

Punch through the crunch

High street retailers are in the credit crunch front line, but it's not all doom and gloom, says **Julie Oxberry**. Adding value to the shopping experience will keep tills ringing

The credit crunch is affecting us all: the French are drinking tap water, Italians are shopping at factory outlets, Americans are leaving the car at home and taking the train. And, in Britain, we go to discount supermarkets, or even grow our own.

Marks & Spencer boss Sir Stuart Rose warns of tough times ahead, with shoppers worried about inflation, interest rates, house prices and the safety of their money in banks. To survive, retailers are being forced to cut their cloth to fit.

'Shoppers are increasingly focusing on price as the economy continues to slow and household budgets get tighter,' says Andy Clarke, the chairman of the Confederation of British Industry's survey panel and retail director of Asda. 'There has been a marked migration to the value end of the market, and many have cut back on luxuries.'

Most sectors have already seen a fall in sales compared to a year ago, and retail failures have been growing steadily all year, with the most vulnerable sectors being furniture and white goods, which rely on a buoyant housing market.

TIME TO CHANGE

- We face daily challenges – clients and consultancies must be prepared to change
- Tapping into and understanding consumer mindsets is essential to getting ahead – people are tempted by stories, not decimal points
- We are all involved in what is going on. The opportunity to learn from others is paramount in changing the way we do things

The UK continues to lead the migration of retail spending from the high street to the Internet, with 17p of every £1 spent by UK shoppers now going online. A recent survey of more than 1300 UK adults revealed that 64 per cent would cut their spending, but 56 per cent said their online spending would not be affected, with online price comparison engines playing a growing role in ensuring value.

While online retailing is not immune, it is the high street that needs to work hardest to retain customers. But it's not all doom and gloom. Retailers can protect their position and put value into their brand by creating a more considered experience.

People still shop and still need to eat, but are looking for retailers who can give them better value. It's all about great prices, plus a little bit extra.

Here are six 'value' ideas to entice consumers through the door and get them shopping:

- **Theatrical value.** Celebrate value with a more interactive in-store experience. Create drama with 'miss it or miss out' countdowns (nothing beats the thrill of a bargain). Create shop-in-shop epicentres and internal billboards to demonstrate expertise and provide inspiration within categories. Result? It engages the customer, instils confidence and gives reasons to return.
- **Volumised value.** Create high-volume displays to promote low price perception. Use promotional displays to create focal points and hotspots in a varied retail landscape. Partner product and price to create shelf standout. Employ 'help yourself' experiences. Result? It reassures the customer that super value does not equal poor quality, and ensures that there's always something new to discover.
- **Personalised value.** Build on core values, strengths, offers and range in a tone of voice that endorses offers and triggers an emotional response in consumers, such as Sainsbury's 'Feed your family for a fiver'. Use lifestyle props and enhance brand personality by



delivering messages in unexpected places. Add purpose and weight with ethical incentives, like Ikea's 'One step Greener with every swipe'. Result? It relates to the consumer's life, and gives reasons to buy. It's inspirational and educational, and consistent messaging ties in with marketing. It also gives reasons to return.

- **Service value.** Add value through service extras, like free delivery or upgrades. 'Pop-up' personal service on the shop floor means a chance to build loyalty. Think of New Look's 'Wrong size and in a rush? Ring and we'll do the running'. Result? This emphasis on expertise gives the reassurance of a continued relationship after the purchase. It saves time and removes the hassle.

- **Format value.** New formats can be explored across all sectors: standalone stores, pop-up stores, PR events (such as food sample sales), brand 'marriages' and partnerships. Result? It inspires loyalty and brand advocacy, and is also spontaneous and exciting.

- **Luxurious value.** Everyone loves a treat, and customers can be engaged by offering experiential tasters, encouraging playful interaction with staff and product, creating memorable hotspots with 'best of' products, and accessible moments of indulgence that are affordable and 'guilt free'. Result? It engages consumers, creating an enduring memory.

Paradoxically, I believe that retail can learn from the Centre for Well-Being (part of the New Economics Foundation think tank), which recommends redefining the wealth of the nation in terms of well-being, based on five positive daily actions that could enable us to have happier, more fulfilled lives: connect; be active; take notice; keep learning; give.

Apologies to the New Economics Foundation, but I think there could also be lessons in that for creating a positive shopping experience.

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