to change.

Retail all over the world is facing pressure; not only are international brands entering the local market because of opportunity, but in some cases because they have to increase their footprint into other countries due to downward trading in theirs. Bearing this in mind, top retailers here should be collaborating with various industries to be innovative enough to "leapfrog" the competition and themselves expanding into other continents

The other major problem I see in retail is the lack of fresh young blood within executive ranks from outside industries, as well as the inability to effectively consult with external thought leaders. Most execs have spent their entire careers in retail, working their way up from store level all the way up the ranks. It is for this reason that there is so much red tape which causes the inflexibility to speedily try something new or totally change direction in a certain product category for instance. Further to this there is a huge skills shortage of buyers and planners.

Why not consult with local designers, students, artists, tech geeks? If retailers want to survive, they have to really look at their top ranks as well as their current business models and quickly start changing the nature of the game.

The playing field is levelling out and those who change the face of retail by understanding the consumer, embracing technology and understand the youth and the importance of design within their organisation, will win.

ABOUT DAVE NEMETH

A leading blue chip international company recently identified Dave as one of the top creative influencers in the country. Dave Nemeth is a qualified designer who has held a variety of senior as well as executive positions with some of the countries leading retail groups, spanning a career of twenty years. Email Dave at daven@worldonline.co.za, follow @davenemeth on Twitter and connect on Facebook.

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