



# CHAPTER 12

## RETAIL



BUSINESS BEATS BASICS

# RETAIL

## INTRODUCTION

The good news about covering retail is that it's one of the most accessible beats in business. We all buy stuff, so both reporters and readers have a basic understanding of how the industry works. But the retail beat is about much more than going to the mall.

Retail is about how merchandise is manufactured and transported around the globe. It is about new technologies that are changing the way we buy and pay for products. It can tell the stories of local mom-and-pops or of the biggest companies in the world. It delves into psychology to explain brand identity and loyalty and captures our cultural zeitgeist.

The Great Recession and the COVID-19 pandemic reminded us that shoppers remain at the heart of our country's economy. How we choose to spend – or not spend – speaks volumes about the nation's financial health. Boom years have given birth to \$300 designer jeans, while bust years have spawned extreme couponing. Retail reporting requires the ability to parse economic and market data to unveil hidden truths about the state of the nation.

This chapter will help you understand the most common types of retail stories and provide you with ideas for approaching them in a fresh way. It will cover the challenges of the beat – from gaining access to a store to walking the fine line between reporting a trend and promoting a product. It will also explain jargon and break down the sales reports and economic data released each month. And of course, it will also cover the all-important holiday shopping season.

**HINT: It's never too early to start thinking about the holidays!**

Retail can be one of the most fun beats on the business desk, and if you are tasked with it, I hope you will enjoy it as much as I have.

# WHERE TO BEGIN

There are several common types of retail stories that you will encounter on your beat. If you've been assigned a retail story and are jumping in cold, chances are it fits into one of these themes. I'll give an explanation of each issue with tips on how to approach stories in that theme.

## TRENDS

Trends may come and go, but the trend story is a staple of retail reporting. It may take the form of a local angle on a national trend, such as rising food prices or the advent of Zhu Zhu pets. Or you may have spotted something unique to your community. I once wrote about a neighborhood where dozens of kids set up dueling lemonade stands and their selling techniques, including car-side service, charity tie-ins, and price discounting.

There are two elements to a strong trend story: people and hard numbers. Without colorful examples and anecdotes, you're left with a dull research report. If you don't have a few statistics backing up your premise, you don't have a business story – you simply have a puff piece.



Finding numbers is often easier than finding people. There are a host of market research firms that collect data on everything from neckties to energy drinks. Local business owners are also often more willing than big companies to share sales and customer data

with you. In my lemonade stand story, I learned that one of the children spent a weekend counting the cars that drove by his house to help him figure out how much lemonade he needed to make and how much to charge.

Finding people to illustrate a trend often requires plain old shoe leather. I've approached people in supermarkets and shopping malls, lurked on listservs and crashed MeetUp groups. I've also put together a database of "real people," friends, acquaintances, and sources with large social circles who, more often than not, know someone willing to be interviewed for a story.



## STORE OPENINGS

Opening a store is a huge investment – not to mention a gamble – for any business owner. There is an inevitably complicated permitting process, a lengthy and expensive build-out of the space, the acquisition of merchandise, a search for talented staff, and finally a hope and a prayer that customers show up and it would have all been worth it.

Each of these stages is an important element in the opening of a store: What did it take for local officials to approve the store? Was there any opposition to it? Will it be receiving any government money? What demands did local officials want from the retailer and vice versa? It is not uncommon for a merchant to request a certain traffic pattern, or for local officials to put restrictions on signs and billboards.

Also important are the types of products the store will carry. Will it be a new prototype for future stores? Is the company testing any merchandise in this store? Has it tailored its selection to the community, for example, by stocking more ethnic food in diverse neighborhoods or larger pack sizes to cater to suburban families? A smart retailer will make each store unique – and a smart shopper will notice!

The ups and downs of the economy in the past couple of decades have brought renewed focus to retail's role in creating jobs. A strong story will include not only the number of people the store hires but also address wages and employee selection. Many cities will ask large retailers to set aside a certain number of jobs for residents.

In addition, many grocery stores are unionized. If a new supermarket is opening, it may be worthwhile to find out whether it is part of a union and speak to local labor leaders.



## STORE CLOSINGS

Just as common as store openings in recent years are store closings, one of the consequences of the Great Recession, online retailers, and the COVID-19 pandemic. A store closing sets a different chain of events into motion, each ripe with stories.

A large store closing may result in a Worker Adjustment and Retraining Notice (WARN) to your state unemployment office 60 days

before it shuts down. This may be your first tip that a major retailer in your area will be closing. The impact of those layoffs on your community will be an important thread to follow. You may also want to check with local officials on the loss of sales tax revenue from the store.



Large retailers often outsource store liquidations to special firms. Those firms frequently bring in outside merchandise to sell along with the store's original products, a practice that irritates many consumers. You may want to track what happens to the things that don't sell, no matter how deeply they are discounted. There is an entire industry for liquidated merchandise that is fascinating to dive into.

Most retailers do not own the building in which they operate. You should seek out the landlord to find out what will happen to the space and how much rent they can hope to claim. Local officials may also weigh in on the impact of a blighted storefront on the community. No business owner wants to be next to an empty space.



## NEW TECHNOLOGY

Retailing is an intensely competitive field, and stores are always looking for innovations that can help them reduce costs or sell more products. That means they are often the first to adopt new technologies, from global tracking devices that monitor the shipment of merchandise to mobile coupons to Facebook credits.

These stories tend to have a “gee-whiz” feel to them, but don’t forget to ask whether a fancy new technology actually results in higher sales or lower costs. Otherwise, it might not be around for long.



Sometimes, old innovations can make for interesting stories as well. In 2011, New York Times retail reporter Stephanie Clifford wrote a front-page story on rethinking the store mannequin: [Stores Demand Mannequins with Personality \(Heads Optional\)](#). During the Great Recession, several retailers reinstated layaway in their stores upon customer demand: Newsweek, [In Tough Economic Times, Layaway Making a Comeback](#).

## HOLIDAYS

We’re not just talking Christmas. Every month seems to bring a special shopping occasion: the Super Bowl, Valentine’s Day, Mother’s Day, Independence Day, back-to-school season – you get the picture. As a retail reporter, you will often be asked to find a new angle on an event that happens every year.

Some common stories include how much consumers plan to spend during the holiday and what they plan to buy.

If you’re lucky, a new product or catchy advertising campaign will emerge that allows you to write a trend story. But you can also do the opposite: Explore the history of an old favorite. For example, one holiday season the Times-Picayune in New Orleans wrote about the origins of the “turducken,” a chicken stuffed inside a duck stuffed inside a turkey that had long been a local staple but became famous nationally.

Often, holiday stories are not about what’s new and different but simply about what is interesting. You could shadow a florist on Mother’s Day, follow a harried mother shopping for school supplies or make chocolates at a local confectioner for Valentine’s Day. As reporters, we may try too hard to find something new when readers (and your editors) are seeking the familiar.



# MAKE CONNECTIONS

There are several techniques you can use to inspire story ideas and get the information you need outside of the official channels. Retailing is a very public business, after all, and everything is laid out inside the store for you to see, if you know how to look.

## WALK THE STORE

Even CEOs make a point to walk through their company's stores – and their competition's – on a regular basis. They are searching for clues to how the store is performing. How full is the parking lot? How full are shoppers' carts or bags? Is the store well-stocked, or are there empty shelves? How much merchandise is on sale? How long has it been on sale? How much merchandise is on clearance? How many employees are there? What products have they placed in prime positions at the front of the store, at the end of an aisle, or on eye-level shelves? How often do they introduce new products?

These are all questions you can answer just by scanning the floor, and they will help inform your reporting. I also like to flip through magazines and weekly circulars to see how retailers are advertising their products and positioning their brands.

## CORPORATE HOOPS

A store is private property, and a manager can kick you out if you try to interview people inside without the company's permission. However, I've generally found that no one will bother you if all you've got is a pen and a notepad. If I just need a few shopper quotes, I don't bother alerting management or jumping through the corporate hoops. I just walk in.

However, most people are more wary of a camera, so I ask in advance for permission to shoot photos or video inside the store. Some retailers allow store managers to give approval; others require reporters to contact their headquarters. I've even had retailers ask our publication to sign contracts before a photographer or videographer could shoot. (We politely declined.) I've also found that shopping center managers are more accessible than corporate press offices and more open to allowing interviews, photos and videos.

If I don't feel like bothering with a retailer's headquarters or they are being difficult, I'll just call up a mall manager who often will let me station myself outside of the store to get the shots and interviews we need.

## TRADE GROUPS

### National Retail Federation

[nrf.com](http://nrf.com)

The PR people at this trade association are some of the most helpful and in-touch in the business. They can provide commentary on almost any topic and can put you in touch with top executives across the industry. Through its partner, BigResearch, it releases exclusive data on consumer behavior, trends and spending estimates for major holidays and significant news events. During Christmas, they are indispensable. Their members include major retailers, small businesses and online-only players. Call them early and often, and you won't regret it. Specialties include: consumer trends, holiday stories, online shopping, and organized retail crime/loss prevention, retail policy.

### Retail Industry Leaders Association

[rila.org](http://rila.org)

The rival trade group to NRF, its members are tilted toward big-box stores such as Walmart and Home Depot. It focuses less on consumer trends and more on policy and back-end issues. It was a significant player in the national health-care debate in 2012-14 and has also weighed in on online sales tax collection.

### International Council of Shopping Centers

[icsc.com](http://icsc.com)

This trade group represents retail real estate developers and is a valuable resource for data on shopping malls, including vacancy rates, square footage, average rents, etc. Their analysis of monthly same-store sales is widely cited. They also have expertise in organized retail crime/loss prevention, lifestyle centers vs. enclosed shopping malls, and new store formats.



## DEVELOPERS

The retail beat is often combined with complementary coverage such as commercial real estate. Developers can often become rich sources of information with insider knowledge of a retailer's sales and performance.

Commercial developers seek to build successful shopping centers, so they must understand retailers and stay on top of the latest store formats and popular brands. They tend to have the scoop on new stores coming to town and which ones may be leaving. They also make good "expert" quotes and can talk about the impact a retailer could have on a particular neighborhood.

## COMMUNITY ACTIVISTS

They are often on the opposite side of developers but are just as plugged in. They can be influential in whether a retailer even comes to town and may request certain requirements, such as limits on store hours or proximity to schools. In some cases, the community may be the force that brought the retailer to town in the first place. They also help dictate the mix of retail (i.e. food, apparel, services) in a neighborhood. If you're writing about a grocery store, you should also cultivate any union representatives.

# FINDING EXPERTS AND SOURCES

Several national organizations can help provide you with statistics, context and resources for your stories. They can also provide expert commentary and help keep you on top of the latest developments in the field. In addition to the trade groups mentioned on the previous page, here are some additional places to look:

### RETAILWIRE

[retailwire.com](http://retailwire.com)

Features frank discussions about the nitty gritty of selling with organized discussions on key issues (i.e. zero-waste grocery stores or mobile marketing), with industry leaders' opinions. This is helpful for identifying useful contacts and also for background and context.

### CIRCANA

[circana.com](http://circana.com)

This consumer behavior research firm has experts with deep knowledge of all the major retail categories, from electronics to toys to beauty to apparel. Their detailed data reports on a range of topics are widely used both by retailers and reporters.

### MINTEL RESEARCH

[mintel.com](http://mintel.com)

This company issues comprehensive reports on almost every merchandise category under the sun. Though some of their work aggregates other reports, it is still helpful for getting a strong background in a topic.

### CONSUMERIST

[consumerist.com](http://consumerist.com)

This blog culls consumer news and complaints over just about anything. (For example: Turkey Hill Ice Cream is Somehow Both "New Flavor" and "Original Recipe.") It includes some great tips about what is on shoppers' minds.

# FINDING THE DATA

There are several sets of data released each month that attempt to show how much merchandise retailers are selling and how much people are spending – two sides of the same coin that can result in very different figures. These are often taken as indicators of the country's economic health, but some statistics are more reliable and comprehensive than others.

Even if you do not report on this data when it is released, you'll find it helpful to review it periodically to find new trends in consumer spending or to provide support for things that you see happening on the ground. Interested in how auto sales changed after the government's Cash for Clunkers program? Writing a story about how high food and gasoline prices are affecting people in your community? Want to show how the ailing home furnishings market has put a local chain out of business? This data will be valuable to crafting a more solid story.

## COMMERCE DEPARTMENT MONTHLY SALES

These figures are released on a different day each month. They represent the government's best estimate of total sales at retailers large and small across the country. The number will be revised the following month, though the change is typically small. Check the U.S. Census Bureau to find the [release dates schedule](#).

This data includes a much broader range of retailers than same-store sales. It also measures sales at all stores (net sales), not just those open at least a year (same-store sales).

It includes raw numbers and comparisons to previous months and years. The data comes "seasonally adjusted" or "not adjusted." The seasonally adjusted estimates are supposed to reflect the fact that people tend to buy certain products during certain times of the year. For example, they may buy more gas in the summer. That effect is stripped out of seasonally adjusted data. Non-adjusted data is the raw numbers.

For a reporter, the most important chart in this report is the seasonally adjusted sales results compared to previous time periods. The only two you really need to worry about are comparisons to the previous month (July vs. June) and the same month of the previous year (July 2024 vs. July 2023).

Typically, economists focus on the month-to-month comparison in this data because it can tell how consumers are progressing throughout the year. Are they buying more or less? Did major world events affect the way they spend their money? However, you may find the year-to-year comparison helpful if you're writing about a longer-term change.

## PERSONAL INCOME & OUTLAYS

These figures are released monthly by the Bureau of Economic Analysis in the Department of Commerce. Generally, retail reporters do not cover these numbers, but you may find interesting nuggets if you take the time to review them.

The data covers how much money Americans made during one month and how much they spent – not just on retail, but on rent, mortgages, utilities, services, etc. Think of it as our national checking account. Data dubbed "real" has been adjusted for inflation.

Real personal consumption expenditures is a fancy way of showing how much people spent in major categories like cars, food and apparel.

This is also where you can find America's savings rate – the amount of disposable income left over after all of those expenditures.

## MASTERCARD SPENDING PULSE

MasterCard analyzes the purchases made on its network and surveys other sources to estimate total retail sales in a variety of categories. The data is released monthly.

The figures are rarely reported on by themselves, but they are frequently cited in larger trend stories. While government data is reported without comment, MasterCard usually includes some analysis of the reasons behind any large swings.

## SAME-STORE OR “COMPARABLE” STORE SALES

About 30 major chain retailers report these numbers, most of them stores you would find in a mall (e.g. Gap, Macy’s, Abercrombie, Kohl’s), plus warehouse clubs (BJ’s and Costco) and a few big box stores like Target. Each retailer puts out its own press release in the morning with results and commentary, making it a real pain to compile them all. It can be good to know the schedule of these announcements for the retailers in your community. Many are commonly released on the first Thursday of every month.

Same-store or comparable-store sales measure the amount of sales that month only at stores that have been open for at least a year. That figure is then compared to sales during the same month the previous year and converted into a percent change. Example: Retailer XYZ recorded \$100 in sales in July 2023 and \$110 in sales in July 2024. That means same-store sales rose 10% in July from a year ago.

Retailers will usually include their net sales results in these press releases. Do not be fooled! Net sales results are usually higher than same-store sales because they include sales from stores that have opened in the past year. New stores typically get a boost in sales because they’re, well, new and shoppers want to see what all the fuss is about. Net sales are important, but keep in mind that they measure something different.

Investors and analysts find same-store sales useful because it gives you a good idea of how well the retailer is running its stores. Can it keep customers? Can it convince customers to buy even more? Are people buying different things? Same-store sales help answer these questions.

Same-store sales can also affect a company’s stock price, sometimes dramatically. Many large retailers have stopped reporting the data because they feel it makes their business too vulnerable to the whims of the market. However, many will still include the information in their quarterly earnings reports.

Two groups compile results for all of the retailers reporting same-store sales – the International Council of Shopping Centers and Kantar Retail. They group the stores by category (luxury, discount, etc.) and aggregate the results. These reports are useful for giving readers a broad overview of how the industry performed.

## COMSCORE ONLINE SALES

This Virginia-based firm, comScore Inc., measures digital audiences and traffic. During the holiday season, it releases regular estimates of online sales and traffic. It’s not the only company to calculate these results, but they are one of the most cited.

The data is tracked monthly, weekly and daily, so you can see the effects of big events such as Free Shipping Day, Cyber Monday, and Black Friday.

These stats do not include travel spending, auction sites (such as eBay), or large corporate purchases.

## SHOPPERTRAK RETAIL SALES

This Chicago company helps major retail chains track the number of people who walk into their stores to estimate how many sales retailers are ringing up.

They issue retail sales estimates weekly, monthly, quarterly and annually. The numbers typically are not widely cited outside of the holiday season, when investors, analysts and even editors are hungry for every bit of data. This company is particularly useful for estimating the number of people who go shopping during the post-Thanksgiving weekend.

# TERMS TO KNOW



## Anchor store

One of the largest, if not the largest, retail store in a shopping center or mall. These stores help drive foot traffic for smaller retailers.

## Assortment

The mix of products in a store.

## Basket size

Can refer to either the number of items each customer purchases or the total value of those items.

## Customer-centricity

A popular trend in which stores and products are designed around segments of customers grouped according to behavioral and demographic characteristics.

## Customer-loyalty program

A tool retailers use to track each customer's purchases. This helps them tailor their assortment of products and can make their supply chain more efficient. Retailers often encourage shoppers to sign up for the – often free – program by promising discounts or bonuses for members. Think Sephora Beauty Insider, Harris Teeter's VIC program, and Target's RedCard.

## Dead stock

Something no retailer wants to have. These are products that have been in stock for a long time, often due to seasonality or trends. Can also be called dead inventory.

## E-fencing

Selling stolen goods over the Internet, a tactic often employed in organized retail crime.

## End cap

The display at the end of an aisle. It is considered prime retailing space.

## Inventory

The amount of merchandise in the store.

## Loss prevention

This is a set of practices to preserve profits, which can include security to prevent theft from shoplifters and employees and minimizing operational errors or other losses such as damaged goods or defective products.

## Organized retail crime (ORC)

The name is pretty self-explanatory, but it's become a hot topic in retail. Organized retail crime goes beyond the teenager shoplifting bubblegum. It refers to systemic efforts by multiple people to defraud retailers – from creating fake receipts for returns to stealing merchandise to issuing fraudulent gift cards. Retailers estimate ORC costs them billions of dollars annually.

## Point of sale (POS)

The place goods are sold. Essentially, the cash register.

## Price point

Same as price. You may hear retailers refer to “opening price points,” the price of the cheapest item they sell in a category. Retailers typically think of their prices and merchandise in terms of “good, better and best.” Good is the cheapest and most basic product; best is the most expensive and elaborate.

## Sale vs. discount

In normal life, we use these terms interchangeably, but retailers must distinguish between them, since everything in a store is technically on sale. Use “discount” when the price of merchandise has been reduced. Retailers also call these products “markdowns.” Most retailers plan markdowns in advance to ensure that they can sell all of their merchandise. However, when products aren’t selling well, they may have to resort to unplanned discounting to get rid of their inventory.

## Sales per square foot

A common measure of a brick-and-mortar store’s performance, this shows how much money the store is making for every square foot of its selling space.

## Same-store or comparable-store sales

Sales at stores open at least a year compared to sales for the same time period during the previous year. (Ex: July 2024 vs. July 2023) Some retailers include online sales in this calculation.

## Stock Keeping Unit (SKU)

This refers to the code used to identify each type of product in a store. For example, all of the Honey Nut Cheerios will have one SKU, while the Multigrain Cheerios will have a different SKU. The number of SKUs in a store can give you an idea of the diversity of products it carries.

## Shrinkage

The amount of merchandise lost to theft or damage.

## Super Saturday

Refers to the Saturday before Christmas, another contender for the biggest shopping day of the year.

## Supply chain

The long, complicated route that merchandise travels from manufacturer to store shelf. Reverse Supply Chain refers to the movement of returned and damaged merchandise out of the store to another location.

## Visual merchandising

The practice of creating visually appealing displays and in-store experiences to drive traffic and maximize sales.

## Year-over-year/Month-to-month

Year-over-year compares data for a specific time period in one year to the same time period in previous years. (Ex: first quarter 2024 vs. first quarter 2023) Month-to-month compares data in consecutive time periods. (Ex: July 2024 vs. June 2024) In each case, the most recent time period is usually stated first.



This chapter is based on the “Beats Basics” Retail section, originally published in 2011 and written by Ylan Q. Mui, a reporter who covered consumers and the economy at The Washington Post.