

3 Positives in the Retail Space that Could Stick Around



For months now, retail headlines have been filled with scary stories about how the pandemic is threatening the shopping industry as we know it. Yes, it's true that the pandemic is putting retail through the wringer, but it's also initiating some long-pending changes.

While this period is hard for everyone, that doesn't mean that everything coming into play as a result of this historic era will be negative.

The fact is, more change has emerged during 2020's first two quarters than we've seen in a very long time. Of course, it's due to unfortunate and stressful circumstances, but we can't ignore all the positive growth that's happening right now... especially in retail.

Here's how the pandemic is set to positively impact the retail sector moving forward:

Restructuring Inventory

As shoppers abandoned stores and purchased their goods online, it has forced retailers to reconsider how they're using their physical space. Stores have realized that an important question to ask is whether they need so much merchandise in every location.

Instead of packing multiples of every product into one store, the pandemic has pushed retail further into omnichannel integration – customers can buy online and pick it up in a store or they can go into a store, make a purchase and have it delivered to their home.

Blurring the lines between the different ways to shop is the way to accommodate different shopping preferences. Doing so will enable stores to retain customers, instead of trying to force them into buying the way they used to, which will result in losing them.

There are so many options available for nearly instant deliveries, there's no reason for retailers not to take advantage of today's tech compatibility. Now that COVID forced retailers to start reconsidering in-store inventory, shopping is being modernized before our very eyes.

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Leasing Done Differently

Throughout the pandemic, companies have announced plans to simultaneously close store locations and open others. A changing retail landscape is on the horizon, but CRE needs to support these adjustments.

As retailers are reconsidering their physical footprints by adjusting their locations, commercial leasing is set to change.

Tenants want more freedom to experiment, but they need the freedom to adjust as needed. Experts expect to see more cooperation and negotiations between landlords and retail tenants through creative leases that enable growth and optimization in the post-COVID world.

A New Playing Field

All in all, it's clear that the pandemic is pushing retail forward. It's important to remember that most of the conditions that retail brands are facing now aren't solely a result of the pandemic. Many of the factors have already been in the works, and the pandemic only made them more apparent.

Retailers who were stalling on making changes were the ones who faced the most challenges during the pandemic's sudden shifts, while pivot-ready companies could adapt more easily.

Digital disruption, changing behaviors of consumers, questionable viability of historically robust business models, the emergence of new players—those were all in place before the coronavirus happened. Good things come out of crises like these. It's moved companies to achieve in a few months something that might have otherwise taken years.

The pressure is on and the heat is cranked up high, but challenges are often what generate the very best results. Retail is in a difficult space right now, but it's introducing significant benefits for the shopping industry as a whole.

