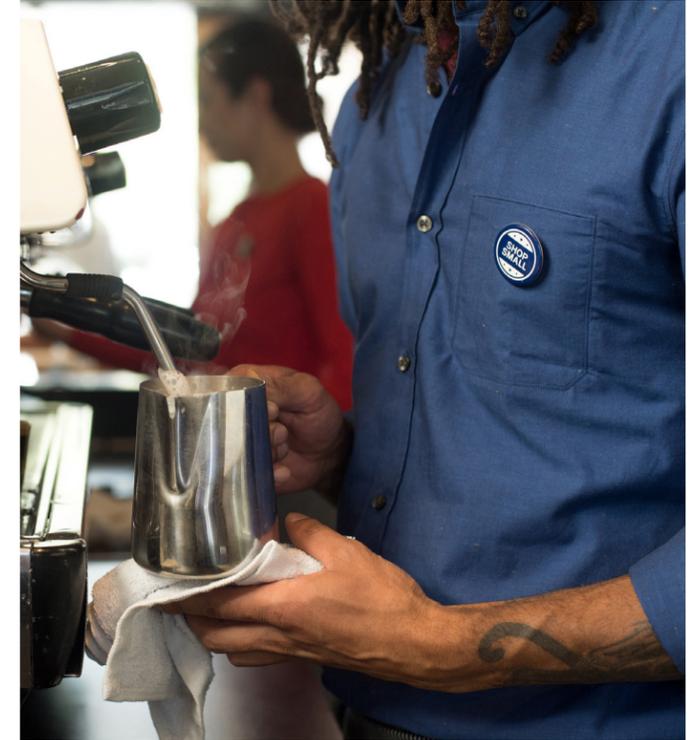




# The Future of Shopping Small

A Handbook for Small Businesses



When small businesses thrive, we all do. That's why American Express founded Small Business Saturday® in 2010 and continues to proudly back local economies and promote vibrant, diverse communities through the Shop Small® Movement.

With the retail environment changing rapidly, we want to help small businesses like yours continue to thrive. We've teamed up with top trend forecaster WGSN to highlight upcoming potential technology and trend shifts. These key insights can help you navigate the future of shopping small over the next ten years and beyond.

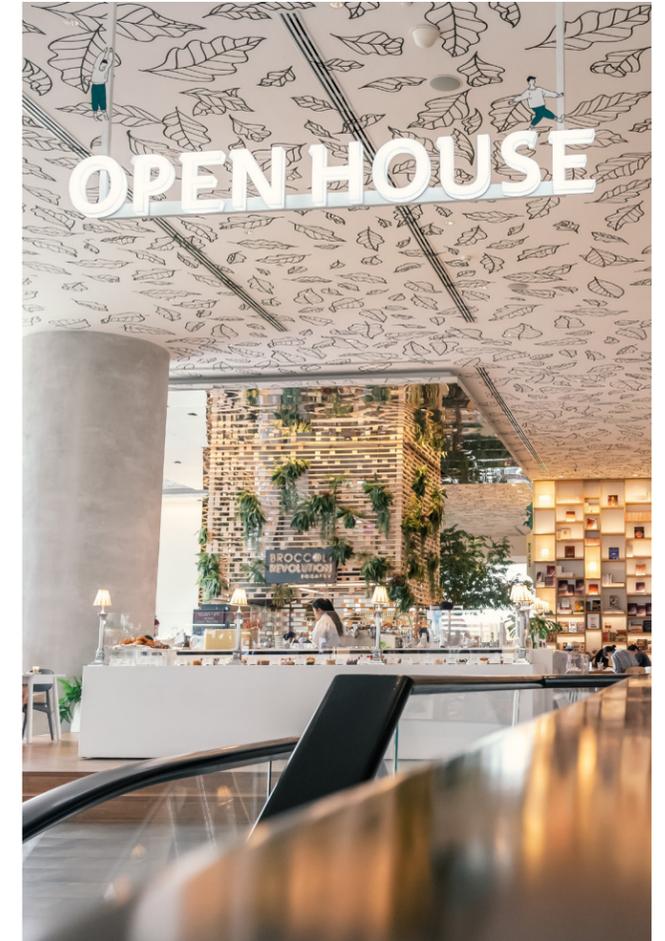


## Community Insight

Living in a world of endless options, consumers will likely seek out experiences for human connections that can't be replicated online. In fact, WGSN by Ascential found that **three in four millennials in the U.S. would choose desirable experiences over purchasing a physical item.**<sup>1</sup> Small businesses like yours could take this opportunity to build a community around your physical storefront.

## The role of the retailer will evolve.

The retail space may see more partnerships between local brands, ultimately transitioning your business from a provider of products to also become an enabler of solutions and experiences. For example, you could team up with a local coffee shop to host a tasting or invite a local tailor to provide custom fittings in your store. Look to potentially create a contemporary marketplace experience where you join forces with other businesses that complement the products you sell. Or consider hosting group activities to help bring people together.



## Constant connectivity will only rise.

Today's world allows consumers to always be shopping or interacting with brands. According to Edge by Ascential, social commerce in the U.S. is set to grow at a rate of 30.8% CAGR (Compound Annual Growth Rate) between now and 2024.<sup>2</sup> Consider platforms that can help increase the number of touch points between you and your customers across social media, websites, and email. Create an on-going dialogue and a continued sense of community even when your customers aren't in your physical location.



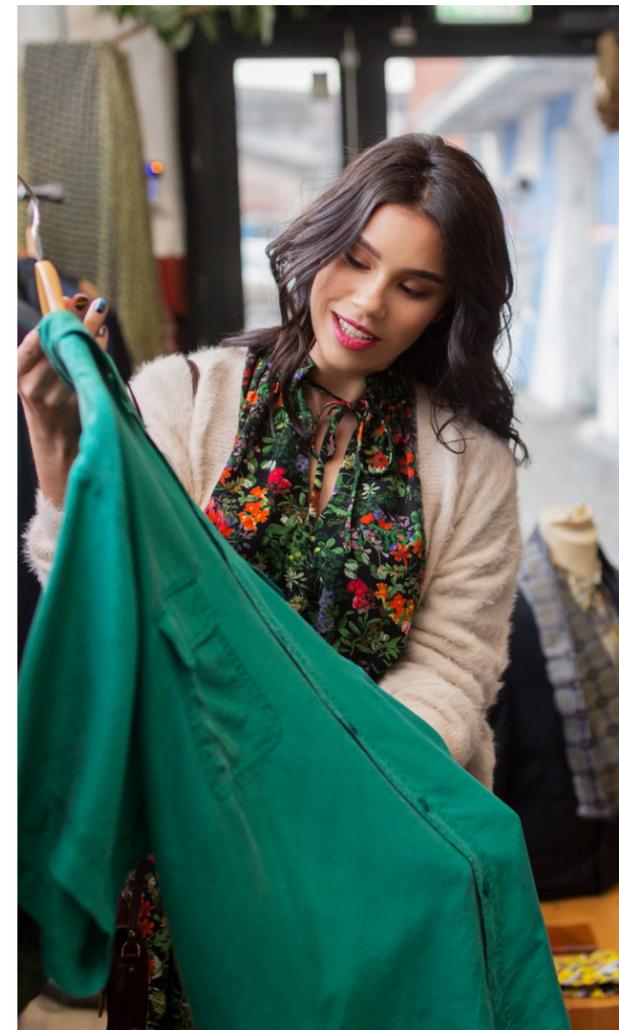
## Sustainability Insight

Business models that keep the environment in mind can become more important for small businesses as consumers become increasingly aware of the potential effects of their consumption on the environment. WGSN by Ascential found that **many consumers are more discriminating when it comes to company purpose, looking to shop with brands and retailers whose values align with their own.**<sup>2</sup>



## Embrace secondhand shopping.

The growing popularity of buying secondhand items could evolve into a robust re-commerce market for small businesses to tap into. Consider an in-store buyback program that allows customers to sell secondhand items, helping to extend the life of an object and possibly giving the customer a reason to return.



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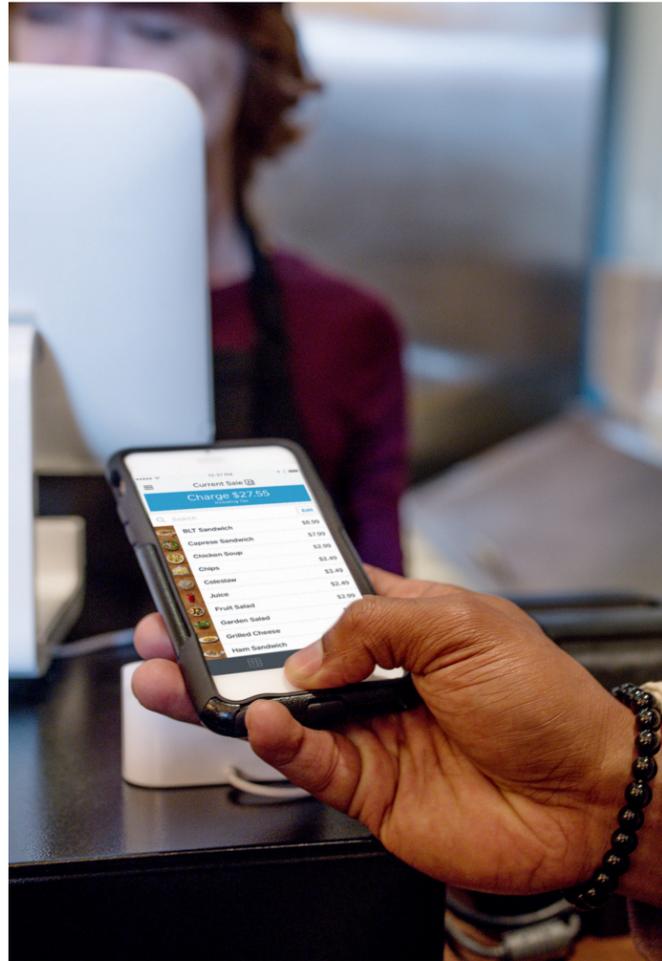


## Offer alternative solutions.

Stores may start to move away from paper receipts or traditional gift wrapping in favor of a low-waste or recyclable alternative. Look for digital programs that allow you to email receipts and consider reusable gift bags or recyclable wrapping paper.

## Technology Insight

You can have more time and resources to devote to what you do best: provide a unique, personal shopping experience to your customers. According to WGSN by Ascential data, over the next ten years, retailers may want to consider bringing more functions online - like inventory and checkout. Identify tech solutions that could best help you achieve your business growth goals.



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## Infrastructure for digital and contactless payment.

As consumers shift toward contactless payments, look to new point-of-sale systems to help keep your business up to date. Keep an eye out for platforms that help small businesses accept contactless and mobile payments with ease through Wi-Fi-enabled networks.

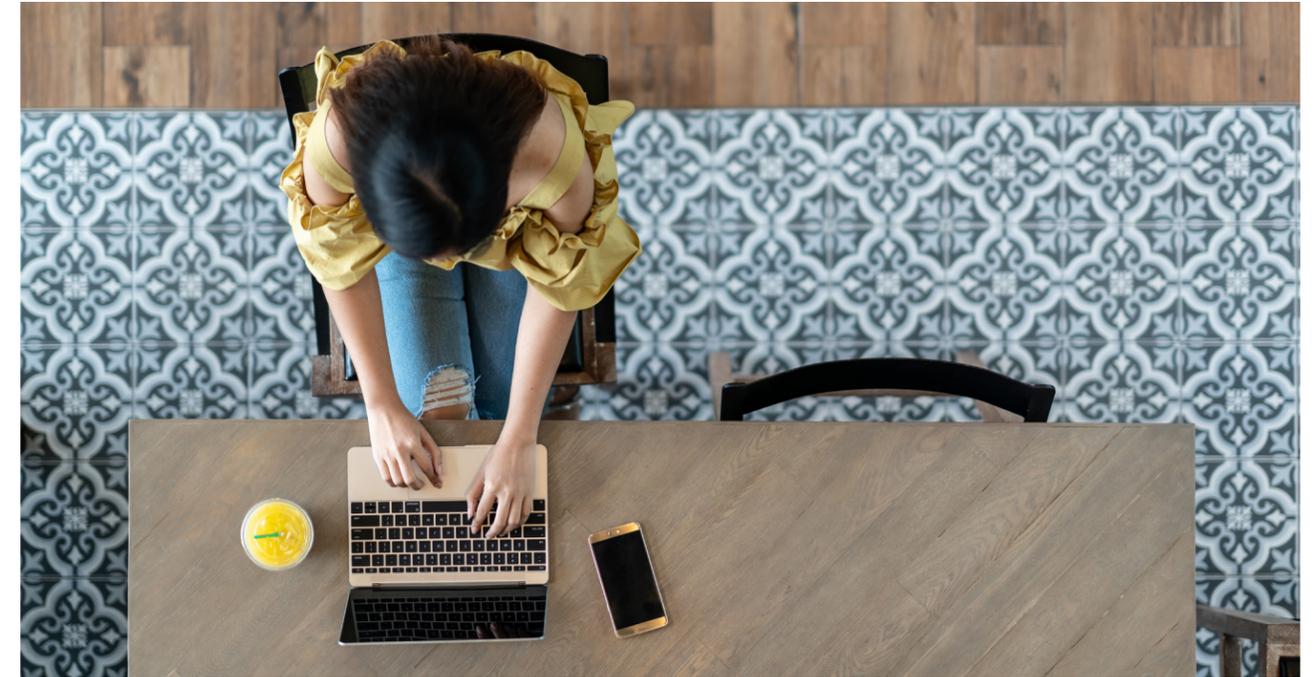
## Advancements in shipping support.

Amidst the evolution of e-commerce and next-day delivery, small businesses should consider technology that can provide customers with great service and experiences. Look for platforms that offer fulfillment services and a digital storefront, which can help ease the transition for small business owners by offering potential plug-and-play solutions for e-commerce and shipping.



## Digital Shopping Insight

The mobile shopping journey remains an important gateway for small business retailers to reach customers. When consumers shop, their attention is often divided. According to WGSN by Ascential, between 2018 and 2019, there has been a **60% increase in shoppers making purchases while commuting or traveling** and a 33% increase while in a cafe, bar, or restaurant. But that doesn't necessarily mean that shoppers are forsaking the store entirely. Instead, smartphone-enabled consumers inhabit a world where they can always have access to e-commerce.



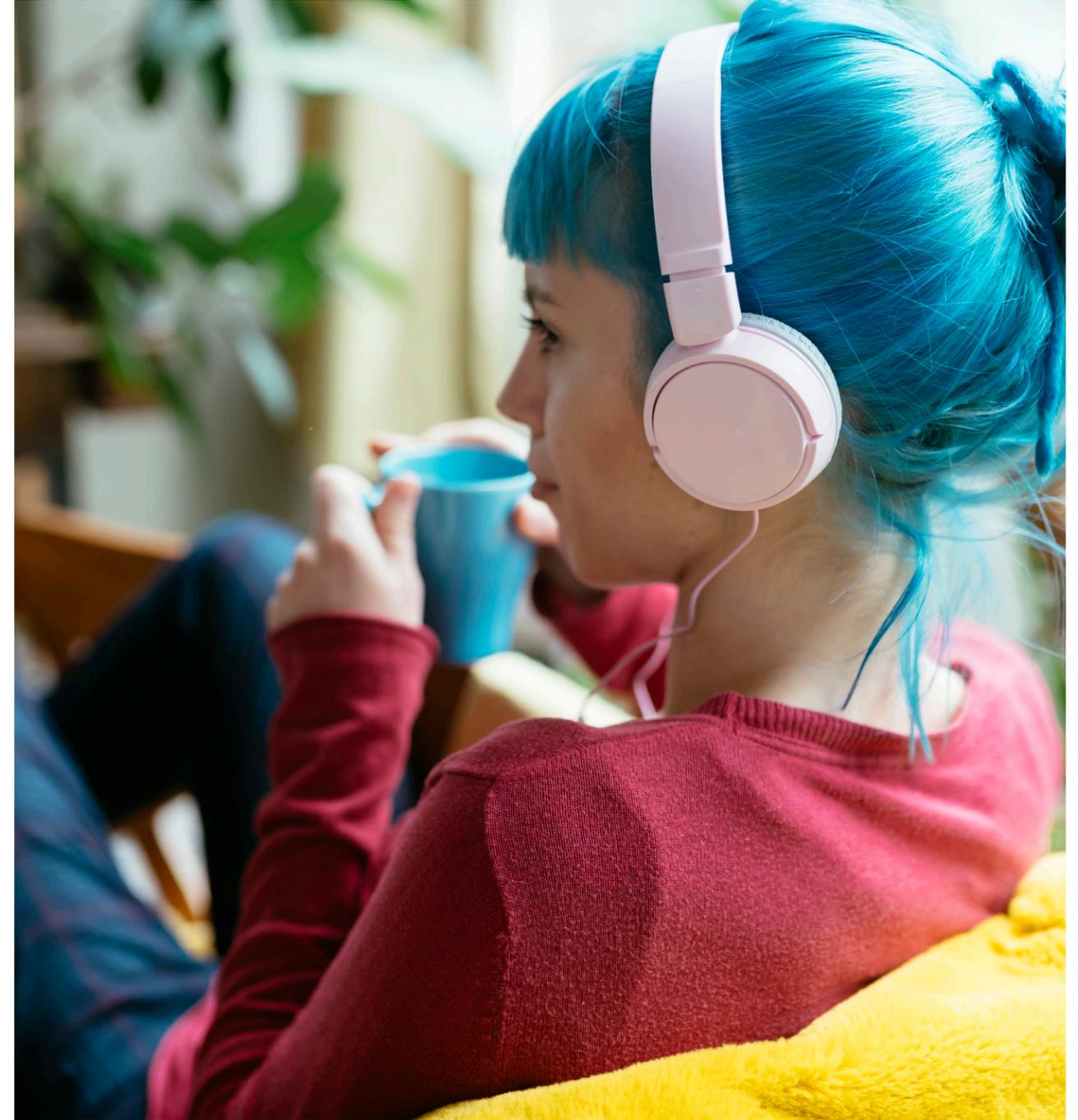
## Loyalty programs can continue to help.

Loyalty programs can drive revenue, build brand trust, and reach customers in store and online. Independent retailers could differentiate themselves by building custom membership or loyalty programs that cater to the behaviors and needs of their customers. Look to programs that provide infrastructure for better customer communication, like managing and growing your email marketing list and building a rewards program.



## Generational Consumer Insight

With the internet disrupting the retail industry, digitally native generations continue to redefine what it means to engage authentically with brands. Generation Alphas (individuals born between 2010 to 2025) may identify with brands that show innovation and shy away from traditional labels, like gender.



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## Stay in tune with Generation Alphas.

Over the next 10 years, Alphas will be entering the workforce and may look for a more automated shopping experience. Look to introduce elements of gamification into website and store design while also incorporating gender-neutral products and wellness-focused environments into the shopping experience.

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## Footnotes

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1. Edge by Ascential, Store of the Future 2019 Report. Edge by Ascential tracks data for more than 2,200 retailers operating more than 9,300 active banners globally in the Retail Market Monitor. Key data points from Edge by Ascential are sourced from proprietary algorithms that are powered by one of the largest retail databases. Edge by Ascential works with a variety of sources, but key indicators referenced in this report are modelled under proprietary Edge by Ascential methodology, drawing these conclusions from the database updated daily.

2. Edge by Ascential, Future of Retail Disruption 2019. Edge by Ascential tracks data for more than 2,200 retailers operating more than 9,300 active banners globally in the Retail Market Monitor. Key data points from Edge by Ascential are sourced from proprietary algorithms that are powered by one of the largest retail databases. Edge by Ascential works with a variety of sources, but key indicators referenced in this report are modelled under proprietary Edge by Ascential methodology, drawing these conclusions from the database updated daily.

3. WGSN by Ascential data, 2019. This insight has been made by internal WGSN Retail Experts as part of the Future of Retail 2019 report, released on 1 October 2019. The research in this report was informed by brand and retailer interviews that explore global trends, specifically looking at innovators and disruptors that are defining and witnessing success across the future retail landscape.

4. WGSN by Ascential data, 2019. This data is from the WGSN Barometer platform that conducts a daily survey with over 120,000 consumers each year in the UK & US, covering over 250+ retailers. The statistic is a measure of overall population behaviour exploring 'Shopping Location' with a reflection of total Annual activity in 2018 vs. 2019 year to date.