

How retail and eCommerce brands are innovating for success in a global pandemic

WBR Insights & Honey White Paper

honey

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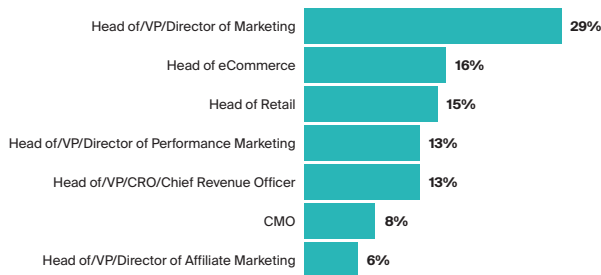
Methodology

In Q4 of 2020, WBR Insights surveyed 150 Heads of Retail, eCommerce, and similar from across medium-sized businesses to global brands in the APAC, EMEA, and North American regions to find out what types of marketing strategies and tactics they are using to engage with and convert their consumers.

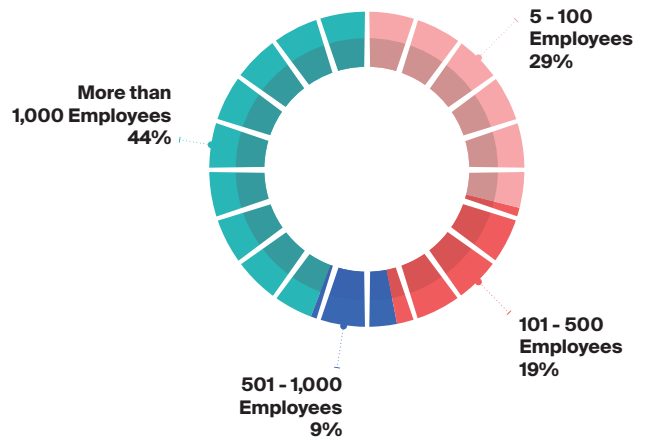
The report aims to gain a greater understanding of how the overarching marketing tactics and strategies are shaping results from upper-funnel brand awareness to lower-funnel performance and conversion metrics within their organizations.

The survey was conducted by appointment over the telephone. The results were compiled and anonymized by WBR Insights and are presented here with analysis and commentary from Honey's contributors.

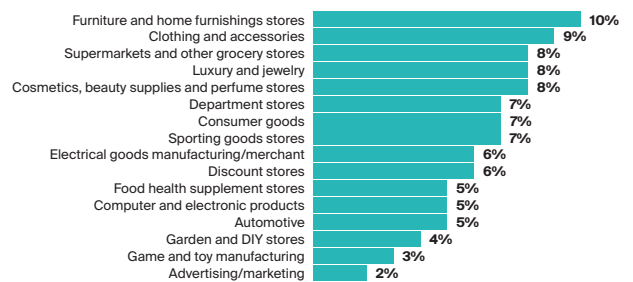
What is your job title?



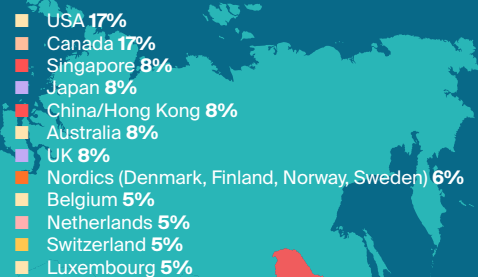
What size is your organization?



What type of retail organization do you work for?



In which country is your company headquarters located?



Chapter One



Consumer Engagement in a Global Pandemic

During the Covid-19 pandemic, retailers have witnessed a dramatic shift in consumer behavior. Adapting to this change has been one of the major challenges retailers have had to overcome in 2020. Some challenges they have faced include disruption to the supply chain and the economic hardship of government imposed lockdowns, causing many well-loved brands across the globe to file for bankruptcy and countless people to lose their jobs.

101 respondents said that their organizations have changed their customer engagement strategies and tactics due to the impact of the pandemic on their brick and mortar outlets. Some ways retailers have adapted to the changing landscape include implementing new technology such as artificial intelligence and machine learning, increasing personalization within their messaging, using affiliates in their marketing campaigns and by creating new landing pages.

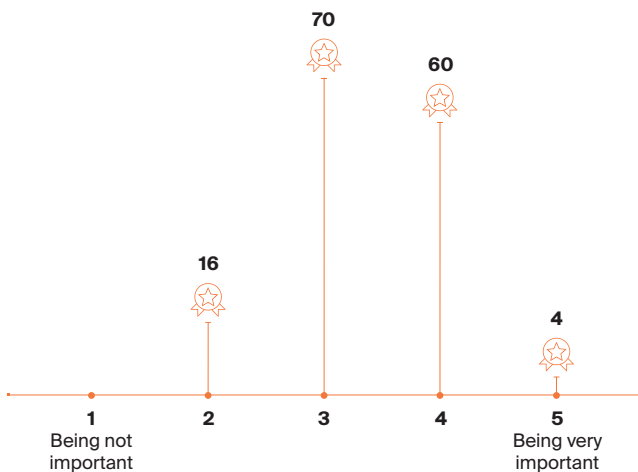
We asked our respondents how the pandemic has changed the way their customers are engaging with their brands. Unsurprisingly, many said that they saw an increase in customers shifting towards their online and digital platforms. However, other respondents saw increased volatility in their customer engagement and consumer behavior during the pandemic.

According to our research, 130 respondents ranked loyalty and rewards programs as important for their brand in the last six months and 103 ranked loyalty and rewards programs as important for their brand in the next three years.

130 ranked loyalty and rewards programs as important for their brand in the last six months.

How important have loyalty and rewards programs been to your brand in the last 6 months?

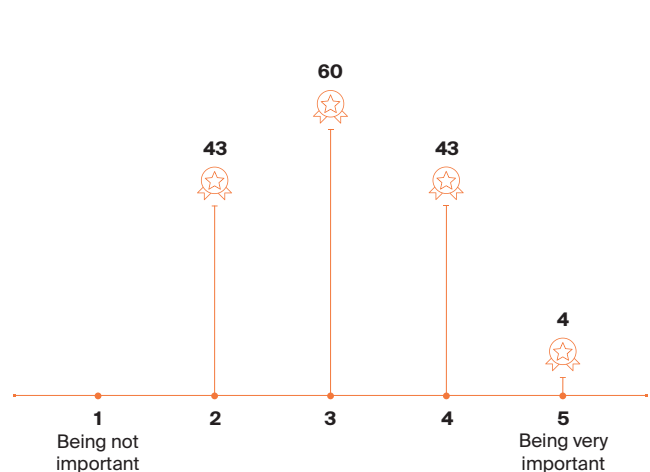
Please rank on a scale of 1 – 5 with 1 being not important and 5 being very important.



103 ranked loyalty and rewards programs as important for their brand in the last three years.

How important have loyalty and rewards programs been to your brand in the last 3 years?

Please rank on a scale of 1 – 5 with 1 being not important and 5 being very important.

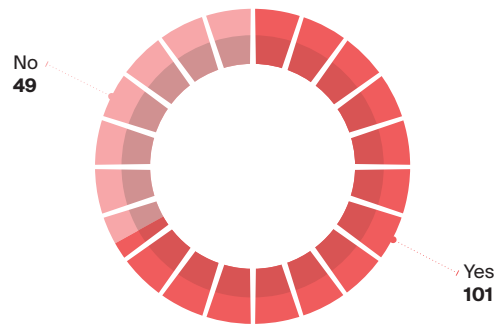


Loyalty and rewards programs when executed properly offer a targeted, personalized experience for shoppers that gives a moment of delight and increased confidence during the shopping journey, while building affinity for the brand.



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Have you adopted new consumer engagement strategies and tactics since the pandemic forced disruption to brick and mortar outlets?



We asked respondents who answered 'yes' to the above question to explain what new consumer engagement strategies and tactics they have implemented since the start of the Covid-19 pandemic. Here is what they told us:

"We are developing more informative content and videos to ensure maximum engagement. There is more interest in this now because our customers have stayed indoors for prolonged periods of time than normal."

"Sticking to shorter but more engaging content has been our strategy knowing that the attention span of customers is reduced due to extensive scrolling."

"We have been monitoring browsing trends and lead generation patterns in an attempt to optimize overall engagement."

"Upgraded digital technology like AR has been our latest solution."

"Promoting diversity and inclusion has been our immediate response."

"Increased digital solutions have helped us achieve more with limited resources."

"When new products are introduced, we send customers tailored notifications that are relevant to their previous purchase history."

"We have hired additional consultants working around the clock to support customer engagement."

Consumers and merchants are feeling the pain simultaneously, and so it's become increasingly important to think in terms of win-win strategies, for both consumer and merchant.



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Chapter Two



Working with Affiliates in a Global Pandemic: Strategic Ways to Increase Engagement

Although the long-term economic effects of the Covid-19 pandemic are yet to be seen, it is worth exploring how retailers are using affiliate marketing. This strategy is one that has warranted more investment in the past year, as retailers are navigating their way through the pandemic and looking for innovative ways to reach consumers.

Our survey data revealed that 122 respondents are currently working with an affiliate partner and company like Honey. Of those, 43 are spending between 15 – 20% of their total advertising or marketing budget on affiliate and performance marketing solutions.

The pandemic has impacted retail businesses that rely heavily on customer loyalty solutions. Now more than ever, there are opportunities for retailers to build and grow their customer base by reimagining how they leverage customer loyalty solutions within their engagement strategy.

We've built incredible trust with consumers as a third party that gives them confidence to convert and is aligned with their identity as a smart shopper. We've seen this translate to both loyalty and increased conversions for our retail and brand partners across the online shopping experience.

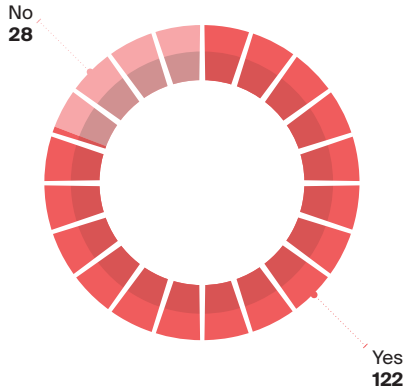


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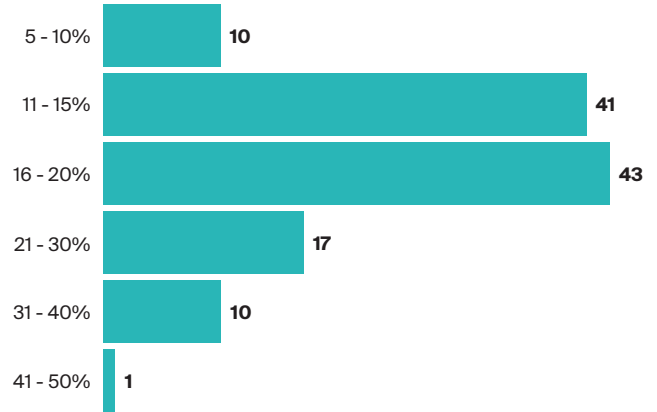
122 respondents are currently working with an affiliate partner and company like Honey.

Do you currently work with an affiliate partner or company like Honey?



Of those 122 respondents that are currently using an affiliate partner or company like Honey, 43 are spending between 16% - 20% of their total advertising/marketing budget on affiliate and or performance marketing solutions.

If you answered yes to the previous question, what percentage of your ad/marketing budget is currently devoted to affiliate and/or performance marketing solutions?



We expect a higher percentage of ad budgets to be devoted to media tied to performance that can demonstrate a strong ROI. The fact that retailers only pay for measurable conversions has become increasingly important.



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Chapter Three



Strategic Priorities During Covid-19

The majority of our respondents said that the top two biggest challenges their companies faced in 2020 aside from the pandemic were measuring incrementality and conversion.

When we asked our respondents what their main business priorities were for 2021, many mentioned they were waiting to see if a second wave of the pandemic would occur before they started to build a future recovery plan. Others said they would be investing in their omnichannel structure to integrate more sales and engagement channels, or that they would be focusing more attention on increasing the variety of products and goods they offer.

Retailers must ensure that they are dedicating enough time to follow macroeconomic, cost and commercial changes into the New Year. Looking at business opportunities in 2021, 59 of our respondents said that they are optimistic that the economy will recover fully by the middle of 2021.

According to our data, 77 respondents said that online shopping was important to their business overall and 98 said that the importance of online shopping for their organization has increased since the start of the pandemic.

We asked our respondents what their business priorities will be in 2021. Here is what they told us:

“Nurturing our omnichannel operational structure so that we can integrate more channels sales and engagement.”

“Enhancing the variety of products and services is the main priority for our business. Monotony is a threat and we need to keep on innovating.”

“We cannot expect the effects of Covid-19 to disappear suddenly, even in the event of a vaccine. There will be financial, employee welfare, and social considerations during the next year, which we will prioritize.”

“In 2021, we would like to increase our physical stores and introduce more technology into the buying process. The overall experience is highly important to customers, and a customer-focused attitude is essential.”

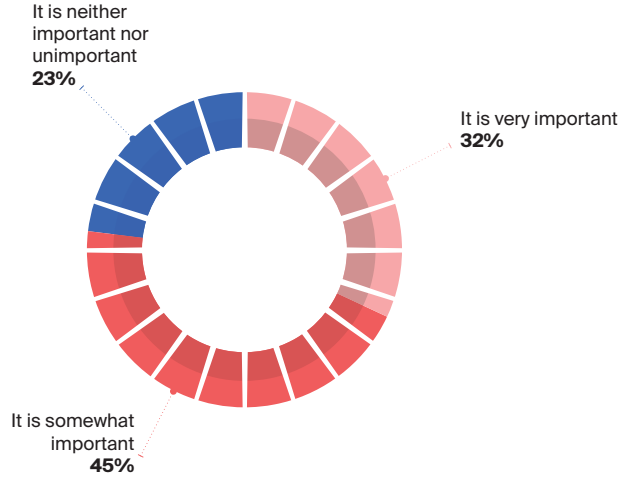
We know from conversations with our partners that the pandemic has pushed them to speed up new innovations that otherwise may have taken a few years, and invest in new technologies like augmented reality tools, that bring the shopping experience directly to the consumer. We expect that more brands will continue to reimagine what’s possible.



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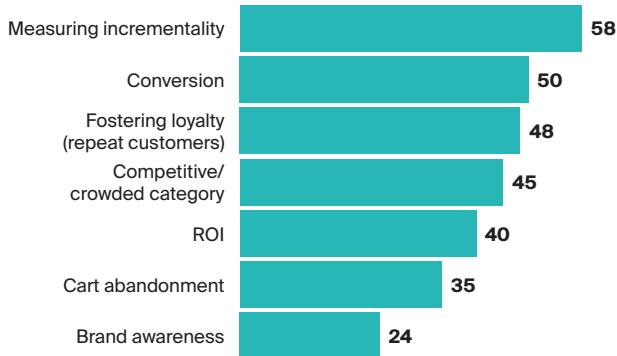
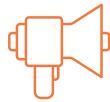
77% said that online shopping was important to their business overall.

How important is online shopping to your business overall?



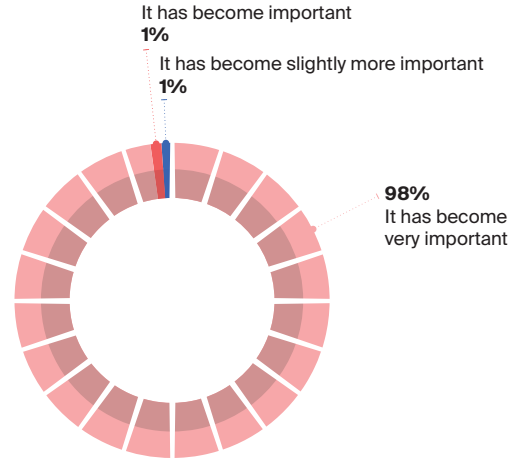
The majority of respondents said that the top three biggest challenges they have faced in 2020 aside from Covid-19 were measuring incrementality, conversion, and fostering loyalty.

Pandemic aside, what have been the biggest challenges with engaging customers online?



98% cited that the importance of online shopping has become very important since the start of Covid-19.

How has the importance of online shopping changed since the start of the Covid-19 pandemic?



For many retailers, their online outlets have been their lifeline during this incredibly challenging and unprecedented time. We expect continued investment in not only online shopping, but more efficient online solutions that optimize their ROI and strengthen loyalty with their shoppers.

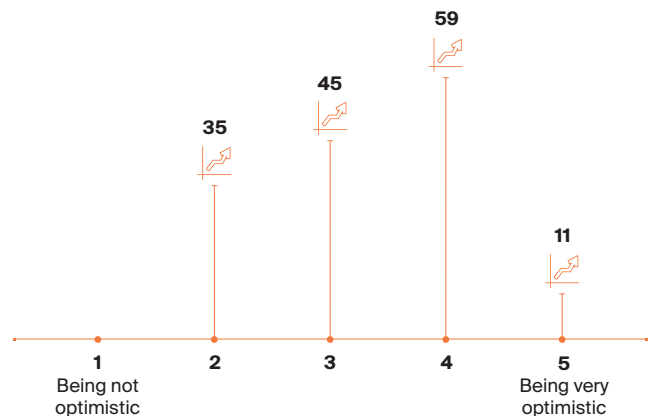


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70 respondents said they are optimistic that the economy will recover fully by the middle of 2021.

How optimistic are you that the economy will recover fully by the middle of 2021?

Please rank on a scale of 1 – 5, with 1 being not optimistic and 5 being very optimistic.



Conclusion

The retail industry has had an incredibly unpredictable and turbulent year due to the impact of months of lockdowns caused by the Covid-19 pandemic. With phased stages of recovery affecting every corner of the globe, it has become clear that returning to business as usual will be an uphill struggle and in some regards, consumer behavior and buying patterns might be changed for good.

Looking to the future and implementing the necessary steps towards economic recovery, retail brands must assess their digital and eCommerce presence and business operation models. Most importantly, they must also take stock of how to best interact and engage with their consumers to ensure sustained margins and increased ROI.

According to our respondents, using affiliates has become one of the solutions they have successfully implemented in 2020 that delivered a high ROI for their bottom line. A large proportion of our respondents said that they are already working with an affiliate partner like Honey and 43 of them are spending between 16 - 20% of their total advertising or marketing budget on this strategy.

Other strategies included investing in new augmented reality technology, continuing to enhance their customer service experience and investing more in their digital presence.

Building trust with consumers will be a defining feature of successful retail brands as we go into a new year.

About Honey and WBR Insights



Honey's products help people shop smarter. Through an easy-to-use browser extension and growing list of tools, Honey's millions of active members shop with confidence knowing they are getting the best deals when they shop online. When shoppers are confident in their buying decisions, it helps to reduce comparison shopping and increase conversion rates for our partners.

Honey intelligently reaches coveted audiences like millennial shoppers, then engages and re-engages them with targeted offers. By engaging with consumers along multiple touchpoints of the shopping journey, we're changing the way people shop online for the better and helping our partners turn shoppers into buyers. Get started with Honey today and be a part of the future of performance marketing.

To find out more, visit: joinhoney.com/business



We use research-based content to drive conversations, share insights and deliver results. Connect with our audience of high-level decision-makers in Europe and Asia from industries including: Retail & eCommerce, Supply Chain & Procurement, Finance, as well as many more. From whitepapers focused on your priorities, to benchmarking reports, infographics and webinars, we can help you to inform and educate your readers and reach your marketing goal at the same time.

Contact us to find out how your business could benefit from:

- Year-round access to our network of decision-makers and industry-leaders
- In-depth research on current fast-moving issues and future trends
- Lead generation campaigns that fit your priorities
- Promoting your organization as an authority in your industry

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