

THE FUTURE OF RETAIL BRANDS IN MOTION

Innovators in retail should adopt a mobility-as-a-platform strategy to deliver products and experiences to customers in new ways in a post-pandemic world.

Ogilvy CONSULTING



THE MOBILITY IMPERATIVE

We were all there. The world seemingly came to a halt in the early days of the COVID-19 pandemic. Except it never quite did. Instead, the world came to us.

That craving for Starbucks? Delivered through your favorite app. That trip to Target? Pull up to the curb and it's in your trunk. That home office furniture? Delivered — but also put together, socially distanced, while you wait. That daily Coke Zero? Skip the retail outlet, you just need a home subscription.

The impact of the pandemic on the retail industry was arguably the largest shakeup since eCommerce, or even DTC.

As a senior marketing leader of a global retailer told us last year, plans for innovations like Curbside Pickup that were years away from being implemented suddenly had to be rolled out within weeks.


When the store doors closed, new mobility channels were there to fill in the gaps. And even as the doors began to open back up,

with customers and employees masked up, gloved up, and sanitized, the consumer demand and preference for new modes of retail experience stayed strong as the pandemic dragged on.

Now as the prospect of a return to a post-pandemic way of life approaches in many parts of the world, what does the future hold for retail now? If the pandemic was the biggest shakeup in the industry, what happens when it subsides?

The unanswered questions don't stop there.

Using a mobility-as-a-platform strategy can drive deeper customer connections, right size channel distribution, and shape new opportunities.



Will consumers return to stores in the same numbers? Why would they even have to? And as they turn to the near ubiquity of product delivery and instant fulfillment, what even separates one retail brand from another for them, beyond availability? And from a retailer point of view, what channels will they continue to operate in?

Before the pandemic, the “omnichannel” answer almost seems quaint — choose from brick & mortar, eCommerce, or both. But should newer channels like same day local delivery, ship to store, and curbside pickup stay in the mix? Should partnerships with services like Handy and fulfillment shoppers like Instacart remain, phase out, or be replaced by home-grown, in-house services?

While we don’t have a crystal ball for the future of retail, our research has led us to believe strongly in the power of a mobility platform to address these concerns for retailers in novel, first-to-market ways. Using a mobility-as-a-platform strategy can drive deeper customer connections, right size channel distribution, and shape new opportunities.



THE FUTURE OF MOBILITY



Let's start at the beginning. It may sound self-explanatory, but let's define exactly what we mean by "mobility":

The movement of people and goods.

Traditionally, the mobility category has been dominated by car makers and transportation services. But soon, mobility will apply to any brand trying to transform (or to stay ahead of) the customer experience. We believe that any brand can be, and should be, a mobility player.

The important thing to remember here is that because "mobility" is such a broad concept, it has a broad range of influence – essentially every business touches "mobility" in some way, shape or form.

And given this broad range, in the emerging future, any company can become a mobility company. If not in totality, they'll at least need a strategy.

The most important implication stemming from this is that most brands won't be able to make it on their own in this world – they'll have to partner to innovate and stay ahead. Which can lead to some pretty novel and unexpected partnerships. This notion of the brand "mashup" has only been heightened by COVID, so much so that Forbes dubbed 2020 the "Year of the Mashup", noting that aligning two brands from different industries can drive exponential impact.

And a mobility partnership strategy is not an exception. While 2020 will go on to earn other distinctions, out-of-category partnerships between traditional mobility providers and everyone else noticeably extended the impact of a few smart brands.

FURTHER READING

We explore this new future of Mobility for brands further in our research report, *Mobility: The Future of Brands in Motion*



[<https://www.wpp.com/wpp-ig/2020/09/mobility--the-future-of-brands-in-motion>]



FROM
A NARROW DEFINITION
Mobility as the providers moving people and products.



TO
A MOBILITY PLATFORM
Any brand tapping mobility to transform the customer experience.

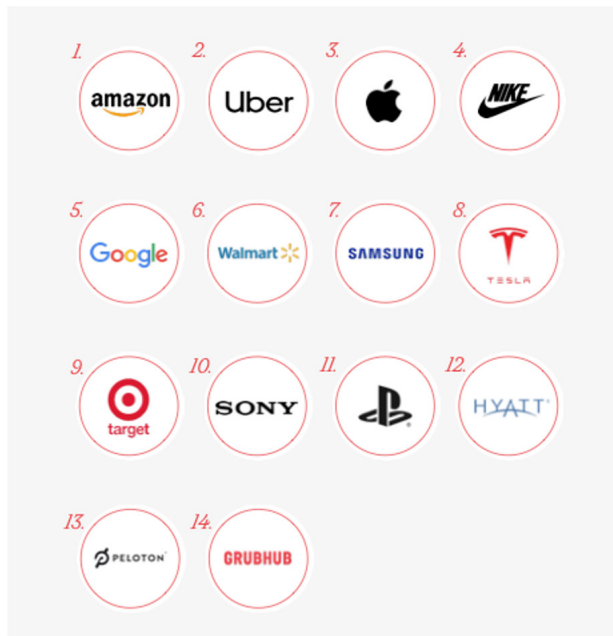
Why, exactly, is now the time for retailers to be thinking about mobility?

WHY NOW?

In a sense, we're currently emerging from the biggest mobility deprivation study ever conducted – shelter in place, border closures, WFH, non-essential travel bans, closure of non-essential businesses, self-quarantine, social distancing, and so on.

These experiences, these concepts are still very fresh in our collective memories.

Indeed, we've found that the COVID response has actually given brands of all types the license to build mobility experiences. The chart below shows the brands that consumers think would be most likely to deliver new mobility experiences:



Survey Question:
Thinking about the number 1 mobility-related activity you would definitely try in the future, what brand would be most likely to deliver that experience?

As well as the usual mobility suspects, consumers appear to be giving mobility license to whole new categories of brands, like Nike, Target, Sony, and PlayStation – in addition to new emphasis on retailers such as Walmart and Target.

An important space for this license is last mile delivery – it became table stakes during the pandemic, and we saw businesses of all types working out how to move goods to people in new ways. Postmates became an acquisition target in late 2020 by Uber, attracted in particular to its white-label service for retailers wanting to offer same-day delivery.

The result is many consumers now expecting delivery as a requisite service – regardless of sector. We expect these habits to far outlast the pandemic.

5

Actions for retailers

So how can you start to apply mobility-as-a-platform to your retail business? Here are five key actions you can start to take right now.

1 Get to know the new retail customer

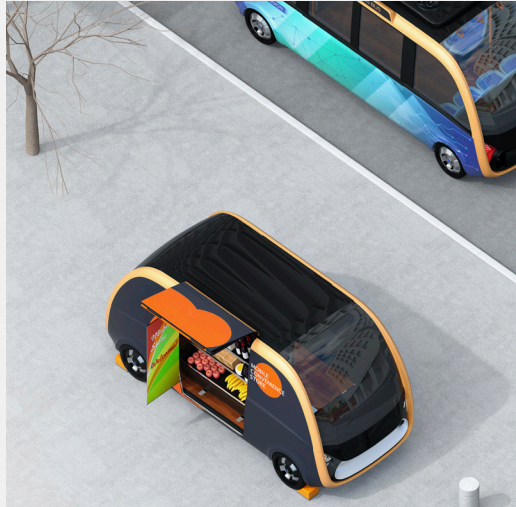
You spent the past year relearning your customers while they were stuck at home with nothing but time. They tried new stores, new products. They had new needs – more home goods, maybe less business attire. And you adjusted your business to these new consumers and their preferences.

But now, as we look toward a near-future where the world is opening up again, it's important to consider – has your customer changed again? Are they the same person, but they are buying different things? Or are they someone completely new?



WHAT IF?

Restaurants with declining alcohol sales, due to the increase in delivery orders, embraced the changing consumer habits by partnering with on-demand alcohol delivery services like Drizzly to package and promote signature cocktails?



Map out the next critical role for technology

Like many retailers, you instigated technology initiatives to keep your business moving during the pandemic, perhaps at great cost or adherence to your original technology roadmap.

But now it's time to re-look at your technology roadmap, and most importantly, review it with a mobility lens. What are your new priorities, and should you invest in mobility services, or plan to partner with mobility providers?

Re-assess your channel plan

You had to react to years of digital transformation in matter of months during the height of the COVID pandemic – the emphasis then was moving goods to people in any way possible.

But now, as the world opens up, do you still need to deliver it all? Maybe you just need to deliver what matters? Is omni-channel helping, or hurting your footfall sales potential as the pandemic wanes – shouldn't they work in unison? And should you invest in improving your curbside strategy, or is it time to retrench?



WHAT IF?

Big box retailers re-imagined curbside pickup as more than a parking spot, making the space more akin to a checkout counter with opportunities for last minute add-ons and interactions with a sales associate.

WHAT IF?

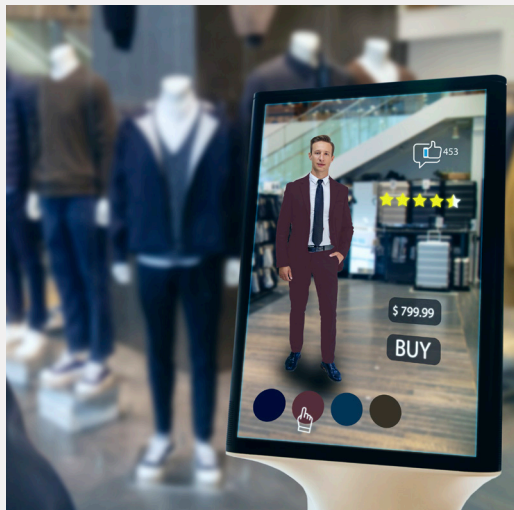
A home goods retailer, focused on the browsing and discovering experience, integrated mobile location technology to support in-store product wayfinding via their mobile app.

4 Check-in on your partnership strategy

As we saw during the pandemic, partnerships were one of the quickest ways to respond to changing customer needs and enter into new channels. Which worked to get by in the short-term.

The opportunity now is to step back and ask the big questions. Are your partners helping you create something new and distinct in the market, or are you at risk of ultimately eroding your own experience?

Innovative retailers will look to construct a more dynamic ecosystem of partnerships that can be strung together when conditions change, and then re-arranged when they change again.



WHAT IF?

A retailer sought to differentiate their eCommerce fulfillment experience by partnering with a service provider like Amazon Key for in-home delivery, breaking away from category norms.



5 Don't lose sight of your brand distinction

A mobility strategy can provide the lens to examine how you can create more distinct and differentiated experiences at every touchpoint. Ultimately reflecting in the strength and relevance of your brand to consumers.

WHAT IF?

A home improvement retailer extended their brand promise beyond the walls of the store, bringing the store to the job site with on-demand delivery of products and rentals.

CLOSING THOUGHTS



Coming off the height of the pandemic, your customers are primed with new “delivery-first” expectations. The pandemic rapidly accelerated the adoption and interest of new mobility technologies. For anyone encouraged to stay in place, brands that effectively moved products to meet consumers were rewarded, which will have a lasting impression on the new retail customer.

But is also the time to consider experimentation, as you determine the needs and behaviors of your post-pandemic customers. Experimentation is part of building new mobility experiences for your retail business that will drive growth through distinction.

And finally, remember that mobility is a pervasive platform. Through our research we’ve seen that consumers have given companies of all types permission to deliver new mobility experiences.

The future of retail brands in motion is now.

**Your customers
are primed with
new “delivery-first”
expectations**

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