

From promotion to devotion:

**Winning retail strategies for
the digital age.**



Introduction

Ecommerce is snowballing. Estimates suggest that UK shoppers will spend more than £20bn just purchasing groceries online by 2021. It's unsurprising, then, that retail marketing budgets are being stretched to accommodate the exponential growth of ecommerce.

Despite the boom in ecommerce revenues, stores still play a vital role in the shopping landscape. For example, as a category, grocery has the highest percentage of shoppers preferring to research in-store (53%) and purchase in-store (70%), according to PwC.

Asking 'how do consumers want to shop?' is a strategically important question, to which no one has a straightforward answer. Whether it's striving to stimulate impulse purchases in-store or replicate a streamlined buying experience across many platforms, technology has changed retail significantly. It is easy for brands to jump on the shiny tech bandwagon and assume that consumers have changed, too. But are we certain that we are delivering the sort of shopping experience that they truly crave?

If we know that consumers are still visiting bricks and mortar shops and spending while they're there, we must consider how they are really engaging with products, promotions and packaging in-store, and which technologies will facilitate this. Ultimately, this will allow us to ensure that limited budgets are allocated most effectively.

We asked more than 1,000 UK consumers a series of questions about their shopping habits. Among other things, they were asked what makes a brand or product more attractive when shopping in-store, how they redeem promotions and whether promotions make them more loyal to a brand. The results, contained in this report, provide valuable insights for brands looking to drive sales in-store, using a clever combination of shopper marketing tactics to create engagement and boost redemption rates.

High level results indicate that despite the proliferation of online shopping, there's an opportunity for on-pack promotions, but bringing them into the digital age to meet consumers' expectations of instant gratification is vital for accelerated success.

In addition, more than half of the respondents (56%) would switch products because of a promotional offer, but convenience is key to them redeeming it; just over half (51%) say that a hassle-free process will make them claim.

Combine this with the fact that offers and rewards have a big impact on consumer loyalty – 68% of people say that receiving a reward would increase their likelihood to stick with a brand – and it's clear that there is an opportunity for brands to increase ROI if they can make it easy for shoppers to redeem offers.



Joanne Kimber
Managing Director
Granby & SwiftReceipt

“ *The responses we have collected from this consumer survey have been very interesting to read. As a strong advocate of promotional and shopper marketing I have always recognised the value of promotions as part of a sales and marketing strategy, so it is encouraging to see that promotions are still considered a valid and valued marketing tactic for many brands.*

Reaching the shopper in-store has always been a challenge for marketer's. Technology is now offering more intelligent ways to connect with shoppers in-store and it is clear from the many reports that have been published in recent years that the role of the retail store is changing, and technology is only going to become more critical to the shopper experience.

But despite the ever changing landscape and proliferation of media channels, connectivity and access to technology, it is evident that the value of the promotion is still fundamentally what drives the shopper to consider switching in the aisles. Today's data savvy shopper (or consumer) knows the value of their data and are happy to participate in a data exchange providing the exchange is 'worth it' as after all, data is a key asset in the information age. The research also shows that ease of participation to a promotion is a key motivator for individuals to engage with brand promotions, which makes perfect sense in our 'always on' society.

We are constantly being bombarded with offers, content and messages, so the challenge now isn't just to cut through the noise, but also ensure the redemption process is quick, easy and uses the technology we have all become familiar with.



Research analysis

Although cutting edge gadgets, gizmos, chatbots and AR apps might hold a novelty appeal, shoppers still care about offers and promotions.

In fact, in a digitally focused era, brands can use marketing partnerships and associations alongside social media activity to elevate promotions and grab the shopper's attention. So, while the fundamental creative principles of promotional marketing remain the same, brands now have a proliferation of data, technology and multiple channels that can be maximised to make strategies more effective. Add to this the fact that social media has had a significant impact on consumers, meaning they are always on the lookout for the next experience to share, and it's easy to see why brands should be partnering with others - where affinity and possibility exists - to deliver successful promotional campaigns.

Who's keen?

Our research found that two thirds (66%) of people think rewards and promotions make a brand more attractive. Having a family makes consumers likelier to find a brand with promotions more enticing, and those shoppers with younger children find them the most appealing. Some 74% of parents of under-18s living at home agreed.

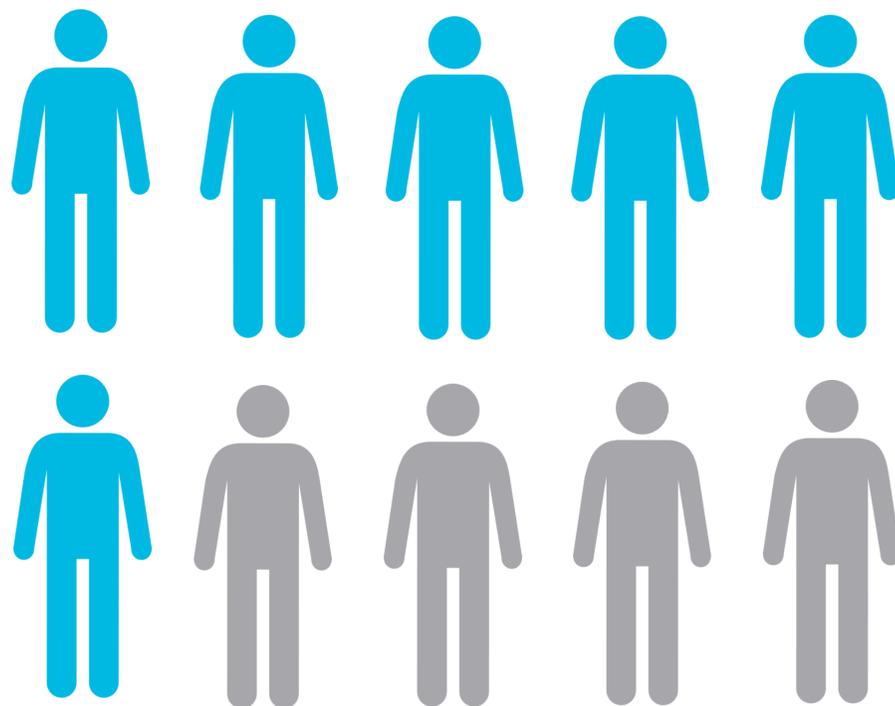
However, the older you are, the less likely you are to be drawn in by brand promotions and rewards. Those aged 25 to 34 find brands with promotions most attractive (77%), but this falls to 51% for people aged 55 and over. When you look at gender differences, almost three quarters of women (74%) say rewards and promotions make a brand more attractive whilst shopping compared to 58% of men.

These demographic insights should be considered when planning on-pack promotions, particularly in the grocery battleground. More than a quarter of respondents (26%) are most likely to claim offers when buying groceries. Meanwhile, one in 10 cite fashion, and a similar proportion beauty, as the category where they are most likely to claim a promotion.

High value prizes and cash giveaways are still the top way to capture a shopper's attention in the aisle; some 43% of respondents agree. Yet in an age when consumers are excited for instant gratification, a lower-value instant reward that can be claimed online before leaving the store is equally appealing.



Consumers think promotions make a brand more attractive



Research analysis



An additional demographic shift to be aware of is the fact that consumers are becoming more conscious and socially aware of the brands that they buy. According to Unilever, a third of consumers are now choosing to buy from brands they believe are doing social or environmental good, something that is being driven by millennials.

If a promotion carries a charitable or sustainable element, then shoppers get a feel-good glow without having to part with additional funds. This will undoubtedly appeal to various demographics, especially budget-conscious millennials who are more risk averse and less likely to spend unnecessarily, but want to support causes that matter to them as an individual.

What this means for brands...

While FMCG marketers may be best placed to capitalise on promotions, this doesn't mean that brands in other categories should scrap the tactic. The key to success lies in ensuring that the promotion is both relevant and clever. In FMCG, this means maximising promotions that encourage the shopper to switch from one product to another. Then, to encourage repeat purchase, manufacturers should use promotions to build loyalty across their brands or categories, not just a single product.

As with any demographic segmentation, these insights are useful for brands when used in harmony with their own retail data. Cross examining the findings will allow them to find trends and synergies that can help shape campaigns for future success. Brands can improve redemption rates by capitalising on customers' need for a great experience and ensuring rewards are relevant.

The loyalty problem

68%
of consumers say that receiving a reward would increase their loyalty to a brand.

If brands get promotions right, the positive impact on loyalty can be significant. Overall, rewards have a big impact on customer devotion, with 68% saying that receiving a reward would increase their loyalty towards a brand.

Our research reveals some interesting considerations, particularly for brands targeting Millennials. Younger generations are more easily influenced by rewards when it comes to loyalty, with consumers aged 16 to 24 admitting to being the most influenced. In that age bracket, 79% say that receiving a reward would increase their loyalty to a brand. Those aged 55 and over, however, are least swayed by rewards, with under half of these consumers (48%) echoing their younger counterparts.

It costs five times as much budget to win a new customer than to retain an existing one – a staggering concept. But our research shows that offers are a good way to help win new shoppers. More than half of the respondents (56%) would switch products because of a promotional offer. This rises to 61% for those aged 16 to 34, a statistic any brand targeting Millennials should heed when developing their shopper marketing strategy.

Drilling deeper into the demographic findings, earnings don't correlate with switching products because of an offer. Those who earn £45,000 to £55,000 are the most likely to switch, with 66% in agreement with the statement. Consumers who don't work are least likely to switch.

It's when we explore the gender split that new opportunities appear. Almost three quarters of women say receiving a reward from a brand change your opinion and increase your loyalty to the brand (73%), in contrast to 61% of men. Furthermore, some 61% of women state they are likely to switch brands because of a promotion, compared to 50% of men.

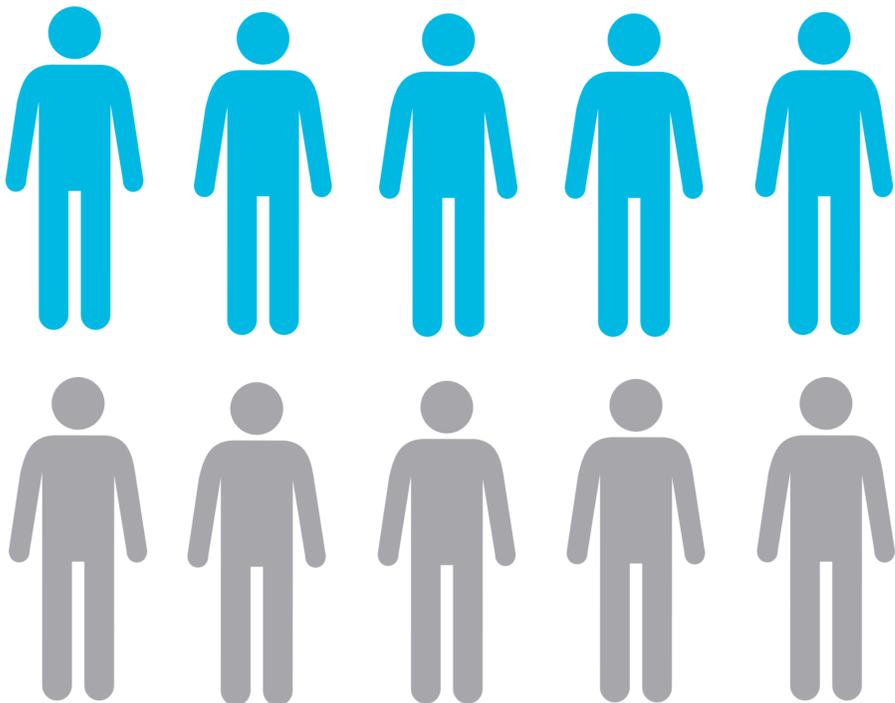
What this means for brands

The marketing holy grail of knowing your consumer is still absolutely vital. All marketers strive to meet this goal, and it has never been more relevant. Promotions activated via smart technology are nothing without audience insight. Brands must ensure that they are aware of the potential for loyalty in their target demographics, tailoring and prioritising activity accordingly.

Jumping into the convenience trolley

51%

Consumers say promotions that are easy to redeem is the most important factor.



Convenience is the most important motivation when consumers are looking to claim a promotion. Over half of all respondents (51%) agree promotions that are hassle free and easy to redeem as all they need to make a claim. The figure jumps to 61% for those aged 45 to 54.

Relevance and a high value prizes are the next most important motivations, with 45% and 43% of respondents listing these motivators, respectively.

Only 11% of consumers aren't motivated by anything to claim a promotion. This rises to 15% for the 35- to 44-year-olds, who are the most reticent age group.

Time-strapped parents care most about the process being hassle free: 55% of parents with dependents aged under 18 and living at home list it as a key motivation.

What this means for brands

Brands must ensure that they cater to this need for convenience by removing any barriers to participation and reflecting the favoured paths to purchase that are highlighted in their own data, in the activation. They must make the mechanic as easy to use as possible; simplify the customer journey by minimising the fields for completion, as this will help avoid putting consumers off completing the process.

53%

of consumers would upload a photo of their till receipt to claim a promotional offer



61%

of female consumers have switched brands because of a promotional offer



66%

of consumers say rewards and promotions make a brand more attractive whilst shopping

46%

of consumers would prefer to claim an offer online via desktop computer or laptop



51%

of consumers are motivated to claim a promotion if it is hassle-free and easy to claim



49%

of consumers would be happy to share their personal details with a brand in exchange for 50% discount



No such thing as too much tech



46%

of consumers
would redeem via
desktop computer
or laptop



35%

of consumers
would redeem via
mobile device or
tablet



36%

of consumers
would redeem via
a smartphone
app



16%

of consumers
would redeem
via SMS



7%

of consumers would
redeem by calling
the number on
the label



13%

of consumers
wouldn't redeem
via any of these
channels

More than half of consumers (53%) say that the ability to upload a photo of their till receipt to claim a promotional offer, and receiving an instant notification email within 15 minutes of doing so, would incentivise them to participate in a promotion. This rises to 62% for digital rewards.

Dig a little deeper and it becomes evident that redeeming via desktop computer or laptop is the most popular way to claim an offer: 46% of consumers would prefer to use this method, which is most popular among retired consumers (66%).

Smartphone apps are the second favoured mechanic, with 36% of consumers saying they would prefer to redeem an offer this way. While app redemption is unsurprisingly most popular with those aged 16 to 34 (50%), it's far less popular with those aged 55 and over. Only 11% of people in this age group picked it as their preferred way to redeem prizes and offers.

What this means for brands

These findings set out some clear steps for brands to follow to make promotions as easy and convenient to claim as possible:

- Make promotions mobile friendly
- Limit the number of steps consumers must take to redeem
- Use digital validation technologies that utilise familiar customer journeys/experience without acting as a barrier to purchase

The SwiftReceipt solution

53%

of consumers the ability to upload a photo of a till receipt to claim a promotional offer would incentivise them to participate

SwiftReceipt.

Using receipts as proof of purchase for redemption via a mobile handset does just this. This method prevents the shopper from needing to find on-pack URNs while enabling brands to piggyback a piece of data that already exists without requiring any further interaction. Receipts are known and familiar to consumers of all backgrounds.

More than half of consumers (53%) say that the ability to upload a photo of a till receipt to claim a promotional offer and receive an instant notification email within 15 minutes of claiming would incentivise them to participate in a promotion. Consumers want it all and they want it now. The rise of one click ordering and next day delivery have led to a culture of instant gratification, and with Amazon leading the way, it's something that is very firmly on retailers' radars. However, technologies like SwiftReceipt help brands take some control of satisfying these demands as it ensures digital rewards are received in as little as 15 minutes and physical rewards are dispatched within 24 hours.

It's also important that brands partner with trusted data compliant suppliers – like SwiftReceipt – to shore up their future growth in a world where brands are increasingly scrutinised for their handling of consumer data. Despite ongoing concerns around data security, people are generally happy to share their personal details in exchange for an offer. There's a fine line to tread when it comes to gathering data. Be transparent in your data protection policy statement, as this will provide an added opportunity for brands to engage and build trust with their customers. If data capture is a primary objective, brands should prioritise 50% discounts or cashback incentives, as they lead the way in the value exchange with 49% and 42% citing them as the incentives that would encourage them to share their personal details with brands respectively.

64%

of male consumers say receiving a reward from a brand would change their opinion and increase their loyalty to the brand



72%

of female consumers say receiving a reward from a brand would change their opinion and increase their loyalty to the brand



35%

of consumers aged 55+ would be most likely to purchase groceries in order to redeem a reward.



£45-£55K

Consumers who have an income of £45-£55k are most likely to claim a promotional offer after purchasing a product.



64%

of consumers living in the East have switched from a product because of a promotional offer.

*The highest % across all regions.



65%

consumers would be more likely to buy a product if a physical reward that can be redeemed instantly and despatched to you within 24 hours



61%

of consumers would be more likely to buy a product if they received a digital reward that can be redeemed



| Conclusion

“ Our research found that offering instant digital rewards made 66% of consumers more likely to buy a product ”

We're in an exciting test and learn period for retail and the promotions industry. Though the need to offer high value, compelling prizes and make it easy for consumers to claim rewards remains unchanged, the winning methodology has shifted, thanks to the proliferation of technology and the inexorable rise of instant gratification. Offering redemption in as little as 15 minutes for digital rewards, and dispatch of a physical gift in under 24 hours helps reconcile these demands.

The high street is changing, and the in-store experience is evolving, but brands must not make the mistake of thinking that channels are isolated from one another; they are connected and inter-dependent. This means that creative integrated marketing campaigns, which must include shopper insights and promotional marketing tactics, will improve results.

Brands can drive sales in-store and promotional redemption by reinforcing familiar purchasing patterns with new technologies. Near Field Communication, QR codes and SwiftReceipt fit seamlessly into this, utilising everyday items and habits to achieve a better result for brand and consumer alike. Claiming compelling prizes is easier than ever for consumers, and delivering digital rewards is almost instantaneous.

There's huge scope for brands to take better advantage of how appealing promotions are. By using insights outlined in this report alongside their own data, brands can offer the rewards that their customers truly want and deliver a great experience.

About SwiftReceipt

A Granby Marketing product developed in 2017, SwiftReceipt is the fastest digital receipt validation service in the UK. Our simple SwiftReceipt platform allows you to run a promotion without the need for outdated on-pack codes. Our clever technology allows your customers to easily upload a photo of their shopping receipt to your own dedicated microsite. SwiftReceipt's technology then instantly validates the receipt and your customer is rewarded in minutes.

Digital receipt validation is the latest shopper marketing trend taking the retail industry by storm. It's a great way to capture important data on your shoppers, retarget customers and cross-sell across multiple brands and categories, helping to retain customers in an age when customer loyalty is hard to come by.

SwiftReceipt gives your customers the instant gratification they crave. We ensure digital rewards will be received within an hour, and physical rewards will be dispatched within 24 hours via our in-house fulfilment service.

SwiftReceipt.

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About Granby

Granby Marketing Services powers the mechanics behind your promotional marketing and has done so for over 50 years. From humble beginnings, Granby has continued to grow, winning our first contract with Kellogg's in the 1950s. We now work with many luxury brands, blue-chip clients, SMEs and promotional marketing agencies. Our vision is to be the number one choice in connecting brands with their customers, and we continuously work towards this vision by providing our clients with integrated fulfilment solutions that are intelligent enough to manage their ideas, growth and objectives.

Our values are part of our DNA. They shape the way we work with our clients and the business processes we undertake. Through honesty, integrity, unity, trust and innovation, we have built long-standing relationships with clients helping them to achieve their ideas.

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| Other services by Granby

- Promotional handling
- Contact centre services
- 3PL
- Print management
- Digital solutions

Working with Censuswide, Granby conducted consumer research with over 1000 UK respondents representative of the general population. The survey comprised a series of questions about the modern shopper's habits including how buying decisions are made and what influences their brand loyalty. The results were then analysed in order to provide brand marketers with valuable insights into how to drive sales in-store.