



**2020**

# **FESTIVE SHOPPING REPORT**

**SHOPPING HABITS, PURCHASE DRIVERS &  
CUSTOMER EXPERIENCE**

**by**

**D&I Consulting**

# What is the new normal and how will shoppers respond to the festive shopping this season?

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The disruption of the retail industry in the past 7 months from the pandemic, to the #endsars protests and all the drama that ensued took the industry by storm and most retailers will want to wish the year ends quickly and takes with it all the associated uncertainty. But this last quarter of 2020 presents retailers a golden opportunity to make up for lost grounds.

As we the peak shopping period approaches, the questions retailers would love answered include how shoppers will respond or their expectations for Black Friday, related promotions and Christmas celebrations.

Rebuilding quickly and positioning for what may become the golden quarter is imperative if these last couple of months will be a success.

To connect with shoppers and boost conversions in the midst of the economic uncertainty, retailers will need to get answers to:

- Where customers plan to shop
- When customers plan to shop
- How much consumers plan to spend
- Factors that will drive their purchase decisions
- Social media platforms they're mostly active on

D&I Consulting polled about 398 shoppers living on the mainland first week in November to learn what consumers are looking forward to this season.

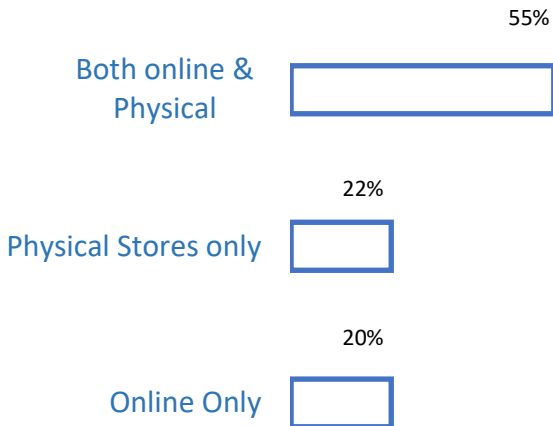
Continue reading to see how to convert these shoppers into customers.



# FESTIVE SHOPPING HABITS

The place where shoppers decide to buy will be determined largely by a number of factors which will be discussed in much detail later. However, the battleground for wooing shoppers and converting them into customers just got heated. The lockdown has caused a seasonal shopping shift towards online market places although 72% say they will still buy at shopping malls.

## WHERE WILL THEY SHOP?

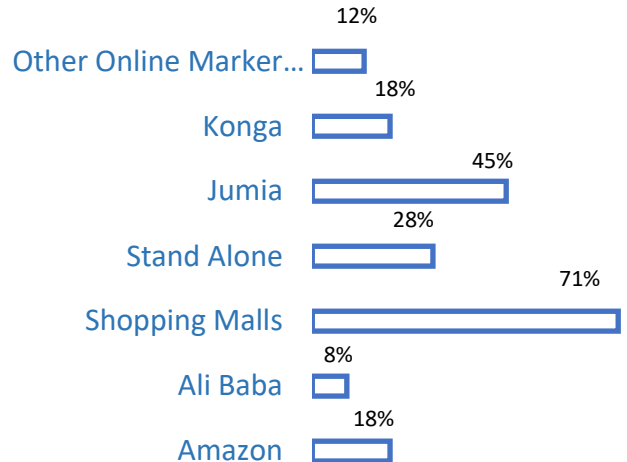


More consumers will be shopping both online and at physical locations this festive season. This is about a 48% increase from last year. No doubt consumer behaviour post-lockdown period has been reshaped by fears, new isolation-induced habits and physical distancing restrictions.

But the good news is that shoppers are not about to abandon physical stores. 71% will be checking out malls for good deals and Christmas shopping. This just presents an opportunity for those without an omnichannel platform to give exceptional in-store [customer experience \(CX\)](#) on their part while those with a presence online and brick and mortar can leverage on both platforms to produce same.

The former will require collaboration beyond retailers to management and property owners. Convenience and ease of shopping is the major reason 28% of shoppers may visit stand alone stores. This is why getting CX right is very important to get as many conversions as possible during these shopping windows.

## WHERE SPECIFICALLY?

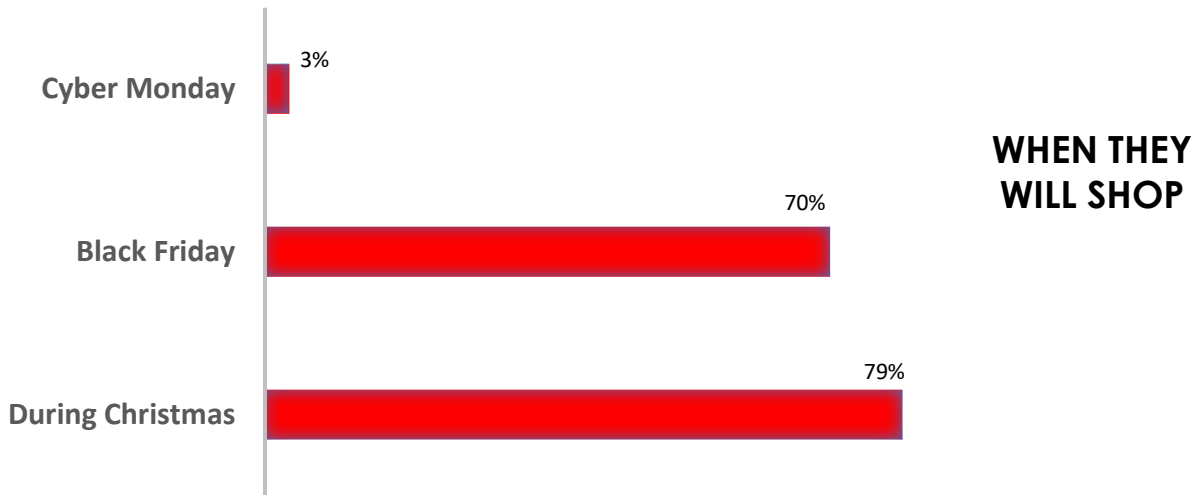


Retailers need to stop expecting business to return to "normal." There's no going back to how it was anytime soon. Even before the pandemic and protests, brick-and-mortar retailers had been fighting a fierce battle against purely online retailers and other e-commerce players. Those challenges have now accelerated at staggering speed.

First, retailers need to reimagine their baseline requirements and then turn their attention to taking their customer experience to the next level.

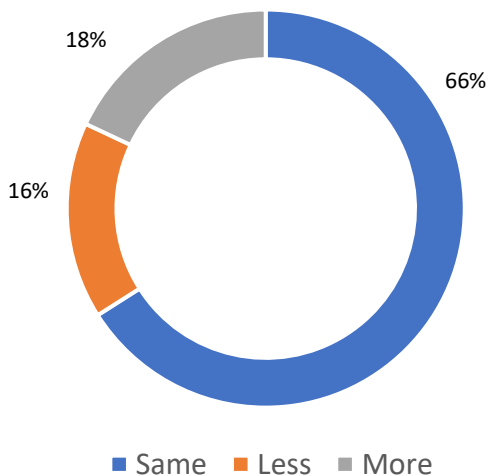
This means adapting operations to comply with health-and-safety regulations (let us not forget the UK is on a second wave of lockdown so the pandemic is still amongst us) and meet basic customer expectations. This includes adhering to safety protocols like wearing masks, ensuring physical distancing, controlling the number of employees and customers in stores, instituting contactless transactions, improving speed of service, introducing more self-service options and equipping staff with tools and training required to deliver on the experience.

# TIMING



Christmas remains shopper's biggest gifting season and bonding time for family and friends. And the pandemic has played a huge role in people embracing support systems and generally being more appreciative of things normally taken for granted. Black Friday on the other hand is a shopping activity to scoop the best available deals and value for money.

Not many will be participating in Cyber Monday promotions. It is not top in their priority list. And previous experience did not help much. Coming to the centre and seeing bogus discounts or not seeing products they value in the promotions is a huge turnoff. Retailers that implemented Cyber Monday last year should analyse last year's performance and tweak a few things accordingly. If ads were done on products, how did they perform? What product categories did very well? Were most shoppers first time customers? What products are the most sought after and in excess presently? Adjust with previous learnings and feedback from your sales team and remember to cater to unique geographical interests for brands in multiple locations.



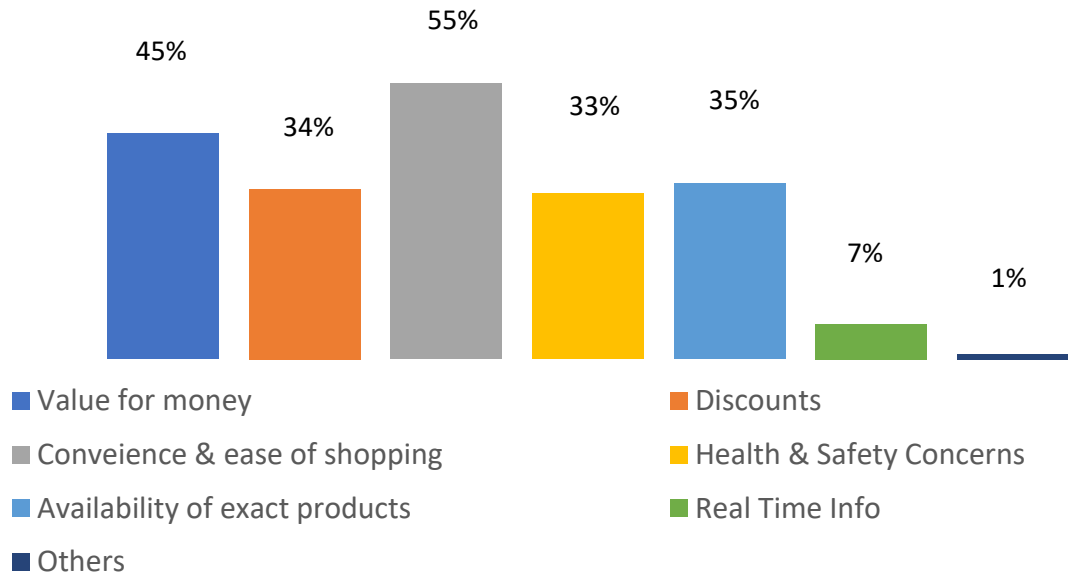
How much shoppers will spend will be hugely determined by the state of the economy. It is why majority of shoppers are being conservative and looking to spend about the same as last year. Good news is majority of shoppers plan to maintain last year's spend while 18% plan to spend more.

16% will be spending less than last year and they will be focusing on value ahead of discounts. Value in terms of use and savings. They will not be buying a toaster simply because it's discounted at 10%, but because it is a trusted household brand and it's going for 40% off this weekend alone. And if it is Convenient, even the better.

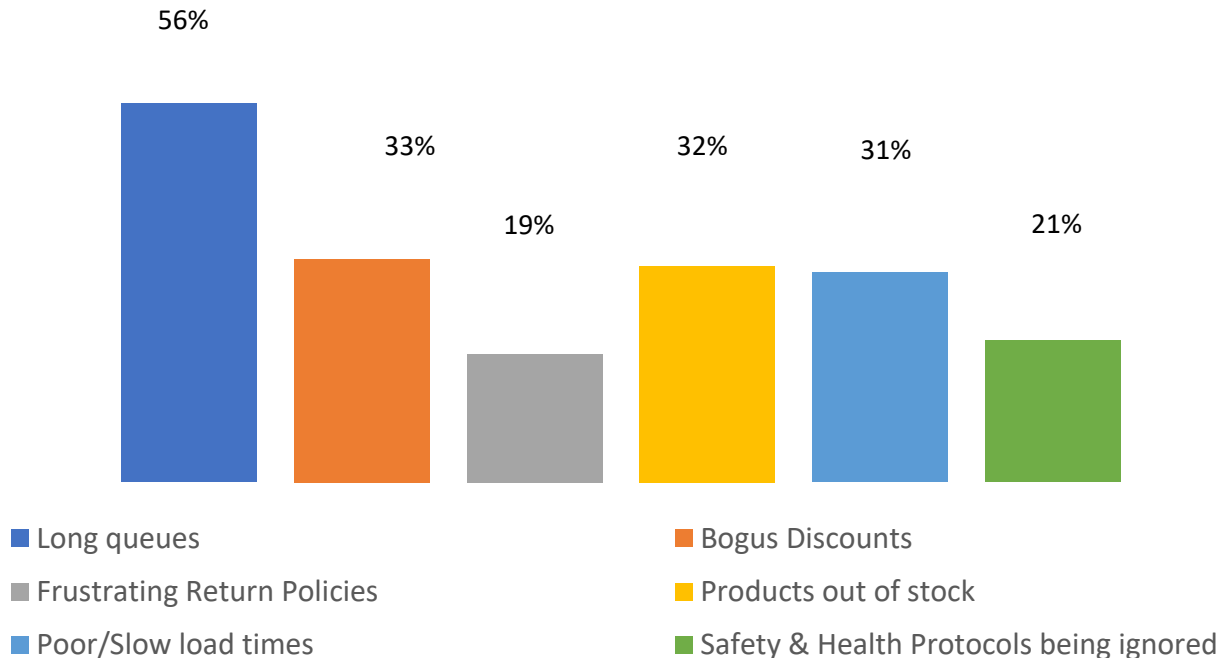
So what is likely to happen is an influx of shoppers hoping for reductions and discounts. And these shoppers will have options as competition will be aggressive. Which brings us to factors that will drive purchase.

# DRIVERS OF PURCHASE DECISION

As aforementioned, value for money and discounts will be key purchase decision drivers this year. Convenience will be very tricky as many shoppers (55%) have indicated they will be shopping online and in-store. To stem the tide of people going online in droves, particularly if the store is completely brick and mortar, focus must be on the complete customer experience. This will involve collaboration between Centre management, tenants and other service providers that interface with shoppers daily.



# TOP FRUSTRATIONS WHEN SHOPPING DURING THE FESTIVE PERIOD



Long queues are the major bane to a pleasurable shopping experience and this must be worked on particularly around the festive shopping period. Staffing and training should start to produce efficient services and optimising the in-store processes. It seems almost impossible to avoid queues. But we can improve processes, speed of service, institute contactless transactions and introduce more payment options.

Out of stock is a common frustration encountered by shoppers both in-store and online and it's a major demotivator. Worse still it has a negative impact on trust which will eventually affect brand equity in the long run.

Again, efficiency is key. Products that are sold out and no longer available should be removed from the gallery or promotions. Touch points should be extended and active as well for updates. A shopper calling your customer care to find out about a particular product wants relevant information before coming over. If that call isn't picked and he comes all the way and finds nothing, that's not a good experience a shopper should take away.

Retailers will not get away with bogus discounts this time around. They have at their disposal a plethora of options to compare notes.

# CUSTOMER EXPERIENCE

With long queues, sloppy customer service and bogus discounts listed as major frustrations when shopping around the festive period, brick and mortar retailers have the chance to not only change that narrative this season, but to welcome more conversions that may have opted for online market places like Jumia and Amazon. If customers are vocal about their frustrations on getting to stores with products out of stock and unclear return policies then this must be addressed. For example, retailers can give consumers the option to receive back-in-stock email alerts or provide information about nearest store with availability.

31% complained about poor/slow load times as their experience last year. Despite that, most are still willing to try online and in-store this year. And that's because they have also experienced sloppy, slow customer service in-store. And online at the end of the day still appeals as a more convenient location.

Convenience and ease of shopping, value ahead of just slapping discounts on products is key. So value and discounts should guide the promotions strategy. A lot of retailers have excess stock as a result of the disruption from the pandemic, now is a good time to clear the inventory and make space for Christmas shopping, which 79% of shoppers say they will engage in this year.

As a result of Covid-19 and the uncertainty out there, retailers will have to make their in-store experiences even more extraordinary for those who can visit in person. Shoppers have to be given a reason to visit that is so compelling, it justifies their exposure to health risks and overcomes the inertia of the behaviours they adopted during the shutdown.

## In-store vs online experience



71% specifically look forward to shopping in the shopping mall



31% complained about poor/slow load times for online retailers



45% will be favouring value ahead of discounts.



35% will be hoping to get the exact products they want.

# PLATFORMS RETAILERS SHOULD CONSIDER DURING THE FESTIVE SHOPPING PERIOD

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25%



15%



45%



23%



2%



16%

The power of social media remains unmatched. Shoppers have responded, saying these are the major platforms ideal for sending them marketing messages.

So far in 2020, an estimated 3.6 billion people were using social media worldwide. For Black Friday and Christmas, promotions have to start early, then intensify as the dates gets closer.

Any retailer not leveraging on social media should embrace it right away. It would be a huge mistake to ignore the role social media plays. "Likes" and "retweets" should not be mistaken for engagement. Engagement is what matters. And once the content speaks to their [circumstances](#) or needs, they will reach out to you on that platform. Just ensure when they do, someone is at the back end to respond quickly.

Instagram is the most popular platform followed by emails and WhatsApp. By now Black Friday promotions should have been shared with existing subscribers. Retailers ought to increase the frequency of their newsletters and posts on all social channels to deliver a unified message.

One caveat is to ensure the information is relevant. One way to fix that is by segmenting shoppers based on their purchase history, and interests. Whoever said retail was easy.



48%



52%



# **SUGGESTIONS FOR THE FESTIVE SHOPPING SEASON**

- Extend trading hours and period with promotions beyond a day or weekend to mitigate the risks associated with losing customers to online retailers that are not constrained by time. Opening doors early can help spread the word from delighted bargain hunters and extending trade hours gives white collar job customers enough time to join other buyers.
- We recommend retailers with an online presence optimise their site for mobile. Mobile commerce sales are projected to reach \$2.91 trillion by the end of 2020, representing a 25.4 percent increase from 2019.
- Optimise your marketing content by injecting as much context as possible including available sizes with high resolution pictures.
- Omnichannel retailers should consider buying online and picking in-store strategy as an option which can boost conversions of shoppers who avoid crowded areas.
- Focus on value in promotions holding dear transparency and honesty.
- Plan to reward shoppers that were kind enough to share their information with you with newsletters, including exclusive offers, early access say, before the promotion kicks off.
- Leverage the reach and power of social media to connect with people. If that is where the customers are, that is where a retailer wants to be as well.
- If budget will permit, use keyword search relative to the promotions from Black Friday to Cyber Monday and Christmas.
- All the strategies and plans in the world will amount to nothing without empowered staff with a clear workflow on campaigns. At Davenport & Islington, we have got training programs that will enable your team make the best of the festive season and boost sales generally.



# CONCLUSIONS

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The pandemic has probably reduced the discretionary income of many shoppers so it is anticipated these same shoppers are likely to search for reductions and discounts of coveted products. Value for money is what will drive this behaviour. Retailers must then work backwards, analysing the entire customer journey from search to visits and more importantly discover most sought after items.

Shoppers will be embracing the most convenient pleasurable experience which is why they will be shopping both virtually and physically. Strong communication with consumers will be a winning strategy which is why having an omnichannel presence is so important. Shoppers have indicated the social media platforms they are active on, so campaigns and marketing should be relevant, accurate and timely. The more channels of communication available, the greater the advantage. Product pages should be optimized and touchpoints respond to customer queries swiftly.

Christmas will attract the most feet and so Black Friday may be the last attempt for most retailers at clearing stock as lockdown has essentially held up the progression from each season's stock. So efficiency in ordering inventory in a more accurate fashion (trimming waste) and better communication to customers if items are low or out of stock will be a winner.

It will be a total waste of time to plan "a day only" promotion on Black Friday. The minimum should be weekend inclusive and subject to availability of excess stock, even extend into Monday. That way, we are sure to give majority of shoppers from all walks of life an opportunity to be a part of the promotion.

If it is convenient, there's perceived value for money and health protocols are not ignored by both sales associates and other customers, shoppers will be there to check it out and buy too. The general public's posture may be indifference regarding adhering to safety and health protocols, but once they are in store, sales associates should politely encourage as much as they can customer compliance. Sales associates on their own part should not be the ones ignoring the protocols in the first instance.

Elevated in-person customer service is another way to compete and win over pure online players, but retailers must think differently about service. Service can no longer be limited to sales support, greeting customers, handling complaints, queries or managing returns.

Shoppers will experiment with other brands, and online retailers due to price or other seemingly rational considerations, but they will come back to retailers that deliver a better, more human experience. This is within a retailer's control, so get going.

# OUR TWO CENTS

Retailers have to put customer insights at the heart of what they do. It's that simple. It's more about how you make people feel than anything else. Creating an emotional bond with customers now becomes integral in such a volatile, disruptive and competitive retail space.

Customer experience is at the heart of today's retail industry. Every interaction with a consumer is important. From warmth of staff responding to a WhatsApp chat, the body language of your in-store sales associate, the ease of navigating through your website, ease of browsing through your shelves. These moments and every touchpoint are critical, must be measured and optimized to complement other marketing efforts.

D&I Consulting is an International Marketing Consultancy & Creative Communications Agency and our purpose is to enable clarity in the market place. We execute this using our PLISM framework to diagnose the issue and help brands maximize their potential in the market place.



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