

ON TREND IN-STORE SHOPPER MARKETING | RETAIL

5 trends that matter most — right now — to the brick-and-mortar checkout experience



62%

of consumers who prefer to shop in-store vs. online say they do so because they can see, touch, feel and try out a product¹

Trends Overview

In-Store Marketing (ISM) is an art form. From up-selling and cross-selling to brand awareness and purchase frequency — ISM improves the shopper experience and raises average checkout tickets for brick-and-mortars.

The traditional methods of this art form have given way to strategizing with digital tactics. And, one of the biggest components of this strategy for brick-and-mortar stores involves adapting in-store trends to revamp the entire shopping journey of a consumer.

The in-store trends:

- Merging online and offline marketing touchpoints
- Boosting pop-up potential with social
- Smaller footprint focus
- Tech-driven, personalized CX
- Smart shelves

In our consumer-driven world, customer centricity has become a must-adopt ideology. In the following, we highlight those trends making inroads right now in the brick-and-mortar experience. There's a good chance one, some or all of them will shape how you do business.



Trend No.
1

Merging Online & Offline Marketing

Nearly 40% of U.S. internet users take the time to webroom,² aka research a product online before buying it in the store. Why crossover from digital to physical? Brick-and-mortars provide a richer customer experience, including face-to-face, personalized service, to strengthen relationships with consumers.



But instead of relying solely on in-store signage and available sales associates, retailers need to aggressively promote upcoming discounts and deals through online channels to drive traffic to the store. And research supports this directive:

73%

of consumers use multiple channels during their shopping journey (7% were online-only shoppers and 20% were in-store-only shoppers)⁴

89%

of millennials agree if stores have real-time product information online they are more likely to head to the shop to buy it⁵

13%

greater in-store spending among omnichannel shoppers who conducted prior online research on the retailer's own site or sites of other retailers⁴

Using online and offline marketing channels doesn't mean separate campaigns but rather a marketing mix where a retailer's offline marketing strategy is using omnichannel personalization to engage consumers, and offer them the convenience to browse and buy products however and wherever they choose.



PRO TIPS: 4 Ways to Leverage E-Commerce and Drive In-Store Traffic

1. Offset shipping costs by offering in-store pickup

Remember, if a consumer doesn't have to pay more for a product — i.e., shipping costs — they won't. According to eMarketer, nearly one in five digital buyers bought online and picked up in-store in the past month.⁶

2. Play up the touch factor

When it comes to how something fits, feels and even tastes, there's no replacement for the in-store experience. If your products will benefit from this type of physical consumer interaction, make it clear.

3. Use proximity to your advantage

Nearby product availability is essential in providing consumers some instant gratification. Enable your customers to confirm an item's in-store availability before they make the trip.

4. Real-time returns and exchanges

Just like the anxiousness that comes with waiting for a product to arrive at your doorstep, that same feeling is often associated with shipping a returned item back to a vendor. In-store returns and exchanges are immediate, convenient and reassuring.

Channel that US Internet Users are Most Likely to Use in Select Shopping Scenarios, Dec 2017

(% of respondents)

	In-Store	Desktop	Mobile	Tablet	Voice-controlled device	Other
Make an impulse or unplanned purchase	70%	12%	10%	4%	1%	2%
Purchase a big-ticket item (e.g., furniture, or electronics)	63%	19%	10%	5%	1%	3%
Make an intentional purchase of a specific product	37%	32%	20%	8%	1%	2%
Browse for a big-ticket item (e.g., furniture, or electronics)	36%	33%	19%	8%	1%	3%
Casually browse for products with no clear purchase intent	26%	33%	27%	10%	2%	3%
Make an intentional search for a specific product	19%	42%	26%	9%	1%	3%

Note: ages 18+, numbers may not add up to 100% due to rounding.

Source: Avionos, "The 2018 Consumer Expectations Report," April 23, 2018

Trend No.
2

Boosting Pop-Up Potential with Social

Pop-up shops are riding a big business wave for reasons that will have you wondering why you haven't already produced one. (See the Shopify list below for proof.) Storefront⁷ defines this form of temporary retail in a pretty succinct way:



Noted in a recent article by the Westfield Group,⁸ retailers maximizing the value of pop-up stores are doing so by successfully leveraging social media in the following ways:

- Offering sneak peeks to enticing products
- Targeting the local community
- Working with influencers
- Encouraging “check-ins”

As more and more B2C brands turn to pop-ups to manufacture new retail experiences, a well thought out (and executed) social media strategy will continue to prove itself as a needle mover.

Jeffrey Baker, CEO and Creative Director at brand experience agency Image 4, adds, “Social media is often driven by visualization, which makes it a great fit for pop-ups. Customers want to be engaged. It’s up to the brand to learn the best place to interact with its audience, and create the messages that will drive them to the pop-up.”⁹



SHOPIFY'S TOP 10 REASONS TO POP-UP¹⁰

- Test new revenue stream/new markets
- Engage customers in a new offline experience
- Create urgency, scarcity, buzz
- Educating (new) customers on unfamiliar product lines
- Freedom to sell anywhere (aka go where the customers are)
- Cost-effective (e.g., low overhead, minimal storage needs, shorter rental periods)
- Generate brand awareness
- Unload old inventory
- Leverage the power of social media
- Add tangibility to online brands

Trend No.
3

Smaller Footprint Focus

Effective utilization of all available floor space is critical. Retailers able to find the ways and means to shrink footprints within their brick-and-mortar locations can effectively focus on building up a targeted product mix for the consumer.

This also makes it easier for the retailer to shift focus from trying to sell customers an item they already know that they want to up-selling them on upgrades and add-ons. For a big brand like Target, small-format stores produce two to three times more sales per square foot than the company average.¹²

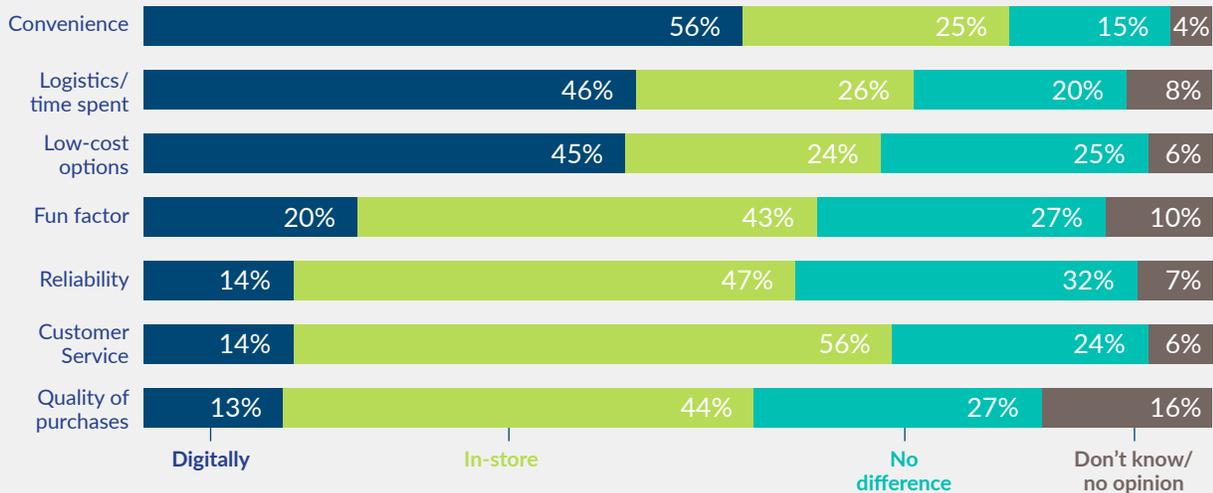
In addition, stores with smaller footprints give retailers the opportunity to improve their targeting of higher-income consumers located in densely populated and underserved urban areas with a more efficient, more convenient retail experience. Smaller footprint stores are helping retailers enter space-constrained situations while effectively combating online competition on aspects such as product range, convenience, turnaround time and delivery.

Take Target for example. This leading retailer utilizes small-format stores to offer local customers a tailored product range. Its Silicon Valley small-format store heavily features tech accessories, while another small-format store near the campus of the University of Cincinnati focuses on dorm essentials and grab-and-go items for busy students.¹²



Factors that Would Lead US Internet Users to Shop Digitally vs. In-Store, March 2018

% of respondents



Note: ages 18+, Source: Morning Consult, "The State of Retail 2018" April 4, 2018

Trend No.
4

Tech-Driven Personalized Experiences

Over the last few years, e-commerce has taught us that communicating with customers in a timely and relevant manner can help retailers enhance customer loyalty and engagement. *A lot.*



According to a survey conducted by Time Trade,¹⁴ retail decision makers cite “physical store” as their top priority in terms of personalization. Retailers can improve the in-store experience by using modern-day technologies to identify loyal customers and provide personalized service as soon as they come into the store.

Unfortunately, the adoption rate for front-of-house technology has been low and slow.

A LoyaltyOne report¹⁵ found that only 8% of customers said they use in-store tech when making a purchase. However, customers who have interacted with in-store technology had an overwhelmingly positive experience; 71% reported a high satisfaction rate with those interactions. And 66% reported that in-store technology is important in their future purchase decisions.

What’s it all mean? Well, if you’ve toyed with the idea of investing in front-of-house tech (e.g., digital screens, tablets, price checkers, geo-location beacons), now’s the time to get serious.

Technologies that In-Store Buyers Worldwide Wish to See Widely Adopted by Retailers with Physical Stores, Nov 2017

% of respondents



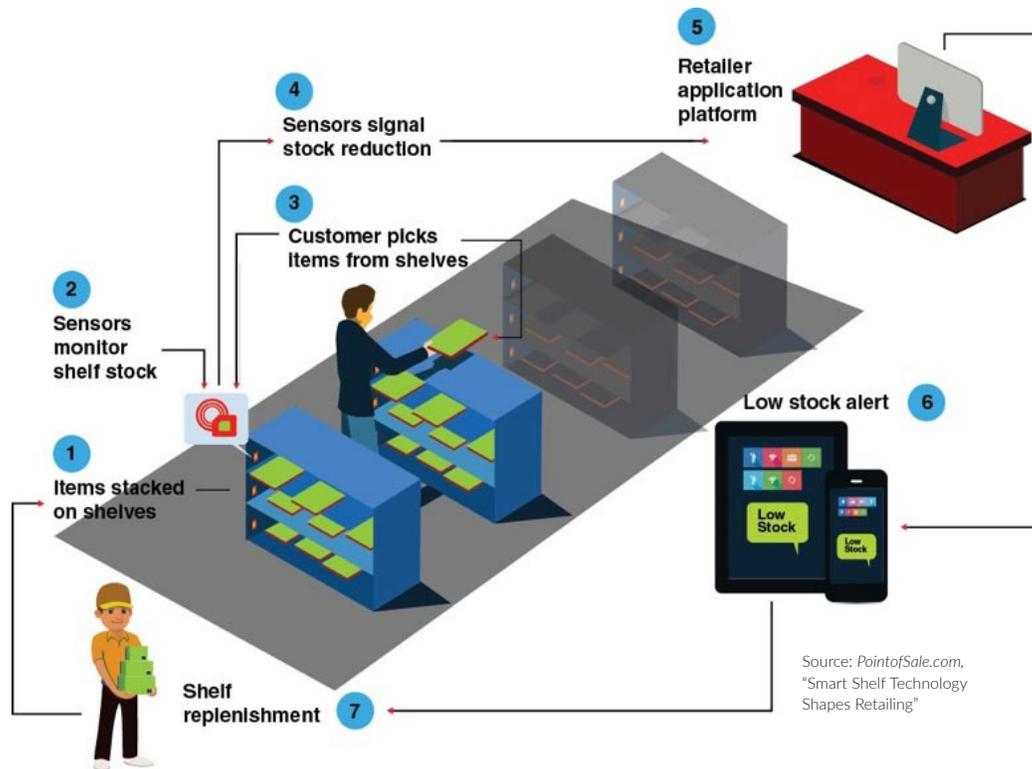
Note: ages 18-65
Source: Planet Retail RNG, “Analogue to Automated: Retail in the Connected Age” in partnership with Displaydata, May 22, 2018

Trend No.
5

Smart Shelves

To get a better, more accurate read on inventory, retailers are turning to a burgeoning IoT device to gather real-time data on what’s happening in their aisles. The device? Smart shelves.

Whether built in or installed on standard shelves, a smart shelf leverages an RFID reader or sensors, to continuously scan tagged items on the shelf and notifies the back-end system about the existing items and their movement. It also identifies items that are either expired or do not belong on a certain shelf as “misplaced items.”



Source: PointofSale.com, "Smart Shelf Technology Shapes Retailing"

The entire system tracks a product’s movement and ultimately delivers retailers real-time data that can be analyzed and translated into customer preferences. Besides notifying when products are running out, missing or misplaced, a smart shelf can also enable store executives to make the most of an otherwise bad situation by identifying cross- and up-sell opportunities for out of stock items.



SMART SHELVES AT WORK

Kroger, the country’s largest supermarket chain (by revenue) has its own shelving system called Kroger Edge, which it plans to implement in almost 200 Kroger stores by year’s end. A key feature of Kroger Edge are high-def digital screens that display price updates in real-time, product details (for example, if an item is gluten-free or Whole 30 compliant), and other item-specific highlights (e.g., limited time promotional offer).

This system is capable of connecting to shoppers’ smartphones – via its mobile app – to help with in-store navigation and also alert shoppers when they’re near items they’ve added to their shopping lists.¹⁶

Isn't It Time Your Customers Take Notice?

The concept of self-help within stores is becoming increasingly popular. So what's a brick-and-mortar to do? Give the consumer what they want: comfort and control.

To achieve this, align with a partner who understands that every marketing dollar you spend has to be intentionally put to work to optimize engagement *and* return value.

RRD Marketing Solutions does this by addressing your competitive needs through speed-to-market, creative engagement and cost effectiveness. Our in-store marketing system redefines the in-store visual process through a three-tiered approach, integrating:

- 1. Single point of management** for all production needs relative to in-store printed elements, on a local, regional, or national scale, to support a strong speed-to-market strategy
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About RRD Marketing Solutions

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Want to connect with your customers on an emotional level? *Our inspired content will tell your story.*

Want to create engaging customer experiences? *Our meaningful interactions reach every touchpoint.*

Optimize Engagement. Visit MS.RRD.com

Sources:

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