



## Retailers Must Evolve and Consider a 'Customer First' Approach to Overcome Systemic Challenges

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### FTI Consulting Releases First Publication of 2015 Retail Outlook Series

WASHINGTON, Jan. 21, 2015 (GLOBE NEWSWIRE) -- FTI Consulting, Inc., (NYSE:FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today announced the release of [To the Victors Go the Spoils](#), the first publication in the 2015 Retail Outlook series, a thought leadership publication from the firm's [Retail & Consumer Products](#) experts that evaluates a variety of issues and challenges facing today's retailers.

*To the Victors Go the Spoils* looks at the long-term challenges posed by declining store traffic, sluggish sales growth and downward pressure on margins and profitability. For the foreseeable future, the retail industry will be stuck in 'The New Mediocre' – a period of time that requires action in order to survive. The publication offers insight on the ways in which retail is changing and how the industry reached its current state. FTI Consulting believes that the culmination of a number of factors, many of which have been challenging retailers for over a decade, have led to the declines that the industry is currently facing. These include:

- Oversupply of stores
- Maturation (and lack of differentiation) in many stores, brands and sectors of the industry
- Lack of "hot ticket" items
- Unfavorable demographics as baby boomers retire and millennials emerge
- Uneven economic recovery
- Increased desire on the part of consumers to spend money on services and experiences
- The tipping point of e-commerce sales, causing a destabilizing effect on store economics

"Retailers today are facing a magnitude of issues and challenges in a landscape where the only constant is the accelerating pace of change," said [Steve Coulombe](#), Senior Managing Director and Co-Leader of the Retail & Consumer Products practice. "Retailers have reached a crossroads, with many of them merely hanging on, it is clear to us that there needs to be an evolution in their business approach to stay afloat."

A common theme in *To the Victors Go the Spoils*, is the need for a 'Customer First' approach, which puts customer insights of all types at the center of the business, enabling new ways of running a retailer's most critical functions, including product development, merchandising, marketing and stores (both physical and digital). Retailers who adapt this approach can tap into new product categories, extend from goods into services, identify innovative ways of serving the customer and develop updated business models.

"While there is no single solution that will work for every retailer, we do believe companies can consider a 'Customer First' philosophy, which can be applied to all aspects of their business," added [Christa Hart](#), Senior Managing Director in FTI Consulting's Retail & Consumer Products practice. "The accessibility of customers gives the retail industry a competitive advantage and we see this concept as largely uncharted ground for the sector."

FTI Consulting's Retail & Consumer Products experts outline a number of areas where retailers can adapt a 'Customer First' approach, including:

- **The Evolution of Stores:** Stores themselves are of increasing importance, offering customers a familiar, convenient and immersive way to engage. Retailers can organize their stores (including e-commerce) around the needs of the customer, including rethinking the structure, layout and location of stores to better engage customers and the community while maintaining operational efficiency.
- **Marketing:** For the majority of retailers, marketing remains the owner of most customer insights, but has taken a widely fragmented approach. Retailers can shift their marketing approach to better align objectives and actions along the various stages of the customer's life cycle with the brand.
- **Product and Merchandising:** With many retailers already adopting an omni-channel approach to products, retailers can incorporate regular and ad hoc customer feedback and insights across the entire product life cycle. Retailers must also begin to rethink products from a traditional classification-driven system to a hierarchy based on customer wants and needs.
- **Data:** Retailers can significantly evolve their approach to collecting, managing and communicating customer data by reevaluating and expanding the role that customer insights and engagement play in an organization to capture behavioral, attitudinal, social and transactional information.
- **Measurement:** Retailers will need to move beyond traditional transaction metrics to adapt to the idea of managing relationships – how customers engage over the long-term and how retailer actions positively or negatively impact their participation.

Most retailers have many of the fundamental building blocks in place to begin the transformation. With omni-channel consumers already making the case for change, what's needed is a potential path forward.

*To the Victors Go the Spoils* was written by experts in FTI Consulting's Retail & Consumer Products practice who have deep expertise in corporate finance, strategic, operational improvement, liquidity management and turnaround and restructuring services. The full report can be accessed [here](#).

### **About FTI Consulting**

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,200 employees located in 26 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.65 billion in revenues during fiscal year 2013. For more information, visit [www.fticonsulting.com](http://www.fticonsulting.com) and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

CONTACT: FTI Consulting, Inc.  
1101 K Street NW  
Washington, DC 20005  
+1.202.312.9100

Investor & Media Contact:  
Mollie Hawkes  
+1.617.747.1791  
[mollie.hawkes@fticonsulting.com](mailto:mollie.hawkes@fticonsulting.com)

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