

REVISITING:
**Retail Life in the
Time of COVID-19**

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Given that we have been living in the midst of COVID-19 for several months now, what has changed for **consumers and shoppers** regarding both sentiment and expectations?

Several months ago, we **reviewed data** from a number of sources regarding COVID-19 and its impact on shopping in brick & mortar locations and consumer sentiments about retail. Here we revisit some of those topics to see how things have changed and what has stayed the same.

How Do Consumers Feel About Going into Brick & Mortar Locations?

While there is a desire to return to pre-COVID-19 patterns, many individuals are still concerned about being out in public. “Across the world, 66% of people say they will continue to avoid busy places.”¹ Many Americans (73%) are waiting for milestones (i.e., vaccine, government removes restrictions with safety precautions in place, etc.) to be achieved before they engage in out-of-home activities — this percentage has increased over the last few weeks.²

And they don't see the impacts of the pandemic coming to an end soon. “Approximately 70% of Americans believe COVID-19 impact on their personal routines will last more than another four months.”² Some see the impacts as having an even longer term with about 50% indicating they believe it will last more than six months.²



How About Shopping, Traveling or Working Out?

Persistent safety concerns, financial pressures and sticky new behaviors mean consumers will not return to pre-pandemic behavior any time soon.³

However, data from a recent McKinsey study indicated slightly higher levels of comfort with various types of out-of-home activities vs. earlier data from Mower.

One of the outcomes of the pandemic is a shift in spending. Consumers have been more focused on spending for necessities and limiting their discretionary spending. Only about 25% have indicated a willingness to spend on luxury goods.³

The impact of COVID-19 “requirements” is likely to have a long-term influence on behaviors. More than half of those surveyed (52% overall with 57% of Millennials and 55% of Gen Zers) will continue their lockdown behaviors into the post-COVID-19 time frame.³ Activities such as improved hygiene, a focus on eating better as well as time spent with family and on personal development are those most likely to be continued.³



Almost half of Americans (46%) are not worried about **shopping for groceries** or necessities. However, 34% are somewhat concerned and 20% are worried.²



Visits to **hair and nail salons** are a bit more concerning: Only 27% are not worried about going to such an establishment. 30% express some concern and 43% indicate they are worried about this type of visit.²



Only 25% feel comfortable **dining in a restaurant or bar**. That leaves 26% feeling somewhat worried and 49% feeling worried.²



Hotel stays are even less likely with only 24% of American consumers indicating a level of comfort. 27% grade themselves somewhat worried and 49% are classified as worried.²



Going out for **family entertainment** garners even lower scores. 20% indicate they are unworried, 25% are somewhat worried and 55% segmented as still worried about such activities.²



Frequenting a **gym or a fitness studio** still feels risky to many. Only 15% feel comfortable with such visits. 21% indicate some level of worry and 61% are worried.²



Consumer Sentiments about Retail During COVID-19

The surprising new measure of gratitude toward “above and beyond” brands has continued as the COVID-19 lockdown wears on. Decooda’s ongoing research during the pandemic evidenced improved NPS scores for those brands that showed care and concern for their users. Such retailers were rewarded with a collective NPS of +73. Those brands seen as “letting people down” saw their collective NPS take a dive at -85.⁵

Characteristics of Above & Beyond Retailers and Brands⁵

- Exhibited they cared about our safety
- Quickly adapted the experience to account for the COVID-19 virus
- Gave us a little financial help when we needed it
- Appreciated our business with acts of kindness

Characteristics of Let Down Retailers and Brands⁵

- Did not immediately stop hoarding behavior so that everyone had basic necessities
- Did not quickly adopt safety precautions to protect us
- Did not offer any financial assistance in our time of need
- Did not live up to their brand promise

The Importance of Consumer Trust During and After COVID-19

In the wake of **COVID-19**, Kantar has been conducting ongoing rounds of research. The latest wave of their work highlights what consumers are seeking from retailers and brands. Based on the ongoing nature of the pandemic, “It’s not surprising that wave 5 of the COVID-19 Barometer finds that consumers are currently looking to brands for trustworthiness and leadership.”¹

The sense of trust consumers have for a retailer or brand continues to see a link to its handling of COVID-19. Edelman has completed a special 2020 report with a focus on Trust and the COVID-19 pandemic. In the U.S., fewer than half of participants (46%) feel that businesses are doing a “good job keeping me safe.”⁶ Ratings of businesses across a number of other measures are even lower (see table). Overall, business is not seen as doing a good job of taking care of customers and their core groups during COVID-19. Being a retailer or brand seen as not handling the pandemic in a way that evidences care and concern will almost surely have long-term impacts on consumers’ willingness to do business with you.

Business Performance in Response to the Pandemic

46%

Implementing safety measures to protect both workers and customers

42%

Protecting essential employees whose jobs require them to work outside of their homes, thereby increasing their risk of exposure to the virus

42%

Meeting your overall expectations for how they should be responding in this crisis

41%

Ensuring that the products and services that people need most are readily available and easily accessible

40%

Partnering and collaborating with other organizations and institutions to mount the strongest and most effective response to the pandemic possible

39%

Preparing for the eventual recovery and figuring out how to return things to normal as quickly as possible

38%

Developing solutions to our pandemic-related medical problems and challenges

38%

Helping their smaller suppliers and business customers stay in business by extending them credit or giving them more time to pay

38%

Putting people before profits

37%

Being a reliable source of useful and accurate information

37%

Protecting their employees’ financial well-being and safeguarding their jobs

36%

Taking care of people who are suffering pandemic-related financial hardships



“

Retailers should see this as an opportunity to out-perform their less agile competitors and build the foundations of a more digital, nimble business for the future.”⁷

Protect All of the People

Yes, when thinking about a retail environment,

it is key to ensure that shoppers feel that they are entering a safe/clean space. However, it is also important to have a plan “that ensures the safety of employees while maintaining business as usual activities.”⁸ Please see part 1 of this article for details on the activities that Show Your Customers that Your Space is Clean and Safe and the ways to Demonstrate Care for Your Associates.

Remember that everything sends a message. Whether it is the layout and messaging of your entry area to the subtle cues that highlight the work you are doing to create a safe area to shop or it is the PPE and staffing model for your employees — be sure that you are intentional in the stories you are telling. An oversight here may be seen as a lack of concern for everyone who passes through your doors.

Use Technology to Benefit Everyone

Seek out ways to create more comfort for your shoppers as well as a means to understand what is happening in your stores. Use technology to provide your shoppers with information on areas such as: what is in stock, how many shoppers are already in your location, wait time to enter (perhaps paired with





the ability to join a virtual waiting line to enter the physical space). Put as much information and control into your shoppers' hands as possible.

Consider virtual try-on for everything from clothing to make-up to hairstyles. This can be implemented in a number of ways with at-home options to in-store on the shopper's own device. Elements of the tool can also provide suggestive sell options (an important sales component often lost in the harried world of COVID-19 and its quick in-and-out shopping trips).

Enable the shopper to interact with in-store digital screens and messaging through their smartphone. This allows customers to "download" information to their device and engage with it both in and out of store. They can also see additional, unique visuals and information while in-store — enabling a more experiential visit.

Use technology to facilitate your omnichannel approach. Be sure to utilize it wisely: "Optimize your online proposition to make the offer as economic(al) as possible. Limit purchasing of essential goods to regulate demand and provide the essentials to the maximum number of customers."⁷ Review your product assortment and identify products that are not cost-effective for you to offer online. Determine what types of orders will make those products a worthwhile sale (i.e., with a minimum spend of \$X).⁷

Continue to Engage with Your Community

While the pandemic continues to impact our everyday lives, you can be one of the elements creating engagement and security for your shoppers. “As one of the cornerstones of people’s lives, retailers have a disproportionate role to play in reassuring customers and the broader community. For some of their customers, an open supermarket will provide them with reassurance that they’re not alone.”⁷

Listen to your customers and keep an ear out for the local news: Look for areas of need and seek out ways to provide for them. It may be providing a few meals for health care workers at the local hospital, incorporating a “shop local” section to allow small businesses to sell their products in your space or perhaps creating a way for local restaurants to provide information to your shoppers on curbside food options. Where can you make a difference? Whatever the need, those who see you “pitch in” more broadly now will be likely to remember that in the future — and you’ll have a “built-in” preference.



Take Out the Human Contact — While Seeking Ways to Maintain the Human Connection

Limited contact and contactless services have seen a surge during COVID-19, and some intend to continue to use it in the post-pandemic era. Ranging from delivery to buy online/pick up in store (BOPIS) and curbside pickup, many who have tried for the first time or increased their usage intend to adopt the behavior.²

Increased concerns with handling cash or touching POS keypads have resulted in growth for contactless payment. “Walmart modified self-checkout stations to make these systems contactless, and Publix Super Markets sped up its tech transition to accept contactless payments ahead of intended plans.”⁹

Even such “high-interaction” activities as in-branch banking have seen a shift to models which feature a completely drive-up model, an appointment-only model or a triage format (in which a small group of “lead” staffers greet customers, determine their need and then provide a private space with access to a virtual expert in their area of need).

Americans have new behaviors based on COVID-19

	Just started using	Using More	Will Continue to Use
Restaurant Delivery	8%	18%	43%
Grocery Delivery	10%	14%	53%
Restaurant Curbside Pickup	16%	15%	43%
Buy Online-Pickup in Store	9%	17%	65%
Store Curbside Pickup	14%	12%	52%

COVID-19 makes the desire to reduce direct human interactions understandable — but does it also dehumanize us? One of the most important aspects of many retail interactions is characterized by human contact — be it for service, consultation, etc. In the wake of reduced face-to-face options, what can you and your team do to continue that critical human connection. Whether it is a short personal note in a curbside pickup package or spending a few extra minutes on a video call with a shopper to inquire about their family — seek out ways to show your customers that you care and want to help them through the pandemic.

Use Experience to Improve the No-Frills Format

Since much of your interaction with customers is moving to no-contact options, what can you do to bump up the experience? Data reveals that those retailers/brands that are customer experience leaders are more resilient in difficult times.⁹ How can you make sure that your interactions provide that something extra to capture and keep shoppers?

Upgrade, Buy Online - Pick Up in Store (BOPIS)/Click and Collect

Considering the popularity of this offering during the pandemic, there is a real opportunity to make your offering stand out. What extra step can you take to make your shoppers feel more cared for? Can the space be updated to have more of a concierge feel – such that shoppers can have a seat, see an assortment of products and pick up their order?



Since they are entering your locations, are there special promotions you can enable for a shopper to add to their order, with the additional cost simply added to the card on record? Perhaps it is including a bottle of water along with their order such that they leave your store with their products and feeling refreshed. What products/offers are unique to your brand? How can you provide that “extra experience” that only you can offer?

Make the Fitting Room More Enjoyable and Efficient

When shoppers do come to your stores, how can you make trying on clothing less of a bother? What can be done to ensure that your shoppers feel “safe” as they review their potential purchases?

Help your guests feel that their fitting room is a protective cocoon — a place they can “hotel” themselves without having to venture to and from the store floor looking for alternatives. Consider technology which will enable shoppers to see and request additional sizes and styles, see product recommendations (i.e., complete the outfit), keep a running total of their purchases and email information to themselves or to those gift shopping for them.

"How can you make sure that your interactions provide that something extra to capture and keep shoppers?"

This functionality will allow shoppers to try on a wide variety of options, select additional products and even complete their purchase — all from the comfort of their own (sanitized) room.

Drive-Thru Feels Quick and Curbside Delivers at High Speed

When Drive-Thru and Curbside represent the safe options, how do you improve the offering? Think though ways to “shorten” the wait in drive-thru. It may not mean speeding your service time; it may simply be providing elements in the line to reduce the feel of the wait time. Options such as pre-sell boards (even pre-sell windows) can provide alternatives to staring at the car ahead of you. Including posters that come to life when viewed through a smartphone camera can provide entertainment and even suggestive sell. Post menu board area provides an opportunity to “tell your story” – be it history of your concept, details on the creation of menu favorites, etc.

Curbside is all about limited interactions and efficiency. Review your customer path to determine what portions of the visit have areas for improvement. Seek ways to streamline the process. The more effectively your online and application ordering systems can work with the pickup, the more your users will sense that you have considered their needs and built to satisfy. Optimal order management enables your guest to place their order, arrive at your location, select a space, then use your application to notify the restaurant of arrival and curbside parking spot.

Ongoing Impact of COVID-19

The impact of COVID-19 is by no means over.

And the ways to respond to reassure and appeal to your customers will continue to evolve. But as we move into the end of 2020, look for ways to make your experience stand out both during and after COVID-19. Remember, “The way organizations deal with their customers, their employees and the broader community in a crisis is likely to leave lasting memories in customers’ minds.”¹¹ If you view all of your actions through this lens, you will be providing your shoppers, staff and community with what they need most – and you’ll reap the rewards in the long run.

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Miller Zell is a retail experience solutions company. It partners with retailers to create the ideal customer experience in their stores, offering design, implementation, strategy and support that fosters sales growth amid a complex and changing marketplace. It deploys these solutions at scale, thereby minimizing client risk, cost and operational complexity.

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