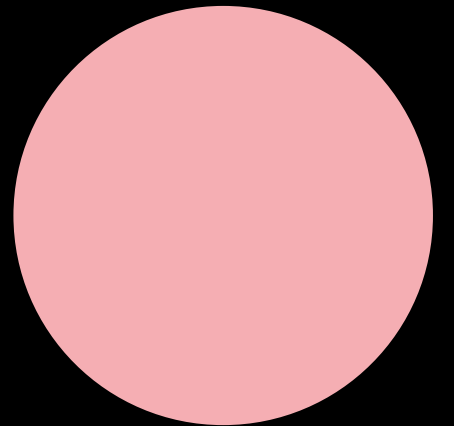
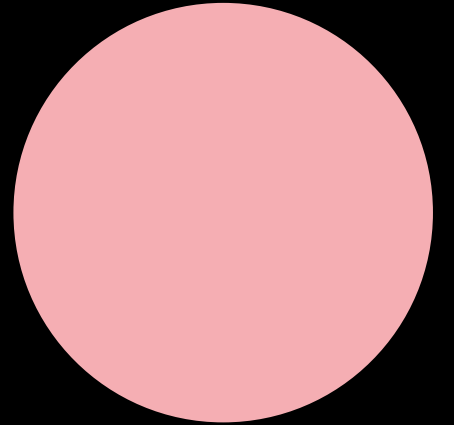


W.I.N. at Retail

Shopping Post Covid

July 30, 2020



Shopping Post Covid Report Team



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Every breath you
take and every move
you make...every step
you take...and every
word you say...I'll be
watching you

—
The Police



Last year, we conducted over
1,000 hours of shopper
observations across different
sectors and across the globe.

What is the behavior you are trying to change?



Assessing *how* consumers think



What are consumers thinking?



What is the context?

Today's Agenda

- 01 Current shopper realities –
through a behavioral lens

- 02 W.I.N. thinking

- 03 Spotlight on grocery shopping

- 04 What can you do?

So how will shopping
behavior change
during the pandemic?



What we do know is how consumers shop in-store

Our shopper behavior studies have shown key tenants that have been consistent across sectors and markets:

1. Look, touch and feel
2. Self-shop first
3. Less is more

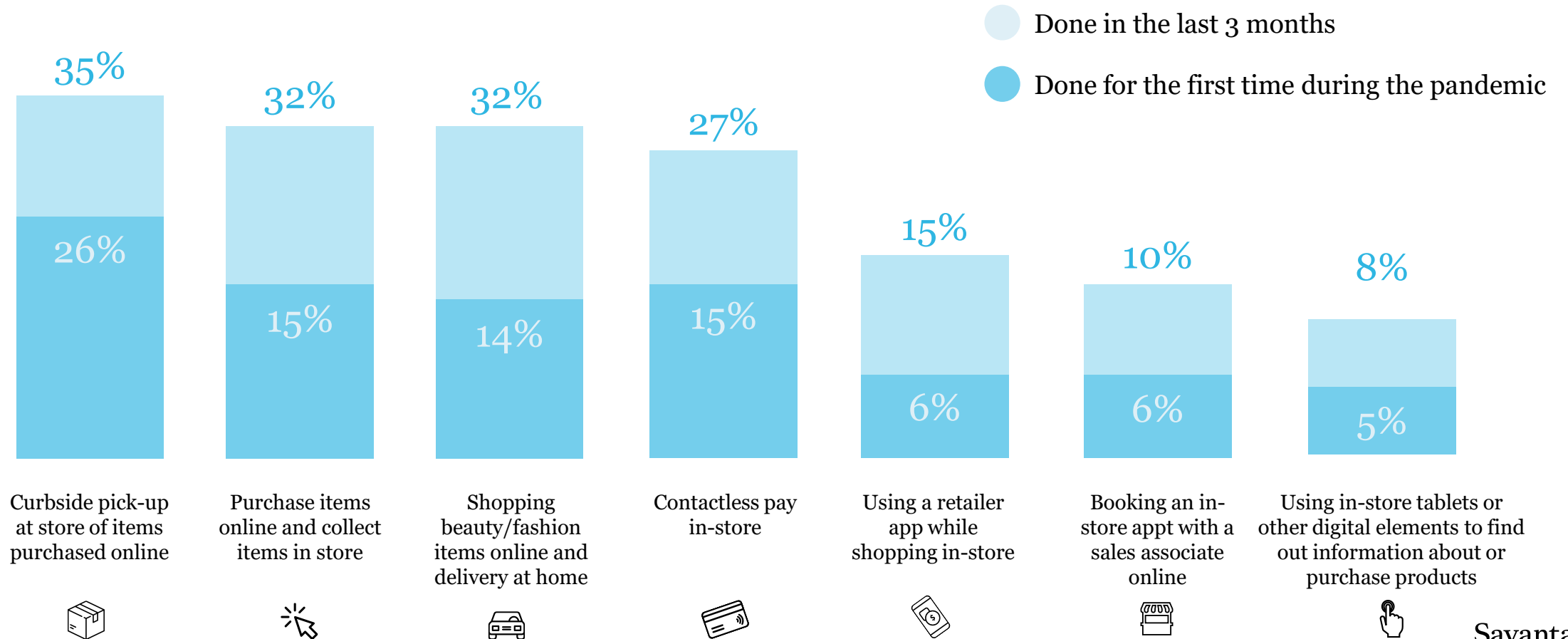
Context may be changing but these foundational behaviors may still hold true.

Given current circumstances, how can initiatives be rethought to work around these behaviors?



Delivering a low touch, high experience

Shopping services used in the last 3 months



Applying W.I.N. thinking

We see three themes emerging from
our studies during the pandemic

W

Wired

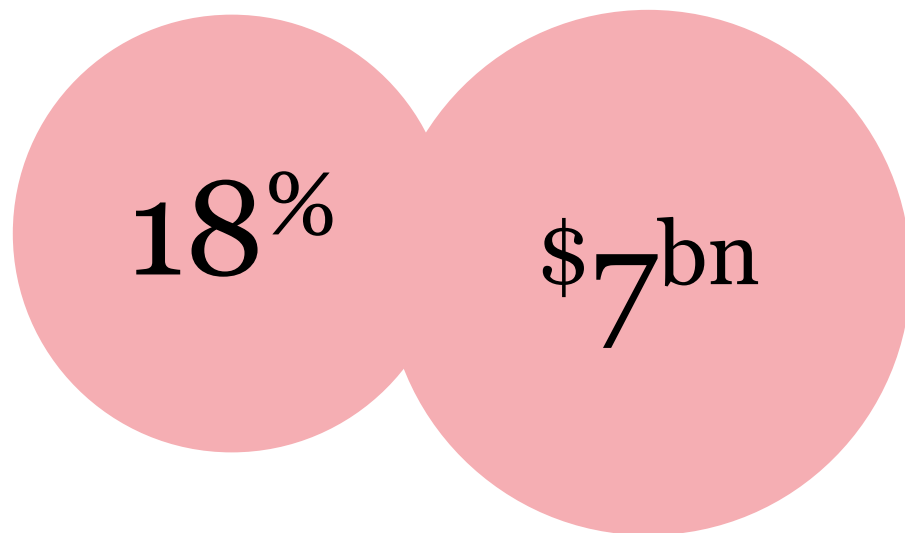
I

Interconnectedness

N

New Norms

We are all wired (and online shopping)



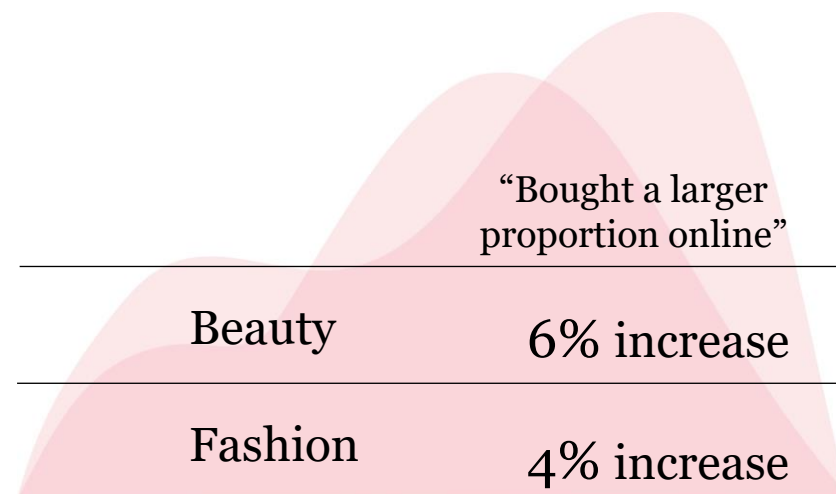
Increase in
online shopping

Projected sales

E-marketer, 2020

Thinking about your recent purchases and comparing them to your purchasing before Covid-19 (e.g. before March 2020), how, if at all, has your behavior changed?

Changes from April 2020 to June 2020



So what does this mean?



Behavioral Science Principle

01 | Experience is the new convenience

We observed high incidences of virtual window shopping during lockdown

Challenge is how to move past the transactional and offer a memorable experience online

Peak-End Rule:
people judge an experience based on its most intense point (peak) and its ending.



Delivering experience:
yeezysupply.com
(to be launched)

So what does this mean?

02

Omnichannel

Converging the online and offline journeys.

The logical next step in the shopping evolution however it's integral to assess what does this journey look like and what are the consumer priorities and expectations at each stage.

We all yearn for social connection

High incidences of online social connections during lockdown



Houseparty



Virtual Happy Hours



Digital Pub Quizzes



Zoom Parties

Back in May 2020, what's the first thing you want to do after lockdown?



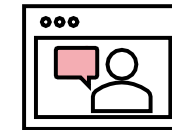
58% visit friends and family

What are the behaviors you think you will continue after lockdown measures are eased?



31%

More phone calls with family and friends



30%

Social video conferencing with friends and family

So what does this mean?

- ✓ Social connections may spillover into everyday shopping
- ✓ Behavioral Science Principal
Social Proof- *people look to other people for guidance and validation*
- ✓ Rise of the virtual shopping partner
Do your displays facilitate social sharing?
- ✓ Long-term- integrating social connections through in-store digital or apps

Adhering to new norms

Currently, salient safety and hygiene cues are integral

*Since the pandemic, when deciding which stores to buy **fashion items** from?*

- 40% Shoppers having to wear masks
- 36% Location/ easy to go to
- 32% Available and free hand sanitizer
- 31% Sales associates wearing gloves/masks/plastic shields
- 29% Reminders of social distancing
- 27% Monitoring the number of people in the store
- 23% Length of line to get in store
- 19% Ability to touch and feel products without assistance
- 15% Ability to try-on different products in-store
- 13% Getting help from a sales associate

So what does this mean?



What if...

Could Normal be the New Normal when it comes to shopping?



Behavioral Science Principal

Habits - *automatic behaviors to a specific environmental cue or setting*

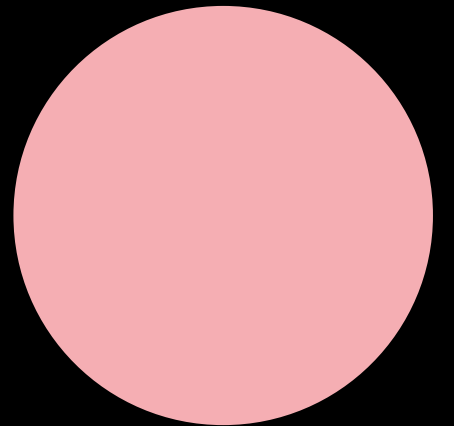
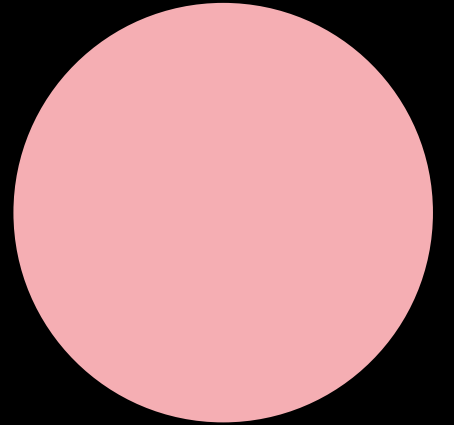


Importance of Test + Learn

Assessing context, testing and refining



Spotlight: Grocery Shopping



A photograph of a supermarket aisle with mostly empty shelves. In the background, a sign reads "DAIRY" with a logo. To the left of the sign, a green sign lists items: "14 DISH DETERGENT, LAUNDRY DETERGENT, CLEANERS, BLEACH, AIR FRESHENERS". To the right, another green sign lists: "13 TRASH BAGS, PAPER TOWELS, PAPER PRODUCTS, FACIAL TISSUE, FOLD/WAX PAPER". Further right, a green sign lists: "12 LIGHT BULBS, PET FOODS, BATTERIES, SCHOOL SUPPLIES". A person is visible in the background near a cart. The text "What happens when everything around you changes?" is overlaid in the center of the image.

What happens when
everything around
you changes?

Retailers had to find solutions to create new behaviors.... fast



Safety in
store



Out-of-Store
solutions

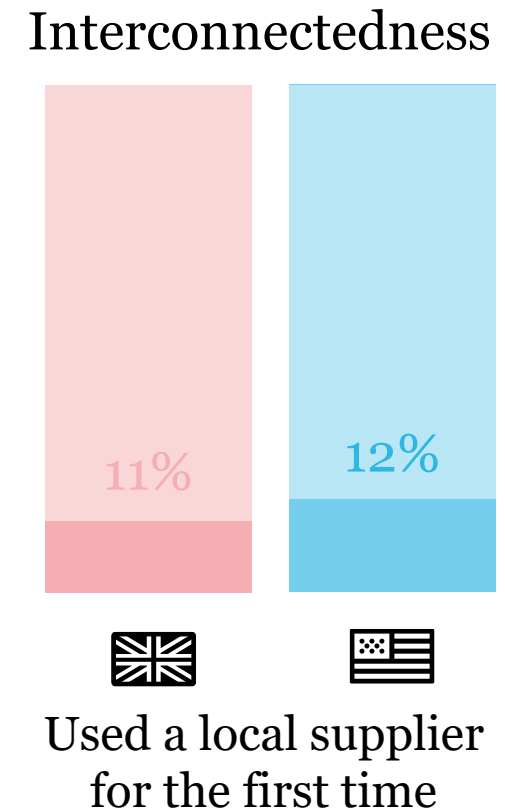
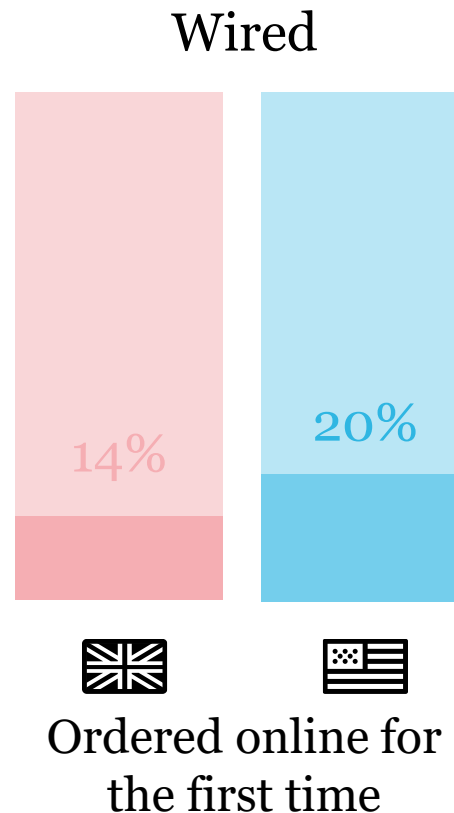


Buy what you
need



And shoppers had
to adapt to the new
landscape

The pandemic
accelerated
some channel
trends and
kick-started
new ones



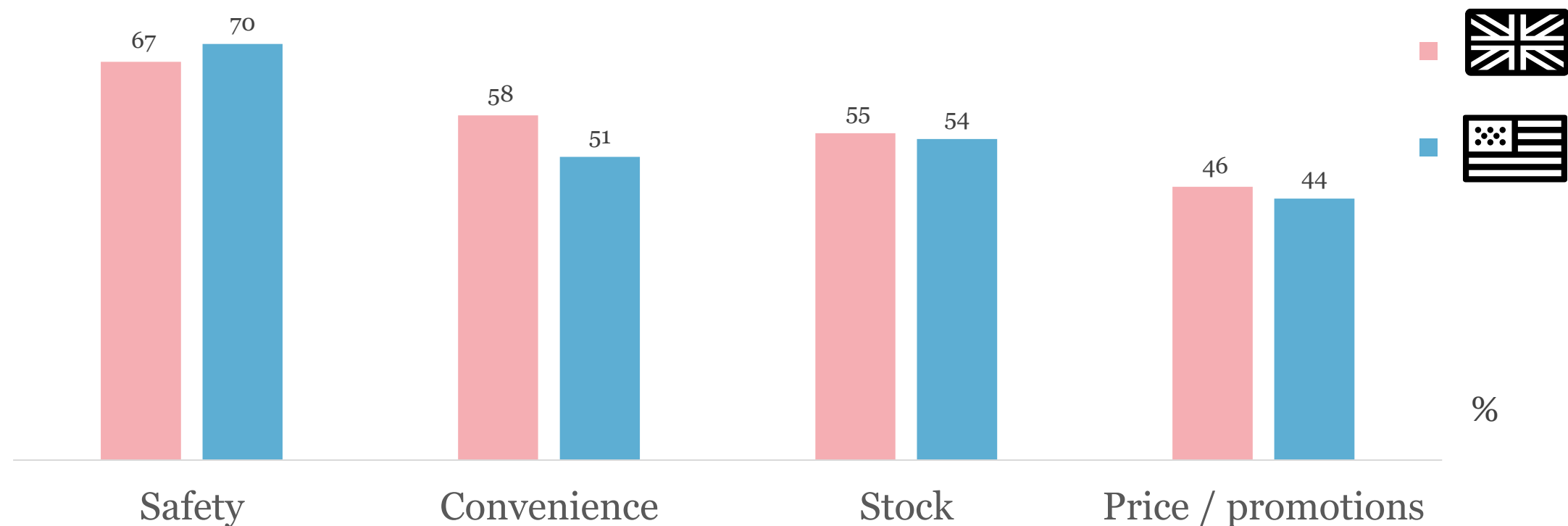


And habits could no longer be relied upon

- ✓ Different needs
- ✓ Different range
- ✓ Different prices / promotions
- ✓ Different experience

Our new priority: making it easy

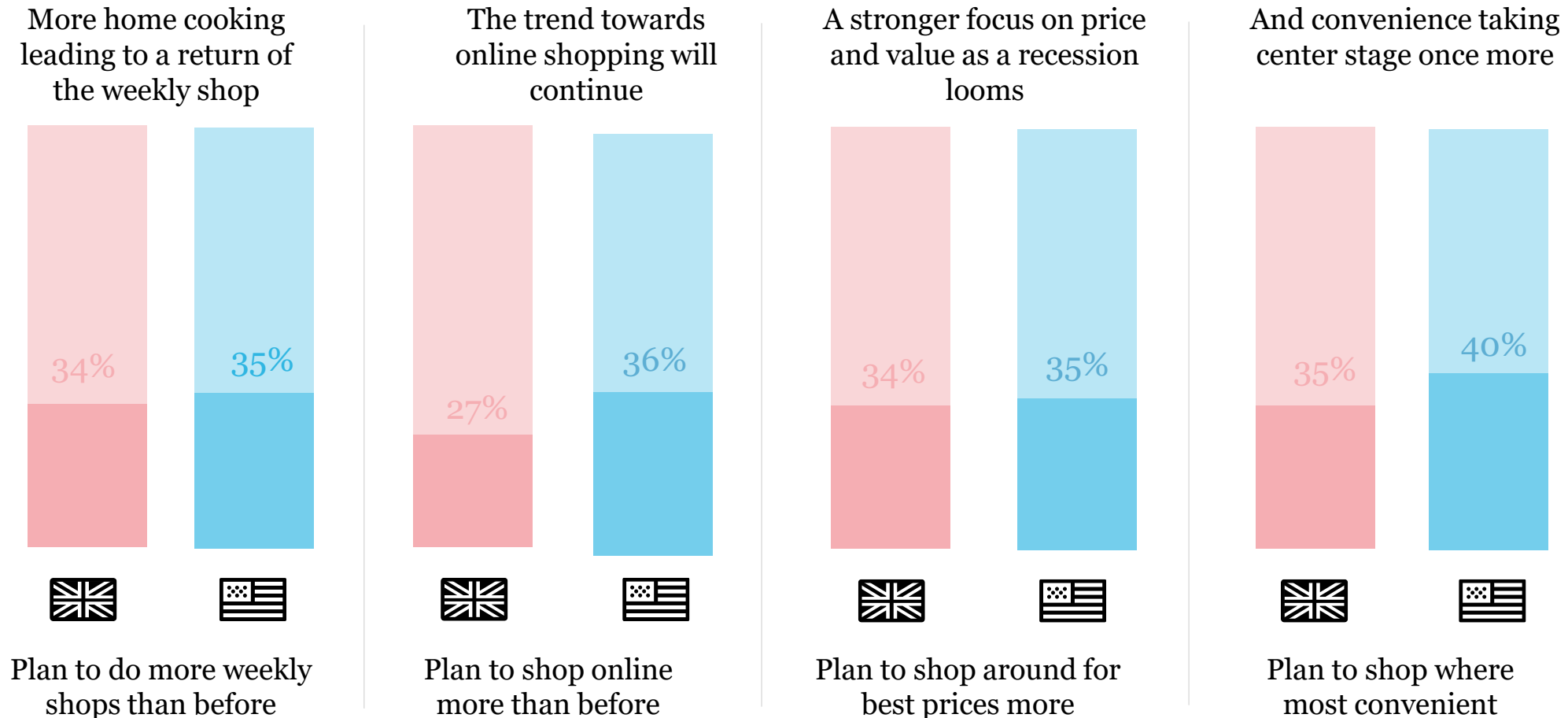
Decision drivers – Choice of Grocery Store



So will grocery
shopping change
forever?
This is still the
million dollar
question



As context keeps evolving as lockdown measures ease. Will our current grocery choices still fit our needs and lifestyles?



So what does this mean?



It's all about context and these days context is changing fast!



Shopping behaviors are disrupted- Encourage the behaviors YOU want to see

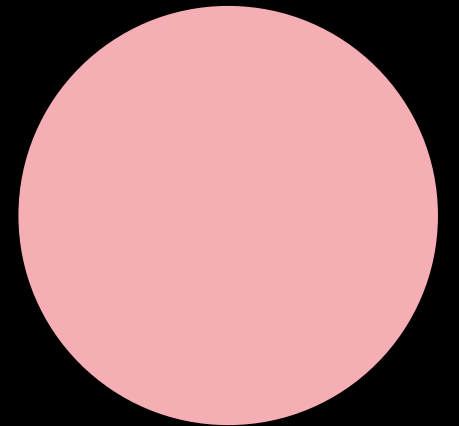
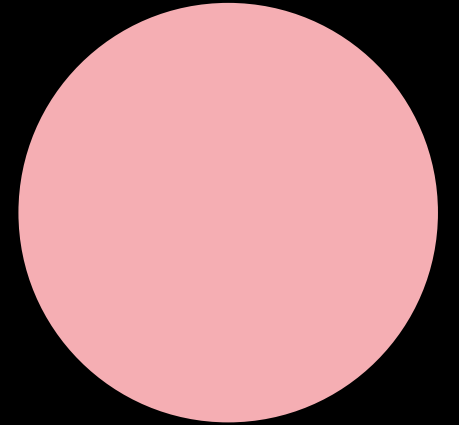


It's your time to shine – good experience will be noticed and remembered



But don't underestimate the power of habits- underlying attitudes are still there

What can you do?



Are your strategies fit for purpose?

W

Wired

1. Am I wired enough- do my digital initiatives align with how consumers want to shop my products and services?
2. Am I creating an engaging online experience that goes beyond just transactional?
3. What does bringing an online and offline experience together look like in my shopping experience?
4. Brand owners- how can I work with retailers to make sure all of the above happen in online channels?

I

Interconnectedness

1. Do my current retail strategies facilitate social connections with all shopping partners both online and in-situ?
2. How can you creatively foster “community” with your customers?
3. How can I leverage my digital activations as well as physical designs to facilitate virtual shopping partners?
4. How can I build purchase confidence through social proofing?

N

New Norms

1. Do I have a constant view of changing norms?
2. Is my business agile enough to accommodate these changes?
3. Can I service models, designed around these norms that can set industry standards?
4. Brand owners- is my business focusing on the right channels? How can I help retailers work with current norms and create simpler shopping experiences?

Are your strategies fit for purpose?

Assessing context and attitudes to create behavior change

***WHAT* consumers think?**

Listen:

- Attitudinal approaches
- Online and face-to-face
- Implicit assessments



The *CONTEXT*

Observe:

- In-store observations
- Shop-Alongs
- Digital Safaris
- Mobile Ethnography
- Life logging



***HOW* consumers think**

- Inform strategies
- Create behavior change

DESIGN, TEST & LEARN, REFINE

So when
thinking about
your retail
initiatives in a
post pandemic
world...

- 1 Context matters
- 2 Apply WIN thinking
- 3 Test and Learn

I'll be watching you.

THANK YOU.

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