

Retail Gains Traction During Coronavirus Crisis Thanks to ECommerce



The retail sector is gaining traction during the coronavirus thanks to e-commerce. How empathetic messaging, digital advertising, and shifting to changing consumer needs will help retailers survive and grow during and post-crisis.

Retail is Shifting to E-Commerce

Boost in Online Orders

Rapid and massive efforts of retail businesses to shift their operations online as well as aggressive promotional campaigns are starting to pay off:



The number of online orders for web-only online retailers in US and Canada increased **52%** year over year for the 2 weeks of March 22 - April 4.

[Emarsys and GoodData].

Revenue for web-only retailers in the U.S. and Canada was up **30%** year over year for the period.

[Emarsys and GoodData].

Use Digital Advertising to Drive Traffic to ECommerce Sites

8% increase in ad spend in the shopping vertical and a 3% increase in style & fashion in March comparing the pre- vs. post-global impact of the coronavirus.
(PubMatic)

Everyone is online: Between the weeks of 3/12 to 3/19, web and internet traffic rose

20% due to home office work and self-isolation.
(Verizon, CNET)



Slow Delivery Times, New Product Pivots – Does It Matter?

It's a good time to take risks, according to eMarketer: *"Everyone is navigating new territory,"* Stacey Thomson of Scrum50 said. *"Retailers can test and learn new ways to sell inventory and quickly meet new demands. It's a forgiving time to take some risks."* People will be pretty understanding of the changing reality, says eMarketer in their podcast.



What's Doing Well

Online Grocery



Online food sales **surged 183% between March 1 and 25**, vs. the same period last year (NetElixir). Millions of first-time online grocery buyers are materializing, and millions of infrequent buyers are now doing so on a weekly basis, vs. over multiple weeks or months [eMarketer].

The New "Essential" Items



What may have been considered nonessential are now the new necessities, including sweatpants, self-care items, and electronics to make working from home more effective. As more gyms and fitness centers close to the public, online orders for at-home fitness equipment have **increased 55% March 11-15 compared with March 1-10** [Adobe Analytics].

Those Who Get Creative



Necessity is the mother of invention. A number of retailers have shifted to makeshift delivery options and click and collect options. Forbes wrote about a number of small businesses like Faire, who traditionally sold candles, stationary, and beauty, but has shifted gears to more urgent inventory during the coronavirus crisis. Those who adapt will survive and succeed.

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Response to the Crisis Matters

Provide Value

Think outside yourself. Sharing all of your brand's current news and how great you're doing isn't appealing to customers at the moment. Empathy and offering ways to help make their lives easier is.

83% of respondents want compassionate connection, including brand messaging that communicates empathy and support with the struggles they face.
[Edelman Survey].

29% of Americans have already begun using a brand due to the innovative or compassionate way they've responded to the COVID-19 crisis.
[Edelman]

75% of respondents said that the way a brand responds to the crisis will affect future buying decisions.
[eMarketer]

Cater to Frugal Spending

We're in the middle of an economic crisis. It could take a couple of years for consumers to recover, especially if the virus returns in the fall. Stores offer savings and promotions will survive better.

[Barrons]

Here's What Doesn't Work

Not addressing the crisis at all or continuing with thoughtless and potentially offensive messaging is damaging. **57% want brands** to stop any advertising or marketing that is humorous or light-hearted.

[Edelman]



Bottom Line: Don't Go Dark

While sales and traffic may be down, do not go dark during the coronavirus crisis. Brands need to provide certainty and purpose. In times where our security is threatened, people are hardwired to seek clarity and calm.

84% of customers want brand social channels to facilitate a sense of community and offer support to those in need.
[Edelman]

No crisis lasts forever.

There is light at the end of this. The post-COVID-19 period will be used by many as a time of rebirth, and many will be motivated by aspirational behaviours, writes Richard Storey for Econsultancy.

"The best action for brands is to forecast the emotional state and behavioural changes required of everybody to re-start...In order for a brand to be there in the positive moment of a new beginning, it needs to stay active in darker times."