

1st Person

High-Street Shop to High-Street Flop: Lessons From Recent Retail Casualties

It's been a turbulent year so far for the retail industry. Over the past few months, the news has been flooded with sad stories of once-successful retailers floundering and, in some cases, going out of business completely.

Retail giant John Lewis has suffered a dramatic fall in revenue; fashion outlet New Look is shutting down dozens of stores; and two well-known retailers—Toys 'R' Us and Maplin—are going into administration. Worryingly, the number of bankruptcies appears to be accelerating, if we look at the U.S. data from [CB insights](#).

With so many big names getting into difficulties, it's clear that companies are facing a real challenge to communicate and engage with customers effectively and keep them coming back for more. So where are things going wrong, and what do retailers need to do to avoid the same fate as the recent casualties?

Leveraging New Technologies

Younger people are often cited as the reason behind the “death of the high street,” but research by the [National Retail Federation](#) and IBM clearly refutes this, as it

revealed that 67% Gen Z-ers still prefer to shop in-store, and these digital natives want more active engagement with brands. This highlights a very strong need for retailers and brands to rethink their approach to marketing.

Instead of basing strategies on outdated, “tried-and-tested” methods or assumptions, smart brands should be focused on leveraging new technologies that merge the digital and physical worlds to deliver innovative, interactive and personalized customer experiences. This message may be starting to get through. After seeing profits plummet by 22%, John Lewis has announced plans to up the pace of innovation via “bold moves” to reinvent its high-street stores and improve the customer experience it delivers.

One option that struggling retailers should explore to boost business is Near Field Communications (NFC) technology to turn each product package into a smart one and make it an enduring contact point with the customer. NFC tags contain unique identifiers by item, not just product type, so content can be dynamic (different before and after purchase) and more tailored to the individual needs, preferences and shopping history of the customer in

question. These tags are also small and can be discreetly integrated into packaging—without affecting the brand identity consumers recognise and love.

All this is now a real possibility, as there are currently around [1.4 billion people carrying smartphones](#), of which over 85% already have NFC readers that customers can use to pull the information from the smart packaging. This could come in the form of anything, from targeted product offers, how-to guides, competitions or reordering reminders—all available with a simple tap of their NFC-enabled smartphones. NFC has the potential to help build and retain customer loyalty by providing the personalized experiences customers now expect.



Don't Delay Innovation

Often, new technologies are met with a level of scepticism, mainly when assessing return on investment. A surprising early adopter of RFID was Marks and Spencer (M&S). Not normally a company associated with cutting-edge technology and innovation, they launched their first apparel-tracking pilot over a decade ago. By performing extensive research, this retail veteran identified that improving on-shelf availability would not only increase revenue dramatically, but also improve customer satisfaction. Although RFID was in its infancy at that point, M&S was not deterred or afraid to be at the forefront. [Mark Roberti](#), of *RFID Journal*, said this year that M&S "has carried out one of the largest and most disciplined rollouts (of RFID) to date," and they are now benefiting from its implementation.

As with anything, it can be daunting to make the first move and be the trailblazer when it comes to trying new technologies. However, the example from M&S proves there is real merit in taking some action, instead of sitting,

waiting and doing nothing. In such a competitive market, it's a case of "nothing ventured, nothing gained."

Now is the perfect time for the retail industry to take advantage of developments with NFC. New technologies and production processes are emerging to make NFC-enabled smart packaging economically viable for the mass market. Finally, brands and retailers will be able to offer customers truly interactive and personalized experiences with everyday products. NFC is definitely a lesson worth learning. **PS**

About PragmatIC

PragmatIC is a world leader in ultra low-cost flexible electronics, enabling the potential for trillions of smart objects that can engage with consumers and their environments. Its unique technology platform delivers flexible integrated circuits (FlexICs) that are thinner than a human hair and can be easily embedded into everyday objects. PragmatIC is re-inventing RFID and NFC to bring connectivity to mass market applications.

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