

| How Are Retail Brands Tackling Promotions, Green-Washing and Growth?

A report by **PushON**

an award-winning full service eCommerce agency

Introduction

Following on from our digital dinner evening last year, where [PushON](#), [Parcelhub](#) and [Sonassi](#) and eCommerce industry-led businesses such as Brightpearl discussed [The Rebirth of the High Street](#), we decided to host another. This time, it was to discuss how Black Friday and Christmas impacted sales. The conversation progressed and we went on to talk about how the consumer-mindset has changed.

Our choice of venue was [Wood Restaurant](#), a fine dining restaurant owned by 2015 MasterChef winner Simon Wood. Wood Restaurant is in the bustling HOME in central Manchester and provides a relaxed atmosphere with a fine dining experience and extraordinary food. We highly recommend adding Simon Wood's restaurant to your places to eat list.

Along with some familiar faces who joined us at the last dinner event (a leading baby online retailer, a global car accessories business and Vampire Vape), we also welcomed Beauty Bay, Forever Unique, Winfields Outdoors, Brand Addition and dotdigital.

The main topic of discussion was the impact that the late Black Friday event had on December sales.





The 'Biggest' Shopping Event

Undoubtedly, Black Friday is the biggest shopping event of the year for the retail industry, with brands competing to offer the best discounts without damaging their reputation or profit margins.

Initially, Black Friday was an American event that began in November 1952, which fell on the day after Thanksgiving and marked the first day for Christmas shopping in the US.

Black Friday in the UK was never about who can have the best offers; it was to mark the last Friday before Christmas for the emergency services to prepare themselves for the big surge in drinking, aka, Builders' Friday. It's only the last few years where retailers have adopted this day, turning it into a sales event.

We all remember the havoc that the supermarket brand Asda experienced with shoppers fighting (literally) over TVs and other electronic items, because the promotions at the time seemed too good to be true. Nowadays, the discounts that some retailers offer is no different to any other discount from the other promotions they share throughout the year.

The High Street shops profited from the Black Friday sales last year, with footfall increasing by 3.3%* compared to the previous year and shopping centres welcoming an additional 6.5%* of visitors.

"Why are we still so fixated and obsessed over Black Friday?"

*Springboard, a retail data company

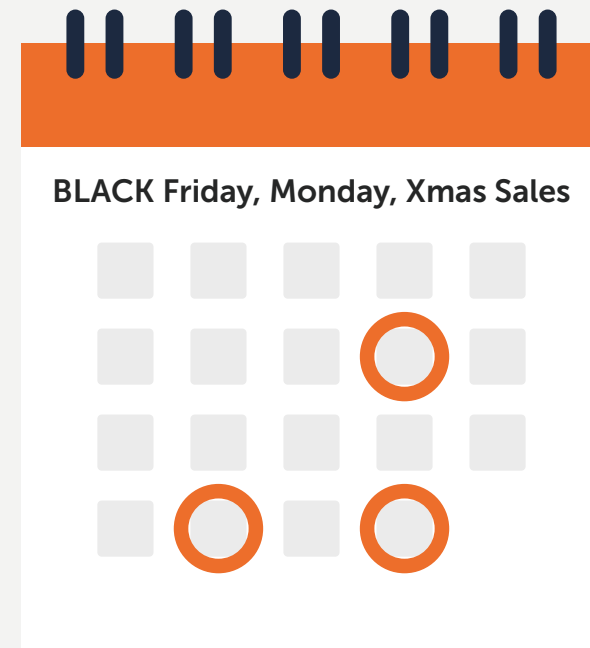
The Black Friday Grinch

Last year, Black Friday started on Friday 29th November and ran into early December. Due to the eagerness of consumers all hunting down the best possible discounts for Christmas presents, or something self-indulgent over the Black Friday period, December experienced a sluggish few weeks, until the Boxing Day sales arrived. This was mentioned and stood out during the discussion; Black Friday had a knock-on effect for December sales.

Compared to 2018, the late Black Friday influenced December purchases for a leading beauty brand, but customers are still more relaxed and spending more.

Similarly, for the online baby retailer that attended, Black Friday and Cyber Monday were both big on spend and sales doubled during this period but began to slow down throughout December until Boxing Day. Were consumers holding off spending more until Boxing Day, because of how close Black Friday and December was last year? It does seem viable.

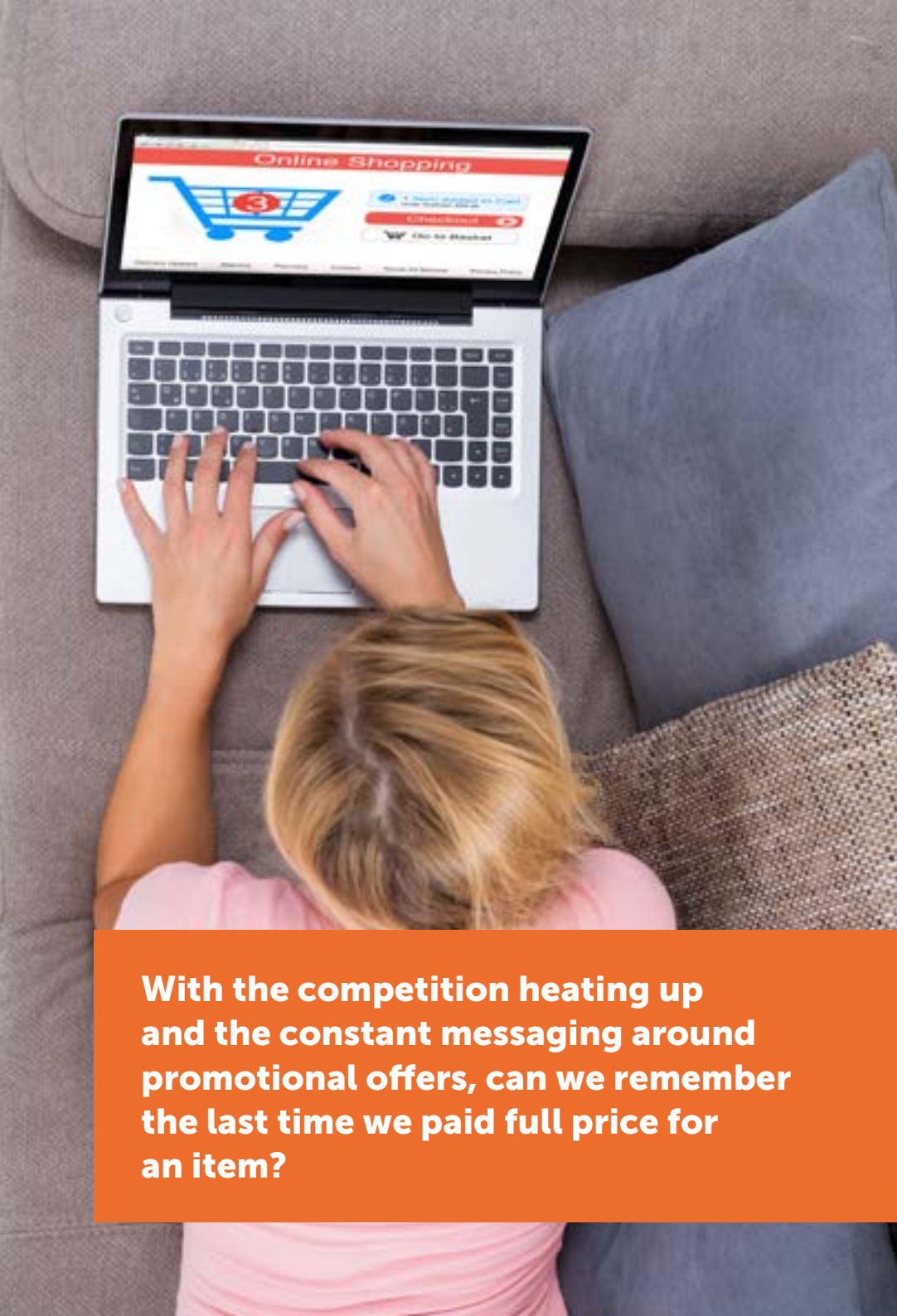
Black Friday would have taken a big hit in consumers wages for the month, especially with it being on payday. Why would they want to carry on spending throughout December when they can wait until the Boxing Day sales, and after December's pay when they're feeling a bit more 'flash with the cash'?



2019 Black Friday was favourable for consumers, as it fell on the majority of UK workers monthly payday, handing retailers an early Christmas trading period.

Black Friday used to be a one day only event. Still, retailers have capitalised on this 'big spend' day, by extending the period to a week, and even longer, taking full advantage of consumer spending.

Are consumers still getting the best discounts on Black Friday?



Sale! Hurry! Get All The Best Deals Today!

These deals won't be around for long!

That old chestnut. Sale and media promotions control how we spend and use tactics such as 'For 24 hours only', or 'hurry, sale ends today'. DFS is a prime example of this. The sofa retailer is famously recognised for providing year-round offers, but it works. Why go to a competitor such as Sofology and pay up to £3000 for a sofa-set, when you can pay £2000 at DFS?

Retail promotions have become more frequent than the standard event days, such as Black Friday, Boxing Day, January sales and seasonal offers. So, has the competition moved to another level and are high street retailers struggling to cope with their competitors?

Fast-fashion brand Boohoo is continually rolling out flash offers, whether it's 25% off all dress for 48 hours or next day delivery for £1 for 24 hours. Is this an indication that Boohoo and other fast-fashion brands are struggling to hit yearly profit margins or has the demand for discounted items become the norm? Online retail giant ASOS also regularly roll out promotions, but with more thought behind it. Rather than promoting the daily discounts, every four to six weeks, the retail brand will generally push out a site-wide 20% off everything, or further discounts on current sale items.

With the competition heating up and the constant messaging around promotional offers, can we remember the last time we paid full price for an item?

Are Consumers too Reliant on Promotions?

Have we become too reliant on sales and promotional offers that we refuse to pay full price on items? Even if there's a pair of shoes that we desperately want to buy, we're holding off until the retail brand has a promotional offer. Is saving 10% on an £80 pair of trainers worth that wait? When you work out the cost of delivery, yes, it is. The £8 saved covers delivery, so psychologically, we feel like we've saved money, but we've probably only pocketed £4.

Working with various eCommerce brands, we're fully aware that the mentality of the 'modern-day' consumer has changed. Rather than buying something when we see it, consumers will shop around to find the lowest price or hold-off to see if there's a promotion coming up. The late Black Friday event has demonstrated the current mindset of the typical shopper.

Why are shoppers looking for discounts?

The online baby retailer made an excellent point. There's too much choice available, which means consumers can afford to shop around for the best deals. Retail brands are having to acquire the same customer over and over again. Is brand loyalty dead in the water now?



Retail brands need to rethink their marketing strategy and how to keep existing customers while attaining new ones to meet consumer needs. The acquisition model has never been more critical. [Remarketing paid ads](#), optimising websites, [technical SEO](#) fixes and [customer-friendly content](#) are all powerful ways to get into the mindset of the consumer. But, if the website or in-store offering doesn't match the customers' needs enough to convert into a sale, then all marketing efforts will eventually come to a halt. The style and user experience of a website holds high and influential value to sustaining customers and winning new ones. The online marketing strategy must include user experience and keep up with the evolving customer and their demands. Brands need to be smarter and always be ahead of the game.



So, what has happened to customer loyalty? Has the retail industry become that competitive that brands are struggling to meet consumer demands and hit ROI? Have the dynamics of the modern-day shopper changed dramatically that the eCommerce world has become a 'dog eat dog' world?

Brand Loyalty vs Customer Loyalty

Brand loyalty used to be huge. Customers were faithful to favourite brands and became dependent on them to fulfil needs. Brands created loyalty schemes, such as ASOS's point saving scheme which turned into money off vouchers.

Is there such a thing as loyalty in the eCommerce industry anymore?

A UK's leading beauty retailer made a good point that customer loyalty used to focus on exclusivity rather than discounts. It held more meaning to the end-customer and made them feel 'special'. Exclusive offers entice the customer to spend money and continue to spend money with the brand regularly because they know that what they're getting is unique to them and not open to the public. This is customer loyalty at its finest.

ASOS' point scheme was an excellent example of this. Regular customers received points based on their most recent purchase, which after 28 days, was transferred into money off vouchers. Every 500 points equated to a £5 voucher. So, the more you spend, the more coupons you receive in return, plus a host of other exclusive benefits.

Volume Growth or Sustainable Growth?

Brands have to decide...

The fast-fashion industry is probably the most competitive retail sector. With the constant daily promotions, speedy delivery options, and 'on the go' purchases from a mobile app - convenience is now outweighing loyalty. The relentless discounts across the main fast-fashion sites such as Boohoo, Pretty Little Thing, Misguided and ASOS, has become a bidding war and rather than putting the customer at the forefront of their business to maintain loyalty, it's become a competition of who dares wins.

Going back to the point made earlier about loyalty, are fast-fashion brands doing enough to maintain customers?

The leading beauty retailer that was present at the dinner made the business decision to avoid constant discounts. To be honest, it does get boring seeing the standard 10% off, as it's become the norm. It used to be exciting when your favourite brand rolled out an impromptu discount, as it did tempt you to buy something while it's on offer. Also, too many promotions can be damaging to a brand, and is often a sign that profits aren't being met.

Fast-fashion brands need to consider how they can reposition themselves online, which is something Misguided has done, as there's too much competition.

Customer behaviour is evolving and moving towards making more considerate purchases, meaning they're taking longer to decide. So, how do brands combat this issue? Is it more useful to strategise towards sustainable growth and have a consistent increase in sales, rather than splurges of high-volume growth that aren't reliable? By aiming towards sustainable growth, it makes it easier to forecast for the financial year and monitor performance on a month by month basis. Sustainable growth also brings customers back at the forefront of the business, therefore, promoting more loyalty schemes



The **Power** of Social Media

What about **negative** comments posted on social media?

There are still too many brands either ignoring them or deleting them. This can have a significant impact on customer loyalty, and if brands can't do simple things like respond to a negative comment, then why would you continue to spend with them? Remember, negative comments are in the public domain and deleting or ignoring them, only entices the customer to post another, more frustrating comment. Responding to them will show others that as a brand, you care.

Facebook groups are another effective way to combat negative comments while holding on to customer loyalty. This is something that a leading outdoor clothing and equipment retail brand do well with. They tackle negative comments and provide exclusive discounts, which is a massive tick in the customer loyalty box.

The Eco-Minded Customer

It's not just consumer shopping behaviour that has changed; it's external factors such as the environment that has caused us to be more environmentally aware. The media has a big part to play in this too.

Long gone are the days when putting the rubbish out meant emptying your trash into a standard black bin. As we are more cautious about protecting the environment, climate change and reducing plastic (and rightly so), it's had an impact on our shopping behaviour.

Supermarkets are beginning to reduce the amount of plastic used for food packaging. Morrisons and Sainsbury's have swapped the plastic vegetable and fruit bags for a compostable bag. Waitrose introduced a reuse and refill option for dried foods such as pasta and rice and brought in recycled plastic packaging for ready meals. The majority of supermarkets are encouraging customers to bring in plastic food storage boxes to the fresh deli counter and butchers to put unpackaged produce in.

Fashion brands are also moving towards a cleaner environment and sustainability. High Street clothing brand Primark has invested heavily in cotton producers to encourage sustainable cotton for their clothes and swapped the standard air freight



to deliver the items via ships. Wholesale clothing supplier and t-shirt printing company, Buytshirtsonline recently published an interesting article discussing how [eco-friendly mainstream clothing brands](#) are.

Pete Kilmartin, Partnerships Manager at [dotdigital](#), posed the question, had consumers wanting to protect the environment and increasing awareness of a climate crisis, created a 'green-washing' era. Retail brands are putting sustainable and recyclable products forward, customers are jumping on the bandwagon to support, and the most significant driving force seems to be from the Generation Zs (18-24-year-olds) who are more conscious.

A close-up photograph of a person's hand holding the top edge of a brown paper bag. The bag is slightly wrinkled and has a simple, folded top. The background is a plain, light color.

Delivery and Returns

While retail brands are keen to improve their offering to support the environment, how does this impact delivery when there's a high demand for next day?

Customers wouldn't pay for eco-delivery if the cost was higher, as much as they would want to. They also wouldn't want it to impact their lives if the packaging was less robust. Would customers complain if their items didn't arrive in the same condition due to eco-friendly packaging?

How would the demand for next-day or same-day delivery impact customers wanting eco-friendly packaging but without waiting up to five days for it to arrive?

[Parcelhub](#), who specialises in bespoke delivery management, made a valid point about returns. How sustainable is it realistically to keep up with high returns and maintain eco-friendly packaging? What do retail brands do to get the returned item back in pristine condition to resell? Can they openly admit that what they do is sustainable?

To improve carbon footprint, it needs to be a long-term, thought-out strategy that hits all points in the customer journey from purchasing through to delivery and returns.

Customers need to be understanding that if they want eco-friendly packaging, they can't expect the same delivery times and quality – not until retail brands and couriers have nailed this process, which in the upcoming years, will be achievable.

Postal Mail or Email?

Since GDPR rolled out, consumers are more conscious about what they've signed up to and are unsubscribing to s***, basically. But, GDPR hasn't eliminated spam emails, unfortunately, and consumers are more aware of what they have subscribed to and the volume of unwanted emails received daily.

Everyone is assuming everything works better online and neglecting traditional marketing methods, such as postal mail, which is still dominant.

Pregnancy magazines such as Bounty and advice websites including, Emma's Diary offers the parents-to-be the option to receive free goodies, exclusive discount codes and promotional offers via offline marketing. Well-known pregnancy and baby brands, including the leading online baby retailer that attended the dinner, regularly feature in the Bounty Magazine, are seeing a good return. So, it does work.

Peter Kilmartin commented, this highlights the importance of customer lifecycle engagement, ensuring brands listen and personalise their message.

Has GDPR caused consumers to buy offline to avoid giving away their details and get bombarded with emails? Are consumers opting for post-mail rather than email newsletters?



What's the Next Move for Retail Brands?

Retail brands need to reposition themselves and rethink their strategy. Discount codes are great for increasing sales, but not daily, as in the long run, they could see a decline in profit margins and start to struggle. The business model needs to be designed around the customer, to understand what makes them tick and how they behave both online and offline. This will help reintroduce customer and brand loyalty, helping eCommerce brands maintain customers with a long-term investment in the brand while winning new ones. Therefore, increasing the competitor gap and being at the forefront of the industry.

Consider the long-term strategy and benefits for sustainable products and the positive impact it will have on the environment and the end-customer – and be sincere about it. Introducing recyclable items and reducing the carbon footprint is a huge step in making a change, but what comes after? How does delivery and returns fit into it without impacting poor packaging?

Like with the High Street discussion, the critical thing that retail brands need to remember is **engagement and understanding the psychological mindset and behaviour of the modern-day consumer.**

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