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THE BUSINESS NEWSLETTER FROM AUSWILD & CO
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INDUSTRY TRENDS TO FOLLOW IN 2021

2020 was a challenging but significant year for retail. After social distancing and mandatory lockdowns shuttered all shopping centres and retail stores, changes to customer behaviours and the quick adaptation of e-commerce and online shopping literally advanced the retail industry a decade, in the space of a few short months. The ability of most retailers to adapt and capitalise on these changes has meant that here in Australia, the industry is in a far healthier state than in many other countries.

Now, as we come to the anniversary of our country-wide border lockdowns, it would be a great time to reflect on the changes and experiences that defined 2020, and those which are here to stay. Yes, some uncertainty still remains, but understanding these trends will help retailers – big and small – to find new ways to create delightful experiences that will grow their customer base for the future.

Build client/customer relationships and recognise the value of loyalty

We all know the importance of this one. But since the pandemic first hit, how many businesses have had the time to do this? The immediate focus has been on survival: cost-cutting and streamlining operations – and implementing new health and safety measures.

It is important to revisit customer relationships and how you can support them for mutual benefit. If your customer base has changed, you will need to focus on building new relationships to deliver repeat business going forward.

New customers generally cost more to acquire than maintaining existing ones. If you are a retailer, you are likely familiar that acquiring a new customer can cost five times more than retaining an existing one. (But you may also just find the reverse is true: you are spending more time and money serving low-value clients, and those precious resources could be better spent nurturing other relationships.)

Spoiled for choice, today's shoppers are not adverse or afraid to try new products and/or discover new retailers. So ensure you keep existing customers engaged with your brand. One of the best ways to do this is to analyse your customer data to understand who they are, what they want and how they are interacting with your brand. With that insight, look for ways to make your customers feel understood and valued — more like a face than a number — and when you do, their loyalty will increase.

Content! Content! Content!

One in three consumers tried new brands during the pandemic, and 73 per cent of those surveyed said that they plan to keep switching brands. With consumers unafraid to switch brands, one of the best ways to keep shoppers engaged — and reach new ones — is to produce compelling, engaging content. But even the best, most engaging messages could fall flat without the right platform to distribute them on. So, consider where your audience is – if you are targeting a younger demographic, for instance, consider video content on Instagram and TikTok. Getting creative with your content and being strategic with where you promote it will be crucial if you want to stand out in 2021.

New habits

With an increased focus on hygiene and safety, the pandemic accelerated services that allow customers to shop safely. For instance, click and collect and kerb-side pickup surged in 2020, with alternative delivery options experiencing 30 per cent growth year-on-year. In fact, six out of every ten shoppers said that they intend to continue using these “new” methods after the pandemic, so offering them is essential. Additionally, the use of contactless and mobile payments also increased, so ensure you are geared up to accept all forms of payments, from Apple Pay and Android Pay to buy now, pay later solutions.

“Shop small / shop local”

With international supply chains disrupted, and a desire from Australians to support Australians, the “support local” movement will continue to surge in 2021. Direct your attention closer to home and promote yourself within your neighbourhood by investing in campaigns, promoting the shop local movement or partnering with other non-competing businesses to spread your reach.

Sign up to join the “shop small / shop local” program promoted by a leading credit and charge card company which encourages and offers cash back to its credit and charge card holders to visit their local small businesses or to shop online for local products and services.

Additionally, with many Australians still turning to online shopping, consider boosting your local visibility online. In fact, 90 per cent of global shoppers use online search before visiting a store, so ensure your business is easily accessible online by populating a Google My Business profile with your contact details, store hours and other pertinent information. Add photos of your store and products and encourage customers to rate and review your business.

Planned purchases on the rise

Today, consumers are planning their store visits further in advance with the help of online resources, while two-thirds say their shopping decisions are planned, not spontaneous. So, ensure your brand is active in the “research phase” of your customer journeys. Understand the tools, websites and channels they are using in product and brand discovery, and ensure you have a strong presence in those areas - and with multiple touchpoints.

Many retailers kickstart the new year by identifying new trends and predictions for the year ahead, from products to customer behaviour and tech advancements. To succeed in 2021, following a year of industry-wide mass disruption, retailers will need to remain flexible and be ready to adapt. Recognising and acknowledging some of these trends will ensure you can spend your valuable time enhancing those delightful experiences for your customers – old and new.