

INDUSTRY INSIGHTS: SPOTLIGHT ON RETAIL

May 2021

The retail experience emerging in 2021 suggests that companies need to be able to adjust to rapidly changing conditions—and technology will be key to that flexibility. Some have found the key to success in adjusting customer service or retooling the store experience through digital integration. eMarketer has curated this collection of interviews with retail marketers to share how their brands are focusing on innovation as they modify for the “new normal.”



MEET THE LEADERS



Aron North, CMO, Mint Mobile. North helped launch Mint Mobile in July 2016 out of its sister company, Ultra Mobile. A disrupter by nature, North helped start a digital revolution in wireless with Mint Mobile, building the marketing department from scratch and powering hypergrowth that has seen the brand's revenue increase more than 90,000% in the last five years. [Page 5](#)



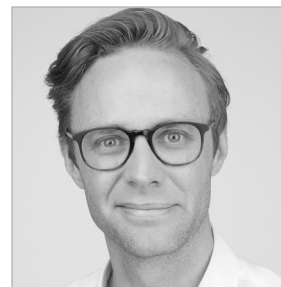
Alessio Rossi, executive vice president and head of digital transformation, Shiseido. Rossi joined Shiseido in 2016 as chief digital officer, bringing to the Tokyo-based high-end skincare and cosmetics company 15 years of experience in online retail and marketing strategy. He is well versed in the global luxury market, having worked with brands such as Lancôme, Bottega Veneta, Gucci, and Ducati. [Page 6](#)



Brian Berger, founder and CEO, Mack Weldon. Berger launched the menswear basics brands in 2012 with a goal to reinvent men's apparel through smart designs and a simplified shopping experience. Previously, Berger held leadership roles at companies such as Comcast, WebMD, and Excite@Home. [Page 9](#)



Jen Mullen, vice president and head of stores, Banana Republic. Mullen is an experienced retail executive with a background in creative services, digital, visual merchandising, social media, and executive field roles. She is known for building high-performing teams committed to excellence. Mullen has a proven track record of creating holistic strategic models for successful brands around the world. [Page 10](#)



Duncan Blair, vice president of marketing, Article. Blair oversees the marketing department, which is composed of the advertising, brand, communications, ecommerce, and creative teams. Blair works with his team to introduce Article to those looking for an easier way to create a space they love. [Page 11](#)

OVERVIEW

Amid the carnage of bankruptcies, store closures, and massive layoffs in 2020, some retail companies have actually done well. Adjustments to supply chains, product and service bundles, stocking and inventory, and customer service have been the keys to success for big-box retailers like Walmart, Target, and Best Buy. Others, such as Apple, lululemon athletica, Nike, and Starbucks, are focusing on innovating and modifying store experiences through digital integration, frictionless shopping, and improved atmospherics modified for a “new normal” of social distancing and sanitization.

We forecast that sales growth for US retail overall will begin to recover in 2021, rising by 3.8% to \$5.856 trillion. On the heels of outside 33.6% growth in 2020, ecommerce sales will moderate to 13.7% growth this year. Brick-and-mortar retail sales will rebound from a 0.2% decline in 2020 to a 2.2% gain in 2021.

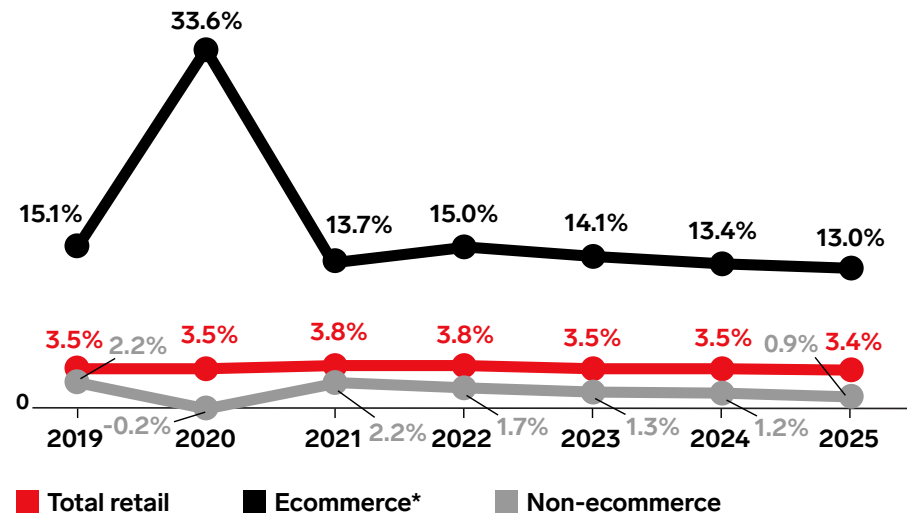
The physical retail experience emerging in 2021 suggests that stores need to be able to continue adjusting to rapidly changing conditions, and technology will be key to flexibility. For example, US consumer interest in mobile payments and mobile app orders increased significantly from March to June 2020, during the first wave of the pandemic, according to a survey from Periscope By McKinsey.

Meanwhile, consumers expressed interest in the use of digital screens for store navigation (22%) and digital shelf labels (20%).

Of relevance to retailers, there was a smaller but still significant portion of users interested in AR for trying on product and for product info (16% each).

US Total Retail Sales Growth, by Segment, 2019-2025

% change



Note: excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), food services and drinking place sales, gambling, and other vice goods sales; *includes products or services ordered using the internet, regardless of the method of payment or fulfillment
Source: eMarketer, Feb 2021

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Consumer awareness and interest dovetail with key trends in the industry

- Brick-and-mortar retail will incorporate digitally enabled technologies, and there will be an increased emphasis on atmosphere and community-driven experiences to make retail more inviting. Retailers can leverage 5G's bandwidth for mobile devices to make stores more experiential and frictionless.
- Click and collect, cashierless checkout, contactless payment, and digital signage will streamline in-store transactions. 5G's bandwidth and low latency will come into play as mobile devices become the interface between the retailer and the consumer's bank account.
- Frictionless "stores of the future" will land and expand as digital-first retail experiences, such as Amazon Go, become more commonplace. These stores will use 5G's bandwidth and latency characteristics alongside edge computing services to enable computer vision systems that underpin inventory and payment systems.

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The overall takeaway about 5G in retail is this: The main focus for retailers will be how in-store experiences are evolving in a post-COVID-19 environment, while the boundaries between the digital and physical worlds are blurring. Consumers who have grown accustomed to online shopping, video streaming, and social media are also engaging with fulfillment centers and brick-and-mortar stores. The invisible, seamless connection between physical and digital enabled by wireless 5G will bring forth a number of interesting opportunities.

MINT MOBILE'S ARON NORTH, CMO

April 2, 2021



Although Mint Mobile is a disruptor in the highly competitive wireless provider space, the brand has no target audience. Instead, Mint Mobile takes an analytics-driven marketing approach and lets campaign performance determine a dynamic membership base that spreads the gamut of customer type.

In a conversation with North, we discussed how Mint Mobile's marketing culture encourages risk-taking, whether that's choosing not to advertise in the Super Bowl, taking out a newspaper print campaign, or having company owner and actor Ryan Reynolds leave voicemails for consumers.

Mint started off as a direct-to-consumer (D2C) brand, and now you're going into big-box retailers such as Target and Best Buy. What's driving that strategy?

Our business has always been predicated on us not owning stores, that's our D2C model. We're incredibly excited to bring our product to the customer via Target and Best Buy. What's also exciting is they all own online properties as well, and Mint brings a really neat perspective to dot-coms because that has been our primary focus. It's not just brick-and-mortar: It's brick-and-mortar and online.

With Ryan Reynolds as one of the brand's owners, it's no surprise that Mint's campaigns play creatively into pop culture. What can you share about your marketing and advertising strategies?

We love fast advertising. It is very fun. It's also a little risky, but that's OK. Part of our brand DNA is that we're willing to take risks. We exercise that not only in creative but media strategies. Our general approach is that we love to test, we love to try new things. We typically do them small at first so we get learnings. If we make a mistake or fail, we fail forward. We

are big fans of trial, error, learning and growing. I think that's what keeps the brand fresh.

Mint has had a lot of viral marketing success and has gained a lot of attention in the advertising community. Tell us, what channels are you looking to go into next?

Part of Mint's specialness is, if everybody's doing this, we're going to come over here and do this. We're big into full-page newspaper print ads right now. It's a way for us to create a story in a medium people aren't using right now or aren't using like they used to. We've taken something very analog, and we've turned that into a digital piece as well. We have the full-page ad, but we also have our owner amplifying it and putting his own spin on it.

We also do things that are just analog and special. We sent out holiday cards to every subscriber for the holiday season. We also do things that other people can't do. One of the things that makes our brand special is we look inward at what a wireless provider can do that's different. For example, we leave a voicemail for people to let them know the service has gotten better. I think there's an opportunity to have some fun there as well.

Want to learn more about Mint Mobile's viral marketing successes? [Watch our video interview.](#)

SHISEIDO'S ALESSIO ROSSI, EVP AND HEAD OF DIGITAL TRANSFORMATION

March 19, 2021



As personal care brand Shiseido completes its digital transformation goals, its efforts have focused heavily on elevating the in-store and overall customer experience through the use of AI and personalization. While AI will be critical to scale personalization at speed, the cosmetics and skincare maker plans to keep people central to its efforts.

When we spoke with Rossi, he shared how Shiseido plans to empower its teams with data and technology so they can continue to relate to consumers with empathy, efficiency, and “omotenashi,” a Japanese concept that loosely translates to “hospitality” in English.

It is well known that the pandemic accelerated the shift to ecommerce, and along those lines, Shiseido has a big goal of having 35% of total sales come from ecommerce channels by 2023. What needs to happen in the next two years to hit that benchmark?

As a matter of fact, we already exceeded that benchmark throughout the pandemic. We were fortunate and ready to pivot as fast as we could at the onset. The organization was ready, platforms were ready, and customers were ready to shift online at an unprecedented speed. We will continue to work diligently in the areas of personalization and automation so that we continue to exceed our benchmark. In fact, we think we could reach 50% of total business by the end of 2023.

Personalization and retention are more important than ever, but both require investment in marketing technology and data collection. How is Shiseido collecting and leveraging first-party data?

This is an investment that brands have to do if they want to reach the holy grail of personalization. There are two investments to be done. One is in technology, so that brands can collect first-party data, which we do

primarily through our websites and through interactions with media. And the second investment, which is just as important, is creativity. Once you have developed an ability to reach that specific consumer, you want to have something meaningful to say. And consumers want to be treated as individuals. So content production is a big topic for us as we move away from broadcasting and into one-to-one relationships.

Shiseido has formed an official partnership with We Are One Ocean, a campaign calling for the protection of 30% of the ocean by 2030. Can you share why sustainability is important for your brand?

We believe sustainability should be an important platform for all brands, whatever the industry. Shiseido was founded on a foundational value of respect. Respecting the environment is a top priority. The partnership is an important step for us. We are committed to using renewable resources that reduce the usage of plastic, develop packaging that is recyclable, and decrease water consumption. It's a long path to [sustainability], but we're truly committed to being a leader in that space.

Next year marks Shiseido's 150th anniversary. What plans do you have for this huge milestone?

It's incredible that we will be 150 years “young,” as we keep saying internally. We started 150 years ago with one concept in mind, which in Japanese is called “omotenashi.” It loosely translates to “hospitality” in English, but it means so much more. Omotenashi means that when you visit us, we know you so well that the experience is flawless, and you will leave Shiseido happier than before.

Want to learn more about Shiseido's goals for digital transformation? [Watch our video interview.](#)

HOW RETAILERS SHOULD ADJUST TO THE NEW NORMAL

This article was contributed and sponsored by [InMobi](#).



Justin Sparks,
Head of Vertical Strategy, North America, InMobi

In part due to the COVID-19 pandemic and the changes in buying behavior that have accompanied it, consumers have shifted their retail expectations. According to McKinsey, 45% of U.S. consumers plan to get their groceries delivered after the pandemic is over, while 56% say they will buy online then pick up in store. It's no surprise that 17% of consumers have already shifted who they shop with.

In the wake of this realignment, retailers of all stripes need to reassess how they meet ever-shifting consumer needs and expectations. And as part of this recalibration, mobile needs to be a key consideration.

How COVID-19 has shifted consumer habits and expectations

One of the biggest changes to come about in retail in 2020 and beyond is that consumers are now more open to buying from new brands and shopping at different retailers. In fact, around three-fourths of consumers in a [recent McKinsey survey](#) said they changed brands, retailers and/or buying channels during the COVID-19 pandemic.

Another major change has been consumers' shifting expectations around timing and convenience. Even at the beginning of the pandemic, when some store shelves were bare and assets like toilet paper were hard to come by, consumers still expected their needs to be met immediately. In a way, this originated with Amazon, as Amazon Prime has primed consumers for ultra-quick delivery.

Rising consumer expectations around delivery led to the growth of BOPIS (buy online, pick up in store) throughout 2020, with BOPIS serving as an increasingly popular way for consumers to get what they want quickly without having to shop inside a store. With BOPIS continuing to be popular in 2021, brick-and-mortar stores are now both destinations for shopping and fulfillment centers.

Another reason for the growth of BOPIS is because mobile shopping has become more popular. With mobile now the most frequently used screen in the house, consumers increasingly learn about new products and offerings and make purchases through their mobile devices.

How retailers can adjust moving forward

We know retailers need to adjust how they acquire and retain their customer base, given the shift in consumer habits that are here to stay.

Mobile showrooming and mobile shopping were growing in popularity even before the pandemic, and Americans have been spending more time using mobile devices than they do watching television since 2019. Further, according to App Annie, [shoppers are spending around three hours and 40 minutes a day on their mobile devices](#).

As a result, retailers need to not only understand how consumers use mobile, but also to plan and build for it at the center of a wider digital strategy, especially as omnichannel retail accelerates. Mobile is increasingly how consumers learn about new products, make purchases, find their nearest store location, and more.

Mobile is central to your customers. Make mobile central to your business.

Your Customers Use Mobile More Than Ever

Has Your Strategy Evolved?

Understand, Identify, Engage and Acquire
your customers on mobile

INMOBI
Driving Real Connections

MACK WELDON'S BRIAN BERGER, FOUNDER AND CEO

March 12, 2021



As Mack Weldon's customer base shifted to a work-from-home environment, the men's loungewear brand repositioned its typical product-based messaging in favor of compassionate campaigns told through consumers' voices.

When we spoke with Berger, he shared insights about the effectiveness of product messaging with a human touch

and how traditional marketing channels come into play for the digital native brand.

Given the impact COVID-19 had on mail and logistics, a big concern for retailers was on-time fulfillment. How did Mack Weldon get ahead of the curve? And what's a key learning that you can share with us from holiday 2020?

So many things, but [we were] fortunate that the company that ships our packages to consumers was on their game, and they managed things as well as they possibly could. Obviously, they were dealing without outbreaks and worker shortages and issues like that, but they remained open the whole time and delivered a very high-quality level of service. The biggest takeaway was over-communicating with our customers and setting expectations that things might take a little longer than what they're typically used to.

You've been experimenting with traditional channels, even though Mack Weldon is a digitally native brand, including a brick-and-mortar store in New York. You've also tested terrestrial radio and linear television. Have you seen success from these? Do you envision using more traditional channels moving forward?

For us, we are operating a broad range of marketing strategies and tactics. Television was one that we were able to test and launch in the middle of the pandemic. The reason why we were able to do that

was because we were seeing a high-efficiency level in our core digital marketing programs, so there was space in the budget to test a program as high potential as video and TV. Now, it is a pretty significant part of our advertising mix.

Same with radio. Radio was a channel we were more familiar with because we started advertising on radio a couple of years ago. We measure everything. As long as it's working, we will continue to invest in those channels. Our objective is always to understand how all these channels perform so that we can continually move our media mix around.

Mack Weldon has a big birthday coming up. Your 10th anniversary is in August. Where do you see the brand at the 10-year mark?

It's going to be a really exciting year for us. One of the big focus areas is leaning more heavily into physical experiences, and not in a way where it's typical. The typical narrative is digital-first brands scale up on digital, and then all of a sudden they've got 50 stores, and then 100. That's not the case for us, but we see the power of putting Mack Weldon into a real-life format where customers can have a fully immersive experience with the brand. There's a couple of things that we have this year, and rolling forward, that will expand our retail footprint into key markets.

The other thing we have done very little of is third party retail. I think retailers have become creative with the things that they do to attract brands that have limited retail footprints to come into their formats. Whether that's a Nordstrom or another large multibranded retailer, we are having those conversations, and we're excited to have them continue.

Want to learn more about how Mack Weldon brought compassion to its consumer base?

[Watch our video interview.](#)

BANANA REPUBLIC'S JEN MULLEN, VP AND HEAD OF STORES

April 23, 2021



As Americans start planning their safe return to the office, clothing brand Banana Republic is shifting its marketing messaging to existing and new consumers.

In our recent conversation with Mullen, she shared how Banana Republic is using mobile couponing and social campaigns to drive traffic back to its physical stores. Mullen also delved into the retailer's ambitious

sustainability and recycling goals and how those efforts will impact the in-store experience.

From a marketing perspective, the fact that stores were closed for a good portion of 2020 caused marketers to rethink their plans. How did this change your approach to your overall marketing mix at Banana Republic?

We have focused a lot on evolving our marketing to where the customer is, and when we were closed, we could only talk to the customer online. So, the way that we approached our emails and even our social media was with a lot of care and really connecting with the consumer and ensuring that the emails were very specific about where we were in our journey. When we reopened stores, we were able to be loud and be proud about it and talk about our health and safety. I think what we've done to evolve for this year is to change as [consumers are] changing and continue to look at the evolution.

As people get more comfortable going back to work, we can evolve our marketing strategy to address that. We are a workwear brand, truly, and the customer comes to us for that. We're starting to message that a little bit more. But we're really looking at our outreach and looking at how we're going to get new customers through some of our marketing efforts.

Banana Republic recently started a mobile coupon campaign to drive more traffic to stores. Has this been successful? Has the brand seen greater ROI in certain areas of the country over others?

We see with our mobile marketing campaigns that we get a lot of traction, specifically in the middle of the country. I think those customers don't necessarily have access to as many brick-and-mortar locations, so we can convert them a little bit more to an online shopper. On the coast, we're pretty well balanced from a store standpoint, and we certainly can target how we can get some of the customers where we might have a store void.

Earth Day was celebrated in late April. What is Banana Republic doing in the areas of sustainability and recycling?

As a retailer, our impact on the planet is huge, and clothing is one of the biggest detriments to the environment. So we have some pretty big goals that we're going after. By 2023, we really want to utilize 100% sustainable cotton in all of our fabrication. We're really doing a great job with that, and we're about 87% to that goal.

We're also looking at 50% sustainable fibers. We are partnering with a company called CanopyStyle that sources man-made materials, recycled materials, responsible wools, and we're using vendors that work with them. Our goal was to be at 50% this year, and we're at about 63%.

And one of the biggest things I'm excited about is just the focus on water savings in our denim wash. And you would be surprised that washing denim actually uses so much water. So our goal is to decrease our water usage by 20% in the garment wash process, and we're currently about 49% to that goal.

Want to learn more about how Banana Republic's sustainability efforts will affect the in-store experience? [Watch our video interview.](#)

ARTICLE'S DUNCAN BLAIR, VICE PRESIDENT OF MARKETING

April 9, 2021



Home improvement and interior design became a mainstream hobby for many throughout 2020 due to more time spent indoors. Online furniture seller Article was well positioned for such a shift thanks to its product-focused creative, augmented reality tools, and a proprietary delivery service.

During our conversation, Blair emphasized Article's dedication to great customer experience and how its white-glove strategy has introduced online furniture shopping to consumers who might not have considered it before.

Article's free 30-day trial offers a great customer experience for your customer base, especially in a very crowded direct-to-consumer [D2C] space. Can you share Article's customer experience strategies and more specifically around last-mile delivery and how that's increased your business?

We really bake [customer experience] into everything that we do. As part of that, we have a proprietary score that we use called the Remarkably Better Index. This is the way that we measure whether or not we're doing that. Very early on, we identified that the last mile is one of the moments of truth in customer experience. Almost invariably when things went wrong, it went wrong in that period between deciding to purchase the sofa, chair, or table and when it arrived at the customer's premises.

We saw a huge opportunity to make that part of the core Article experience, so we went out and built our own Article Delivery Team. There are Article drivers and helpers wearing Article uniforms, driving Article trucks, and delivering a continuation of Article shopping experience in-person.

We've seen tremendous success not only in speeding up delivery, which is incredibly important, but also the quality of the delivery experience.

The helpfulness, the friendliness, almost every metric we look at improved with the integration of our own delivery service. That's an area we're going to continue to invest in and grow.

Let's talk about Article's very product-focused creative. Take us through your creative strategy.

That is very deliberate. When we think about one of the key barriers that consumers have to overcome it's imagining our product in their own space. We find that making the product the hero of the creative helps people with that experience. This removes the distraction of people, pets, or other elements of the imagery. We see one of the keys to selling furniture online as being incredibly good product photography.

Tell us what's next for Article.

We've just launched our 2021 outdoor collection. That's a huge collection for us. Over the last two or three years, it's grown exponentially and is now something that we look forward to every year.

In fact, our March performance blew us away. We ended up with more than 400% year-over-year growth in the outdoor collection sales. We're really proud of that. Beyond that, it's really about how do we build that online experience, which is not only on par with a traditional retail experience but better.

We're going to continue to double down on things like augmented reality and other digital tools to help people with their online shopping journey and also continue to engage the hundreds of thousands of folks that we've introduced to online furniture shopping.

Want to learn more about how Article is investing in digital discovery tools?

[Watch our video interview.](#)

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