IPG MEDIABRANDS

RETAIL

Culture

DECIPHERING THE CUSTOMER JOURNEY IN RETAIL

To say that the retail world is living through exceptional changes would be a euphemism. On the one hand, the media is reporting a wave of local business closings and bankruptcies caused by the explosion of e-commerce. On the other, the same media is enthusiastic about the opening of brick-and-mortar stores by pure players like Amazon, Zalando and Sezane… While many are plunging headlong into sales platform digitalisation, the digital giants themselves are, on the other hand, investing in physical stores, going back to basics. This development may seem contradictory at first.

However, at first only, because, on closer inspection, it is primarily businesses that aren't providing an additional customer experience compared to digital interfaces that are disappearing. Where is the benefit to the consumer of going to their neighbourhood bookstore to order a book which Amazon can deliver more quickly and at a lower cost? None, actually. The challenge for brick-and-mortar retailers is to completely rethink the customer experience within their stores.

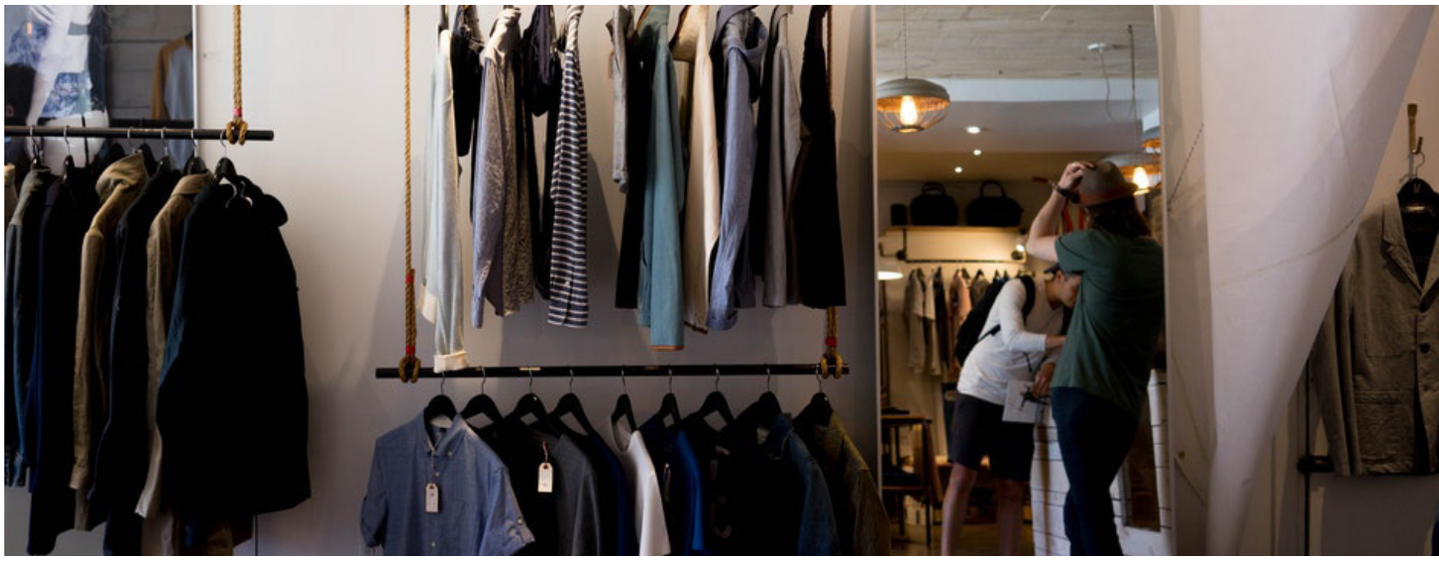
Amazon has transferred all of the codes of its website, down to reviews, to its points-of-sale. It's a human and digital experience at once, which includes the use of augmented reality to, paradoxically, make contact with the products more tangible and intensify consumer purchasing interest. During the 1960s people said that hypermarkets would lead to the disappearance of competing businesses. During the 1990s, people said that the emergence of hard discounters would lead to the disappearance of the hypermarkets. After the year 2000, e-commerce was supposed to sweep away everything in its path, large and small retailers alike.

None of this ever happened. Nowadays, the oracles are more cautious: they talk of augmented brick-and-mortar retail with multiple digital display windows. In this ecosystem, "everything shoppable" has become the sole substance of an experience which, no longer solely in store or on line, has become a total experience.

Cédric Tytgat
Chief Strategy Officer
IPG Mediabrands

This is exactly what our Retail Culture study demonstrates, unequivocally.

Content

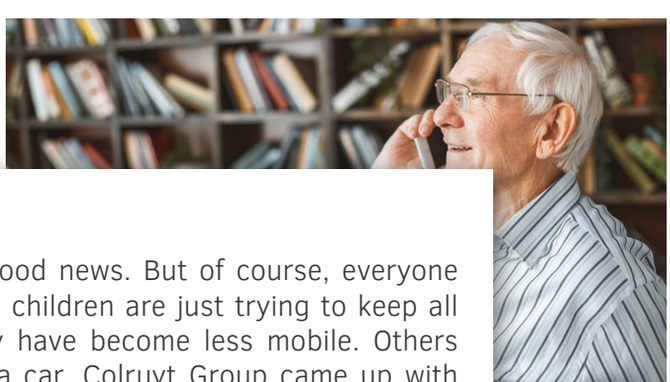


TRENDS THAT YOU'LL WANT TO **KEEP AN EYE ON AS A MARKETEER**

The fact that we are living in a rapidly changing world is hardly breaking news. In both social and socio-economic terms, everything is moving fast. Lightning fast. New trends come and go, but what are the trends that you need to respond to as a marketeer in order to stay relevant. We have made a list of the 10 most important ones and we'll tell you how to approach them.

The circular economy as an answer to the pressure on family budgets

It's no secret. The budget of the average Belgian is under pressure. As a result of the increase in certain essential costs (such as electricity), there is less money left over for clothes, food… Which is what has made discount stores such a success. But there are ways to deal with this as a retailer. One of them is to extend your business into the circular economy and not only bring new products to the market, but also to take back/buy products and sell them. Tale me started online with the concept of allowing children's clothing to be rented instead of bought. Because they grow out of them in no time, anyway… Quite a few local brands, but also Patagonia, have already signed up to allow their clothing to be rented.

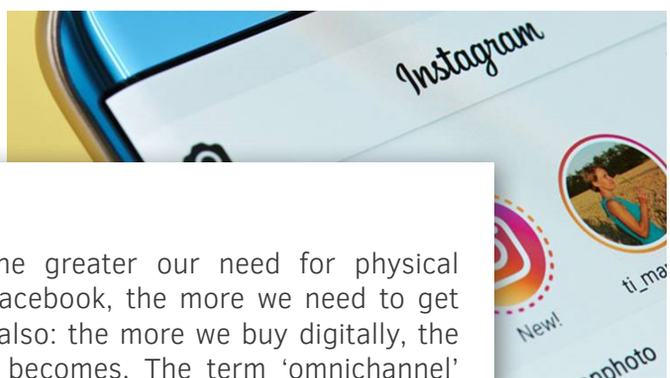


Everyone helps everyone

We are all living longer, which in itself, is good news. But of course, everyone lives at a different pace: families with young children are just trying to keep all the balls in the air, while older people may have become less mobile. Others (whether intentionally or not) do not have a car. Colruyt Group came up with Apporto, an app for putting people into contact with each other: those who have difficulty transporting groceries and those who would like to take along groceries for someone else. Apporto brings demands into contact with supply. That's it. In reality, it's about different generations helping one another.

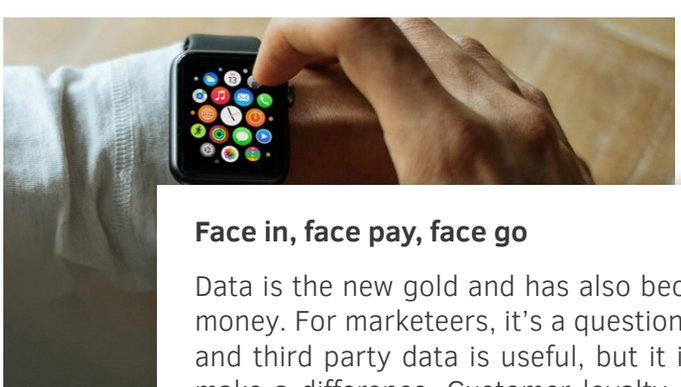
The village in the city

Cities remain a central part of our society. Many people live in them, and even more work in them. And although it can be challenging, they are resilient, and they are able to reinvent themselves. But they also expect that from the retailers. Do they need to have a presence in the city centre or preferably in the suburbs? And what kind of shopping concept? It's not easy for established retailers to respond to the needs. Newcomers have the advantage of starting from scratch. Just think of färm, a cooperative that combines local, healthy and organic, and brings the village into the city.



Omnichannel

The more digital our society becomes, the greater our need for physical experiences. The more time we spend on Facebook, the more we need to get together with friends at a coffeehouse. But also: the more we buy digitally, the more important the 'real' shop experience becomes. The term 'omnichannel' was invented for this purpose. 'Pure players' such as Facebook and Amazon are therefore also increasingly taking the step. The latter, for example, opened a wine store in Ginza, the hip shopping district in Tokyo.



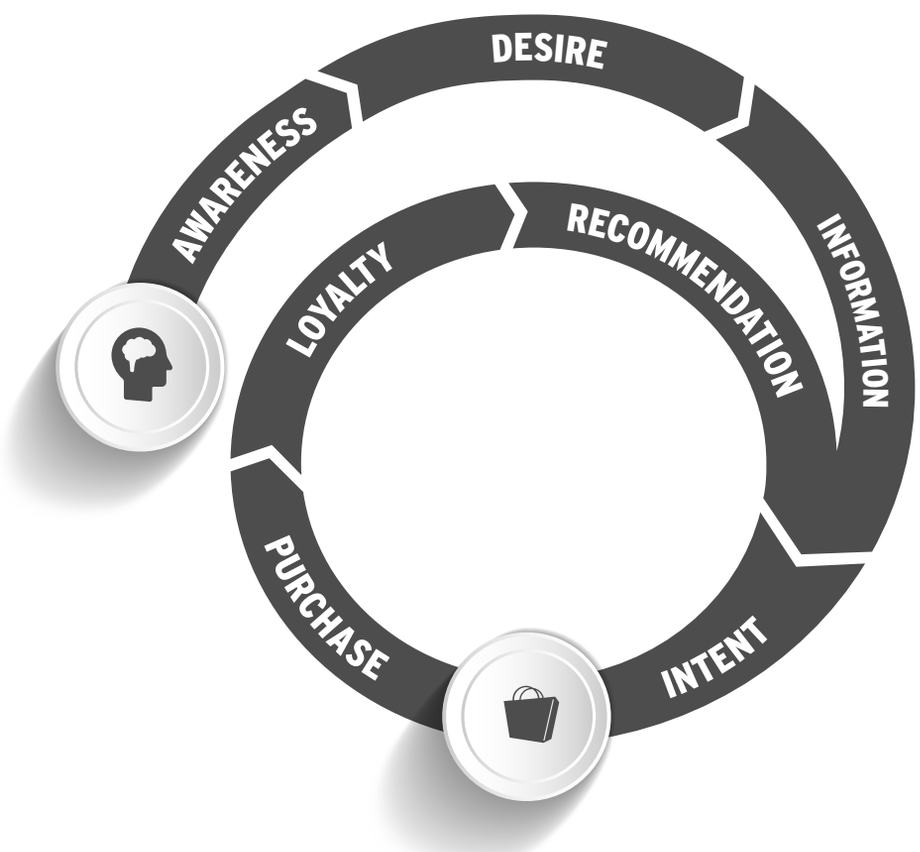
Face in, face pay, face go

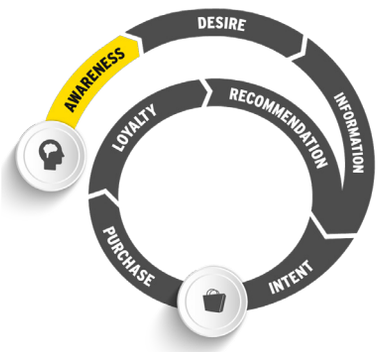
Data is the new gold and has also become a currency for consumers. It is worth money. For marketeers, it's a question of having access to the right data. Second and third party data is useful, but it is first party data that allows you to really make a difference. Customer loyalty cards are a must, but retailers go further. Much further. Shopping with Amazon Go means scanning your app before you enter the store, doing your shopping, and then leaving with a scan of the same app. 7-eleven is going even further and using facial recognition. As a consumer, you simply have to select your products. The rest happens automatically. Face in, face pay, face go…

DECIPHERING THE CUSTOMER JOURNEY **IN RETAIL**

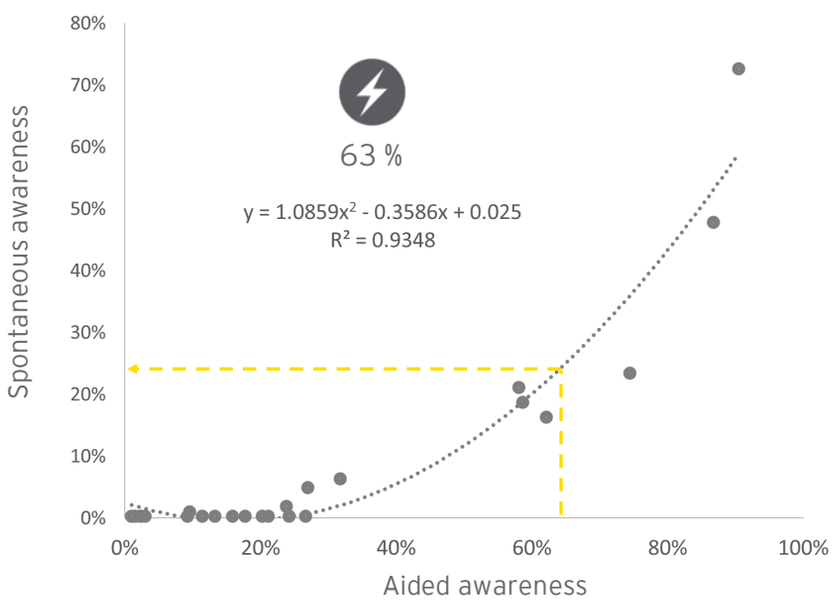
Creating a picture of the customer journey. That's got to be the ambition of every retailer, no matter what the brand. That's what the Retail Culture study does, phase by phase. And with guidelines for the best approach at each phase.

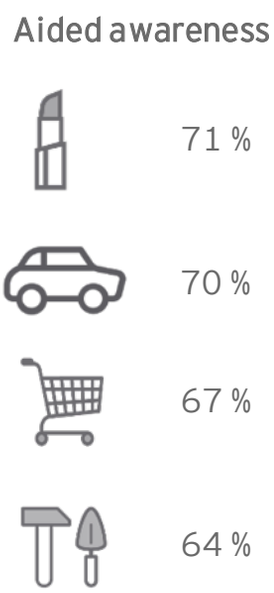
How do people get inspired? What is the last touchpoint before purchase? How long do they spend gathering information before they decide to buy? It varies from person to person and from sector to sector, but it's extremely interesting to map out all the answers of all the respondents, for all sectors. In this way, bit by bit, we have deciphered the customer journey in retail. Want to read about it?



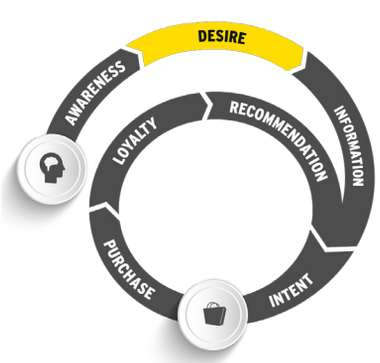


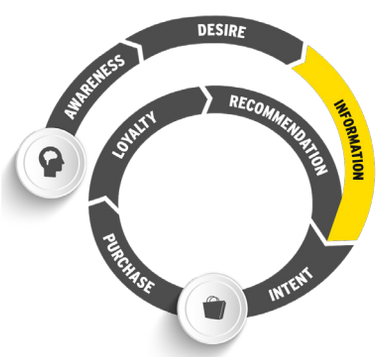
When your product or chain of stores is unknown, then it is highly unlikely that the consumer will decide to buy something. Awareness is step 1 for enticing someone into the sales funnel. This is hardly news to you. But what is interesting is the benchmark per category. How does your brand score, compared to the competition? And guess what else? There is a link between spontaneous and assisted brand recognition. The place where the two intersect is called the 'inflection point'. For all the brands within a single category, that creates a line. Those who are not very near the line, have their work cut out for them. Either by doing some extra marketing (in order to increase the spontaneous recognition), or by focusing more on conversion (to increase the assisted recognition).



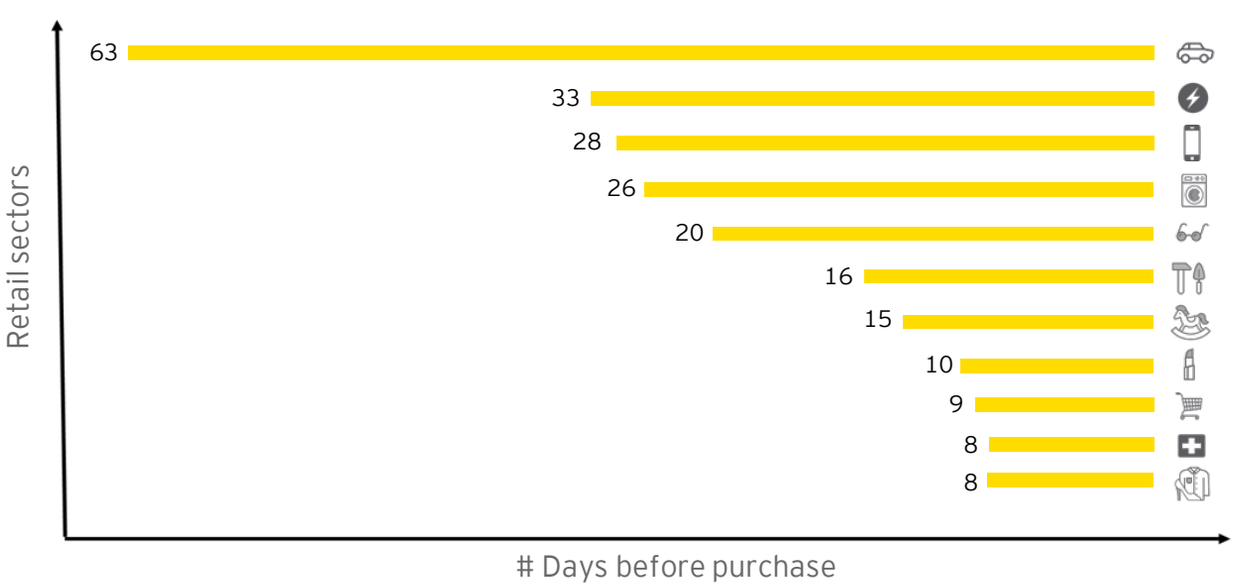


Points of sale can stimulate the 'desire' for a certain product or certain services. Not only that: there is a direct relationship between the shop experience and the purchasing behaviour. An inspirational point-of-sale will be visited more frequently and the more you visit a point-of-sale, the more you buy. By the way, in the 'grocery' category, that link is –surprisingly enough? – the strongest.

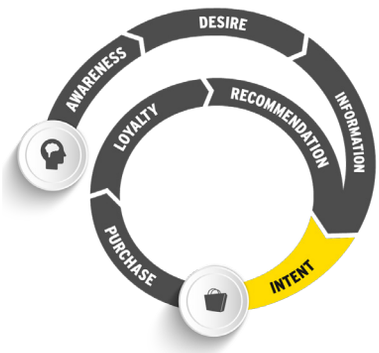


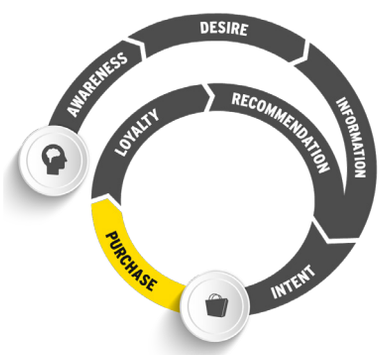


63 days. That is the average time between the start of the search for information and the purchase of a car. That is also the category with the longest 'lead time'. It's interesting input because it shows you, per sector, how long in advance you should ideally start marketing. If you wait until the Auto Show begins, it may be a bit late … We also researched which touchpoints were seen as the most informative. Across all the sectors, that turned out to be the point-of-sale, friends and family, and a brochure. Owned and earned media are particularly important in the information phase. Paid media should therefore ideally refer to owned media for more information…



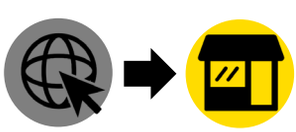
When the phase of the intent to purchase approaches, owned and especially earned media become even more important. Comparing prices and other data (e.g. via Test Aankoop) or reviews by other people reinforce our choices or redirect us elsewhere. As a brand or retailer, you should ideally focus on a strong link between owned and earned media.



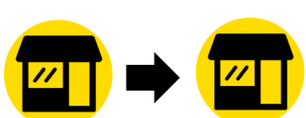


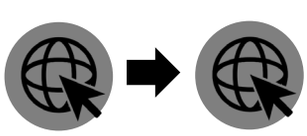
We make a distinction between 4 types of buyers: webroomers, store shoppers, online shoppers and showroomers. Contrary to popular belief, the showroomers, who come and have a look in the store and then buy (the cheapest product) online, make up only a tiny part of the consumers. This approach is taken by just 3%. The majority of consumers search online and buy in the store (40%) or go through the entire customer journey (36%) in the store. Of course, these figures differ greatly, depending on the sector. In Fashion and Health, the proportion of showroomers is considerably larger. But the heart of the matter is to develop each channel in such a way that making the choice to buy is easy.

WEBROOMING
Inspiration online, buy in store

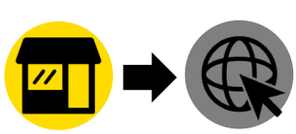


STORE SHOPPERS
Inspiration in-store, buy in-store



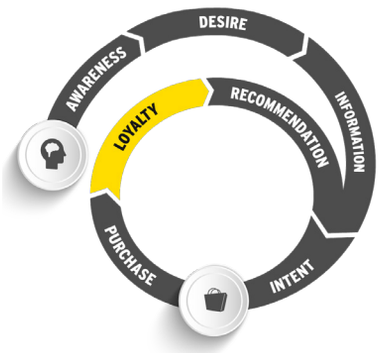


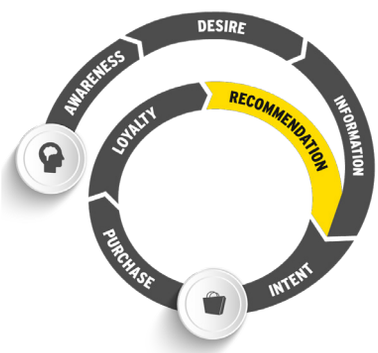
ONLINE SHOPPERS
Inspiration online, buy online



SHOWROOMING
Inspiration in-store, buy online

Every Belgian has an average of 10 customer loyalty cards and considers his loyalty to be worth something. In fact, he would like to be rewarded for it. After all, that is why he is prepared to go fairly far in providing data. More than half of all consumers have no problem with providing their name, e-mail address, date of birth, address and even telephone number. But the birthdates of the children, their Facebook account and certainly financial data would be taking things too far, in their eyes.





Talking with friends, acquaintances or colleagues about the purchase, recommending the store or the website or even the product. These are the three most important actions that consumers take after their purchase. However, the percentages remain relatively low. The task for brands and retailers: to boost this percentage. How? To start with, by monitoring the recommendations. E-reputation tools scan sites such as Google, Amazon, Trip Advisor… A dashboard then enables you to compare everything and take the steps to make the necessary adjustments.

Methodology

IPG Mediabrands has been organising the Retail Culture study in other countries for some time now. For Belgium, this edition is the first. In collaboration with SSI, 4400 Belgians were surveyed online about their link with retail. The survey covered 11 categories: Telco, Fashion, Beauty, DIY, Grocery, Electronics, Gardening, Automotive, Toys & Hobby, Health and Eye & Ear Care.

Has this inspired you to further monitor the trends in retail? On our site www.retailculture.be we compile the most important information from the latest developments both worldwide and locally.

Why not add it to your favourites!

Would you like to find out more about the results of the Retail Culture study? Then contact hello@mediabrands.be today to discuss the options.

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