



The Lean: Retail Insights Brief

Vol. 1 | July 2021

Timely Consumer Insights for Marketers

Situational Overview

Eventually consumers will do what they do best – buy! It’s just the natural order of things. But as the economy continues to pick up steam, the big question for retailers is not “if” they will buy again but rather “when” and “how” will consumers spend given the behavioral changes triggered by the pandemic.

The good news for retailers is that spending is on the rise after more than a year-long hiatus. According to the U.S. Commerce Department, retail sales surged 10.7% in March and were up 50% year-over-year with sporting goods and clothing leading the gains in spending. That was the best month for retail sales since the first round of stimulus checks back in May 2020. What’s more, many of the top retailers, which include Old Navy and Dick’s Sporting Goods, generated a 40% increase in foot traffic between February and March. And although retail spending fell 1.3% in May, total retail sales are forecasted to increase as we move further into 2021. Many economists believe retail sales growth will continue to move upward through the rest of this year citing the billions of dollars of stimulus payments saved up by consumers.

In our latest Lean Insights Brief: Retail, we uncover the current landscape of retail foot traffic and explore new trends that have been impacting the industry.

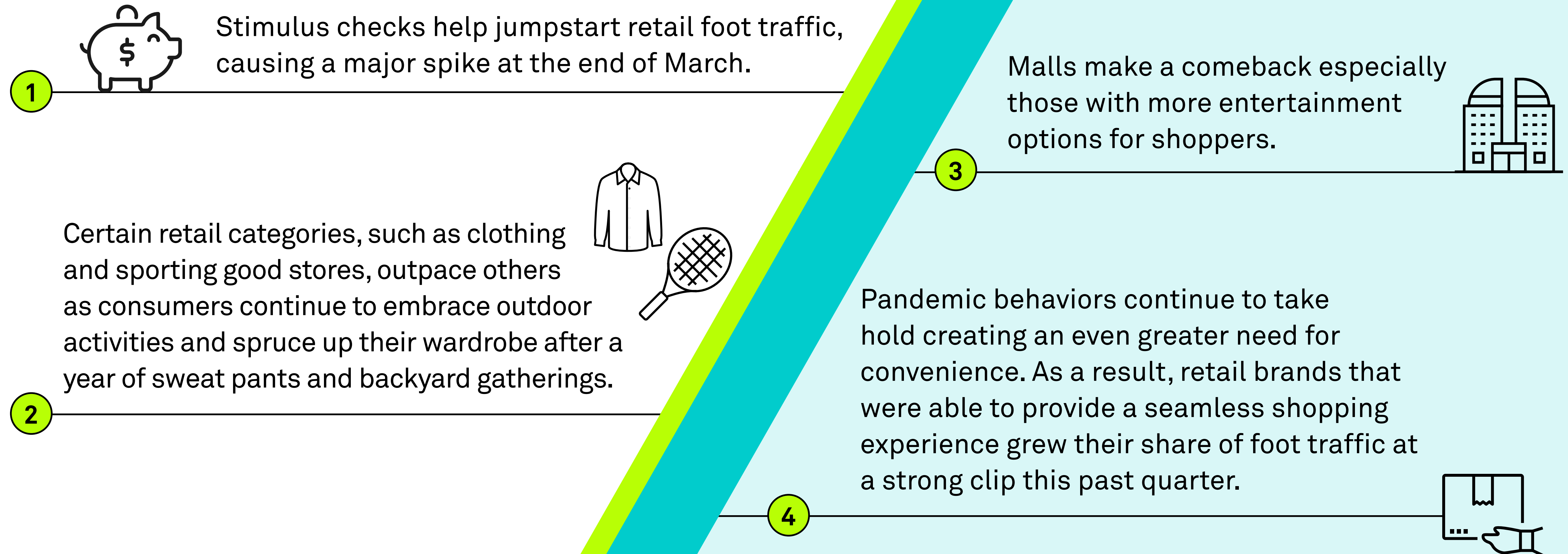
About The Lean

Between professional careers and personal lives, we understand that there is very little time left to read drawn out whitepapers. This is why we created The Lean -- meaningful marketing insights that help brands make strategic decisions about their marketing campaigns. Specifically designed for easy consumption and quick reference, each issue of The Lean applies offline behavioral data filters and other industry sources to current consumer trends to help understand the impact they are having on business outcomes such as visits and sales.

Methodology: GroundTruth data is sourced from the 30 billion annual global visits observed on its platform. All data is anonymized and aggregated.



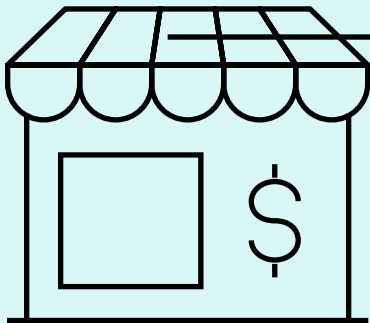
The Lean: Retail Insights Brief Highlights












At a Glance: Brand Insights

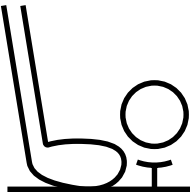
March kicks off major spike in consumer activity

Old Navy saw “standout performance” in the first quarter which grew sales 27% versus the comparable, pre-COVID Q1 of 2019.



Y-O-Y foot traffic **was down 17%** in Q1 2021 vs. Q 1 2020

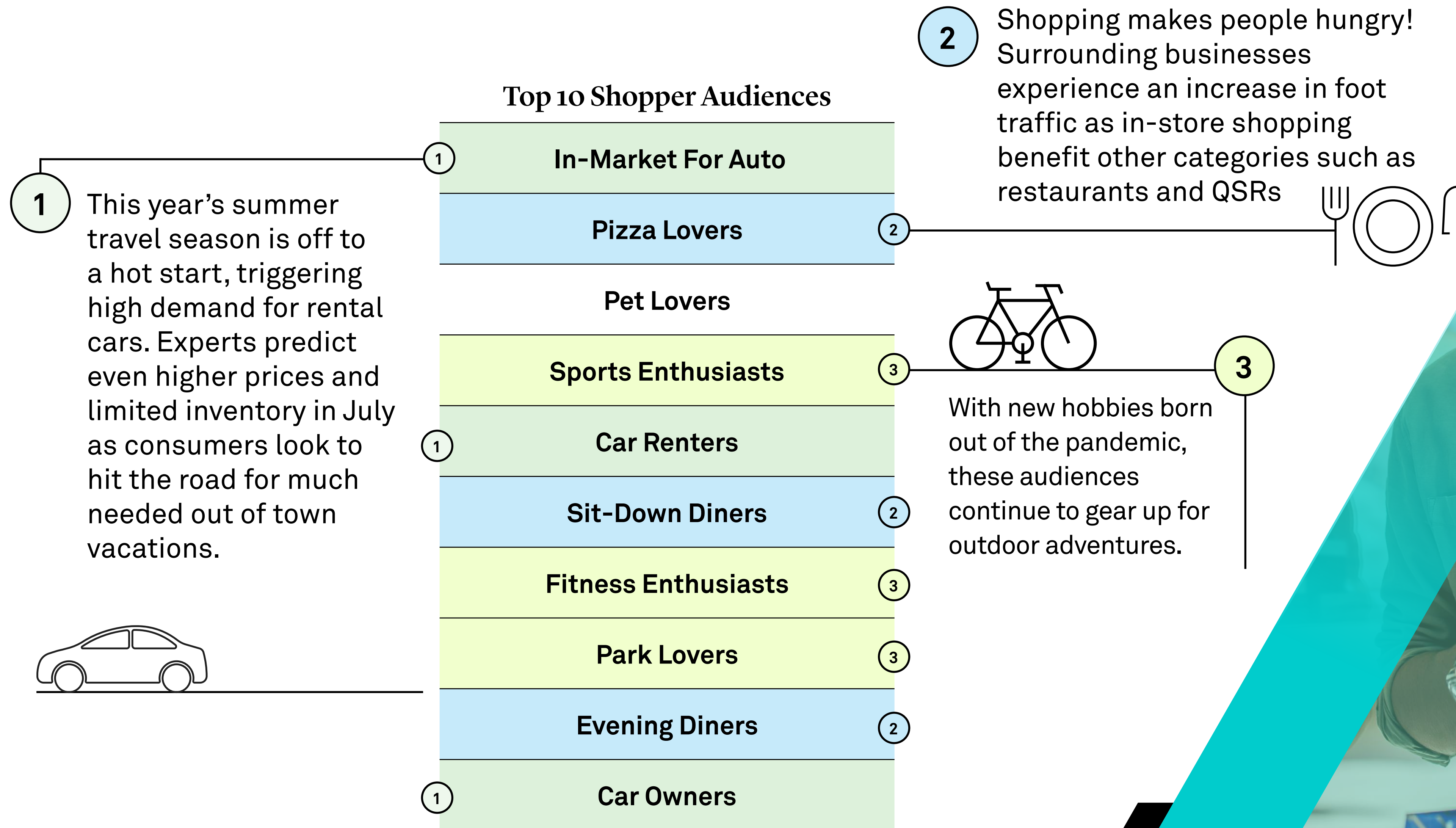
Top 10 Trending Retailers by Foot Traffic: Feb. - March (% Change)									
 Old Navy	 Dick's Sporting Goods	Dillard's Dillard's	 Academy Sports	 Ross Dress for Less	 Famous Footwear	 DSW Design Show Warehouse	 JCPenney	 Belk	 Simon Malls
+44%	+41%	+41%	+41%	+41%	+40%	+40%	+40%	+36%	+34%

Some people have found a new love of the outdoors, and are stocking up on their gear especially as the weather improves. 

 People finally have events to go to again and need a new pair of shoes to get them there.



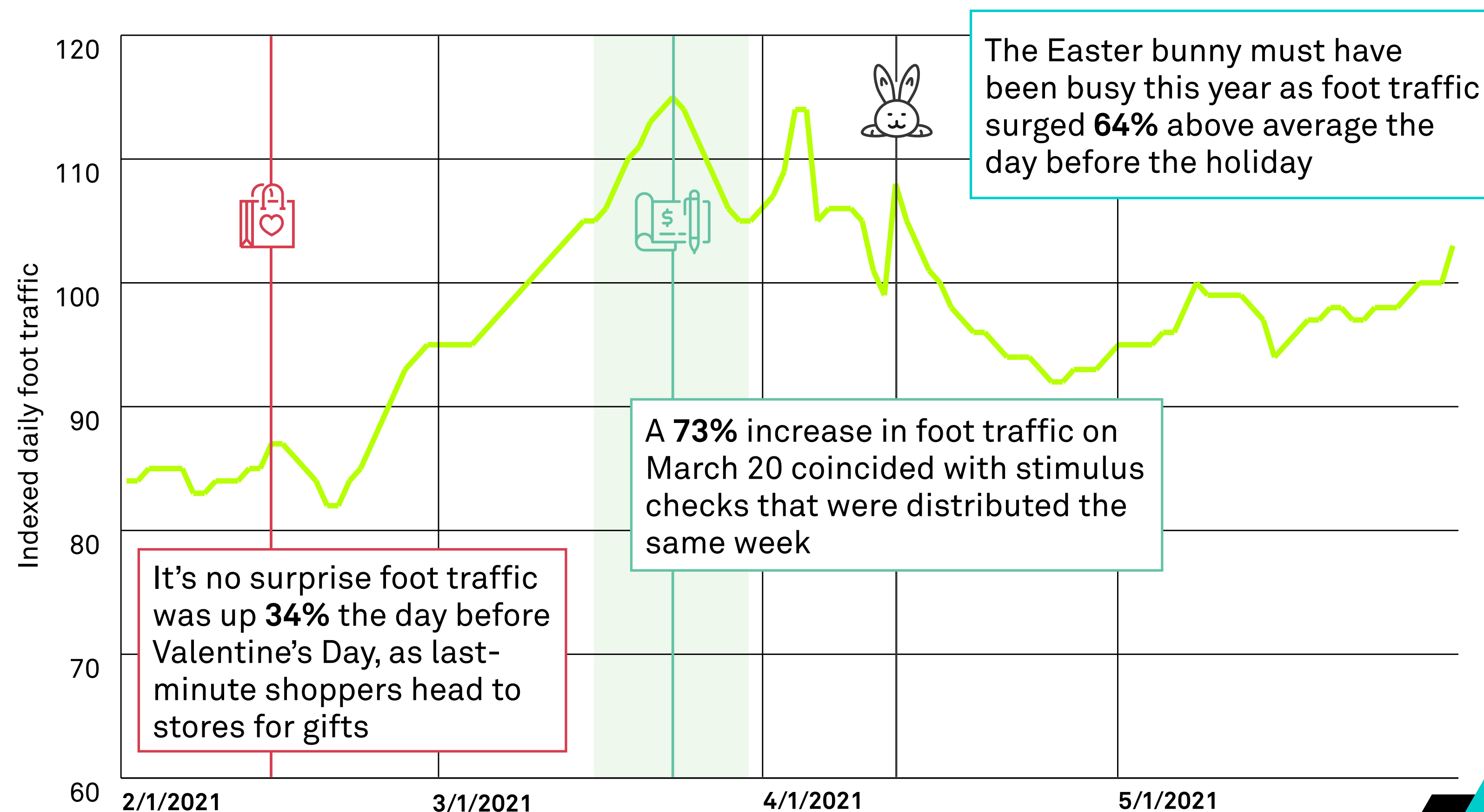
At a Glance: Audience Insights



Foot Traffic Snapshot

Stimulus checks generated a surge in March foot traffic, but by April traffic went back to average

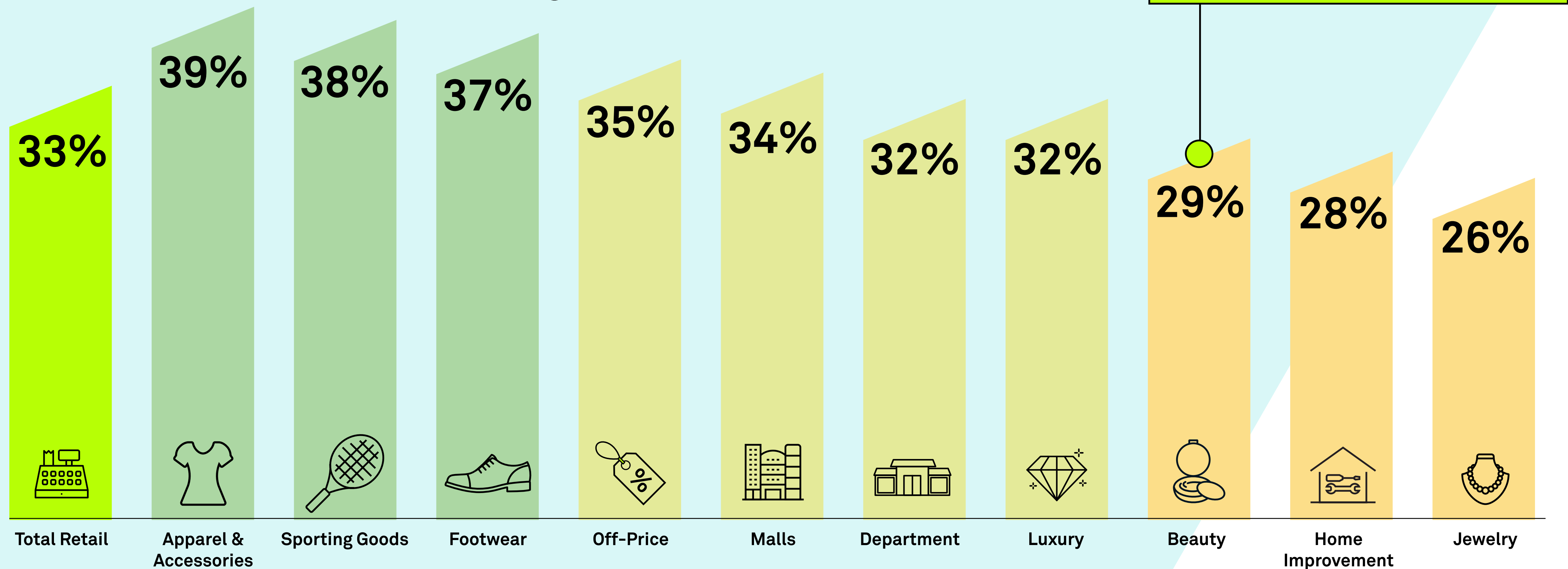
Retail Foot Traffic



A positive turnaround for all retail categories

Clothing stores, Sporting Goods and Footwear brands are seeing the largest boosts

Change in Foot Traffic from February to March



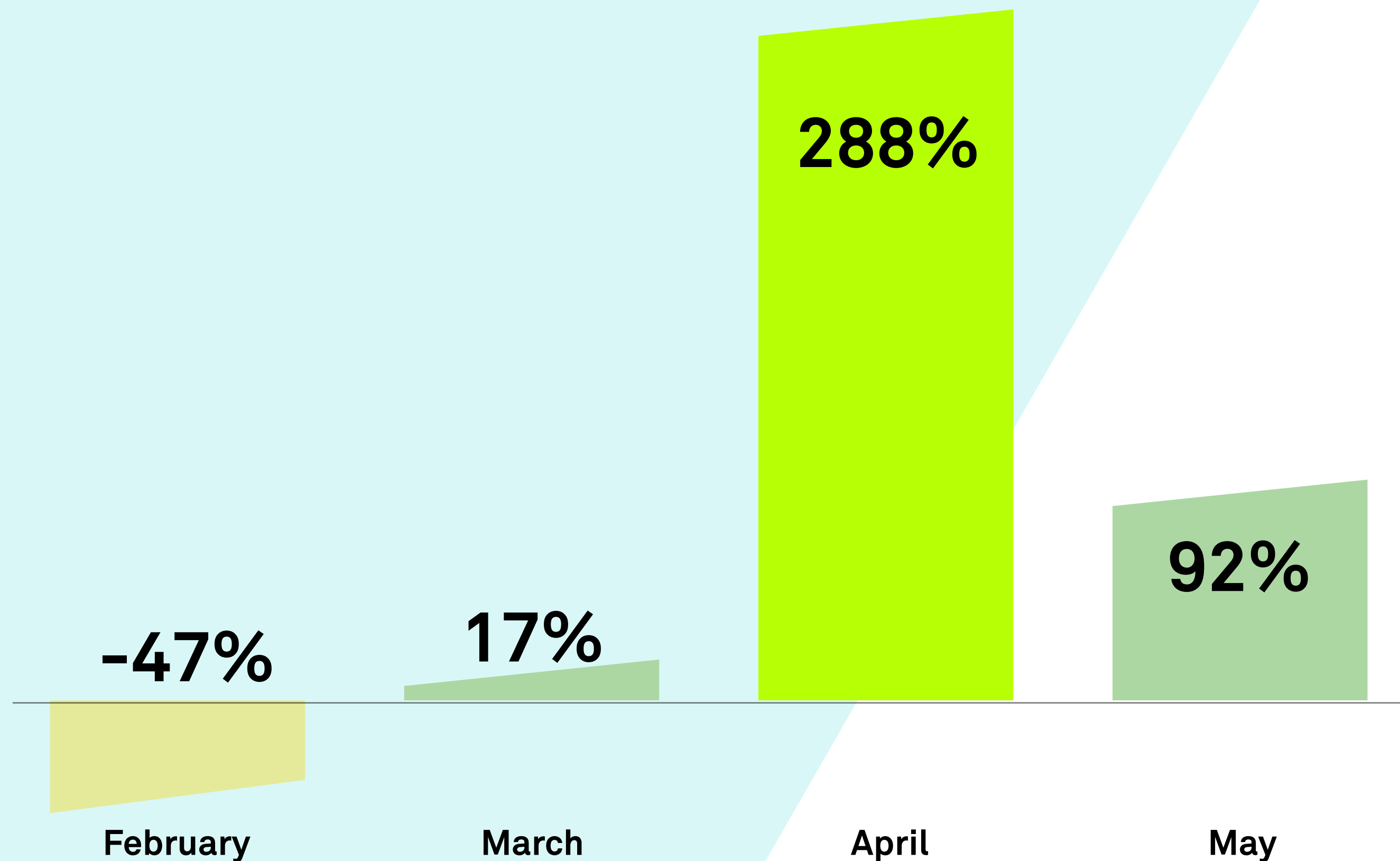
1) IRI



Finally, some good news for Malls

This April, foot traffic was a whopping 288% higher than in 2020

Y-O-Y Change by Month to Malls (2021 vs. 2020)



A lot of the big retail chains have been closing their stores in malls, leaving vacated spaces for DTC brands to try out their brick-and-mortar strategies with pop-up stores. Malls are also reinventing themselves by becoming more experience driven, filling vacancies with bowling alleys, trampoline parks and AR/VR attractions.



The American Dream Mall, a super-mall and entertainment complex in NJ, saw **155% above average** foot traffic on Memorial Day Weekend when they opened the Sea Life Aquarium and Legoland.



The pandemic accelerated the adoption of many trends and introduced new ones:

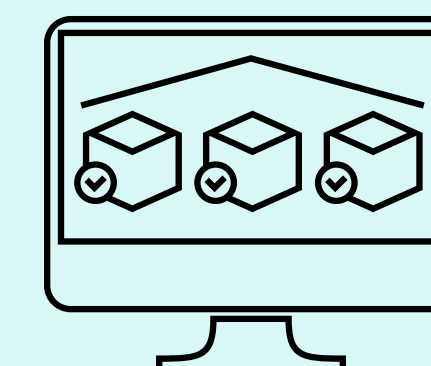
47%

of shoppers say they'll continue using options to buy online and pick up in-store/curbside¹



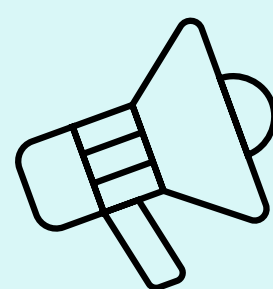
67%

say they like to confirm online that an item is in stock before going to buy it in-store and searches for “available near me” increased by more than 100 percent globally in the last year¹



1) Google

Looking Forward



Absence makes the heart grow fonder

Over the past year, many consumers have found new shopping favorites and may have lost touch with your brand. As more consumers look to travel and increase their spending in the coming months, marketers should be combining their CRM data with real-world signals to understand which of their customers have not visited in a while. Once you do, you can create personalized campaigns and incentives to get them back into your store.

1

Test, measure, optimize – repeat!

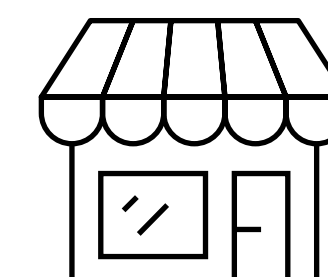
Sure, your target audience may have seen your TV ad but is it driving customers back into your store? If you are making significant investments in TV media and it's not translating into visits and sales, then you need to rethink your strategy. Given today's challenges, you need every dollar working towards generating actual revenue. Establish your KPI's before you activate your campaign to measure the effectiveness of the different individual components driving real growth. Both from an e-commerce and in-store visits perspective.



2



3

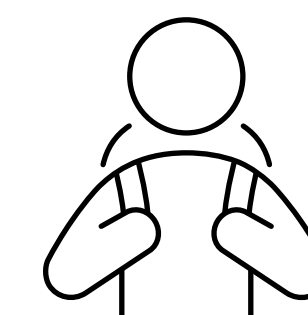


Do you know your share of foot traffic?

With lots of pent-up energy towards buying in-store again, retailers with a limited view of share-of-foot-traffic may not truly understand their share of foot traffic. Having a clear understanding of how much time your customers are spending with competitors and within your own locations, will help guide how and when you spend your marketing budget. Understanding your share of foot traffic will not only help develop a targeted strategy but allow you to optimize campaigns when it matters most – when they are active.

Booming back-to-school season

Retailers are gearing up for a spending surge as kids start trading in their sweatpants for a new back-to-school wardrobe. Which brands will be trending this fall?



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Questions?

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