

1 in 4 consumers tried a new brand during pandemic - global report

A new global report, titled '*The Future of Retail: Opportunities for Brands in the New Normal*', highlights challenges and opportunities for retailers as the Covid-19 pandemic drives permanent shifts in consumer behaviour now and beyond the holiday season.



Getty

Released by customer engagement platform Braze, the report assesses Covid-19's impact on the retail industry and consumer behaviours, providing guidance on improving purchase and retention rates and examining what tactics will be successful for the 2020 holiday season.

"Covid-19 has changed the consumer retail experience forever as demand for e-commerce looks to become permanent, customer loyalty has been upended and spending patterns have changed. To effectively serve customers and drive future growth, prioritising customer engagement is more important now than ever. Brands that double down on digital and place personalisation at the heart of their strategy will emerge from the pandemic stronger than before," says Myles Kleeger, president and chief customer officer of Braze.

The report leveraged several data sources, including aggregated customer data from Braze and a survey of 8,000 consumers around the globe on their shifting behaviour, sentiment and expectations.

The pandemic's impact is here to stay

The ongoing pandemic ushered in permanent changes in how and where consumers shop. Over a quarter (26%) of global consumers tried at least one new brand during the pandemic, and a whopping 95% reported intentions of buying from one of these new brands again in the future.

The flight to digital and mobile channels during the peak of the pandemic is not a huge surprise. However, findings reveal that even as physical stores open back up 83% of consumers intend to shop online the same amount or more.



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Nielsen 30 Jul 2020



Renewed focus on brand values and trustworthiness

As we look toward the 2020 holiday season, the report found that it's no longer just about brand familiarity. Brand values and corporate empathy will play an increasing role in consumer loyalty and purchasing decisions. Only 10% of consumers consider "familiarity" as a top consideration when deciding where to shop.

This is in contrast to 91% who responded that a company's response to the pandemic, especially towards employees and customers, was an important criterion. Companies that mistreat employees, contribute to pollution or take opposing political stances were also revealed as top reasons for consumers to shop elsewhere.



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Generational preferences come into focus

Retailers continue to face challenges in courting consumers across generations, each with distinct preferences, behaviour and expectations. Findings revealed that price matters to Gen Z with 45% selecting it as a top factor when deciding on a retailer. Inversely, less than a third of Millennials (28%), Gen X (29%) and Boomers (30%) said the same.

When it comes to a brand's response to Covid-19, Gen Z and Gen X were least likely to let it impact their purchasing decisions. Thirty-five percent of Gen Z and 34% of Gen X said that they were extremely or very likely to drop a brand based on their response to employees or customers during Covid-19 compared to 43% of Millennials and 20% of Boomers.



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What to expect this holiday season

Retailers should anticipate a holiday season marked by a pull back in spending, increase in consumer expectations and focus on supporting small businesses. Forty-two percent of global consumers said they expect to slightly or significantly decrease their spending this holiday season.

The impact of Covid-19 has also fueled support for small businesses. While consumers want to shop online, 48% said "supporting local retailers" is one of the reasons that would convince them to shop in-store.

These headwinds mean that retailers should be designing campaigns now to deepen relationships with customers in the months leading up to the holidays. Building out effective onboarding and lifecycle marketing programmes allow them to lower overall acquisition costs while increasing chances that customers are making purchases this holiday season and beyond.

Report methodology: Braze's The Future of Retail: Opportunities for Brands in the New Normal was conducted by market research firm Wakefield Research among 8,000 adults aged 18+ across 10 markets: Australia, France, Germany, Indonesia, Malaysia, Singapore, South Korea, Thailand, the UK and the US. The survey was conducted between 3 July 2020 and 3 July 2020 using an email invitation and online survey.

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