

New Research Shows Big Opportunities for Small Businesses

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Today's technology has changed the shopping experience. While many of us still enjoy trying on clothes at our favorite department store, we also relish the ability to buy specific and unique items through an e-commerce app, or research product details via our smartphone.

The changing nature of retail has opened tremendous opportunities for small businesses in the past decade. According to new research, "[Charting the Growth Journey: From Product to Profitable Business](#)" from GS1 US, a not-for-profit product identification and standards organization, the most successful small businesses are those that develop diverse strategies for growth. Specifically, small brands that

demonstrate a solid understanding of retailer requirements and seek the expert advice and services of external partners are better equipped to take advantage of today's "always open" shopping environment.

There are three ways small brands are finding growth opportunities in today's rapidly-evolving retail landscape: They focus on their product, build a complete channel strategy, and partner with professionals to accelerate success.

Focusing on the product

Small business owners are often driven by a passion for bringing their unique product to market. According to the study, 61 percent of respondents cite customer demand for personalized services and products as a top trend. Almost as many (58 percent) anticipate that changing customer habits – such as where they make purchases (online or in-store) – will impact their brand's growth.

"Building the story, the brand, and trust, is critical. Otherwise, it's a race to the bottom on cost," says Steve Lange, co-founder of It's All Good, a line of clean personal care products.

Focusing on customers and their needs is important, but finding the right balance and managing diverse business challenges such as lack of time and resources, are major concerns for many of the brands that participated in the study.

Building a complete channel strategy

Small businesses must look beyond the immediate pressures of starting a business to position themselves with the right retail channels for their products. These can include online marketplaces, national retailers, local retailers, kiosks, craft fairs, or their own stores or websites. High-growth

leaders (respondents who experienced 25 percent or more growth in the past year) know the importance of channel mix and leverage an average of 3.1 channels to sell their products, while laggards (those with revenue declines in the past 12 months) report using just 1.3 channels.

Proving credibility to retailers is also a major hurdle for small brands. The study found that 59 percent of leaders see a direct correlation between providing complete product information (such as images, product origins, and more) in their online listings with the number of products sold. Additionally, 57 percent of these same growth leaders indicated that using UPCs in their product listings helps customers more easily find their products online.

“Incomplete product information and UPCs show a lack of experience to potential retail partners. It’s important to understand that you need consistency from retailer to retailer,” says Erik Elfstrum, founder and CEO, pureLYFT, an all-natural caffeine alternative beverage.

Partnering with professionals

Seeking outside business support was also identified as an important growth factor among small brands. Such partnerships help them build a more sustainable business model and offer opportunities for expansion. The study found that more than half (55 percent) of high-growth leaders agree that partnering with a retail broker or consultant has been critical to growing the business. Specifically, 83 percent of small brands that leverage online marketplaces and national retailers say partners (such as barcode services, software providers, business consultants and more) improve their understanding of product information and its impact on their business.

For help finding the right partners to support growth, many small businesses have found credible options through the GS1 US Solution Partner Program, a network of certified solution

providers that provide guidance and a range of services to support retailer requirements.

More information can be found at www.gslus.org/what-we-do/partners.

Ultimately, it's a new world for shoppers and businesses alike. The research shows that maintaining a holistic view of the opportunities available to small businesses is a major contributor to long-term growth. To learn more and for the full research report, visit www.gslus.org/small-business.