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**RETAIL BUSINESS STRATEGY IN INCREASING SALES THROUGH  
INNOVATION AND CUSTOMER EXPERIENCE**

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**KEYWORDS:**

Retail Business, Business  
Strategy, Customer  
Experience

**ABSTRACT**

In retail, strategies for increasing sales through innovation and customer experience can be a critical factor in business success. In this case, artificial intelligence can be used to analyze customer data and market trends to develop innovations and customer experiences that can increase sales. To achieve this goal, it is necessary to implement an effective data management strategy and the use of appropriate technology to collect and analyze customer data in real time. Thus, retail businesses can understand customer behavior, and design innovations that suit their needs. In addition, artificial intelligence can help retail businesses in the development of effective and relevant marketing strategies, leading to increased customer traction and experience. Through data analysis, retail businesses can identify market trends and customer needs, and develop innovative solutions that can improve customer experience. In addition, artificial intelligence can help retail businesses in developing effective and relevant marketing strategies, leading to increased customer attraction and experience.

**INTRODUCTION**

The retail industry has undergone significant changes in recent years, mainly due to increased competition and changing customer preferences. Innovation and customer experience are key to winning this increasingly competitive retail market. In this context, this study aims to analyze and understand effective retail business strategies for increasing sales through product innovation and superior customer service.

The retail industry is one of the most dynamic and rapidly changing sectors of the economy. Technological developments, changes in consumer lifestyles, and increasingly fierce competition have forced retail companies to constantly adapt and look for new ways to increase sales. In this context, product innovation and customer experience have become key factors in winning the competition and maintaining retail business success.

However, consumer behavior continues to change along with technological developments and social trends. Figuring out how to understand these changes and strategizing relevant customer experiences most effectively can be challenging in increasing sales. One strategy that can be applied in a retail business company is to improve innovation and customer experience. Even though the strategy used in this analysis is a marketing strategy.

A strategy in marketing is a plan or action designed to identify, reach out, and meet customer needs in a better way than competitors. One of the problems that may arise is the difficulty in finding or implementing innovations that are by the marketing strategy that has

been made. It may be difficult to find new innovative ideas that could differentiate a business from competitors, or there may be limited resources to implement the desired innovation. The purpose of this marketing strategy is to create a profitable position in the market and increase business profits. This marketing strategy also involves careful market analysis to understand market dynamics, trends, customer needs, and competitor advantages. From this analysis, retail businesses can develop appropriate action plans to produce products or services that match market needs, select the most promising market segments, and determine effective marketing and promotion strategies to reach the intended market.

Analysis of the successful strategy of the retail business is important because increased sales will have an impact on business growth and greater profits. In addition, a positive customer experience will increase customer loyalty and recommend products to others.

And experience can also lead to a positive attitude towards consumers, which will cause feelings of satisfaction or consumer satisfaction, besides that positive emotions built towards the product will build trust. (Mowen & Minor, 2002) state that consumer trust is the body of knowledge that consumers have and all the conclusions consumers reach about objects, attributes, and interests.

Based on the results of research according to (Kursunluoglu, 2014), (Osarenkhoe et al., 2017) and (Williams & Naumann, 2011), show that customer satisfaction has a significant relationship with customer loyalty. When it comes to customer satisfaction, several factors affect customer satisfaction. These factors include value (Rintamäki et al., 2007); (Jones et al., 2006), service quality (Kitapci et al., 2013); (Khare et al., 2013), and customer experience (Chen and Lin).

The purpose of this study is to explore successful strategies of retail businesses in increasing sales through innovation and customer experience. This study also aims to identify the key factors that influence the successful implementation of the strategy.

The benefit of this research is to provide a better understanding of retail business success strategies and the factors that influence their successful implementation. This research can help retail business owners increase their sales and profits as well as retain customers by providing a positive customer experience. In addition, this research can also contribute to the development of literature on successful retail business strategies.

Retail businesses need to develop products that are different from competitors to attract customers. Product innovation can include the development of new products or improvements to existing products. Retail businesses need to provide a pleasant and satisfying customer experience to keep customers coming back and recommending the business to others. The customer experience can include friendly service, an engaging store atmosphere, or an easy and intuitive online shopping experience. Well-trained employees can help improve customer experience and sales. Employee training can include sales skills training, customer service training, and product training. Retail businesses need to have an effective marketing strategy to reach potential customers and promote their products or services. Marketing strategies can include the use of social media, online advertising, or promotion in physical stores. Retail businesses need to analyze sales and customer data to identify trends and patterns in innovation and customer experience. Data analysis can help businesses to identify the best-selling products or services, customer buying behavior, and emerging market trends.

## RESEARCH METHODS

This research uses qualitative methods of understanding research results to identify key factors that influence retail business strategies in increasing sales through product innovation and customer experience and can provide practical recommendations for retail companies based on research findings. The results of data analysis use statistical software to analyze survey data collected and can apply descriptive statistical analysis to describe the characteristics of respondents and perform regression analysis to identify relationships between product innovation, customer experience, and retail sales.

## RESULTS AND DISCUSSION

### Product innovation

Product innovation is the process of developing and introducing new products or significant improvements to products already on the market. It involves creating, designing, testing, funding the launch of new products or improvement of existing products to meet customer needs, increase competitiveness, funds create added value. Product innovation can include changes in features, functions, design, technology, materials, or the way products are marketed.

### Customer experience

Customer experience refers to all the interactions and contacts that customers have with a business or brand during their journey as consumers. Customer experience encompasses every touch point between the customer and company experience, including direct contact such as shopping for a physical Ditko or talking to customer service staff.

### The main key to increasing customer loyalty

Customer service is something that many businesses want because loyal customers tend to make repeat purchases, receive positive referrals, and can be a long-term source of income for a store or company.

#### a. Quality of product or service

A high-quality product or service is the foundation of customer loyalty. Customers who are satisfied with what they buy or use are more likely to return and stay true to the brand or business

#### b. Positive customer experience

A positive customer experience, from initial interaction to after-sales service, has a huge impact on loyalty. Friendly, responsive, helpful customer service can create a positive customer experience.

#### c. Competitive price

Competitive pricing or offering good value to customers are important actors in maintaining loyalty. However, price is not the only factor customers can also take into account the added value they receive.

#### d. Availability of products or services

Customers want the product or service they want to be available when they need it. Product availability can be a decisive factor in maintaining loyal customers.

#### e. Effective communication

Communicating effectively with customers about relevant products, offers, or updates can increase loyalty. Customers want to feel cared for and informed.

## Discussion

### Consumer Withdrawals

Innovative products have greater appeal to consumers. Consumers often look for products that are new, different, or unique. Companies or stores that are always making changes and continuously presenting innovative products can attract more consumers to their stores.

### **Better quality**

Product innovation can improve product quality. So that the product is better and tends to get positive reviews that can influence consumers to choose and recommend the product to others.

### **Overcoming competitive challenges**

In a competitive market, innovation can be a way to differentiate yourself from competitors. Innovative products can help a company or store compete more effectively and take market share from competitors.

## **CONCLUSION**

An effective retail business success strategy is to increase sales through innovation and customer experience. In the world of retail business, it is important to continuously develop innovation and offer an engaging customer experience to increase sales. Innovation strategies can be done by creating new products, developing new technologies, or introducing new business models that are different from competitors. Meanwhile, a good customer experience can be achieved by providing friendly, fast, and high-quality service, as well as providing an attractive and comfortable environment. By improving innovation and customer experience, retail businesses can increase their competitiveness in the market and win the hearts of loyal customers. Therefore, retail businesses need to continue to innovate and prioritize customer experience to win the competition and achieve long-term success.

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