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4 retail industry trends we'll see in 2022





Residual impacts from the pandemic continue to burden the retail industry. From labor market and supply chain shortages to economic challenges and climbing inflation, brands are facing a new set of make-or-break moments.

Retailers must evolve to meet the heightened demands of today's employees + customers. This research outlines **4 forward-looking trends** to keep top of mind when planning for 2022 — and **4 takeaways** that will help retailers drive better outcomes through improved experiences.

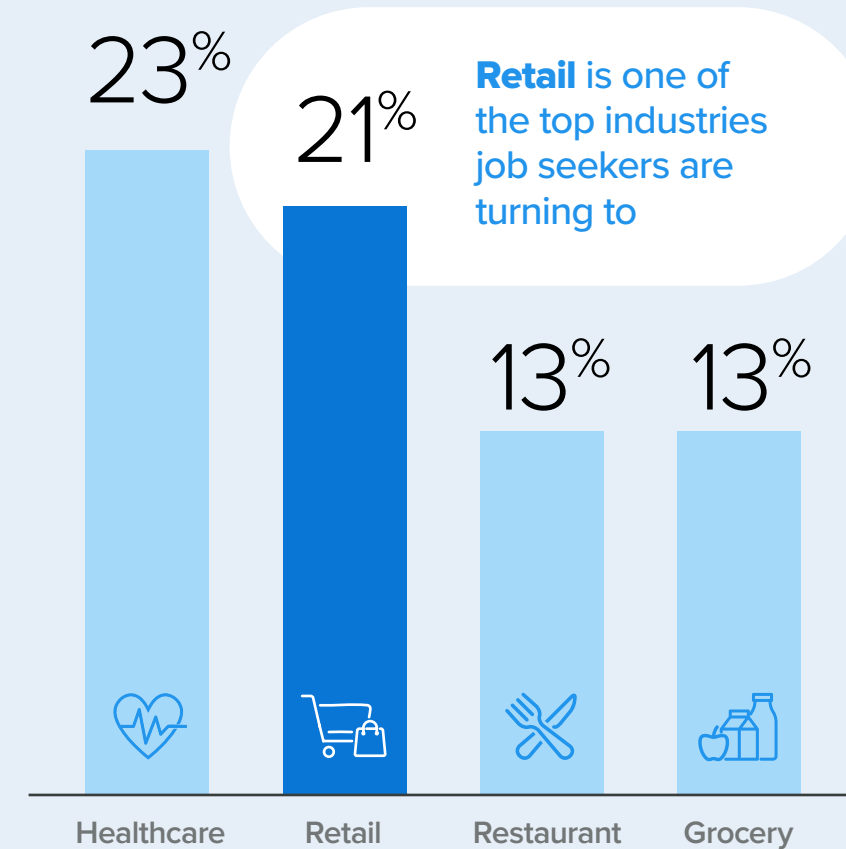


TREND #1

Brands will have to improve the employee experience

This year's record-breaking rise in job vacancies is forcing organizations to provide more appealing opportunities—not only to draw in new candidates but retain loyal, long-tenured employees. Retailers must go beyond competitive wages (though money matters, too) to ensure they're offering meaningful work.

% of panelists looking for employment in industry



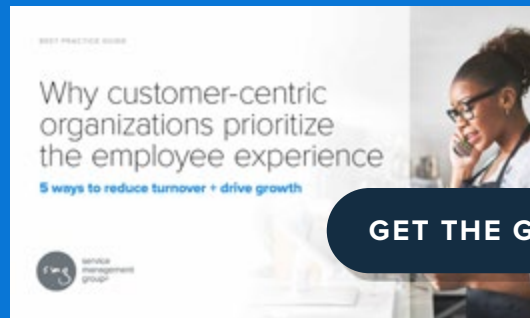
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Pay + fulfilling work are top retention factors

Why customer-centric organizations prioritize the employee experience

“Fulfilling work” is important, but that definition varies from person to person. The only way to truly understand what matters to your employees is to ask. And while most companies are measuring some aspect of the employee experience (EX), many lack the ongoing dialogue—and follow-through—employees need to feel heard and supported.



GET THE GUIDE ►

WITH THE RIGHT EX PROGRAM,
BRANDS CAN:

MEASURE beyond
key touchpoints for
continuous insights



USE dynamic
action-planning to
customize goals +
create accountability



ACT on insights
immediately for
meaningful change



INTEGRATE
employee feedback
with customer
experience data



PROVE ROI with
higher engagement
+ lower turnover

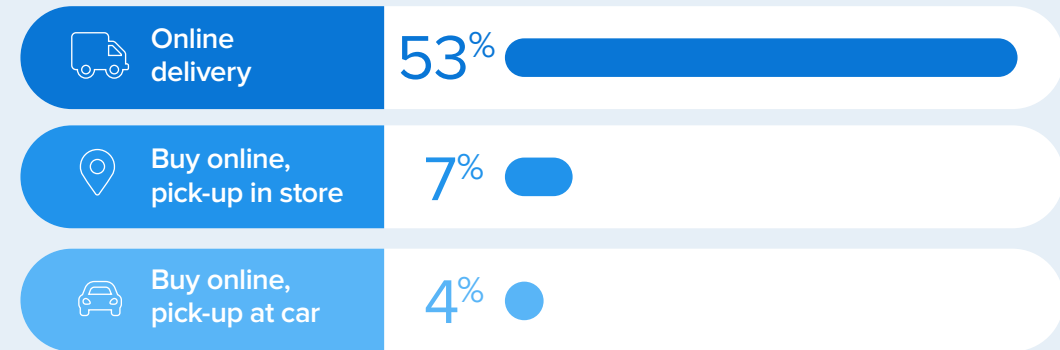


TREND #2

Cross-channel experiences will continue to increase

Today's supply chain shortages have created a nightmare for the retail industry—turning potential customers into frustrated non-purchasers. With product availability and shipment issues expected for the foreseeable future, consumers will be forced to leverage multiple touchpoints to fulfill their shopping needs.

Most customers planned to shop online during the holiday season...



...but in-store traffic is rebounding.

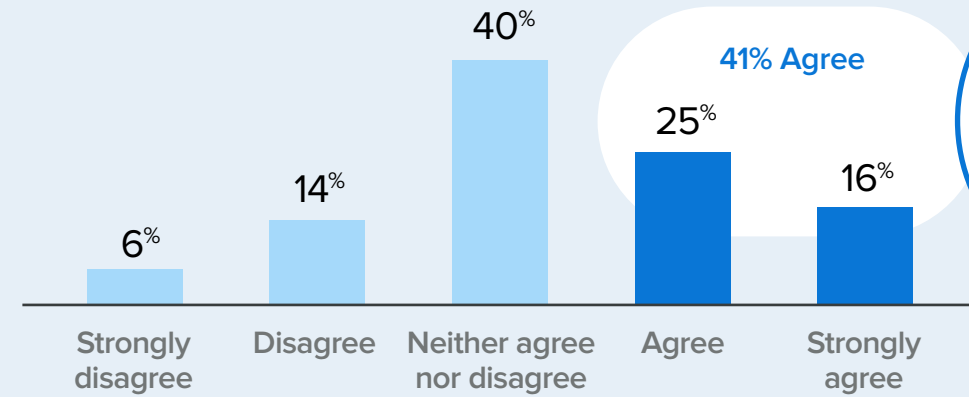


TREND #3

Retailers will have to place greater emphasis on quality

As inflation limits how far a dollar can go, shoppers will prioritize value and reconsider which brands get their business. But price isn't the only factor customers consider—it's product + service quality that carry more weight with value perception.

My financial situation has improved compared to this time last year.



Financial situations have improved, but increasing prices will keep value the top priority:

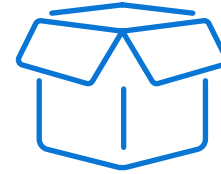
What is the most important factor when deciding where to shop for holiday gifts?



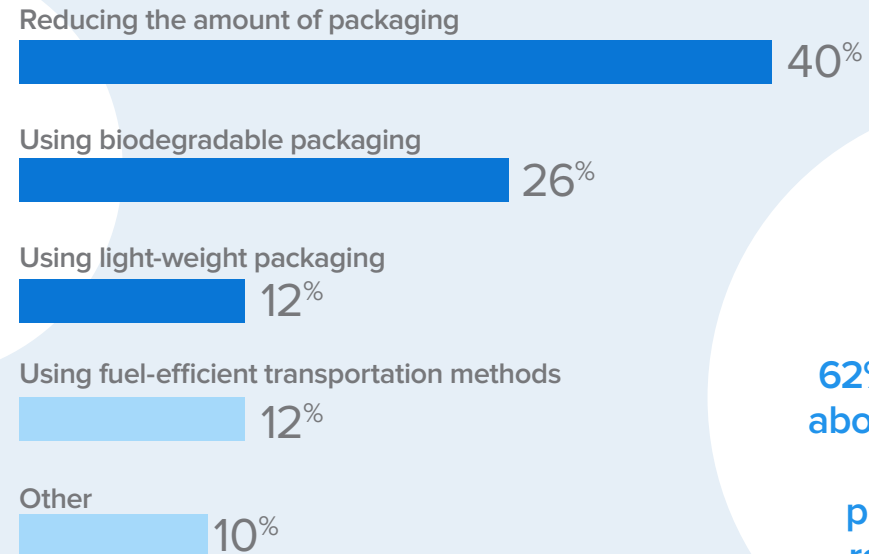
TREND #4

Winning brands will focus on sustainability efforts

“Sustainability” isn’t just a buzzword brands can throw around without factoring it in to the customer experience. Today’s consumers are more environmentally conscious and are awarding their business and loyalty to organizations putting eco-friendly initiatives into action.



Which of the following actions would have the biggest impact on which online retailers you order from?



62% of consumers care about the environmental impact of online purchases and want reduced packaging.

What are you personally willing to do to be more sustainable?

50%

Bring my own bags

43%

Properly dispose or recycle

38%

Buy locally sourced products

9%

Pay extra for plastic bags

4 takeaways to help retailers improve in 2022

1 Create jobs that offer personally fulfilling opportunities

Happy customers start with happy employees. Attract + retain top talent by providing a rewarding work environment that limits (or automates) tedious tasks and aligns with employee expectations.

2 Execute a consistent cross-channel experience

As the customer journey becomes more complex, ensure all touchpoints—from website to in-store and everywhere in between—are in sync and delivering a seamless experience.

3 Provide quality products + service for a differentiated experience

When costs go up, so do value expectations. Win customer loyalty by offering stand-out products, delivering exceptional service, and providing transparent communication around pricing.

4 Implement sustainability practices

Upcycling, package reduction, omitting plastic bags, and local sourcing will have a big impact on customers—especially younger consumers, whose buying share will continue to increase.



Transform feedback into business-changing action

SMG works with more than 500 of the world's leading brands—including 30% of the NRF's top 20. By combining end-to-end measurement solutions with integrated reporting tools and hands-on professional services, we help retailers navigate uncertainty with precision and adapt with agility.

To learn more, visit smg.com/request-a-demo.



About Service Management Group

SMG inspires experiences that improve people's lives. We are a catalyst for change—helping organizations generate new revenue, grow existing revenue, reduce churn and detractors, and drive operational efficiencies. Our unique software with a service (SaaS) model puts a dual focus on platform technology and professional services, making it easy for brands to activate insights based on customer, patient, and employee feedback. To learn more about our customer, employee, and brand experience management (XM) solutions, visit www.smg.com.

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