

TREND DROPS

RETAIL AFTER COVID-19

CHALLENGES AND OPPORTUNITIES FOR
RETAIL IN 2022 AND BEYOND

NOV 2021

faith



INSIGHTLED
RESEARCH SOLUTIONS



1. INTRO
2. SOCIAL LISTENING
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FAITH + INSIGHTLED

THE ERA OF OMNICHANNEL RETAIL

NOVEMBER 2021

Covid-19 revealed challenges but also opportunities to redefine brand, communication and sales strategies. Retailers can now re-examine their entire business based on some crucial emerging customer's values and behaviours. In general, companies must reflect on the purpose of their business, on the best-selling products and new promising categories to incorporate to the portfolio, on the new roles the stores are playing in customers' lives and on the advantages, benefits and pain points of online shopping experience.

The fact is that Covid-19 changed the online landscape forever. The year 2020 saw a 74% surge in online shopping and 45% of adults in the UK received more parcels during the lockdown than ever before. In Australia, it is estimated that 52% of consumers shopped online more frequently in 2020 and 82% of Australian households made an online purchase during 2020, up from 75% in 2019 ([AusPost](#)).

As a result, retailers need to pivot their businesses models considering a consistent change from a buying in-store demand to online and hybrid formats, paying special attention to shopping experience and operational processes, such as embracing a local approach and dealing with disruptions in inventories and delivery delays.

INTRO

- #BUSINESS PURPOSE**
- #PHYGITAL EXPERIENCE**
- #OMINICHANNEL CAMPAIGNS**
- #DELIVERY MATTERS**
- #LOCALISM AND EMPATHY**



“Retail executives have been fixated on the dramatic increase in ecommerce sales, but the more interesting story is less about the last few months and more about the next few years. We see that new users are buying online for the first time, and then returning to shop online again at the same or another merchant within one month. Returning to shop in short order is the way new spending habits form and share-of-wallet shifts.”

J. BENNETT, SVP OPERATIONS & CORP. DEVELOPMENT, SIGNIFYD





“ A store is Instagram, a store is Pinterest, a store is online and a physical space. The research proves that Australians shop on all these mediums, but they still perceive a store as bricks-and-mortar. ”

Shaun Broughton, Shopify's managing director of Asia-Pacific

“ I bought a coat. I guess I’ll probably forget about it by the time it arrives. Online shopping from Australia moment.”

Australian Twitter User
26 Nov 2021

SOCIAL LISTENING

#ONLINE SHOPPING
#IN-STORE BROWSING
#DELIVERY DELAYS
#COMMUNITY SUPPORT

The image shows a screenshot of social media content. At the top, there are three tweets from Twitter. The first tweet is from @AngstyRossini, dated Oct 31, stating they are on a train heading into the city for retail shopping and browsing, noting it's been a while since Xmas 2019. The second tweet is a reply from @bearyfun61, dated 20m, thanking someone and mentioning the need to check COVID hotspots in Australia before shopping, as they are now allowed to travel more than 5 kms from home. The third tweet is from @Craftee_Cottage, dated Sep 29, mentioning they are a yarn shop in Melbourne, Australia, and have had the longest lockdown but their customers have supported them online. Below the tweets is a Facebook group page for 'Small Business Support Group AUSTRALIA'. The page shows the group name, a 'Join group' button, and a 'History' section indicating the group was created on April 16, 2021.

Today's shoppers are always on, shopping across platforms and devices, online and offline, seamlessly. The pandemic has accelerated retail trends that were already in place, including the rise of digital, ascent of specialty retail and decline in department stores along with a customer journey that is longer restricted to visiting a store or using online but is merging both in an integrated experience.

In Australia, despite the changes, however, 77% of Australians still think of the act of shopping as going into a physical store. Older Aussies are three times as likely to have this view when compared to younger generations ([Inside Retail](#)).

The shopping experience now involves an overall brand experience through the omnichannel platform. After having done their research online, customers arrive at the store already knowing exactly what they want and how much it costs.

In this realm, retailers must dedicate special attention to GENZ. Gen Z is a truly omnichannel generation, shopping wherever best suits them in the moment and without preference as to the vehicle they use to find what they want. Online communities can convert purchases. #TikTokFashionMonth challenge helped inspire Gen Z to shop. The hashtag garnered 5.5 billion views ([Vogue Business](#)).

PHYGITAL EXPERIENCE

SIGNALS OF CHANGE



AUSPOST REPORT

79%

of Australian online shoppers who do Christmas gift shopping expect to be buying online this year.

AFTERPAY REPORT

54%

of young Australians took up online shopping as a new activity.

SIGNIFYED

80%

of consumers in UK said they would either avoid stores as much as possible or not shop in stores at all.



83%

INSIDE RETAIL

of shoppers in Australia are looking forward to the physical experience of shopping in person.

Retailers must consider that customers are now following multiple trajectories when they are looking for something to buy. From browsing retailers's websites, doing some search on Google to being impacted by social media posts and recommendations from friends and family, buying experience has become more organic and fluid than ever before.

A 2019 Omnisend study found that omnichannel campaigns saw an 18.96% engagement rate, while single-channel saw just a 5.4% engagement rate. The average consumer is no longer using only two touchpoints per purchase; it has now tripled to six. In this age of intensified competition, marketers must consider a cross-channel strategy to stay relevant or they risk being left behind.

Campaigns need to follow this non-linear and multidimensional behaviour. Brands and retailers need to be prepared for purchases coming from anywhere - from traditional brick-and-mortar stores to TikTok. Retailers can't expect a passive and predictable consumer and advertisement must simultaneously come across different channels. Also, with 79% of internet users conducting online shopping via mobile devices, special attention to UX design and social media campaigns is crucial (Google).

OMNICHANNEL CAMPAIGNS

SIGNALS OF CHANGE

700%

SMART COMPANY

Is the growth rate of Aussies spending through social media shopping over the past two years, with Gen Z and Millennials leading the way.

80%

CHANNEL ADVISOR

of American 18- to 25-year-olds have researched products on Instagram .



In current times, a point of attention is crucial: with online sales consistently growing and supply chain disruptions becoming more frequent, developing effective strategies around inventory and being able to manage consumer expectations over product availability during the next few months will become critical. 94% of Fortune 1000 companies are seeing supply chain disruptions from COVID-19 and the disruption to the global supply chain is likely to continue into 2022.

In Australia, 73% of small and medium Australian businesses reported having to change how they operate, rethink supply chains and partner with local suppliers. Australians once again turned to local retailers, with 57% of shoppers stating they wanted to support local businesses, and 52% stating that delivery from overseas was taking far too long ([Auspost](#)).

For this reason, consumers are buying in advance, but retailers still need to be agile, assertive and transparent in regards to delivery dates. 46% of global consumers say they'll never shop with a retailer again following a bad return encounter ([Oracle](#)). Having a clear strategy to navigate the supply bottleneck and being transparent with costumers is imperative for retailers moving into the busy festive shopping period, and even beyond into 2022.

DELIVERY MATTERS

SIGNALS OF CHANGE



Australians urged to plan ahead for Christmas shopping amid 'dramatically bad' global supply chain crisis

Covid shutdowns of major international ports are putting extreme pressure on retailers to fill orders and keep shelves stocked



Josh Odgers @josh_odgers · Oct 19

Zero successful deliveries for **online shopping** by @Aramex out of 3 attempts. One order they lost one of packages. Most recently for a package picked up in **Melbourne** for delivery in metro **Melbourne** it's been 7 days and no update.

Hopeless!

77%

BLOOMBERG

of global ports are experiencing "abnormally long times of turnaround".

94%

ACCENTURE

of Fortune 1000 companies are seeing supply chain disruptions from COVID-19.

For a medium and long-term future, retailers in Australia need to embrace online livestream broadcast with an e-commerce store that allows viewers to watch and shop at the same time is becoming increasingly relevant. The arrival of Alibaba's Taobao Live in May 2016 marked the opening of this new chapter in sales and is being called as the next wave of the e-commerce revolution.

According to McKinsey, live-commerce-initiated sales could account for as much as 10% to 20% of all e-commerce by 2026. Live commerce is entertaining and immersive helping brands to convert more sales and engage on an emotional level with online shoppers. Still according to McKinsey, companies report conversion rates approaching 30 % up to 10 times higher than in conventional e-commerce.

Live streaming needs to express brand DNA in memorable ways. Having more sensory-stimulating platforms and appropriate influencers and creators involved in live streaming events can make a huge difference.

GO LIVESTREAM

SIGNALS OF CHANGE



This Week in Apps: Twitter launches livestream shopping, Netflix snags new games, Tile gets acquired

Sarah Perez @sarahintampa / 8:45 AM GMT+11 • November 28, 2021

Walmart will be the first retailer to test Twitter's new livestream shopping platform

Sarah Perez @sarahintampa / 4:00 AM GMT+11 • November 23, 2021

Business of Apps Marketplace News Insights Podcast App Data Events More

Walmart sees success with live-stream shopping events on TikTok

ANNE FRESE / MARCH 31, 2021

Since consumers are now more aware of their purchases and their motivations behind the act of buying, retailers are expected to have a strategy beyond discounts to differentiate themselves in the market and create more meaningful and engaging content to capture consumer's attention.

One of the biggest unexpected outcomes of 2020 has been a major resurgence of the 'shop local' movement. Consumers have increased their support for small businesses especially as a result of extended lockdowns. With limited travel radius during lockdowns and a growth of empathy towards small entrepreneurs that were forced to indefinitely close their doors during the outbreaks, consumers shifted their attention from impersonal mass-market stores and big malls to the uniqueness offered by local business.

Almost two years after the first Covid-19 outbreak, people are likely to remain working from home - at least partially - and living locally. In this scenario, neighbourhood shopping becomes a consistent trend. The CommBank consumer insights report shows more Australians are choosing to shop locally. Across cohorts, the groups most likely to shop locally are those with children (89 per cent), followed by females (88%) and Generation Y/ 23-34 years (87%).

Furthermore, an empathetic retailing posture is appreciated by consumers. Shoppers will take notice of retailers' small acts of kindness this Christmas, as the stresses and turbulence of the past year drive a reshuffle of consumer priorities.

LOCALISM AND EMPATHY

SIGNALS OF CHANGE

65%

MONASH

of Australians are looking for buying products that are locally produced.

30%

AUSPOST

of Australians stated they're making an effort to buy more Australian-made products

80%

CommBank

of Australians intend to shop locally in future.



Most Australians want to buy local goods

Colin Brinsden, AAP Economics and Business Correspondent • aap

Published: Monday, 24 May 2021 11:22 AM AEST



Aussie pride in Australian made: Why more Aussies are buying local

An interesting thing happened in March 2020. As traditional bricks-and-mortar businesses began closing their doors and the world went into lockdown due to the COVID-19 pandemic, Australians turned to online shopping. Specifically, spending their money on locally made items from locally owned companies.



SERVICES ▾ ABOUT US ▾ EVENTS ▾ RESOURCES

New insights reveal Aussies prefer shopping locally

HOME > NEWS > NEW INSIGHTS REVEAL AUSSIES PREFER SHOPPING LOCALLY



Australian Made: The pandemic has reignited the shop local movement



By Paige Murphy | 27 May 2020

0 Comments



36% of moves by Australians surveyed in the previous 12 months were triggered somewhat by COVID-19 ([Budget Direct](#)). Working remotely opened the possibility to factually make home the office, but it required adaptations in space and furniture to suit more flexible and [hybrid working routines](#).

There is renewed attention on home furnishings – in the US, home decor is projected to grow 20% between 2019 and 2024. In this trend, flexible spaces have never been more in demand but also ergonomic furniture has been crucial. Home-office workers have reported issues with physical discomfort and pain, very likely from the challenges of establishing an ergonomic office set-up remotely.

Furthermore, the plant industry has been rapidly growing in popularity for the past five years, but COVID-19 has turbocharged this growth, particularly among younger people. For people spending more time at home, plants seem to increase liveability. In Australia, sales of herb and vegetable plants shot up 27 per cent in 2020 ([ABC News](#)).

Another strong trend in interior design for the Australian market regards the maker-movement (Do it Yourself). The Melbourne-based couple [@joshandmattdesign](#) started sharing their love for home decor during the pandemic, amassing a large following with a playful, bold style. Retailers can pay special attention to TikTok channels since [#InteriorDesign](#) has achieved 7.8bn views on TikTok.

FLEXIBLE LIVEABILITY

SIGNALS OF CHANGE

69%

UNI MELBOURNE

of Australian workers indicated that they would like to be allowed to work away from the office two to three days a week.



ABC RURAL

Indoor plant sales boom due to COVID-19, says nursery industry

ABC Rural / By Keely Johnson
Posted Wed 12 May 2021 at 7:45am

ABC RURAL

Australians bought more plants than ever in 2020 with COVID-19 lockdowns fuelling sales

ABC Rural / By the national regional reporting team's Jeremy Story Carter
Posted Wed 31 Mar 2021 at 3:03pm





VODAFONE

Vodafone Ireland created an intimate 2021 festive campaign. 'Each Christmas' tells the story of a young farmer who pines for his old neighbour, a woman who has moved abroad and only returns to her hometown during the holidays – depicting an emotionally resonant reality of modern Ireland and highlighting the power of affectionate bonds created in small communities.

**NEW YORK,
YOUR
LOCAL BAR
NEEDS YOU.**

LET'S KEEP NEW YORK'S
LOCAL BARS POURING.



BULLEIT
Local Bar
SUNDAYS

Official Spirits Partner of the Tribeca Film Festival
BULLEIT | **TRIBECA**
WHISKEY | **FILM**
FESTIVAL

**NO ONE DOES
A MANHATTAN
LIKE
MANHATTAN.**

LET'S KEEP NEW YORK'S
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WHISKEY | **FILM**
FESTIVAL

BULLEIT

As part of a larger effort to support the financial recovery of the hospitality sector in the wake of the Covid-19 crisis, bourbon brand Bulleit has debuted a new rebate program that rewards consumers for drinking at their local dives. The Local Bar Sundays initiative encourages consumers to choose their favourite local establishments in qualifying states with \$250,000 "First Drink's on Us" rebate program through the end of 2021.

#SUPPORT
#IDENTITY
#NEIGHBORHOOD
#ACT LOCAL
#COMMUNITY

IMPACTS



LOCAL COLLECTIVE

The Local Collective created the “Not for lease” campaign for the Canadian neighbourhood Roncesvalles Village to support local businesses. With visually-arresting message in the windows of local shops, this campaign made an important point about the importance of shopping local, especially in after 2020’s lockdowns.



#SUPPORT
#IDENTITY
#NEIGHBORHOOD
#ACT LOCAL
#COMMUNITY

IMPACTS



— AMAZON

Amazon celebrates small acts of kindness that have the big impact in the world with their latest campaign for Christmas called "Kindness, the greatest gift."



— ALDI

For 2021 Christmas add, Aldi brought the following statement as a bold message: "For you to be happy, you need to be kind." In this campaign Aldi links businesses to charitable organisations in local communities to donate its surplus food to local causes.

#KINDNESS
#SOLIDARITY
#EMPATHY

IMPACTS



TOMMY HILFIGER

Tommy Hilfiger recently extended its livestream program to Europe and North America following successes in China, where one show reportedly attracted an audience of 14 million and sold 1,300 hoodies in two minutes

WALLMART

In December 2020, Walmart piloted a livestream fashion event on TikTok that netted seven times more viewers than expected and enabled it to add 25 percent to its TikTok follower base. Walmart is now planning its livestream on Twitter.

#OMINCHANNEL
#LIVE STREAMING
#TIKTOK AND TWITTER

IMPACTS

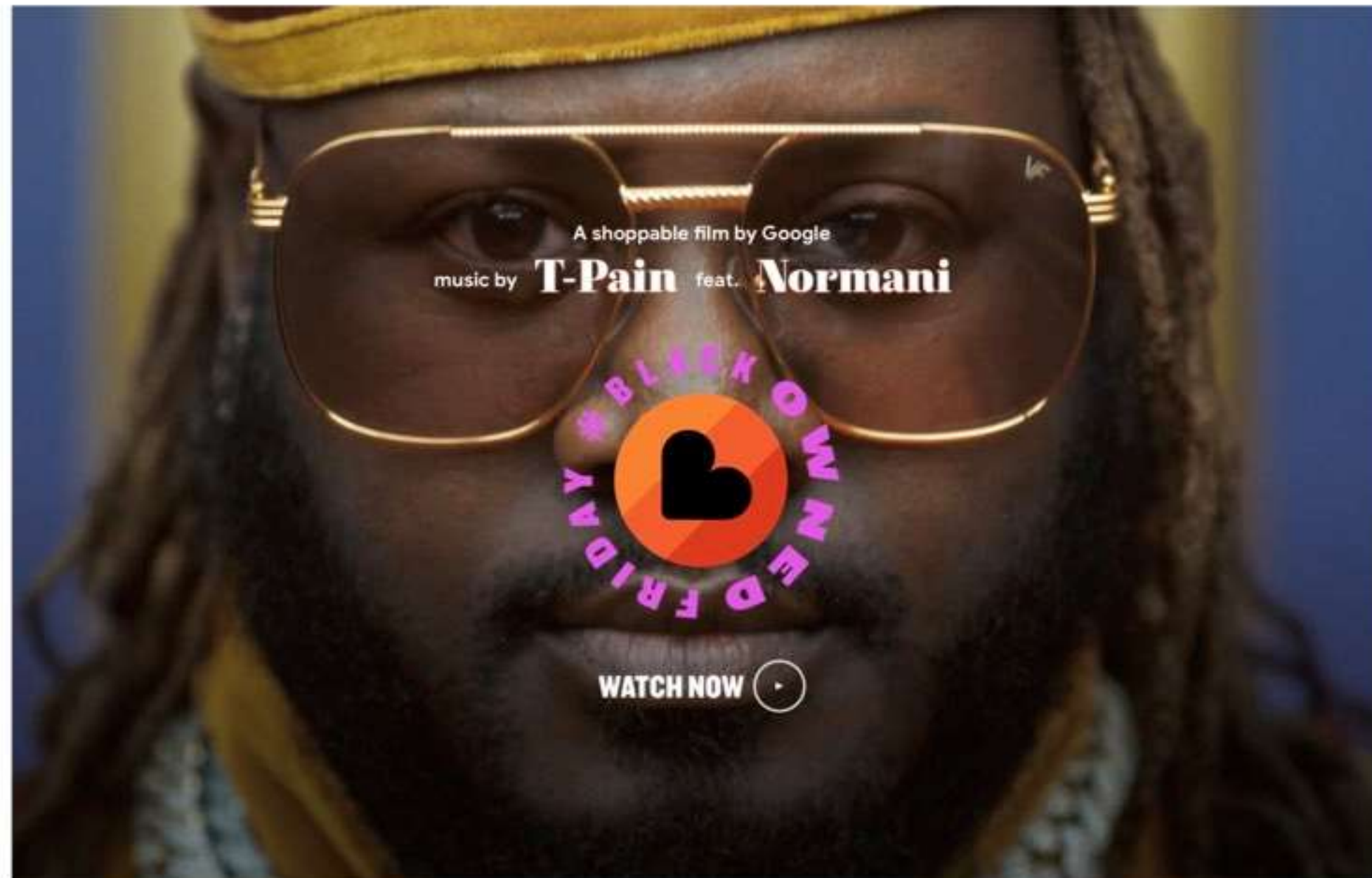


SEPHORA

Sephora has been building an online community and loyal social media following. The retailer placed emphasis on improving the inclusivity of its annual #SephoraSquad line up – a team of micro-influencers and Sephora employees who apply within a limited window to work with it across the year. Partnering with a diverse range of micro-influencers is allowing customers to feel closer to the brand, with the smaller followings boosting one-on-one engagement and allowing more human relationships to develop than would be possible to achieve via influencers with millions of followers.

GOOGLE

For the second year, Google swaps its celebration of Black Friday for “Black-Owned Friday” with a shoppe movie. While watching the video on [the campaign’s landing site](#), each of the products featured, from shoes to art to cosmetics, line up across the bottom of the screen with an image, title and price. Clicking on the product populates additional information, like the seller, and a button that links directly to the Black-owned business’s website.



#OMINCHANNEL
#LIVE STREAMING
#TIKTOK AND TWITTER

IMPACTS



B&Q

B&Q captured that people have turned increasingly to DIY projects and home improvement during the pandemic. After being stuck inside our own four walls, we've come to realise just how much we cherish our private spaces and it's a feeling B&Q has jumped on with the brand campaign, 'Build a Life', which celebrates the belief that "anyone can change their home to make life better" – no matter what's happening in the world.

#DIY MOVEMENT
#EMPOWERING CONSUMERS
MEANINGFUL LIFE

IMPACTS

01

VALUE LOCALISM AND EMPATHY

Retailers should rely on actions and communication that involve empathy and solidarity for the end of this year and beyond.

Covid-19 triggered this sense of community and support with peers but they also expect to see it resonating in brands.

Retailers can also create actions or communicate their values in a more local sense, targeting specific consumers based on their circumstances, communities, neighborhoods, stories. Campaigns can be celebrate different neighborhoods in Melbourne, for example.

#BE KIND

#THINK AND ACT LOCAL

#CELEBRATE PARTICULARITIES

02

BE AGILE AND TRANSPARENT

Retailers need to be transparent with consumers in regards to delays or shipping expectations. To mitigate the problem with supply chain disruptions, retailers can offer incentives such as free/fast shipment for purchases that are made before a certain date, clearly communicate realistic delivery timeframes and push giftcards as an alternative to out-of-stock items.

#BE REALISTIC

#MITIGATE POTENTIAL CONSUMER'S FRUSTRATION

#BE TRANSPARENT

TAKEAWAYS

03

EMBRACE OMINICHANNEL STRATEGIES: THE 3 TIMES RULE

Three or more channels leads to better overall performance:. According to Ominisend marketers using three or more channels in marketing campaigns has a 90% higher customer retention rate, and 250% higher engagement and purchase rates.If your customers prefer speed and flexibility, build an omnichannel that is streamlined and effective at every touchpoint. If your segmented demographic values a personal, human connection, place an emphasis on care and interaction when building your journeys.

BE EVERYWHERE

PARTNERSHIP WITH CREATORS

ALIGN ONLINE AND OFFLINE BRAND DNA

TAKEAWAYS

04

FOCUS ON FLEXIBLE LIVEABILITY

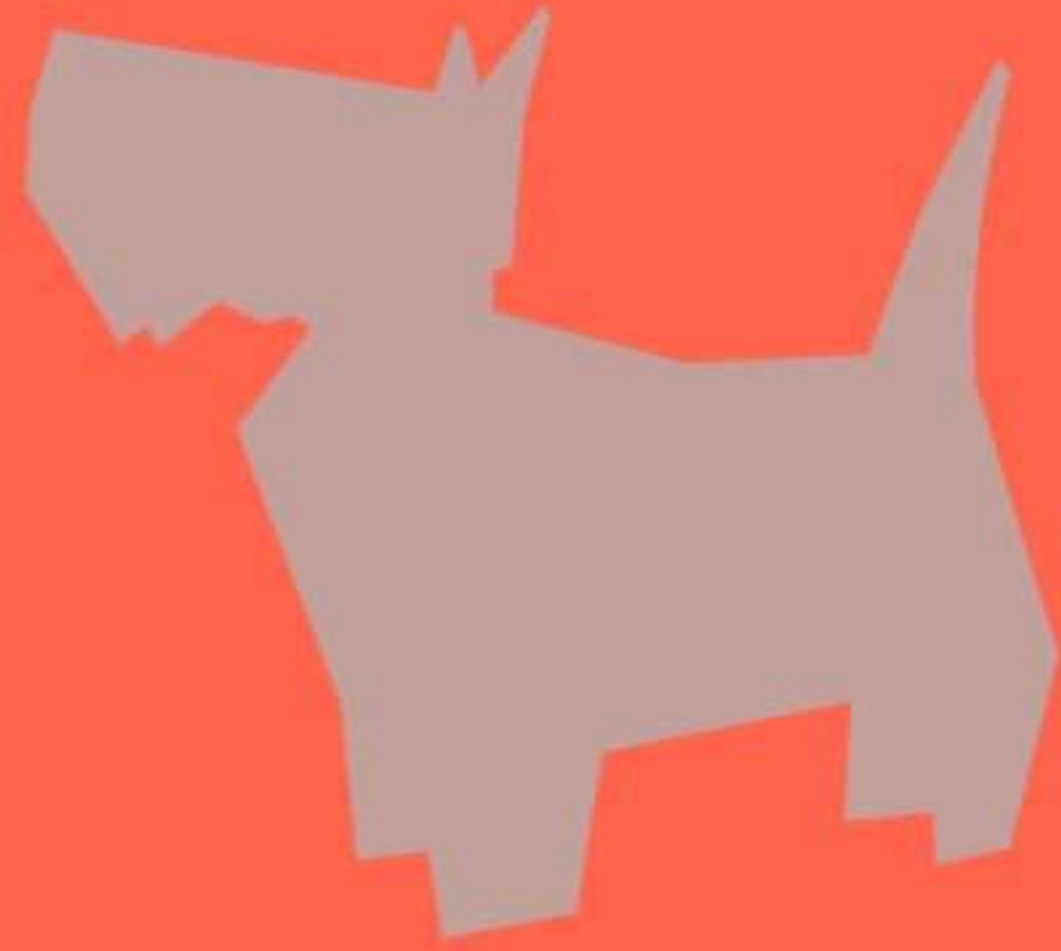
For retailers selling home-related products, the focus should be in DIY actions, embracing the sense of independence, discovery and adventure that Aussies intrinsically have. A focus on indoor plants and gardening tools is also a good way to catch consumer's attention.

#LIVEABILITY

#DIY RENOVATION

#ERGONOMY

#FLEXIBLE SPACES



faiith

+



thank you.

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