



# NBCUniversal

Retail Category Insights

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# Retail in Times of Crisis

A Look Back at Relevant Times

## 2008 Recession

### Past Consumer Behavior

Consumers went in 2 directions: they either a) flocked to value-based retailers (Walmart, BJ's wholesale, Dollar General), or b) continued to buy at luxury brands because they were affluent.

### Successful Brand Response

Target began to lose sales quickly because shoppers saw them as “in the middle” and didn’t want slightly higher quality items for the slightly higher price. Therefore, Target launched a massive marketing campaign highlighting their slogan, “Expect More, Pay Less.” Knowing they needed to acknowledge the cash-strapped mindset of their consumers, Target’s messaging focused on the “Pay Less” part of the slogan and reminded customers of all the products they could find at a fair price.

### Learnings

Many retail brands (apparel in particular) began to heavily discount items to bring shoppers in. Many of these retailers remain stuck in a cycle of deep discounting and ongoing promotions, which has negatively impacted their brand image.



# Retail in Times of Crisis

What We are Seeing Now

- 1. Big box retailers (e.g. Walmart, Target, Costco) and grocery stores are protected as consumers stock up on “necessities”**
  - Grocers are seeing consumers buy 3-5x their normal volumes of goods
  - Amazon is hiring 100K workers to meet demand
  - Instacart, Walmart Grocery, Shipt, and Target have seen respectively 218%, 160%, 124%, and 98% increases in their apps' average daily downloads vs. last month
- 2. Apparel, department, and other specialty stores are struggling as they close their brick-and-mortars**
  - Brands like Macy's, who have been focused on re-branding and business turnaround efforts, are facing significant headwinds
  - In the past, brands that have relied heavily on promotions in downturns create ongoing cycles of deep discounting and damaged brand equity
- 3. Retailers with limited e-commerce presence (e.g. small local stores) face the most immediate losses due to the decline in physical foot traffic**
  - TJX has closed all stores across platforms, including TJMaxx.com, Sierra.com, and Marshalls.com

# Frequently Asked Questions

**What are best practices around spending in a downturn in my category?**

Acknowledging that consumers are looking for value while highlighting your brand's key differentiators (e.g. quality, variety, trust) can secure your customers in the short-term as well as create long-lasting, loyal relationships. In addition, retailers with the best long-term brand images have maintained value messaging without succumbing to deep discounting cycles or increasing promotional offers.

**What are the best ways to find my audiences with the changes in consumption?**

It is important to maintain a strong presence across all platforms. With media consumption on the rise across all platforms and retailers experiencing increases in digital orders, maintaining top of mind awareness through mass reach vehicles while offering relevant (and/or clickable) media on digital is optimal.

**How is NBCU partnering with clients in my category to manage through this time?**

Creating strategies focused on ways to maintain, secure, and thrive on an ongoing basis.

# Navigating the COVID-19 Crisis

Support People & Families with Your Products & Brand Platform

## Leverage Video for Brand Building

- Shopping trips for necessities have increased both in-stores and online, while shopping for apparel and specialty items has become an e-commerce-only endeavor.
- Paralleling these shopping behaviors, media consumption has increased across platforms, making it important to follow consumers as they move between linear and digital.
- Maintain brand presence and speak to customers about shopping across platforms to drive short-term sales and grow omni-channel shoppers.

## Drive Differentiation Beyond Price

- Consumers are facing uncertainty and looking for brands that can provide a sense of comfort and stability. In addition to competitive pricing, shoppers are looking for retailers who offer quality, experience, service, and more.
- Remind customers of the breadth your offerings by keeping your complete brand story top of mind.

## Inspire Consumers & Engage Communities

- During times of crisis, consumers look for brands that help those in need. Whether aiding in relief efforts or putting the health of its employees first, consumers want to experience positive messaging from brands.
  - Ikea is using helping people reconnect with their homes to find the silver lining in staying indoors.
- Show your brand's role during this crisis to inspire hope and build long-term equity for your brand.

# We're Here to Help

In these challenging times

Beyond your Sales contacts, we have people in Insights & Measurement, Strategy and Marketing to help you with solutions and data.



Maureen Murphy  
SVP, Client Partnerships  
[Maureen.Murphy@nbcuni.com](mailto:Maureen.Murphy@nbcuni.com)