

FOCUS ON RETAIL:

**2020: THE YEAR
DISRUPTION WASN'T
A BUZZWORD**

JAYWING

AS we adjust to living a new normal, we're seeing a monumental shift in retail. Bulk-buying. Product switching. Online ordering. Shopping locally rather than out of preference. All are catalysts for permanent behavioural shifts.

In fact, over [86% of consumers](#) say they've changed their buying behaviour in just a few weeks. It's catapulting the sector into uncharted territory. And making the majority of retailers, who have their doors temporarily closed, feel further away from their customers than ever before.

With the context and pattern of consumers' lives changing so rapidly, how can retailers expect to get a clear view of movements at a customer, product and societal level?

DATA

THAT'S HOW.

Even at a time like this, what we're seeing isn't entirely new. Data and insight have become steadily more relevant for retailers over the years but have never been more powerful than now. The current health crisis has quickly accelerated trends that were already in motion. And brought their benefits sharply into focus.

For businesses and brands that have already chosen a data-driven marketing approach – and for those scrambling to adapt – this intelligence impacts customer sentiment and gives a competitive advantage.

It means they understand their customers and, crucially, can respond to their evolving needs with hyper-relevant offers, tailored services and razor-sharp communications.

SO, WHAT ARE CUSTOMERS EXPECTING?

“The largest disruptor in retail is consumer expectations.”

–[Harnessing the Power of Personalisation, Econsultancy.](#)

“Retailers will have to reconnect with consumers both during and after the crisis, making data their greatest ally.”

–[Geoblink COO Rafa Pulido, Retail Gazette.](#)

In this environment, shoring up the customer relationship is just as important as shoring up the bottom line. At this time of uncertainty and global change, human, personal and relevant experiences add value to people’s disrupted lives.

Empowered shoppers crave convenience, immediate gratification and exceptional experiences during their journey.

We look at the current situation facing retailers and their ability to respond. Questioning which insight tools and techniques will help understand behaviour and lead to activity and conversations that connect product and brand to consumer expectations.



“In these unparalleled times, brands need the right blend of expert strategic consultancy, tools and technologies to help them make the right decisions. It takes courage, wisdom, and leadership to spot and seize genuine opportunities. And it all starts with data. Whether making sense of existing data, technology, existing marketing stacks or starting afresh, the work Jaywing performs with leading retail brands in the UK has enabled them to unlock granular, individual-level insight to help understand behaviour and to optimise marketing spend.”

—Tom Rigden, Commercial Director, Jaywing

79 MILLION EXTRA SHOPPING TRIPS, WITH CONSUMERS SPENDING **£1.9 BILLION** MORE ON GROCERIES THAN A YEAR AGO

SALES OF DIY ACCESSORIES SURGE **51%**

BEER, WINE AND SPIRITS UP OVER THIS TIME LAST YEAR **67%**

ONLINE, SALES OF ELECTRICALS ARE UP **42%**
SALES OF CLOTHING HAVE FALLEN **27%**
DEMAND FOR FOOTWEAR SLUMPED BY **38%**

2 IN 10 HOUSEHOLDS SHOPPING ONLINE, AN EXTRA **600,000** COMPARED TO THE SAME PERIOD LAST YEAR

Real-time responses to marketplace conditions are vital in adapting to the current landscape. Retailers should also be thinking about the impact these changes will have on the customer and the customer relationship. How will you maintain trust in your brand and your products and services? How can you hold on to your most valuable and loyal customers? How will you reset expectations for today? And how will you recover the customer experience in the future?

There are significant opportunities that can support healthy changes in retailers' marketing strategy during this time such as:

- Acting on shifting conditions and behaviours, helping you to gain an understanding of the changing channel demands as customers shop in different ways, to retarget your trade and marketing strategies.
- Winning at the digital shelf is a key objective, through online availability and search presence.
- Easing consumers' transition during social distancing by offering reassuring content, resources and relevant in-home recommendations that leave a lasting impression with your audience, and to target new audiences.

GETTING A SINGLE VIEW

Retailers have a huge amount of data at their fingertips. Consolidating and organising it to make it useful, or squeezing more insight and value from existing data can be difficult. But doing so has never been more important to connect with today's confused and anxious consumers.

For years, the holy grail for retailer marketers has been achieving this single customer view. But still, plenty of SCV strategies run into roadblocks or become diluted versions of a much more sophisticated vision. Whether it's departmental silos, martech implementation failure or an overload of priorities that's caused progress to stall, it's a problem that's shared across many organisations.

It's more important now than ever to get right. While there may be a longer-term downturn in spending, we've seen increases in digital activity, touchpoints and attention. Panic buying and consumer isolation have driven a doubling of supermarket's website traffic. We have seen unprecedented changes in patterns of footfall, basket make-up, use of delivery and collection services.

Meanwhile, retailers of non-essential goods have turned to digital marketing and online promotion. But in their keenness to panic sell, some have generated a splurge of untargeted, offer-frenzied and impersonal communications.

As the situation unfolds and habits develop, retailers need frequent, action-oriented insight to track behaviours across channels, product-types, brands, devices and stores, to see the full picture.

Pulling these timely insights is vital to respond quickly and efficiently. Not only to alert customers to changes in stock, but to tailor communications, generate offers and guide incentives. To navigate new and existing customers with precisely calibrated on-site promotions to the products they want and need.

Understanding any new or emerging customer groups and how they behave is also essential to grow sales and loyalty for the long-term - delivering more personalised communication at the right time, on the right channel.



**TURNING
INSIGHT
INTO**

ACTION

None of this can happen without the right tools. Stepping beyond standard web reporting from products like Google Analytics, the help of advanced marketing tools means that retailers and brands are able to unlock granular, individual-level insight to help understand behaviour and optimise both customer experience and marketing spend.

A combination of near real-time digital data, advanced modelling techniques and artificial intelligence is also transforming the way marketers can monitor and rapidly react to change.



“Jaywing’s proprietary data management platform, Almanac, was developed to collect, connect, enrich and aggregate known and unknown customer data on an individual level. By linking consumer data with online and third-party data sources, retailers are connecting the dots from every customer interaction to deliver a deep understanding of the full customer journey and drive actionable insight. To allow for changes to be implemented at pace, this can be implemented in days, and within two weeks marketers are reviewing customer behaviour MI dashboards, refreshed daily, to enable them to respond to changing customer needs.”

—Ben O’Brien, Managing Director, Jaywing

SOME RETAILERS HAVE SIMPLY THROWN MONEY AT THE GROWING DIGITAL MARKET.

But without the right tools, this can inevitably lead to millions in wasted investment. Media spend shouldn't be a guessing game. That's where data-driven attribution comes in.

The shift from in-store to online is just one of many changes occurring during the COVID-19 crisis. How exactly can brands stay on top of the new retail reality? Monitor variations in volume and demand. Observe the balance between in-store and online and adjust trade and online media to where your consumers are shopping. In conjunction, monitor demand shifts via a robust item-level scorecard to flag supply chain issues. Keeping a close eye on the marketplace will help retailers make more informed, quick decisions to keep up with consumer shopping habits.



“Jaywing Attribution modelling provides an accurate measurement of the incremental value of each marketing event in an individual’s customer journey. The insight delivers a rich understanding of the role of marketing from awareness through to conversion, and how messages, channels and campaigns work together. This understanding can be revealed by customer segment, product category and geography. We work with our clients to then use their attribution insights to identify the right mix of channels to optimise marketing budget and ensure the best customer experience, achieving new customer acquisition and long-term loyalty.”

—Dr Catherine Kelly, Marketing Practice Director, Jaywing

LOYALTY IN LOCKDOWN

AND

BEYOND

During these exceptional times, consumers will remember the interactions they had with brands in lockdown and how they made retail work for them from home. It will build their perception as an integral part of the whole retail experience, now and after.



“Right now, first and foremost, consumers want their brand loyalty to be rewarded by retailers and brands, for their personal and purchasing circumstances and limitations to be understood, and for brands to adapt and evolve to still put the customer first. Expectations will be that consumers are acknowledged for their loyalty and that any communication received feels personal and bespoke to them, tailored to their experiences with the brand and respectful of the impact of the world in which they are operating.”

—*Maria Vardy, Managing Director, Jaywing*

For those who've been forced to change their shopping behaviours, diverted to different products and brands due to shortages or delivery availability, loyalty is tested.

This presents a huge opportunity for brands and retailers to fill the gap on both a meaningful and, crucially, contextual level.

As these new behaviours erode long-standing loyalties in favour of proactive brands who respond rapidly to their changing needs and wants, retailers can take action to grow sales and retain their custom for the long term.

Timely strategies with a human approach will build loyalty and ensure retention of new and existing customers during lockdown and beyond.

PRESENCE WILL DETERMINE CUSTOMER LOYALTY

Building up your presence now – from a place of empathy and understanding for your customers – is more important than ever. If you have products that are out of stock or unavailable to purchase online, you risk not being top-of-mind at your customer's next shopping trip. Know that brand loyalty can decrease during times of economic uncertainty.

Businesses can help their customers stay loyal to their products. If you lack a digital online shop, then this is the time to make your products available on the digital shelf. If you have an ecommerce arm to your business but due to operational or stock

issues some products are unavailable, you need to nurture customers through this challenge using relevant, contextual communications. Examples include nearest store opening times or offering next best substitution, or even an apology or acknowledgment when service has been suboptimal.

Machine learning approaches can better harness static and dynamic behaviour to create data driven retention and revenue strategies. These tools help to understand customer intent and optimise purchases, segmenting customers based on their behaviour and interaction with the retailer.



“Jaywing’s AI-driven retail response programme leverages customer level data to surface customer insights and provide rapid, actionable views of new and existing customer segments. Led by our retail analysts and using our AI driven predictive modelling suite, we are able to map and model commercial and operational retail scenarios on top of the customer level data view in order to provide accurate, explainable predictions that can drive the delivery of customer level communications across channel.”

–Ben O’Brien, Managing Director, Jaywing

THE AMAZON EFFECT

When data is harnessed in these ways for the benefit of the consumer, retailers can create a seamless, enjoyable shopping experience. One great example is Amazon. Whether it's building brand, making recommendations or handholding the customer through their purchasing journey, small yet significant touches make the user feel understood, helping to build loyalty and boost retention.

Right now, consumers want brands to be generous, modest, self-aware, have a sense of humour and demonstrate spontaneity. While brands have a wealth of data and insights at their fingertips, harnessing the power of personalisation to target individual shoppers with the right message, at the right time, on the right channel is understandably proving challenging for most.

For one customer journey, it might be simple. But delivering personal experiences at scale requires innovative use of marketing automation to build around current martech and evolve as ambition and sophistication grows.

WHERE NOW?

ACTIVATING PLAN B.

Data-driven insight that understands current and predicts future needs is helping brands to stay closer to their customers, attract prospects and safeguard future custom.

Across the globe, we're already seeing the impact in the shape of shifting investment plans and hastily redrafted strategies. But without relevant and timely insight into which channels and investments are performing, and how changing behavioural dynamics can inform activity and messaging, decision making, and long-term business health could be compromised.



“Utilising Rapid Idea Generation (RIG) techniques, business teams can work with agencies in new ways and be assisted in the development and evolution of new strategies, activation plans and plan investment to capitalise on these new opportunities and threats. For example, to identify emerging market and consumer trends that retailers aren’t yet seeing in their own data. This could be as simple as understanding new consumer searches, re-purposing content or creating new categories using existing stock. Agile adaptation to the changing needs of consumers will see a whole new tribe of brands succeeding to win the business and loyalty of this newly compromised but demanding audience. But also some tried and trusted household brands lose significant market share.”

—Maria Vardy, Managing Director, Jaywing

SEEING OPPORTUNITY FOR GROWTH

Where supermarkets and convenience stores are seeing skyrocketing short-term sales, but have a problem meeting demand, other retailers have little or no demand so don't believe that they need to build short-term sales.

This has led many to pull their marketing spend and activity altogether. Whitbread, whose brands include Premier Inn, Brewers Fayre and Beefeater, say they're eliminating marketing spend, while John Lewis have paused their spring campaign and is reducing marketing spend across the board.

This could seem rational, after all if demand isn't materialising, why invest? But this is where so many businesses are missing out on opportunity.

For many retailers and marketers, this period has presented a unique opportunity to review marketing investment, press the reset button and take stock to build a more rigorous and future-fit data and marketing infrastructure that helps them to prepare for what lies ahead. Whatever that might be.

If retailers invest in remaining present, human and a voice of consistency in this time of uncertainty, they'll have a better chance of long-term recovery.

CERTAINTY IN AN UNCERTAIN WORLD

Everything has changed. In a world with 24/7 inputs, information is multi-layered. Expectations are continually shifting. And certainty is rare. It takes a different kind of agency to deliver immediate results and long-term business growth.

Jaywing brings together contrasting yet complementary skills in data intelligence, creative engagement and channel performance together with new technologies to uncover unique insights and enable smarter outcomes. The result? Single-minded, effective solutions that help to create certainty and maximise opportunity.

We have over 20 years' experience working with some of the biggest brands in the UK retail sector, including Asda, Mazda and Berghaus. Our sister agency, Epiphany, one of the UK's leaders in Search, also work with clients including Pandora, Carphone Warehouse, ScS and Stokke and in partnership with Google, Microsoft and Facebook to optimise digital presence and performance.

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