

Retail Fundamentals for Growth

5 tips for small retailers to drive results

Partner Content from the  Retail Strategy Group

Minimal cost. Maximum impact. Driving growth with that formula is a big win for small and mid-sized retailers. There's a trick to getting it done — through the proven fundamentals that the largest retailers use daily. Here are five tips that can be used right away to thrive.

TIP 1: Define your brand DNA

A clear point of view is a key, foundational piece for your business and drives other major decisions. These include choosing what goes into the product assortment, what your marketing messaging is and what you look for when hiring. What is your story and what do you stand for? Customers resonate with a strong point of view. The goal here is to make sure your brand story shows up consistently across every touchpoint.

TIP 2: Curate the right assortment

Your assortment should bring your brand point of view to life. Start with a strong foundation of core or seasonless styles. Then layer in fashion products to capture trends, seasonal colors or newness. Replenish styles and colors that are selling well. Consistently evaluate your assortment by monitoring sales, tracking what markdowns are costing you and listening to customer feedback. Watch the market closely to take advantage of seasonal trends. Finally, never hesitate to cut underperforming products.

TIP 3: Strengthen inventory planning

Inventory is both your biggest investment and your greatest risk. Managing it right unlocks valuable cash flow and profit. Use an open-to-buy to plan your assortment, your spending by category and the number of SKUs in your store. Track purchase orders and keep a close eye on your cash flow to prevent overspending. Planning ahead reduces stockouts, overbuys and last-minute discounts. Avoid spending 100% of the OTB budget, rather leave 10%-15% to buy into in-season trends or replenish best sellers.

TIP 4: Elevate merchandising execution

How products are presented matters just as much (if not more) as what you sell. Great visual merchandising transforms your store into a storytelling platform. A counterintuitive approach is to take a selection of best-selling items and put them in the rear of the store versus the front. This way, customers walk through your entire space. Use props, signage and lighting to highlight new arrivals or hero items. Also, use the cash wrap to display relevant items for impulse sales and to increase basket size.

TIP 5: Make clienteling mandatory

Retail will always be a relationship business, no matter how much AI evolves. The most successful stores balance investments in technology with the human touch. Clienteling provides that balance. This goes hand in hand with salesmanship — learning about your customer and educating them about the most relevant products for them. The main advantage of any small business is the connection with the community; clienteling is the ideal way to strengthen that connection.

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