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Turning Adversity into Advantage

Navigating physical retail marketing
in the new corona reality

JULY 2020



1. Shoppers are doing their research at home

The majority of consumers now say that they are researching items online before shopping in store, with [21% of UK shoppers saying that they are doing this even more](#) since the Covid outbreak. The upside? When they arrive in store, they are there to purchase.

21%
are researching online before visiting stores

With this in mind, now is the time for simpler, easier to navigate stores with obvious signage and clearer paths to purchase. “Determined Shoppers” are not there to window shop, and so any instore marketing needs to be obvious, attention grabbing and in line with what’s being promoted online.

New one-way systems give retailers the opportunity to control the whole store narrative from the moment customers arrive, all the way through to checkout. Keeping in mind that shoppers are there with the intention of buying over browsing, you can make purposeful decisions about

“Conversion rates have increased dramatically. Customers are coming in looking for something in particular or are ready to spend after such a long period of not being able to. The older customer in particular are not out to browse, they are out to buy.”

Store Manager, Fashion Retailer

when and where you want to place promotions, or communicate something about your brand, to have the most impact



2. Shoppers are making less trips, but spending more

Despite footfall still being well below pre-coronavirus levels, average spend is up with [shoppers deciding to buy more in one visit](#) rather than making multiple smaller trips.

While many people have done more shopping online during Covid-19, consumers tend to spend more when they're in stores. The physical store environment enables them to engage with, and be introduced to, new products in a way that can't easily be replicated online.

While sales and discounts work to entice customers through the doors for their initial visits, once in store, it doesn't take long for them to be reminded of their favourite products – regardless of promotions. It's savvy to switch up your whole promotional strategy and be selective, and reactive, with the items you want, or need, to discount.

Key shopping periods, like The Golden Quarter, will look very different this year and no one really knows exactly what the situation will look like next summer. If people continue to buy more in single visits rather than many smaller shops, it's worth thinking about how you can make this easier for your customers. Consider streamlining click and collect services in store, investing in more enticing till-side marketing and installing clearer signage and instructions.

“When we initially reopened, the customer was looking for deals and bargains following the media reporting that retailers will be forced to reduce pricing. After the first week we saw the customers returning to the brands they love for essential wardrobe items”

Store Manager, Fashion Retailer



3. Shoppers are being more thoughtful with their spending

[Recent consumer research](#) has found that 26% of shoppers say they will pay more for local products followed closely by 25% for trusted brands and 24% for ethical products. Two thirds of consumers in [another survey](#) said that they are happy to pay more for items if they last longer and are better quality.



And it's not just about the products they're looking to buy, nearly 60% say they'll spend more with companies that are actively supporting the local community, and further research found that [43% of consumers](#) said they expect businesses to be accountable for their environmental impact.

One thing is for certain when it comes to post-lockdown spending – community and social responsibility matters. Physical stores offer the space for you to share your company's commitments to your staff, the environment and the local community, as well as taking the opportunity to showcase any local or ethical brands and products you stock.

With more people working remotely, and relying on their local shops, as a retailer, you can build better relationships with new and existing customers by ensuring you [deploy granular marketing](#) that is targeted and relevant at a local level.

Now is also a good time to not only think about what's going on your posters, but also to make sure you are operating in an environmentally conscious way when it comes to producing campaign materials for your stores and [working to minimise unnecessary waste](#).

26%
will pay more for
local products

4. Shoppers are investing in different items

Initially, shoppers focussed largely on purchasing essential food items along with hygiene and cleaning products. Since then, they have been [investing more in their homes](#), from maintenance and furnishings to entertainment. Having to stay at home for longer periods than ever before resulted in [DIY sales jumping by 42% in May](#).

With many people working remotely long-term, this trend is likely to continue. But what's next? After months without seeing friends and family members, [consumers have reported](#) being more focused on taking care of their mental health and wellbeing as well as their physical health and diet.

“We are in a position where if we have any more [customers] than we are currently getting, we would be too overwhelmed. We're often still having to queue customers on weekends as we reach a safety capacity.”

Store Manager, Furniture Retailer

As a retailer, you'll already know you need to keep a close eye on what customers are most likely to want to buy in the coming months. Matching up stock availability with promotions and offers, and shifting obsolete stock has never been more important. Perhaps now is the time to put extra emphasis on brand promotions as a new or enhanced revenue stream.



42%
increase in DIY
sales in May

5. Previously predicted instore trends are out the window

The new instore environment is less about state of the art “stay and play” tech and more about introducing more cost-effective and streamlined processes.



Spend has shifted to focus on making the physical retail model as efficient and practical as possible. And, when it comes to marketing, it's time to be creative in much simpler terms.

However, don't feel like you've lost valuable tools in your inventory. Shoppers aren't expecting to be wowed, they are looking for safety, efficiency and interaction with items that can only be achieved by being there in person.

The good news? The pressure is off for expensive interactive and immersive experiences in store – and there's little worry your competitors will be considering it either. Instead you can invest in better click and collect services, virtual queuing systems and other important tech that streamlines day-to-day operations for staff and customers.

There's also nothing wrong with reverting to the oldest marketing trick in the book – print. It can be planned, delivered and implemented quickly to

reflect changes in the market, and can be used as a simple tool to quickly grab the attention of passing customers and occupy those that are queuing.

Your instore marketing needs to have the potential for longevity, and at the same time be able to be replaced overnight. Intuitive technology can help you to balance cost cutting the need to be reactive in an unpredictable market.

If you can review your processes and [implement software, like Colateral, to ensure you only order the required campaign materials for each store](#), and make displays more sustainable by being installed on a long-term basis, you'll make significant cost savings.

The last few months have proved that changes CAN be implemented quickly in physical retail environments. Retailers have made drastic changes to the way they communicate with staff and customers, organise their products and manage their stores. When implementing anything new, particularly when it comes to instore marketing, it's important to track what is working well, understand what's missed the mark and respond dynamically to customer's changing needs.

6. Shoppers want safety, simplicity and unity

Rebuilding confidence to visit stores is going to be an ongoing challenge, and customer demographic plays a huge part. [A study by Mintel](#) found that 56% of over-65s are worried or extremely worried about being exposed to the virus, compared to just 40% of 16-24-year olds.

56%

are worried about being exposed to the virus



Further research has found that 79% of people say they are more likely to visit stores that limit the number of people inside and [62% said that they were more likely to spend money with companies that prioritise the health and safety of their staff.](#)

Showing customers that you are working hard to keep everyone safe, and being able to tell them about hygiene procedures, store traffic and product availability, before they arrive in store, can instantly put you at an advantage.

Enhanced or revised customer service techniques can also make customers more likely to visit. With the right technology, your instore sales teams can use live video calls to inform and advise remote customers about products and then guide them to complete their purchase in store.

“We’ve found that once they’re confident their safety is covered, customers are actually chatting with our team and asking more questions than usual. I think that so many have missed social interaction, talking to us brings some normality back.”

Store Manager, Jewellers

Customers want their experiences, across all devices and channels, to be as frictionless as possible given the current circumstances. Integrated services, like ‘buy online and pick up in store’ can help bring more traffic to stores and combined with selective marketing can help to drive additional purchases once they get there.

Instore marketing needs to be lean and agile

Right now, campaigns need to have the most impact for minimum spend, so ask the following questions:

1. What are your campaigns communicating and can you easily target them to particular stores?
2. Can you measure the impact of your campaigns, positive or negative?
3. Can you revise your campaigns quickly and effectively in an unpredictable market?
4. Are you getting the best ROI from your instore marketing budget?

Finally, make sure you listen to your stores

Shop floor teams have a wealth of knowledge about the customers they are seeing in store, when they are visiting, how their behaviour has changed, and which of your campaigns are gaining most traction. In times of uncertainty, make the most of this vital stream of information by improving two-way communication with stores, and collecting as much campaign feedback and data as you can.

If you'd like to learn more about cutting costs, reducing waste and driving more sales with your instore marketing, email us at hello@colateral.io

Can we help you?

To find out more about Colateral, and the ways we can help you to cut costs, streamline processes and make your instore marketing more effective, email hello@colateral.io or book a demo today at www.colateral.io

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