



Responding to Coronavirus: For Retail and E-Commerce Advertisers



The novel coronavirus outbreak, also known as COVID-19, has severely affected retail and e-commerce businesses. Managing expectations of current and future customers has become even more important during this period of uncertainty. Digilant is committed to closely monitoring the impact of coronavirus on consumer behavior in order to provide the best digital advertising recommendations to advertisers during this time of uncertainty.

In this guide, you'll find four things you should consider to stay connected to customers and to prepare for economic recovery during this challenging time.



01. MANAGE EXPECTATIONS WITH CUSTOMERS

Delays in fulfilling orders may be inevitable but staying communicative with your current and future customers to ensure they are comfortable with increased waiting times will help manage expectations and lead to a positive customer experience. This is especially important as you engage new customers who are shopping online for the first time. Consider updating ad creative and landing page language to communicate shipping timelines and refund policies for products that are out of stock or have a long lead time for fulfillment.

Top-selling products tend to perform best in sales and revenues, but they also run out of stock. If you are running dynamic creative or ad units that feature specific product SKUs, be sure to update your product item feed so that it accurately reflects available inventory.

Otherwise, you risk squandering a significant chunk of your budget promoting products that are unavailable to customers.

QUICK STAT

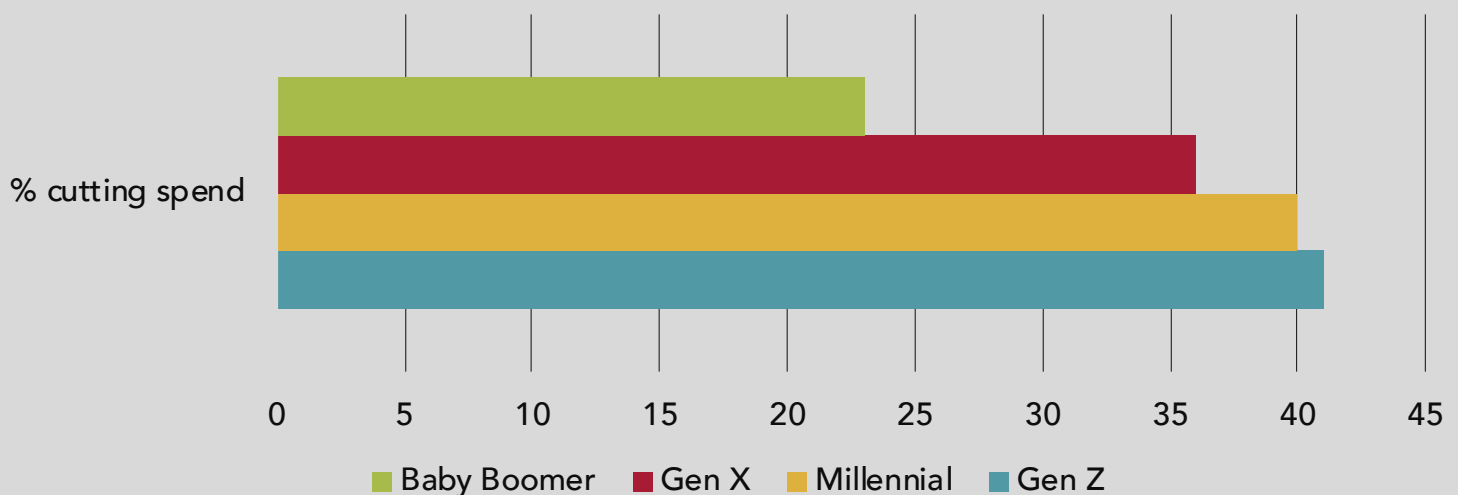
The number of online shoppers has increased 8.8%*
since the onset of the coronavirus outbreak

*source:: Quantum Metric

02. MIND THE GENERATIONAL GAP

E-commerce arguably more than other industries, exposes some of the major generational differences in shopping behavior. Some of these differences have become even more evident with the outbreak of the coronavirus in the US and worldwide. Now, more than ever, it's essential for brands to strategically tailor messaging to effectively communicate with the age groups that are most predominantly active on digital channels.

WHO'S CUTTING BACK ON SPENDING DUE TO CORONAVIRUS



02. MIND THE GENERATIONAL GAP

GEN Z (AGES 25 AND UNDER)

Gen Z relies heavily on word-of-mouth testimonials and reviews from peers and influencers (hint: influencer marketing).

Be thoughtful with social spending. You won't find Gen Z on Facebook and Twitter much, as the majority prefer Instagram, Snapchat and TikTok.

MILLENNIALS (AGES 25-35).

Millennials highly value community and enjoy co-creating content. To speak to these traits, encourage brand engagement through contests, polls, user-generated content programs.

GEN X (AGES 36-54)

Show this generation you appreciate their business with freebies and coupons, and they'll return the favor with brand loyalty.

This generation is highly active on Facebook, so leverage it as a point of contact to drive engagement with this audience.

BABY BOOMERS (AGES 55-75)

This generation is more active on social media than you might think. They spend about 27 hours per week online (and spend \$7 million per year online).

They prefer easy to use, easy to understand loyalty programs that *actually* benefit them (and, in turn, will benefit you).

03. LEVERAGE THE POWER OF AMAZON

To grab piece of the Amazon pie, consider introducing Amazon audience data to your digital advertising strategy to drive site and merchandise page traffic. Through our partnership with Amazon, Digilant has access to an arsenal of point-of-sale, lifestyle attributes, demographic, and intent data. Amazon's data can be applied to programmatic media buys across Amazon-owned sites and apps, Amazon Publisher Services, and third-party ad exchanges.

On the flip side, with Amazon announcing they will stop accepting supplier shipments of anything non-essential so they can restock essentials like groceries, baby items, etc. quicker. This shift creates an opportunity for online retailers to snag business from high-intent "would-be" Amazon customers and for brands that normally depend on Amazon to move their merchandise to drive traffic to their branded website or product pages.



Even if consumers aren't making purchases on Amazon...



...9 out of 10 consumers price check a product on Amazon*.

04. BE PREPARED FOR A BOUNCEBACK

While the economy is struggling to regain its footing and will be for some time to come, a look at China's retail recovery is promising for U.S. retail brands. In China, as of March 16th, Apple has reopened 42 stores and malls are also beginning to see more foot traffic*. A new cycle of "revenge spending," a term coined by Agility Research, both online and in brick-and-mortar may begin.

The best way to come back strong? By keeping your brand story fresh. Likely, the brand story you are telling today will not be the story you tell coming out of the current downturn. Advertisers must now anticipate what matters (and will matter) most to consumers and deliver brand messaging precisely. Marketing analytics and attribution tools can help make this process simple. Digilant's real-time analytics and attribution dashboards allow you to understand what's happening on your websites, advertising campaigns (both running and historic), and see how different media investments contribute to the customer journey. With those insights, you can react to what's happening quickly and adapt your marketing so that you can come back stronger than before.

QUICK STAT

Retail sales in January and February shrank 20.5% from a year ago

source: National Bureau of Statistics

QUICK STAT

Online sales have increased 52%* compared with the same time frame a year ago.

source: Quantum Metric



Questions?



There's a lot going on right now. Social distancing is impacting how we all do business and we know there is concern over the days ahead. Not only do you have to worry about your health and the health of your family, but you have to find the best path forward for pursuing your company's objectives for the year.

We are (and have always been) optimists and believe that we will get through this together.

We are with you for the long haul and will continue to provide relevant insights and guidance as you navigate this new normal. You can reach us with any questions or concerns at digilant.com/contact or info@digilant.com.