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7 tips for retail recovery: How to get people back in stores

Retailers everywhere are eager for customers to return. The question is how to attract shoppers back to the store.

With social distancing and pandemic restrictions easing up in many markets, retail spending is increasing as businesses are reopening and people are returning to work and traveling. By 2025, global brick-and-mortar sales are projected to grow between 2.6% and 3.4%, suggesting life is returning to normal.¹

Robust marketing, new payment option acceptance and loyalty programs are vital considerations for retailers hoping to increase in-store foot traffic. Personalized service and customer attention can build loyalty and increase the average ticket value. But how can businesses help ensure that consumers will return to their stores? Here are seven tips retailers should consider to lure customers back to their brick-and-mortar locations and rekindle a shopping experience that promotes customer loyalty and spending.

1. Market to current customers

Customers have their favorite stores, and loyal customers should be recognized and targeted by businesses, as they can be an advocate for a brand and promote it to like-minded individuals.

Omnichannel powers the in-store experience

More than ever, merchants can engage with their customers either online or in-shop, in more relevant, seamless and enjoyable ways. According to a global study, businesses that prioritized combinations of omnichannel experiences, including contactless payments and mobile checkout, helped encourage in-store shopping among 60% of Millennials worldwide. In the same study, contactless payment options were a top reason for choosing in-store shopping for 62% of Asia and 55% of LATAM.

Paying by mobile phone using an in-store tablet or kiosk



Accessing coupons on mobile phone at checkout



Ordering prescriptions or takeout with a mobile phone while in-store

¹ Insider Intelligence eMarketer, February 2022. <u>Spotlight on total global retail: Brick-and-mortar returns with a vengeance</u>. Viewed May 2022

 $^{^2\ 451} Research, January\ 2022.\ Global\ Merchant\ \&\ Consumer\ Payments\ Survey:\ Key\ Findings.\ Viewed\ 3\ April\ 2022$

Positive customer experiences result in word-of-mouth marketing, one of the most powerful forces driving purchases today. Beyond relying on friends and family, consumers often turn to online reviews either to leave comments or seek guidance. According to a recent survey, 84% of customers value and trust online reviews as much as word-of-mouth recommendations.³

2. Build loyalty

Who doesn't love a deal? Offering special discounts or loyalty programs to store visitors and incentivizing online shoppers to visit in person are great ways to increase the average ticket value.

Loyalty programs reward or attract new shoppers while offering in-store coupons and gifts is an allure that promises to save customers money, which may incentivize increased spending.

While money-saving offers are a great way to

build loyalty, so is merely recognizing the value that the retailer places in the customer relationship.

3. Make checkout quick and easy

Today's customers are in a hurry and want to avoid a lengthy checkout experience. Whether on the busiest shopping day of the year or during off-peak hours, merchants have a tangible opportunity to reinforce customer satisfaction when they are in-store, so it's crucial to make the checkout process seamless.

Providing a checkout option without requiring a membership card or account makes for a quick and easy transaction for new customers or those who are not yet loyal members. Having well-trained employees and up-to-date mobile options, even in-store, can help minimize long waits in the checkout process and is a great way to gain loyal customers.

Building loyalty through customer offers

Choosing the right loyalty program, or combining several, can have a powerful impact on encouraging repeat business and providing marketing opportunities. Offering strategic loyalty programs that are tailored to select products can incentivize the purchase behavior of consumers. Here are several popular loyalty ideas.



Cards

Provides customer flexibility to load funds onto prepaid cards for themselves or as gifts.



Points Programs

Allows the accumulation of points for redemption of products or discounts.



Incentivizes customers to earn points and reach a higher customer status for incremental gifts, discounts or exclusive access.



Offers a reward of cash back or store credit as a percent of purchases.

Provides donations to charitable causes based on a percent of purchases.



Value-based Programs



Provides a free product or reward after a set number of purchases.

³ MarTech, February 2022. What is Customer Experience and Why Does It Matter?



4. Offer "try before you buy"

Discounts are great, but shoppers also love to taste, smell and sample products before buying. The "try before you buy" shopping experience can add excitement and provide a sense of engagement. It's the hands-on experience people have been craving since lockdown, and the main objective is to ensure customer satisfaction.

5. Provide "buy now, pay later" options

Buy now, pay later (BNPL) alternatives have been gaining in popularity, especially with younger generations that want flexible payment options while still having access to clothing and electronics.

BNPL allows shoppers to take products home immediately while spreading out payments and lets them take advantage of in-store coupons and sales. As e-commerce transactions by Gen Z and Millennials are expected to double globally by 2024 from 2020 levels,⁴ offering the BNPL model is a great way to entice these younger shoppers.

6. Expand customer service

In today's fast-paced world, where tech advancements simplify shopping, consumers want alternatives to the traditional checkout experience. Retail technologies that allow customers to "walk in, walk out" using payment devices to capture transactions are critical to an

improved shopping experience. Self-checkout kiosks or mobile points of sale (mPOS) are also digital tools that have swept the globe and can save retailers money long-term.

Indeed, mPOS options are being installed worldwide as merchants respond to customers' desire for convenient and faster checkouts.

Newer options like mobile phone payments have helped drive 82% of new sales and reduced 81% of checkout lines, increasing customer satisfaction and reducing lost sales.⁶

7. Increase store hours

Customers have varying schedules and busy lives, and while some people like to shop during the hustle and bustle of peak hours, others prefer to come when stores have fewer shoppers. Extending business hours or promoting additional times that allow people to choose to shop in-store when it's convenient for them is a powerful way to increase traffic.

This can mean that businesses need to hire more staff to cover extended hours or consider investing in technologies like self-checkout kiosks if available staff is difficult to secure.

With these 7 tips, merchants can be better positioned to lure customers back by meeting today's service level expectations—a proven way to overcome the challenges of the past few years and be ready for the retail recovery.

About Discover® Global Network

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For more information, visit DiscoverGlobalNetwork.com



⁴ The PayPers, July 2021. Payment Methods Report 2021: Latest Trends in Payment Preferences

⁵ Aite Novarica, January 2022. <u>Top 10 Trends in Retail Banking & Payments</u>. Viewed 3 April 2022

 $^{^{6}\ 451} Research, January 2022.\ Global\ Merchant\ \&\ Consumer\ Payments\ Survey:\ Key\ Findings.\ Viewed\ 3\ April\ 2022$