

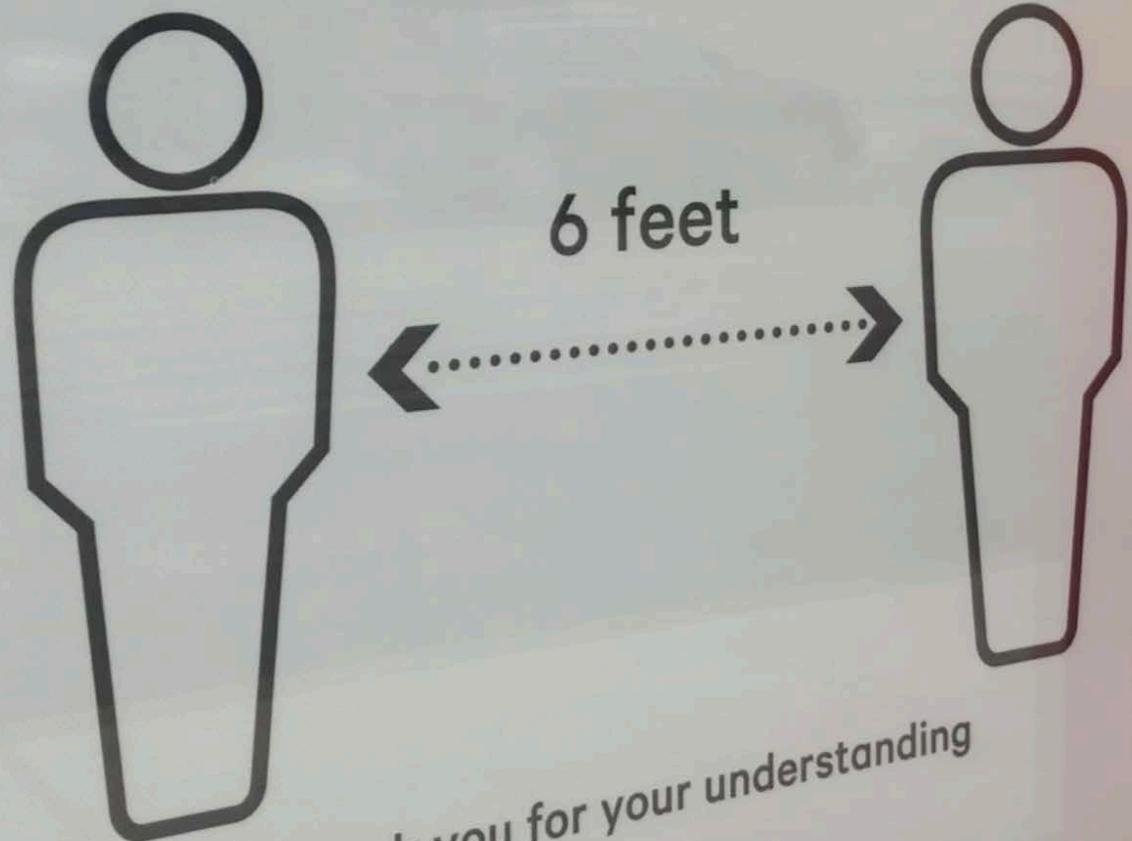


The customer journey landscape

Digital strategies for Canadian
retail during Covid-19

Social Distancing

Please keep at least 6 feet
from one another



The customer journey has changed

The Covid-19 Impact

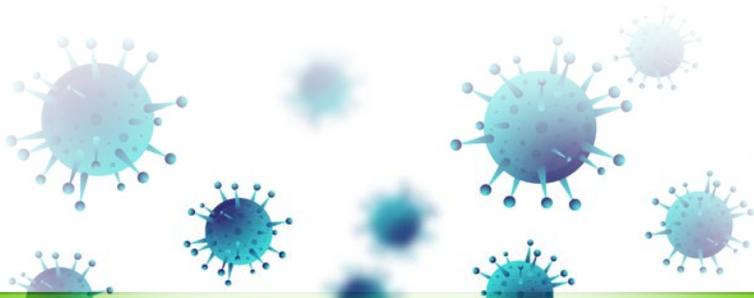
Changes in retail consumer behaviour are inevitable, but the effects of COVID-19 have accelerated many retailers to quickly adapt and embrace change faster than ever. These accelerated shifts in consumer behaviour are prompted by recent global lockdowns, community restrictions, consumer health concerns and government guidelines. On the flip side, consumers are also adapting by turning to alternative methods of shopping for everyday goods and services while also seeking out alternative methods of fulfilment, such as curbside pickup.

These changes in consumer behaviour are being seen across all age gaps, changing the way shopping is done by consumers in the Gen Z, millennial, Gen X and boomer demographic. For example, today's Gen Z shoppers are performing longer in-store visits over micro-visits, and the boomer is using mobile apps, and e-commerce, while the work from home millennial embraces new methods of fulfilment such as delivery or curbside pick-up.

While many of these consumers will eventually go back to pre-pandemic shopping behaviours, the changes in how retailers are engaging with shoppers are already in motion; and many are adapting to mobile solutions. These changes include new creative and innovative solutions that are transforming the customer journey, and ultimately changing the role of mobile, homepage site, and brick and mortar store.

What's driving these changes?

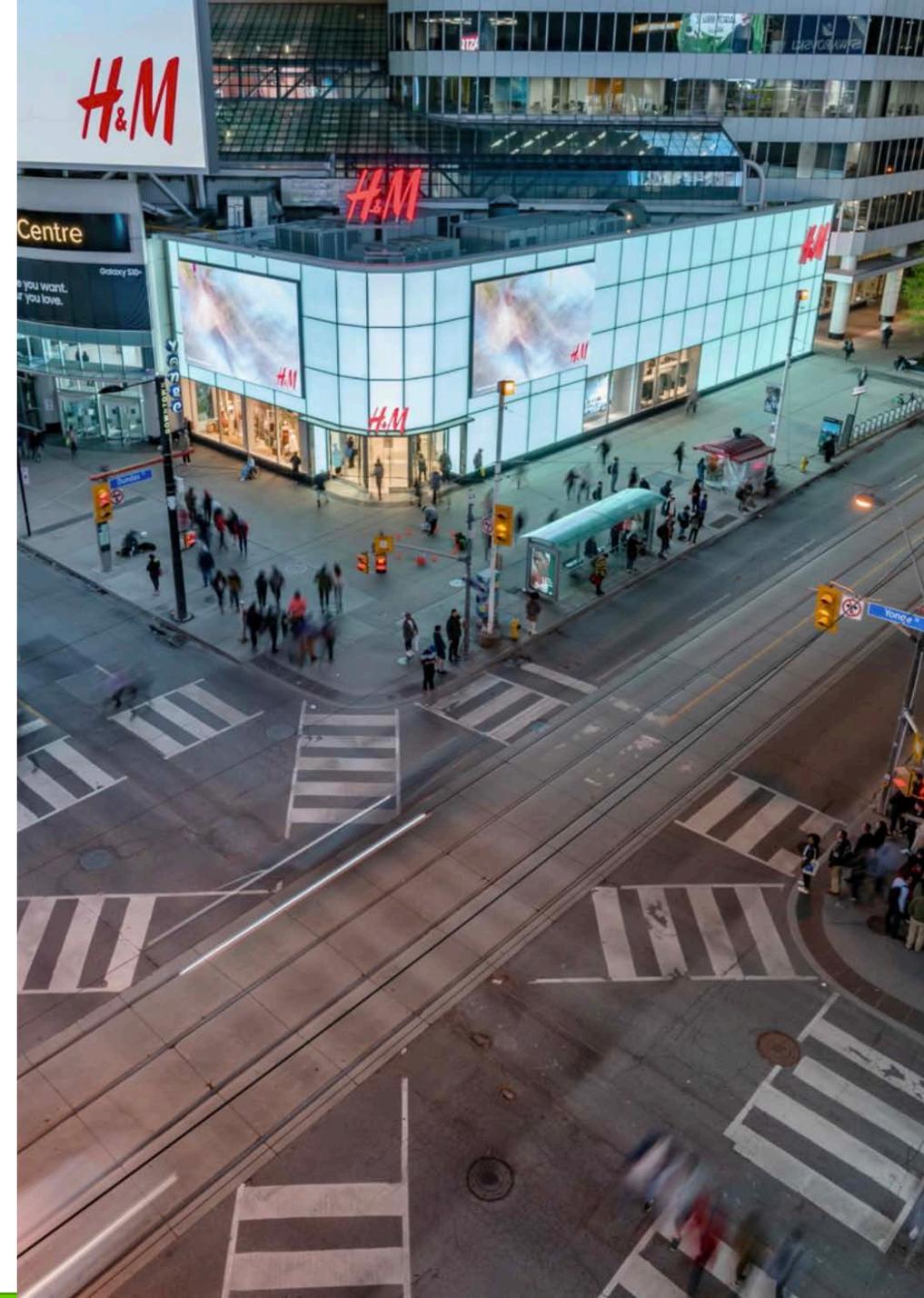
- Changes in consumer preferences
- Customer demand for better health and safety practices
- Increase in consumers working from home



Changes in sentiment:

Before the Covid-19 pandemic consumer confidence in Canada was healthy. A Consumer insights report from PWC showed that 34% of Canadians were expected to spend more in 2020, while just 20% were looking to decrease their overall spending.

As many Canadians now face economic uncertainty it is expected that consumers across Canada will be more thoughtful with their spending and gravitate towards products or services that are essential.



Getting back to previous behaviours

Consumer outlook and comfort on returning to previous shopping behaviours will vary depending on the category. With major Canadian cities bouncing back between lockdown initiatives in an effort to contain the spread of Covid-19, consumers will be reluctant to go back to previous behaviours in tourism, bar hopping, theatre watching and using and enjoying other settings that are deemed non-essential.

Canadians, however, are showing greater comfort with returning to previous shopping habits at physical retail stores, as retail sales continue to slowly rise reaching \$58.2B in August 2020; a trend seen across grocery stores, malls, restaurants and coffee shops.

Despite this positive outlook towards brick and mortar shopping, retailers need to focus on key shifts that will help in determining long-term strategies that cater to modern shopping trends created by Covid-19.

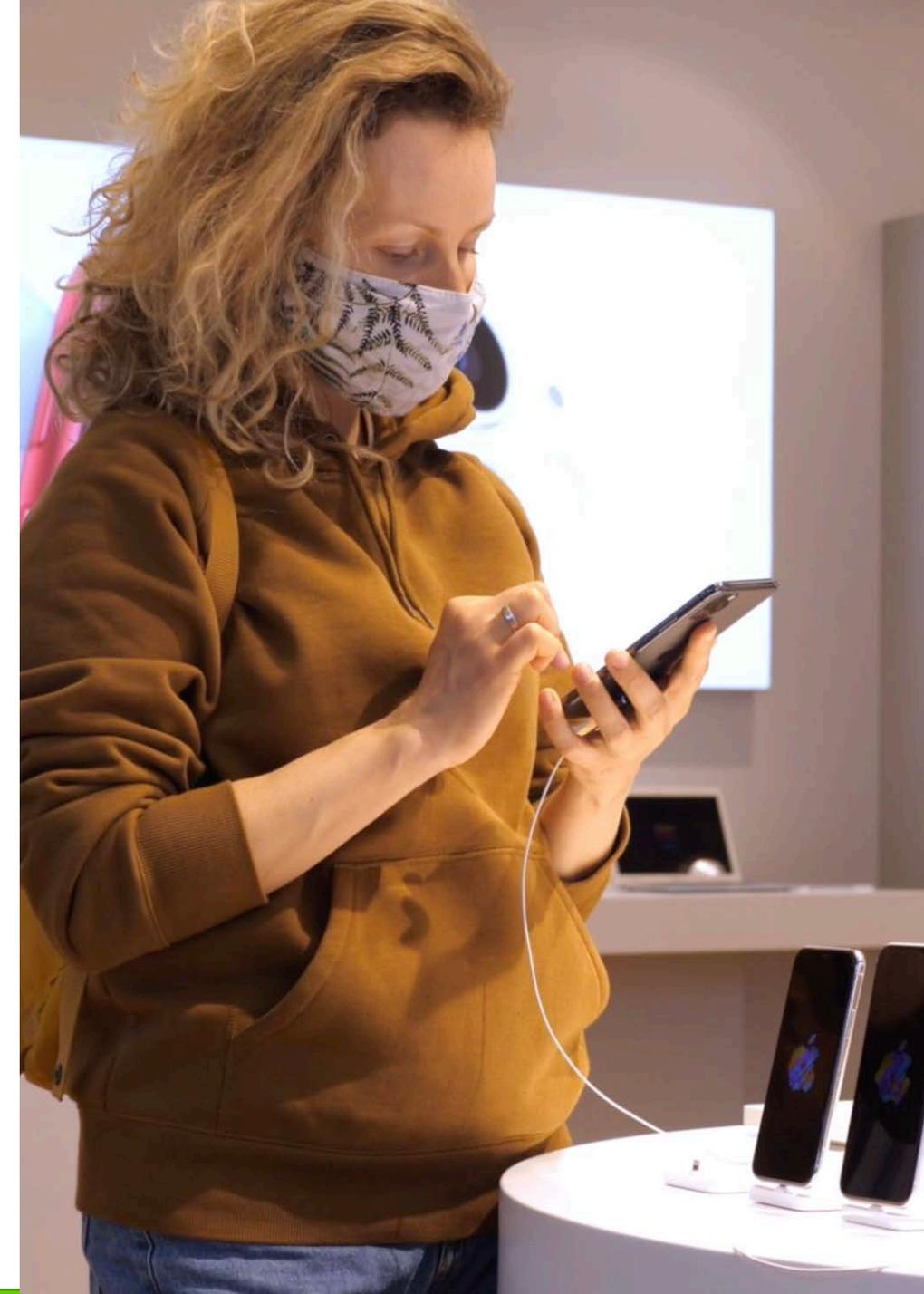


Key strategies for retail during and post Covid-19

Safety and convenience:

The new focus of brick and mortar stores and malls will be to create an environment where a balance between social interaction and health and safety measures are met. The key to increasing foot traffic into stores will be driven by the speed at which retailers can organize stores to become ready to interact with customers and collect payment while delivering merchandise in a health conscious manner.

Investing in customer safety, and providing staff with the tools to provide a smoother convenient shopping experience will help; however, communicating these updates and changes will be crucial. To ensure proper communication, retailers must be ready with advertising and messaging on mobile channels and platforms; specifically the ones where their audiences have been spending most of their time during the pandemic.



Key strategies for retail during and post Covid-19

Embracing mobile technology and ecommerce:

Prior to the Covid-19 pandemic retail foot traffic had already fallen by 22% across Canada's top 10 malls and its expected that 78% of consumers shopping will continue to be done online, despite numerous re-openings across Canada. This together with new health and safety requirements for indoor shopping will have many brands re-thinking the number of locations they have open to the consumer and the role each location will play in the customer journey. The modern consumer will now arrive ready and knowing what they want, and no longer spend as much time browsing, which is why it has more important now than ever to create a seamless and integrated digital and physical brand experience.

Using branded mobile and in-app experiences, brands can enable consumers to view and test products through simulation using AR and VR technologies that can further power things like browsing, or virtual fitting rooms. Retailers can also create easy purchase options and offer a variety of fulfilment options such as home delivery or in-store and curbside pickup.



73% of consumers are planning to do their holiday shopping primarily online

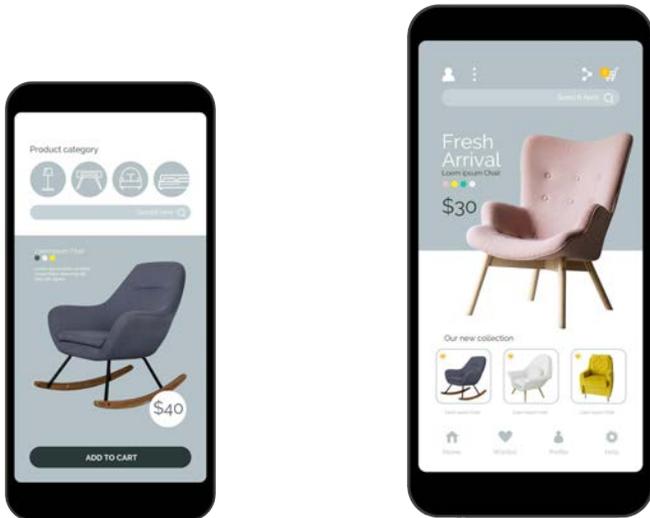
51% of consumers expect to continue to shop online as much or more after the current restrictions end.



Digital first shopping habits for everyone

The rise of tech friendly Gen Z shoppers and their growing purchasing power, along with the growing number of Canadians working from home are leading retailers to re-think digital transformation. Specifically, how a remote and digital first world affects all touchpoints throughout the customer journey.

The modern retailer that is quick to adapt to these changes will re-think where and how they advertise and the role that mobile technology plays alongside with the brick and mortar store.



Further accelerating a mobile first mindset for retailers are the nationwide lockdowns and restrictions which have led many to stay in-doors.

The result has been a dramatic increase in the number of users on mobile over any other device during the height of the pandemic. A [Globalwebindex](#) study that surveyed users between the ages of 16-64 found that Gen Z (+79%), Millennials (+72%), Gen X (+66%) and Boomers (+49%) spent more time on mobile than any other device, including desktop, TV, Smart media/Streaming services and game consoles.

During the first lockdown Canadian retail sales fell 17.9% while retail ecommerce nearly doubled (+99.3%), creating a growth in the number of retailers relying more on this method of sale and the growth in adoption of curbside pickup.

Retailers can further action on these new trends by shifting traditional advertising dollars to digital, specifically mobile where the majority of consumers are spending their time. In addition, retailers will need to put more focus into showcasing online product discovery, and expanded fulfillment options in-app, and on mobile friendly sites.



The future of the retail landscape in Canada

The first three quarters of 2020 were a clear indicator that eCommerce came out on top during the first stages of Covid-19. Reflecting on this enables Canadian retailers to fortify and improve their already existing digital channels, while small businesses adapt to this change with accelerated efforts across Canada.

Regardless of how quickly retailers can adapt stores and digital strategies to meet these changes, one thing is for certain: The retail landscape in Canada will have evolved to a more mobile friendly and digital first shopping experience.



COVID-19 has served as a reminder that success requires always being prepared with innovative solutions. For brands, this means thinking outside the box and taking a fresh, digital-first look at the holidays with new and enhanced omnichannel strategies.

For more information about APEX 's omni-channel advertising solutions, contact us today.

