



Retail Digital Strategy Brief: Q2 2020 & COVID-19

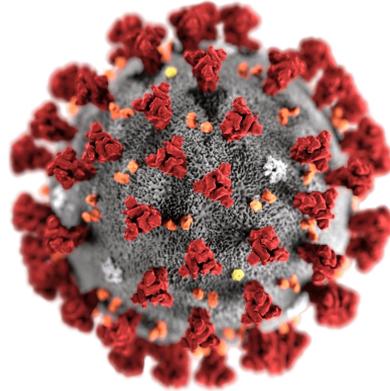
Published March 30th, 2020



Abstract

COVID-19 has caused changes to two key retail buying behaviors, one short-term and one long-term.

This deck explores the timing and impact of these changes, and offers strategies for navigating them.



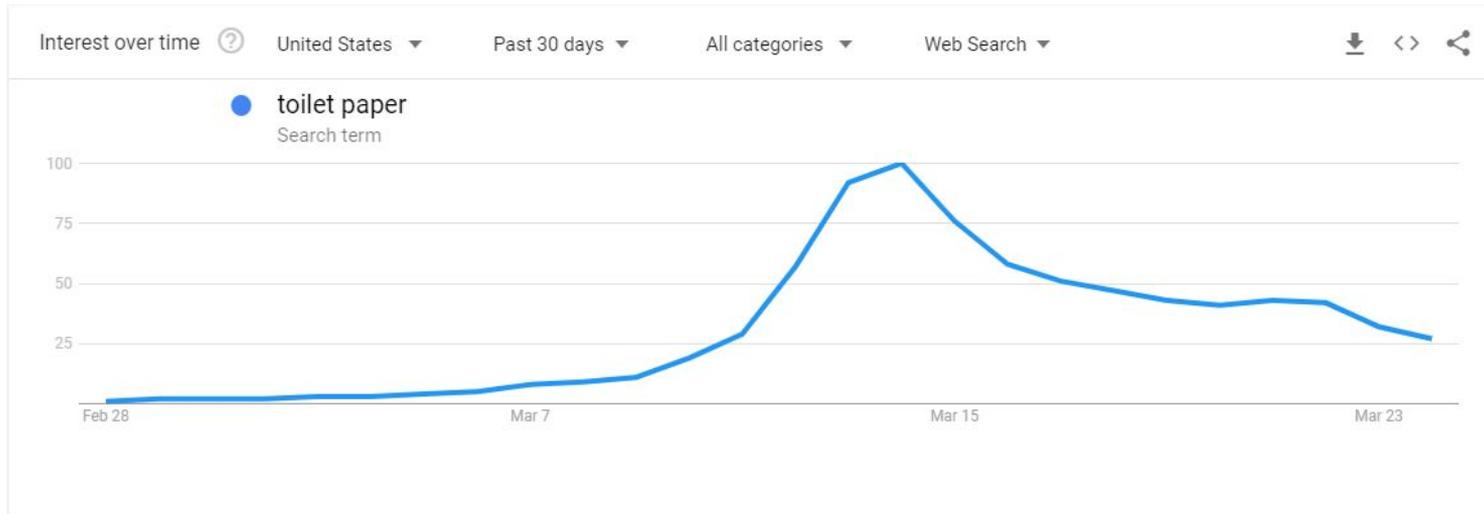
Stockpiling

The Transition Back to a New Normal



Stockpiling Ends Next Month

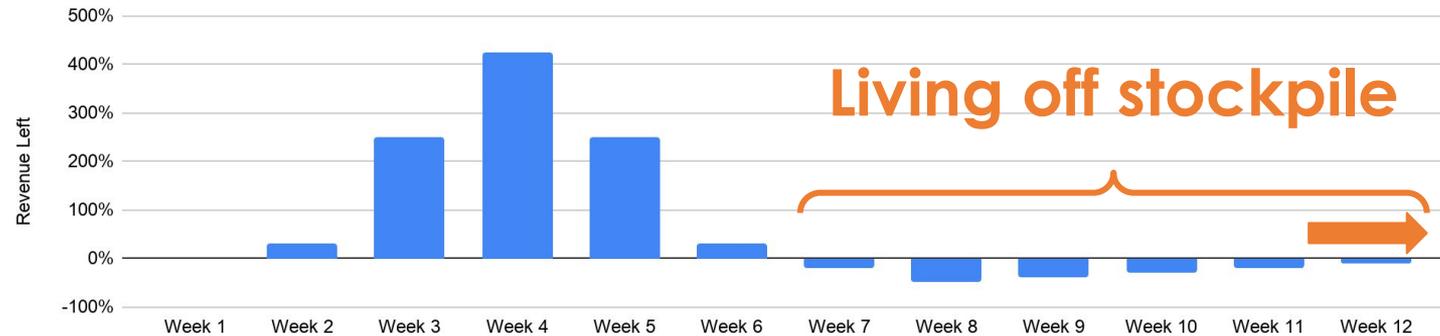
Stockpiling demand reached its peak March 14th and is trending to return to normal by April 27th.



The Coming Short-Term Retail Fall-Off

Buying has increased far more than consumption. As a result, once buyers see stores are again stocked, **the stockpiling trend will reverse** as buyers live off their pantries for a time, likely the remainder of Q2.

Revenue Lift Against Baseline Over Time



Buyers Will Seek Treats & Comfort

During the period when buyers will be living off their pantries, they will also be spending money on treats and comfort. Expect sales of fresh meat and produce to increase, along with “treats” such as chocolate, candy, wine, spirits, shoes, and clothing.

*Brands should be ready to deliver experiences that are optimistic, entertaining, and fresh.**

* Further Reading: <https://chainstorage.com/expert-insight-four-long-term-retail-trends-post-covid-19-world>

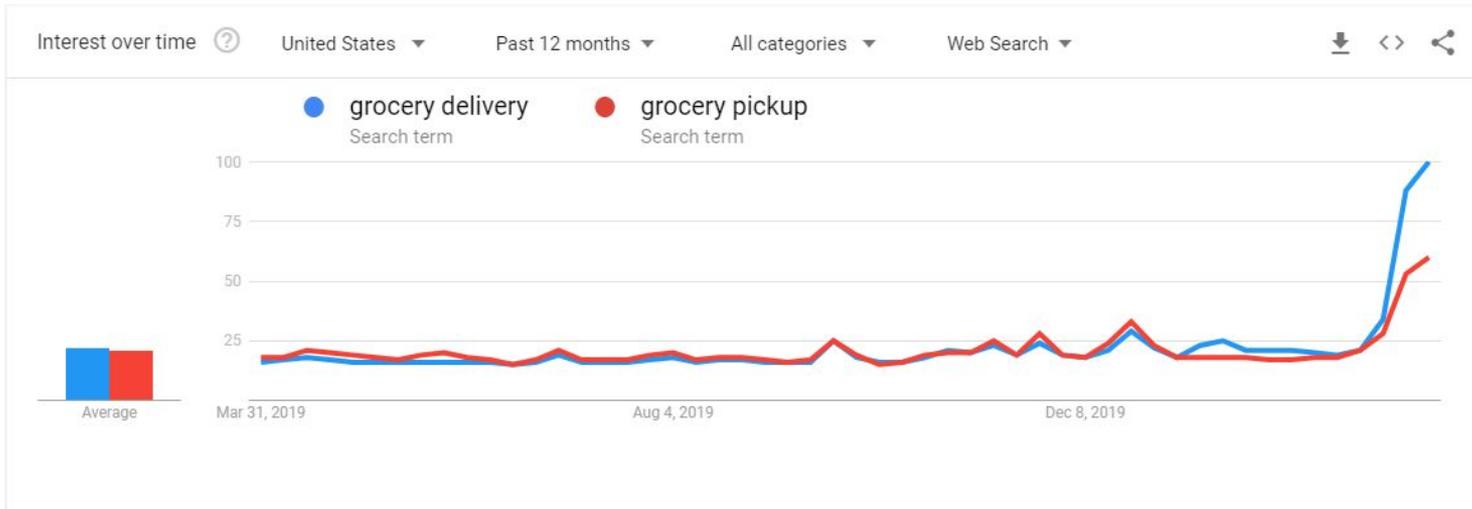
Changing Channels

The Seismic Shift to Digital



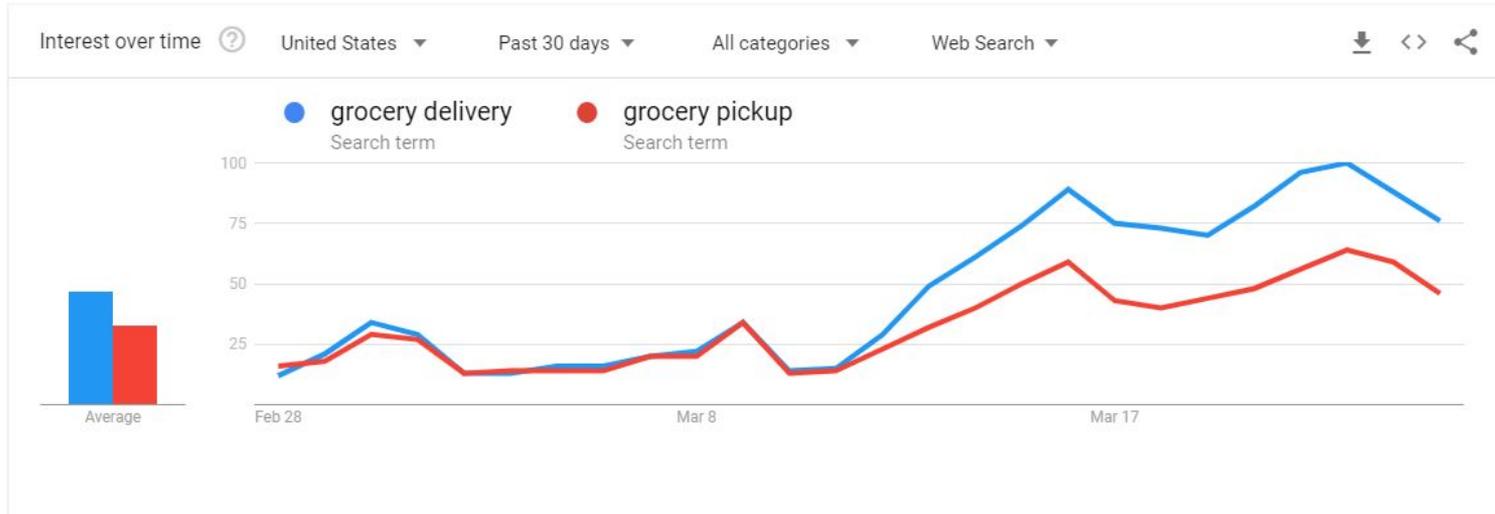
Altered Buying Habits

According to survey firm GfK, “85% of Americans say they plan to alter buying habits due to COVID-19”. This has resulted in 5x more searches for “grocery delivery” and a smaller increase for “grocery pickup”.



A Long-Term Shift

Unlike “toilet paper”, demand for grocery delivery and pickup services shows no signs of slowing. As a result, we believe a majority of this shift is long-term.



A Key Time to Acquire Customers

As buyers leave behind old habits, they are building new ones. This is a unique opportunity for retail businesses to acquire new customers via their digital channels.

To do so, retailers must:

- Be Found - show up for nonbrand searches
- Be Effective - deliver the service as requested
- Be Sticky - make it easy to use again and again

Buyers are open to trying new things, such as app downloads, like never before

A Strategic Shift in Focus

Retailers should plan for a long-term increase in digital demand and a corresponding decrease in in-store demand and allocate budgets and resources accordingly.

We expect digital demand in Q2 2020 to be 4x its previous levels, with ongoing demand for the remainder of the year at 3x previous levels.



Want more? Contact us at
strategy@revvim.com

Contact: strategy@revvim.com

