

Trend check - looking back and facing forward

By  Michael Smollan

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Earlier this year I wrote about having to adopt new patterns as we watched the consumer behavioural pendulum swing dramatically. Along with the importance of bringing our communities closer, and the need to work in a significantly more purpose-driven empathetic way as we become accustomed to shoppers living in smaller footprints on an expansive, inter-connected level.



Source: Getty

Looking back on the first half of the year, with agility, innovation and an accelerated pace carrying both an intoxicating appeal and a heart-in-mouth sensation of cliff diving, I mentioned [the rise of D2C](#) as a key trend. Taking root in the growth of the e-commerce space, it offers another layer of opportunity as an omnichannel approach to derive value, making sense as a nimble way to control almost every aspect of the journey.

Looking back as we face forward as new trends emerge, it's interesting to note how the D2C trend has played out in the trenches. Brands such as Heinz and PepsiCo have activated direct relationships with their customers for the first time, Bos Brands [ramped up its D2C offering](#) seeing the needle shift from a 1% sales base in 2020 to a predicted growth of 10-15% in 2021, while London based Beavertown Brewery went from an 85% drop in business to a 1000% increase in sales by launching into D2C.



#BizTrends2021: The rise of D2C

Michael Smollan 14 Jan 2021



Many other studies support this trend, with the Direct-to-Consumer Purchase Intent Index recording that more than 80% of end consumers are expected to make at least one purchase through a D2C brand within the next five years.

Good Rebels reported that D2C strategies are enabling the development of new recurring revenue through subscriptions, new product launches and customised tactics and in my opinion the mandatory focus, and I will beat that drum forever – that of building a customer experience. One that is centralised around curated moments that offer value, loyalty, transparency, uniqueness, and differentiation.

The D2C road ahead is going to offer retailers and brands a lot of opportunities to prolong their positioning overtime.

As we look ahead at the next stretch, some key trends are emerging around retailer investment opportunities and consumer behaviour and supporting brands with a bigger purpose. The acceleration of e-commerce continues to leave the pundits speechless as the up and up anticipated online spending trajectory looks set to continue as we ease out of the intenseness of the pandemic over time.

Retailer investment opportunities

Building ecosystems that leverage data and partnerships and offer consumers services will be a trend talking point going forward. The retailers to invest with will be the ones bedding down these initiatives, for example Shoprite.

Tailored promotions, brands that deliver services and experiences in-store, loyalty card connected campaigns and promotions, shared data, personalise offers and collaborate on gifting, seasonal calendars, events, and purpose-driven initiatives will be the ones to watch.

Consumer behaviour and supporting brands with a bigger purpose

Shoppers will curb discretionary spend in favour of focusing on the desire to be healthy and being aware of what they are consuming. Supporting local brands and retail outlets, particularly those who support their community and have a bigger purpose apart from product sales.

Think of individual brands such as Dove and Nike as well as The Hut Group (THG) which have a clear understanding of sustainability and making a positive impact across all products and services for permanent, positive change.



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A global study reveals consumers are four to six times more likely to purchase, protect and champion purpose-driven companies – another drum I march to with steely determination. Herein lies massive opportunities to do brand marketing that speaks authentically to these points.

E-commerce

How e-commerce fits into retail's post-pandemic future remains to be seen. However, in a recent Forrester research piece it was reported that as retailers reopen their brick-and-mortar spaces in-store traffic will be on the rise. However, now that

consumers have experienced the convenience of online purchases, many are feeling underwhelmed by the return to in-store shopping with a third of consumers believing that they have no burning desire to return.

Other interesting e-commerce trends to watch will be voice commerce – both Google and Amazon are pushing regional languages in their virtual assistant devices to help consumers shop more conveniently.



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AI and AR in e-commerce stores will likely see an increase in conversions as AI offers personalised guidance and AR lets shoppers view a certain product before purchase. New payment options will arise to offer customers their preferred payment method along with making crypto payments a viable option.

Retailers and brand owners must be ready to serve shoppers who are keen for more physical experiences coupled with a familiarity with online shopping and the expectation for variety, speed, and service. Along with the desire to support purpose-driven companies as like-minded communities steer passage for quite literally a new world order.

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