



Reviving the high street

Fighting for survival in a post-pandemic world



2020 was a year like no other. But even before the pandemic turned our world upside-down, bricks and mortar retail was already facing significant challenges, from the way consumers were shopping to rising costs of premises. COVID-19 was yet another obstacle to face.

Extended lockdowns and economic uncertainty fuelled the decline in footfall and consumer spend on the high street. Store closures increased, while new openings were stalled.

Concerns about the future of the high street still exist, but amidst the unlocking of the nation a new breed of consumers arise, and retailers now need to arm themselves with new strategies to fight for survival.



Harnessing the power of an evolving market

The race to retail success

The downturn in high street shopping is well documented, but how can retailers overcome this, and what can be done to coax people back to the high street?

It's not all bad news. Whilst the shift to online shopping accelerated during the pandemic, there is still a healthy appetite to have the experience of buying in-store.

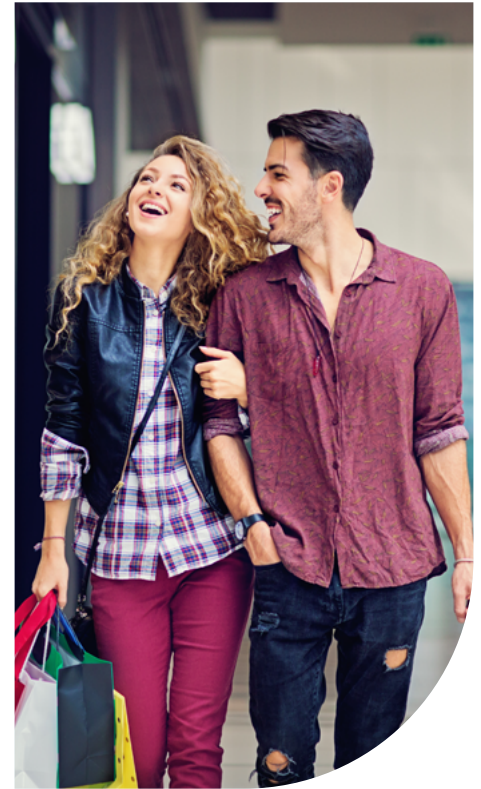


Offline sales account for just over **72%** of total retail sales.¹



Almost two thirds (**64%**) of UK consumers prefer shopping on the high street.²

There is now pent-up demand from consumers who are craving more tangible experiences and retailers need to make up for ground lost during lockdowns.



¹ Office for National Statistics

² Statista

It's your move

Strategies to navigate the sea of change

Navigating the 'next normal' isn't going to be an easy task without adapting...and fast. In these uncertain economic times brands need new strategies to tackle a saturated and evolving market, where:



Only the bold survive.



Exceptional omnichannel experiences are expected.



Data has never been more valuable.



Payment convergence is the norm.



Differentiation of product, service and price is required.



Versatility as the next line of defence

Bringing customers new and old back to the store

Retailers now need to step up and discover new ways to reach customers and drive return on advertising spend (ROAS) in order to remain competitive.

Case Study

Dash Water: Lessons in adaptability

Need: To reach a new audience.

Reason: Drop in demand from travel and hospitality clients due to the pandemic.

Strategy: Engage new customers via personalised and relevant offers.

Channel: Valuedynamx shopping portal network.

Result: Tapped into an extended customer base and reached millions of new, high-value customers.

Dash grew its value by 113% last year.

It pivoted to direct-to-customer (DTC) after losing 60% of business when channels like hospitality collapsed.

The brand expects to double value again this year in the UK and overseas.³



³ thegrocer.co.uk

To know your target, think like them

Using payment-linked rewards to understand customer behaviour

Finding new marketing channels is only one part of the challenge. Rewarding customers for their custom is now an even more critical element of the overall shopping experience.

Brands that fail to do this will cease to be relevant.



82%

of shoppers said they would transact more frequently at a store if they were alerted about purchase rewards.

70%

of millennials said they would spend more if there was at least 5% given back in rewards.

83%

of Gen X's would be inspired to visit a store in their area for a reward of at least 5% of spend.

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In the right place, at the right time

Strike when it matters most using data insights

Good-quality offers and discounts still resonate with a consumer, especially from the context of a highly targeted and personalised rewards programme.

One success story that demonstrates this is Virgin Red.

Members earn Virgin Points when shopping with a wide range of retailers.

“We’re delighted to partner with Collinson Valuedynamx so our members can enjoy even more opportunities to earn points on their everyday shopping”

Richard X Moore,
Director of Partnerships,
Virgin Red

Programmes like Virgin Red use purchase and behavioural data to gain critical insights into their members. The result is a customer they can understand and predict. What’s more, relevant offers and

better rewards that actually meet consumer needs are delivered in a timely way.

As we’ll see, this is key to unlocking success.

The value exchange of sharing data⁵

60% of consumers say sharing personal information makes shopping more convenient

51% enjoy the personalisation sharing data brings

⁵ Linnworks The effortless economy

Digging for gold

Where to find transaction data

The key to getting hold of valuable customer transaction data?

Payment-linked rewards.

Payment cards provide access to an incredibly rich source of data. Payment-linked rewards can pull that data, in real-time, and automatically reward the card user.

Over the years, many loyalty and reward programmes, that offer cashback or loyalty points, have evolved to enable everyday engagement with their customers, and many successful brands are moving toward payment-linked rewards.



Then

- Stand-alone loyalty programmes
- Limited opportunities for interaction
- Blanket offers to members



Now

- Programmes and retailers partnering with specialist payment-linked reward providers
- Rewarding everyday interactions based on customer spend
- Using data-led insights to deliver personalised offers

This approach offers a valuable source of data, allowing brands to gain a far deeper insight into customer behaviour and shopping habits in order to deliver targeted offers and relevant rewards, both in-store and online.

Digital loyalty commerce ecosystems

Harnessing the power of transaction data

A digital loyalty commerce ecosystem is the best way to enter into a mutually beneficial partnership for all parties.



In this model, transaction, behavioural and rewards programme data all work in harmony. This data informs and creates more everyday interactions with the programme members (consumer), through advertised offers from retailers.

The consumer wants each offer to be exceptional, but it needs to connect with them in three different ways.

It has to be:



Personalised



Relevant



Timely



Spend it like you mean it

Attracting the right customers

Ongoing engagement with members does two things.

It ensures that both spend and loyalty can remain consistently high in a competitive arena where there's a fight for every pound.

By entering into a digital loyalty commerce ecosystem, retailers can then be in the fortunate position of:



Incrementality, both in terms of winning new customers and in increased spending from existing customers.



Attribution, with the knowledge that these wins, and the loyalty created, could not have been generated through other channels.

Tap into successful rewards programmes

Connect with the key players:



Financial service providers



Airlines



Hotel groups

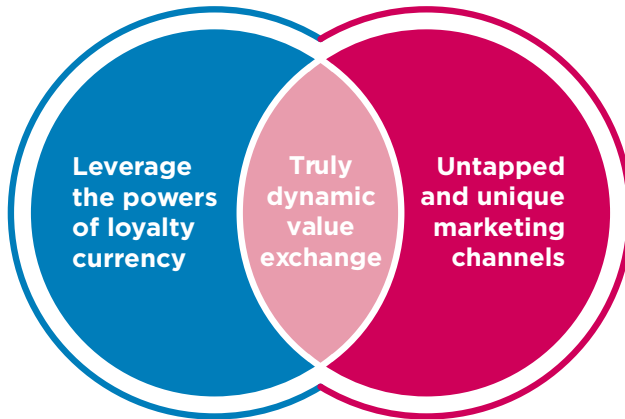


Winning the battle

How strategic partnerships support brands

From the ashes of every war, opportunities arise.

A specialist commerce provider, like Valuedynamx, can secure the engagement of today's consumer with a rewards programme that means something to both new prospects and existing customers, evolving their experience to entice them in-store and online.



A secret weapon in the war against irrelevancy

The Valuedynamx model drives growth and loyalty

As we've seen, customers want engaging rewards and offers that are relevant to them. They want to interact through touch points that happen daily and feel natural.

Valuedynamx can give you the power to deliver superior customer engagement:



Connect

Connect with valuable consumers through their prized loyalty programmes and preferred partners.



Attribute

Ensure that every transaction made is attributable and incremental.



Reward

Reward customers directly rather than paying for "clicks" and impressions.

In summary

Looking forward to new battle tactics and strategies

Beyond COVID-19, the marketplace will continue to be fluid and changing. So the importance of data helping to deliver unique insights into customer behaviour should never be underestimated. After all, this data has the power to separate the savviest brands from the competition, delivering personalised and relevant real-time rewards and offers.

With support, the next normal has the potential to look bright for both retailers and consumers – hungry for rewards and social contact – who are eager to return to stores. Instead of concentrating on what worked yesterday, a new strategy for tomorrow has never been more important for retailers.



How can Collinson Valuedynamx help?

Collinson Valuedynamx provides retailers and merchant partners with permission-based access to millions of affluent customers, via our clients' loyalty and rewards programmes, every day. We help you stand out from the competition by delivering data-led, personalised offers to entice new customers, increase spend, frequency, and engagement, all while proving marketing ROI.

To find out more about merchant-funded offers and how we can help you get ahead, get in touch.

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