

INSIGHTS

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IT changes in D2C sales are being driven by changing consumer behaviour – Change is here.



Nick Dutton examines how the changing patterns of consumer behaviour has brought about a change in Direct to Consumer Sales IT Strategy that had already started long before Covid.



Improving technology has been driving the adoption of online purchasing for more than a decade, although 10 years ago, although you could shop on a phone, it was weird, untrusted and not optimised. Now, with better hardware in your hand, broadband, wifi and unlimited data, more savvy web designers, plus all the 'sticky' tricks in social media, SEO and cookies, customers have a much better experience.

The products that consumers are brave enough to buy online have vastly increased over the last decade; that need to touch, feel, try is slowly disappearing, to the point that it will go altogether before long as logistics change - we have removed the

reluctance barrier. 10 years ago we might have tentatively bought a book, CD or ticket - now we are happy ordering a pallet of paving slabs, woollen jumper and a pair of live lobsters.

We are all smarter at knowing how to spot fake and valid reviews and unlike in some bricks and mortar stores, because of distance selling regulations, you are fully entitled to a refund on unwanted goods.

Convenience as a catalyst

A big challenge for people in terms of adoption was where to deliver to – do I stay at home or have it delivered to the office?

Perhaps ask a neighbour or use click and collect? The first three were guaranteed to be annoying – either to your employer (large parcel turning up – poor receptionist) or would annoy your neighbour - and I distinctly remember about six years ago, my then employer banning any more deliveries, as reception had become a parcel depot. And as for click & collect – it was always going to be a bit niche – why have the convenience of online ordering if you then drive to go get it? Availability, before you set off, was the only true benefit for the consumer; for the retailer – it was only ever a way to get people to store, so they'd ideally browse, dwell and spend.

If convenience was one of the things holding back an exponential rise in D2C sales it is still true to say that high street retail was struggling a long time before Covid hit – it wasn't covid that killed Debenhams, it just put it out of its misery. I think one of the big reasons, apart from the PULL of digital, the drive AWAY from high street was an ongoing erosion of availability and expertise of store teams; retailers have been trying for years to cut costs by reducing the calibre and quantity of people in-store – shopping had become less of a pleasure.

How we can help?

At Leading Resolutions, we work with a diverse portfolio of customers, helping them to predict change and address it and to prepare for whatever disruption occurs next and cement their value propositions.

We enable businesses to make technology as flexible as possible; many have adopted Agile and Scrum Methodologies at a significant pace, this is not a surprise given that those same businesses can no longer wait multiple years for technology change.

MVP (Minimum Viable Product) has now become normal business language and large programme teams are a thing of the past. Alongside this procurement teams are having to adapt to keep up with the pace of change, seeking expertise to market assess and reduce tender timescales. Similarly, businesses do not have 6-9 months from requirement to selection to implement or begin to replace systems and technology

Talk to Jon about how we can help your business grow through change

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Changing consumer behaviour

We now have a new reality triggered by our experience over the last two years - Shopping in the Time of Covid (no it's not a Gabriel Garcia Marquez novel) made substantial changes for the consumer. Delivery was generally no longer a challenge as we were all working from home, and there is nothing more gratifying than having a parcel turn up, with no effort required, when you're having a stressful day.

At home, even when working, you can 'shop in private' – no longer conscious of someone looking over your shoulder; you can even shop while you're on a boring call (clearly I wouldn't do this...) and you don't need to be concerned about misusing company internet.

Another improvement was that often you can get them to come to collect if you want to return – so no inconvenience there either. And of course, we were all told that not going to the store was way safer.

The emerging trends

Same day delivery – in this day and age, when I buy it, I REALLY want it today, in 2-3 hours (not tonight at 11pm). Funnily enough – I loved the idea of Amazon Day – having everything turning up in one parcel on a Saturday – but my reality is I typically override Amazon Day as I want it NOW.

CX and UX - there is also still some way to go in terms of customer experience and user experience. All sites need to be easy to use, some are less so. This is one for the techies - does it draw you in, and make you stay? Does it make you SPEND? Does it give you good suggestions or ridiculous ones? This depends on whether your marketing and design team has a combination of sh1t hot digital people and great, forward-looking brand strategists



Death of the high street – what happens next?

As stores disappear, the buildings are still there – and in some towns at least, the footfall is still there too. So something will fill those spaces. Let's hope it's not ALL barbers, charity shops and cafes. Many people still talk about 'experiences' but I'm not so sure; I think bricks and mortar retailers will continue to consolidate, but not go altogether.

I think the future favours start-ups, niche, different or experience-based enterprises where it's a pleasure to shop. Would I still go to John Lewis? Not really, unless I was passing. Would I go to Liberty, Fortnum's, somewhere special? Absolutely. But that's London. Obviously, Liberty isn't opening in Swindon any time soon, but it's interesting to see how much of Oxford Street is being converted to

residential property - old department stores are becoming new student flats.

The future of high street retail also favours places like Primark, who have no online presence; they know they don't need to – pile it high and sell it quick. So our high street future may end up being a repeat of what we saw during the last recession – the two extreme ends of the spectrum do well while the middle market fails.

I do think the high street will become less homogenised – but that can only be a good thing – if John Lewis only want 20 stores, they're not going to be in every town – and actually the more D2C that Fitflop do, for example, the less JLP will sell – which potentially sees a reduction in the breadth of range for the larger retailers

Happy shopping...