

“Death of Traditional Retail”

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Meet the Team



► What is traditional retailing?

Definition:

Thousands of small, mostly family-owned retail businesses. They are also referred to as the “unorganized” retail sector. The “organized” sector refers to large, modern regional and national retail stores.



► Today's Trends

- Convenience matters
- Bankruptcies
 - Malls are closing
- More online shopping today than ever
 - Growing exponentially
- Biggest retailers are either primarily online or investing into online formats
- More people are staying in than going out



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First Point

Online Shopping is King



Online Shopping is King



- Online Shopping is the fastest growing shopping format
 - About 1/3 of adults shop primarily online
 - PEW Research Center found 8/10 people prefer online shopping
- Online shopping is taking from brick and mortar
 - From 2013 - 2017 in-store clothing shops lost about 64,000 jobs
- Online retailers are on the rise while traditional retailers are falling
 - Bankruptcies of Sears, Blockbuster, Shopko, Charlotte Russe, etc.
 - Amazon, eBay, Alibaba has seen substantial growth
- Traditional retail jobs are tanking
 - 46% of traditional retail store jobs have disappeared
 - Stores like Sears and Macy's have seen about 31,000 jobs disappear in 2017 alone
- E-commerce is now more accessible to all generations
 - Older generations are more comfortable with online retail
 - Younger generations are adopting voice assistants like Alexa and Cortana to make purchases



Question?



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Second Point

Convenience is Key



Convenience is Key

- People are lazy
 - Going to Brick and Mortar stores require customers have to drive and get dressed up
 - Standing in lines
 - Bad in person customer service
 - <https://www.youtube.com/watch?v=ZXzNp2Vq7CQ>
- Gives shoppers the opportunity to search many stores at once
 - Comparison shopping
 - Wider selection
 - Better prices
 - Read reviews
- Saves customers time



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Third Point

Death of Malls

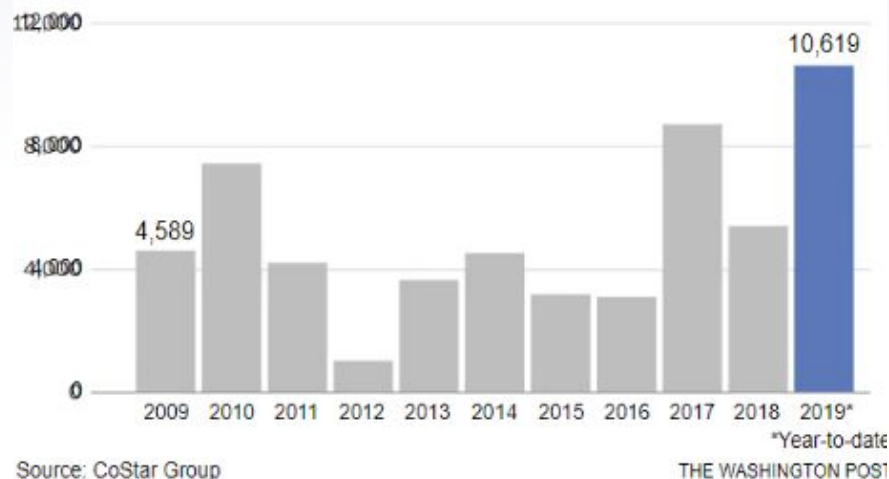


Death of Malls

- Decline of malls are mainly due to sales dollars migrating to online retailers.
- All time high for store closures
 - 2019 recorded highest closing numbers at 10,619 closures
- Bankruptcy of many mall favorites
 - Sears
 - Boston Store
 - Radioshack
 - Payless Shoes
- Major increase in spending
 - Malls are spending upwards of \$20 million to become revitalized
- Rise of "Zombie Malls"
 - Closures of stores = dead shopping malls
 - 1 in 4 malls are expected to close by 2022
- Malls searching for alternatives
 - Ditching traditional retail stores for yoga studios, gyms and medical clinics

Annual store closures

Retailers have announced plans to close a record 10,619 stores so far this year.



Conclusion

- Traditional retail is dying.
 - Signs:
 - Online shopping is king
 - Convenience is key
 - Malls are dwindling



► Sources

Bhattarai, Abha. "Malls Are Dying. The Thriving Ones Are Spending Millions to Reinvent Themselves." *The Washington Post*, WP Company, 22 Nov. 2019.

Paquette, Danielle. "Analysis | We're Starting to Shop Online as Often as We Take out the Trash." *The Washington Post*, WP Company, 13 July 2017.