



THE PHASED RE-OPENING OF THE RETAIL SECTOR:

EVEN CHANGE NEEDS CONTINUITY



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INTERNATIONAL
RETAIL INSTALLATIONS

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FOREWORD

The current situation facing the retail industry due to Covid-19 is unprecedented. Never before has the industry faced such a challenging time where the way that we do business is being called into question and customers are wondering if and how they will be able to shop on the high street. We recognised a need for those involved in retail marketing to understand what they require to do when faced with the challenge and opportunities that re-opening will present. We know that it won't be as simple as opening the door and turning the lights on.

SURVEY METHODOLOGY: we interviewed a number of key names in the retail marketing space – from brands to design agencies, to manufacturers. Their views, concerns, and thoughts are contained in the following report. What we've tried to do is contextualise these concerns by detailing a checklist of things to watch out for and to action as we head our way out of lockdown.

KEY TAKEAWAYS FROM SURVEY FEEDBACK:

- **Optimism** – general feeling is that budgets are only delayed and spend will resume.
- **Retail will change forever** – increase in digital in store experiences driven by personal tech and personal brand ambassadors to deliver customer experience.
- **Planning is crucial to success** – brands, manufacturers and agencies are only just beginning to plan once more. The uncertainty around government restrictions is hampering the ability to plan effectively as we are unsure what the official guidance for retailers will be.
- **Hygiene** – not many respondents have thought about or have plans in place to deal with hygiene of their displays in store.

RE-OPENING A CHANGED BUSINESS

What will the retail landscape look like post-lockdown? In the UK, it's unlikely that we'll see a full reopening for some time and some stores will have to limit both customers and staff to ensure that social distancing measures are complied with. This will impact revenues with reduced footfall in store.

It's also likely that some stores won't make it post-pandemic. With a reducing number of stores, securing retail space will become even more important for brands.

However, the picture around the world is not consistent. Some countries are already operating their retail stores more openly than the UK but it is a moving feast and one that we are continually appraising thanks to our team of international installation partners.

WHAT WILL THE TYPICAL STORE POST COVID LOOK LIKE?

- Restricted number of customers.
- More encouragement to buy online and collect in store to limit time spent.
- Automated and contactless methods of paying to limit interaction - Sainsbury's has been offering this in its stores using an app.
- Limited stock availability upon initial opening.
- Strict routing of customers through the store – retailers will need to consider how to support browsing and impulse purchases.
- Impact on the customer experience – Brands will need to consider how they deliver the expert advice that customers crave in store, whether they offer web demos or live online Q&As to encourage customers to place orders online before collecting in store.

THE LIKELY STAGES OF RE-OPENING:

PHASE ONE: extending 'essentials' stores types – these will not necessarily be what we think of as essentials, rather goods and services that bring wellbeing, connection and support during lock down:

- Electrical
- DIY
- Childrens' clothing
- Garden centres

Customer visits will be restricted, with route through the store dictated in advance. It's likely there'll be limited opportunity for browsing and an increase in click and collect options for purchasing.

PHASE TWO: re-opening stores that can support restricted sales conditions where space is at a premium

- Retail parks offering drive-through options – customers will be given a number and asked to call when they're ready to collect, paying online or through a contactless ATM-style paypoint. The goods will then be placed inside their boot without interaction.
- Department stores
- Sporting goods

It's likely there'll be restricted browsing opportunities by product, and installations and POS are likely to be manned to prevent touching of displays or to ensure that they're cleaned after each use.

PHASE THREE: sector re-opening

- Furniture – will people be buying if incomes are reduced?
- Fashion – will people be buying if no-where to wear it?
- Health and beauty
- Malls
- Contact services – health and well-being, fitness, beauty

Full re-opening of the remaining sectors but with less interactivity.

CHALLENGES TO RE-OPENING

DIMINISHED OR DELAYED CAMPAIGNS: as stores re-open, marketing campaigns that were delayed will be put back on the agenda. Not all campaigns however will be able to go ahead as planned. Promotional merchandise to support big events like the Euro 2020, won't return but it's likely that in their place brands will work creatively to capture interest in store once lockdown has finished. Some respondents have stated that production lead times may be a challenge if they all come online together.

CHANGING SHOPPING HABITS: which ones will last, which ones won't?

- Spending splurge/revenge shopping. Customers who have been on lockdown for long periods of time experience an overwhelming desire to want to spend their money. The phenomenon has already been reported on in China and South Korea and it is likely that, as each country comes out of lockdown, they will experience similar spikes in retail activity where some customers go shopping crazy and spend large amounts of money, buying the things that they didn't know they wanted or needed before lockdown. Retailers need to prepare themselves for this immediate change in behaviour and have products available – particularly higher priced or luxury items as these are typically the products that customers are seeking. These products need to be well displayed and easy to 'try before they buy' which, in a post lockdown era, could present different challenges for brands.
- Changes to people's perception of shopping in big malls. Do customers want a smaller option, like their local high street, where there'll be less people and they won't have to rely on big brands to ensure that hygiene is adhered to? Or will big spaces win where it's easier to social distance? We're dealing with a lot of unknowns, and installations and displays may need to adapt to fit the different scenarios.
- Some respondents see closer alignment between online and offline purchasing than ever before. With some brands being forced online or ecommerce taking precedence over physical stores. The purpose of retail spaces may change and that means displays will need to educate and enhance the customer experience.
- Will consumers be happy to interact with tech rather than a person? Will we see a surge in voice activated screens and a move from touch screens?
- Manufacturers and design agencies are being asked by brands to start thinking about how to draw customers in and engage with them in the post Covid-19 era.

SUSTAINABILITY : according to one respondent, the pandemic will bring values around sustainability into sharp focus. This may prove to drive the full circular economy for brands who will have to look at the end-to-end supply chain – from production and raw materials, through to recycling installations and displays, and to re-using existing stock for a new season.

WHO'S RESPONSIBILITY IS IT ANYWAY? On the whole companies we spoke to believe that retailers (and to some extent the government) are responsible for the way that stores will re-open. In our opinion, retailers will control the customers welfare through hygiene guidelines and safety regulations in their stores. The individual brand displays and indeed the customer journey will continue to be led by the marketing & design agencies whilst insuring compliance.

There is real concern from the companies we spoke to that there is no direction or strategy on out of hours working or health & safety for installations.



INCREASED USE OF TECHNOLOGY AND AUTOMATION: what will happen with interactive touch screen displays? Can they work with gloves? Some brands are already considering touchless buttons and barcodes that can be scanned by your phone. Will voice activation be a consideration in the future? Some respondents are already investigating how to create digital experiences while in store through the use of apps and personal VR. Engagement will challenge senses that we've not utilised before (or for a long time) such as sound, projection and smell.

SOME BRANDS ARE INTERESTED IN USING TOUCHLESS BUTTONS OR RETROFITTING CURRENT DISPLAYS WITH TOUCHLESS BUTTONS. THERE ARE ALSO CONVERSATIONS HAPPENING AROUND TECHNOLOGY SUCH AS 3D BAR CODES FOR SHOPPERS TO SCAN WITH THEIR PHONES.

I THINK THE SWITCH TO DIGITAL WILL BE PRIORITISED. INTERACTIVITY MIGHT STILL PLAY A ROLE, BUT CONSUMERS WILL PROBABLY BE RELUCTANT TO USE TOUCHSCREENS.


PHASED INSTALLATIONS

- The sector will need to consider taking a phased approach to the design, manufacture and implementation of in store installations. If the project is global it's likely that this will happen at different times, if it's national then it may be impacted by different size of store openings.
- There is concern that stores may not open to installers in advance, so some brands and manufacturers are considering ship-to-store services for POS and maintenance parts.
- Many of the respondents cited country and in some cases state or county differences as a real challenge. As some countries hand responsibility to state governments to re-open stores, there can be a big variation of needs between nations as well.

THE IMPORTANCE OF THE SHOP WINDOW/VM: it's clear that the shop window will grow in importance for the customer experience. With minimal browsing allowed in store, and potential queues outside, window displays may become the main way that brands are able to communicate with their customers.

HYGIENE

- Interestingly hardly any of the companies we spoke to have considered whether they needed to adapt displays to minimise product handling or to make it safer. This will be critical in the first and second phase of re-opening where displays and products won't be handled in the same way as before.
- Hygiene is more prevalent in fashion than anywhere else. Will customers be willing to try a garment or shoe on in store without knowing who has tried it before? Will brands need more stock if products are set aside after trying on to reduce contamination?



FOR THE FORESEEABLE
FUTURE I CAN SEE ALL
INTERACTIVE DISPLAYS
BEING STAFFED WITH BRAND
AMBASSADORS WITH STRICT
HYGIENE AND CLEANLINESS
INSTRUCTIONS.

MAINTENANCE: while many respondents are looking to retailers to manage display cleaning, some recognise the need to remove or update POS and displays due to seasonality changes. However, many are missing the bigger picture on whether current displays are fit for purpose in a post-Covid world. Does the messaging still work? Do customers want to physically interact with the display?



INSTORE MATERIALS WILL REQUIRE CHANGES FOR CLEANING - POSSIBLY A SWING TOWARDS SUSTAINABLE DURABLE MATERIALS AND A MOVE AWAY FROM FABRIC-BASED MATERIALS.

SUPPLY CHAIN: some agencies and manufacturers are struggling to source materials. One told us, “We are seeing that materials are harder to source right now and there is a lot of retailers planning for when stores reopen so are producing POS for this which is leading to a shortage of materials nationwide.” Planning will be critical to the success of re-opening for retailers and brands alike.

CHECKLIST- WHAT DO YOU NEED TO CONSIDER

PRE-OPENING

- Phased installations.
- Where will materials be stored during roll out?
- How do you get them to installers safely?
- When is the best time to resume installation? – when the store is still empty and pre-deep clean.
- Check the retailers' policy on pre-opening for installers. If they're unable to provide a safe environment then consider a ship-to-store and instructions for staff to install or to fix parts.

MAINTENANCE

- Turn everything on and check it works.
- Some electronic product updates may need to take place.
- Ensure that all installations, screens and tills are working.
- Ensure all lighting, branding, fixtures and information points are in full working order and remain aesthetically pleasing.
- Ensure displays are 'customer-safe'.
- Book maintenance service from suppliers – remember that all stores will be looking at this so book early to confirm your slot.

HYGIENE

- Consider whether adaptations of displays need to be made to ensure that they're compliant with regulations. It's likely that customers will be unwilling to touch fixtures in the same way as they have in the past. Can the displays be handled in the same way? Or will wipes or gloves need to be provided and can they be used?
- Consider whether displays will need to withstand more regular and thorough cleaning. Do your research – what materials can be used instead to deliver the same experience but that will withstand a new standard of cleaning?
- Consider the safety of installers – are they able to operate out of hours and abide by social distancing measures? Are they being provided with suitable PPE equipment? Are new processes being considered for working in-store, from interaction with store staff and customers, to pre-cleaning displays being updated or maintained?

SUPPLY CHAIN

- As budgets come back online and restrictions are eased, there will be a rapid increase in projects so plan your sourcing needs to ensure you have the materials that you need.

RESTRICTIONS:

- **Stock** - positioning of stock, stock availability during routing of customers.
- **Functional displays** - how to guide or alert customers to location of stock or how to use them to provide stock/store information.
- **Promotional displays** - been used in recession to help drive awareness and sales. Some promotional fixtures may need to be removed to ensure that aisles and walkways are as clear as possible to accommodate 2m social distancing. They may also need to remove promotions and features where customers are likely to congregate, such as product demonstrations.

SUMMARY

The road back to retail as we knew it is going to be a slow and bumpy process for all concerned. There are undoubtedly going to be fresh challenges along the way as none of us can predict the future. Once all governments have published their guidance on coming out of lockdown and what this will look like for businesses around the world we will then be in a much stronger position to know how we can support the retail sector, our customers and help to keep consumers safe whilst still being inspired and delighted by retail installations the world over.

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