

9/1/2020

A Retail Model That's Working

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The retail newsletters I receive contain word of the woes and worries—and bankruptcies—of some of the most stalwart businesses in the category. It's all but over for household names like J.C. Penney, Neiman Marcus, Macy's and Sears (who can guess the famous Monty Python line I'm thinking of right now?). This bad-for-traditional-retail news, it begs the question, what's working?

Pam Danziger of Unity Marketing scanned the brick-and-mortar retail environment asking that same question. And she what came up with is a new department store called Neighborhood Goods. Never heard of it? There are only three of them—Plano and Austin, Texas, and New York City—so that's understandable. But what sets this company's business model apart is, as Pam says, its mission based on "fostering deep connections within its local community and being a place where brands can shine in an ever-changing rotation, so guests have something new to discover in each shopping trip." It helps that each store contains a locally oriented restaurant and an event space.

My interest was caught by their approach to the pop-up shops and brands that occupy them within the stores. Here's how CEO Matt Alexander explains it in Pam's article: "Each retail store has a story and then all the products featured there have their own story. So that is where the role of curation comes in: to make sure all the stories we tell are awesome. Everything is bound together, so our job is to say 'yes' to the right brands and 'no' to others. The sum total of it is this intangible aspect of taste."

On top of that, they use technology within each brand's space to "capture traffic demographics, behavior and more, so that we can understand how to best optimize and modify what is going on in the space. We own the space, provide the personnel and have the data."

And because staff isn't worried about inventory management and control (read the article for why), they can concentrate more on the consumer experience. You can read the full article under the Media Center/Blog tab at www.unitymarketingonline.com. **GP**